高萌·科技

KML Technology Group Limited

高萌科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

（於開曼群島註冊成立之有限公司）

Stock Code 股份代號：8065

Annual Report 年報 2018/19

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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This report, in both English and Chinese versions, is available on the Company's website at www.kml.com.hk.

香港聯合交易所有限公司(「聯交所」)GEM的特色

GEM的定位，乃為中小型公司提供一個上市的市場，此等公司相比起其他在聯交所上市的公司帶有較高投資風險。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。

由於GEM上市公司普遍為中小型公司，在GEM買賣的證券可能會較於主板買賣之證券承受較大的市場波動風險，同時無法保證在GEM買賣的證券會有高流通量的市場。

香港交易及結算所有限公司以及聯交所對本報告的內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部分內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告的資料乃遵照聯交所的GEM證券上市規則(「**GEM上市規則**」)而刊載，旨在提供有關高萌科技集團有限公司(「**本公司**」)的資料；本公司董事(「**董事**」)願就本報告共同及個別地承擔全部責任。各董事在作出一切合理查詢後，確認就其所知及所信，本報告所載資料在各重要方面均屬準確完備，沒有誤導或欺詐成份，且並無遺漏任何事項，足以令致本年報或其所載任何陳述產生誤導。

本報告的英文本及中文本已登載於本公司網站www.kml.com.hk。

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Corporate Information
公司資料

BOARD OF DIRECTORS

Executive Directors
Mr. Luk Kam Ming *(Chairman)*
Mr. Chan Chak Lun Philip *(Chief executive officer)*
Mr. Luk Kwai Lung
Mr. Luk Yin Cheung

Independent Non-executive Directors
Mr. Lau On Kwok
Mr. Law Wing Chi Stephen
Dr. Tse Chi Kong

Audit Committee
Mr. Lau On Kwok *(Chairman)*
Mr. Law Wing Chi Stephen
Dr. Tse Chi Kong

Remuneration Committee
Dr. Tse Chi Kong *(Chairman)*
Mr. Lau On Kwok
Mr. Luk Kam Ming

Nomination Committee
Mr. Luk Kam Ming *(Chairman)*
Mr. Law Wing Chi Stephen
Dr. Tse Chi Kong

Risk Management Committee
Mr. Law Wing Chi Stephen *(Chairman)*
Mr. Chan Chak Lun Philip
Mr. Lau On Kwok
Mr. Luk Kwai Lung
Mr. Luk Yin Cheung

AUTHORISED REPRESENTATIVES
Mr. Luk Kwai Lung
Ms. Woo Siu Wai

COMPANY SECRETARY
Ms. Woo Siu Wai

COMPLIANCE OFFICER
Mr. Luk Yin Cheung

AUDITOR
Deloitte Touche Tohmatsu
Certified Public Accountants
35/F, One Pacific Place
88 Queensway
Hong Kong

董事會

執行董事
陸鑑明先生*(主席)*
陳澤麟先生*(行政總裁)*
陸季農先生
陸彥彰先生

獨立非執行董事
劉安國先生
羅永志先生
謝智剛博士

審核委員會
劉安國先生*(主席)*
羅永志先生
謝智剛博士

薪酬委員會
謝智剛博士*(主席)*
劉安國先生
陸鑑明先生

提名委員會
陸鑑明先生*(主席)*
羅永志先生
謝智剛博士

風險管理委員會
羅永志先生*(主席)*
陳澤麟先生
劉安國先生
陸季農先生
陸彥彰先生

法定代表
陸季農先生
胡劭卉女士

公司秘書
胡劭卉女士

合規主任
陸彥彰先生

核數師
德勤 • 關黃陳方會計師行
執業會計師
香港
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太古廣場1期35樓

Corporate Information
公司資料

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合規顧問
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Cayman Islands

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Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG
B12, G/F
Shatin Industrial Centre
Siu Lek Yuen Road
Shatin, New Territories
Hong Kong

香港總部及主要營業地點

香港
新界沙田
小瀝源路
沙田工業中心
地下B12室

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS
Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

於開曼群島主要股份過戶登記處

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
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Cayman Islands

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

香港股份登記處
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

PRINCIPAL BANKER
The Hongkong and Shanghai Banking Corporation Limited
HSBC Main Building
1 Queen's Road Central
Hong Kong

主要往來銀行
香港上海滙豐銀行有限公司
香港
皇后大道中1號
滙豐總行大廈

COMPANY WEBSITE
www.kml.com.hk

公司網站
www.kml.com.hk

STOCK CODE
8065

股份代號
8065

DATE OF LISTING
16 October 2017

上市日期
二零一七年十月十六日

Chairman's Statement
主席報告

Dear Shareholders,

On behalf of the board of Directors (the "**Board**") of KML Technology Group Limited (the "**Company**") and its subsidiaries (collectively the "**Group**"), I am delighted to present the annual results of our Group for year ended 31 March 2019.

With regards to our financial performance for the year ended 31 March 2019 as compared with the year ended 31 March 2018, our revenue increased by approximately HK$16.6 million, or approximately 8.6% from approximately HK$194.0 million to approximately HK$210.6 million. The Group recorded a net profit of approximately HK$19.3 million, representing a net profit margin of approximately 9.2% for the year ended 31 March 2019 as compared to a net loss of approximately HK$2.1 million for the year ended 31 March 2018. By excluding the non-recurring listing expenses incurred at the year ended 31 March 2018 of approximately HK$15.8 million, the Group's net profit for that year would be approximately HK$13.7 million, representing a net profit margin of 7.1%. Comparing our performance this year with last year, the significant increase in net profit by 40.9% and net profit margin by 29.6% respectively were mainly attributable to our improvement on productivity and better cost management and control.

During the year ended 31 March 2019, the overall market condition of the electrical and mechanical ("**E&M**") industry was relatively stable and expected that the market will have mild and steady growth in the coming years. On the contrary, in the e-Payment and m-Payment arena, the business growth potential is on leaps and bounce. This year, we have partnered with Octopus to design, develop, production and delivery of wall-mounted kiosks for the Government's Public Transport Fare Subsidy Scheme. The scheme was successfully commenced in February 2019. We also successfully partnered with AlipayHK to retrofit over 1,000 entry and exit gates in the coming two years at MTR Stations to enable quick response code ("**QR Code**") payment for travelling on Hong Kong's MTR system. We have also been engaged to design and implement multiple e-Payment including QR Code and Account-based fare collection system enabled by credit cards or mobile Apps conforming to the EMV specifications as an automatic fare collection ("**AFC**") and ticketing enhancement for the Taoyuan Airport MRT, Taiwan.

Looking ahead, despite the keen competition in the market as well as increasingly stringent requirements from different stakeholders, the Board is optimistic about the Group's business growth especially in relation to (i) opportunities to exploit our seasonal yet well-proven proprietary mobile payment eco-system; (ii) opportunities to participate grand scale renovation and replacement of E&M, communication and AFC assets from one of our major customers; and (iii) emerging opportunities from overseas markets. Under the cloud of imminent trade war between economic giants, the Board anticipates that the economy for the year ended 31 March 2020 will be relatively uncertain. Otherwise, it will have ample opportunities for our Group marching to another milestone. The Group will continue to grasp opportunities at the existing E&M market among those emerging opportunities while at the same time explore and expand our clientele as well as diversify our business into the emerging market of Smart Mobility and Smart Living. Internally, the Group will invest more to further nurture our human capital by matching with the latest government initiatives on social securities and caring. We have also been awarded the ISO 14001:2015 certification signifying that we are committed to act as an environmental-friendly organization devoted for the higher quality and sustainable way of living.

Finally, I would like to express my sincere gratitude to the relentless support of shareholders of our Company (the "**Shareholders**"), investors, suppliers, customers and business partners, and especially our dedicated staff for their valued contributions throughout the period. The management team and all staff members of the Group will continue striving for better results for the Group and maximize values for our Shareholders.

KML Technology Group Limited
Luk Kam Ming
Chairman and Executive Director

Hong Kong, 19 June 2019

致各位股東：

本人謹代表高萌科技集團有限公司(「**本公司**」)及其附屬公司(統稱「**本集團**」)董事會(「**董事會**」)欣然呈報本集團截至二零一九年三月三十一日止年度的年度業績。

截至二零一九年三月三十一日止年度的財務表現與截至二零一八年三月三十一日止年度相比，收益由約194.0百萬港元增加約16.6百萬港元，或約8.6%至約210.6百萬港元。本集團於截至二零一九年三月三十一日止年度錄得淨溢利約19.3百萬港元，而於截至二零一八年三月三十一日止年度則為淨虧損約2.1百萬港元。不包括截至二零一八年三月三十一日止年度產生的非連續性上市開支約15.8百萬港元，本集團於截至二零一八年三月三十一日止年度的淨溢利將約為13.7百萬港元，淨溢利率為7.1%。本年度業績與去年相比，淨溢利及純利率分別大幅增加40.9%及29.6%，主要歸因於我們在生產上的改善及更好的成本管理及控制。

於截至二零一九年三月三十一日止年度，機電(「**機電**」)行業的整體市況相對穩定及預期市場於未來數年將保持溫和及穩定增長。相反，在電子支付及移動支付領域的業務增長潛力飛速。於本年度，我們與八達通就政府公共交通費用補貼計劃合作設計、開發、生產及交付安裝在壩上的服務站機。該計劃於二零一九年二月成功開始。我們亦與支付寶香港結成合作夥伴，將於未來兩年在香港地鐵站改裝約1,000部收費閘機以使用快速響應代碼(「**二維碼**」)利用港鐵系統出行。我們亦獲委聘設計及實施多種電子支付，包括二維碼及符合EMV標準的信用卡或移動應用程式使用的以賬戶為基礎收費系統作為自動收費系統(「**自動收費**」)及台灣桃園機場捷運的票務增強。

展望未來，儘管市場競爭加劇及不同持份者日趨嚴緊的要求，董事會對本集團的增長保持樂觀，主要由於(i)有關開發我們季節性但得到驗證的專有移動支付生態系統的機會；(ii)我們的一名主要客戶開展多項大型機電、通信及自動收費資產的機電翻新及更新項目；及(iii)海外市場的新興機會所致。在經濟巨頭即將發生貿易戰的陰雲籠罩之下，董事會預期截至二零二零年三月三十一日止年度經濟將相對不明朗。否則，其將對本集團邁入另一里程碑提供充足的機會。本集團將繼續在該等新興機會中把握現有機電市場的機會，同時發掘及擴大客戶基礎以及使業務多元化至新興的智慧移動及智慧生活市場。本集團內部將投放更多，配合政府有關社會保障及關懷的最新措施，進一步培養人力資本。我們亦已獲授ISO 14001:2015證書，表明我們致力於成為一個提高生活質量及可持續生活方式的環保機構。

最後，本人謹對本公司股東(「**股東**」)、投資者、供應商、客戶及業務夥伴的不懈支持表示誠摯感謝，尤其是我們敬業的員工於整個期間的寶貴貢獻。本集團管理團隊及全體員工將繼續為本集團力爭更佳業績，並為股東創造最大價值。

高萌科技集團有限公司
陸鑑明
主席兼執行董事

香港，二零一九年六月十九日

Financial Highlights
財務摘要

Revenue of the Group for the year ended 31 March 2019 amounted to approximately Hong Kong dollars ("**HK$**") 210.6 million, representing an increase of approximately HK$16.6 million or approximately 8.6% as compared with approximately HK$194.0 million for the year ended 31 March 2018.

本集團截至二零一九年三月三十一日止年度的收益約為210.6百萬港元(「**港元**」),較截至二零一八年三月三十一日止年度的約194.0百萬港元增加約16.6百萬港元或約8.6%。

Gross profit of the Group for the year ended 31 March 2019 amounted to approximately HK$66.1 million (2018: approximately HK$56.0 million).

本集團截至二零一九年三月三十一日止年度的毛利約為66.1百萬港元(二零一八年:約56.0百萬港元)。

The net profit of the Group for the year ended 31 March 2019 amounted to approximately HK$19.3 million (2018: net loss of approximately HK$2.1 million).

本集團截至二零一九年三月三十一日止年度的淨溢利約為19.3百萬港元(二零一八年:淨虧損約2.1百萬港元)。

The Board does not recommend the payment of a final dividend for the year ended 31 March 2019 (2018: Nil).

董事會不建議派付截至二零一九年三月三十一日止年度的末期股息(二零一八年:無)。

BUSINESS REVIEW

The Group has been providing E&M engineering solutions and services in Hong Kong for over 40 years. Our principal business is the provision of E&M engineering works, and comprises (i) E&M engineering solutions and services on Transportation Mission Critical Systems Solutions and other E&M engineering solutions and services; (ii) E&M engineering design and fabrication services; (iii) E&M engineering maintenance services; and (iv) sales of parts and components. Depending on our customers' needs and requirements, we provide a full spectrum of solutions and services covering design, equipment assembly, supply, installation, fabrication, testing, and commissioning and maintenance support with a focus on Hong Kong Transportation Mission Critical System Solutions.

業務回顧

本集團於香港提供機電工程解決方案和服務逾四十年。我們的主要業務為提供機電工程作業，包括(i)交通關鍵系統解決方案的機電工程解決方案及服務和其他機電工程解決方案及服務；(ii)機電工程設計及裝配服務；(iii)機電工程保養服務；及(iv)銷售零件及部件。視乎客戶的需求，我們提供涵蓋設計、設備裝置、供應、安裝、裝配、測試及調試以及維護支援的全面解決方案及服務，主要專注香港交通關鍵系統解決方案。

The following table sets forth the details of our Group's revenue by type of projects and services we undertook for the year ended 31 March 2019 and 2018:

下表載列本集團按於截至二零一九年及二零一八年三月三十一日止年度所承接的項目及服務類別劃分的收益詳情：

Type of Projects **項目類別**		**For the year ended 31 March** **截至三月三十一日止年度**			
		2019 **二零一九年**		2018 二零一八年	
		HK$'000 **千港元**	**%**	HK$'000 千港元	%
E&M Solutions and Services	機電工程解決方案及服務				
– Transportation Mission Critical System Solutions	－交通關鍵系統解決方案	**76,698**	**36.4**	82,233	42.4
– Other E&M Solutions and Services	－其他機電工程解決方案及服務	**96,313**	**45.8**	82,556	42.5
Subtotal	小計	**173,011**	**82.2**	164,789	84.9
E&M Design and Fabrication Services	機電工程設計及裝配服務	**8,282**	**3.9**	7,031	3.6
E&M Maintenance Services	機電工程保養服務	**28,399**	**13.5**	20,100	10.4
Sale of Parts and Components	銷售零件及部件	**904**	**0.4**	2,053	1.1
Total	**總計**	**210,596**	**100.0**	193,973	100.0

Our Group's revenue for the year ended 31 March 2019 amounted to approximately HK$210.6 million, representing an increase of approximately HK$16.6 million or approximately 8.6% as compared with approximately HK$194.0 million for the year ended 31 March 2018.

本集團截至二零一九年三月三十一日止年度的收益約為210.6百萬港元，較截至二零一八年三月三十一日止年度的約194.0百萬港元增加約16.6百萬港元或約8.6%。

E&M Solutions and Services segment accounts for the largest business segment of our Group's business. Approximately 82.2% of the revenue was attributable to this segment for the year ended 31 March 2019. During this reporting period, we have substantially completed the projects including (i) Supply and Installation of "Stop-and-go" e-Payment System at Government Tolled Tunnels and Roads; (ii) Provision of over 400 units of Octopus-enabled kiosks to facilitate a public services project; (iii) Refurbishment of Kowloon Canton Railway Through Train; and (iv) mobile payment of Taoyuan Metro Phase I. For the next year, the Group will continue to undertake projects including (i) advance works related to the Airport Three Runway System; (ii) Replacement and Modification of Smoke Curtains System at Airport Express Line and Tung Chung Line; and (iii) retrofit of about 1,000 ticket gates to enable Alipay HK QR Code payment for travel on Hong Kong's MTR system.

機電解決方案及服務分部為本集團的最大業務分部。截至二零一九年三月三十一日止年度，約82.2%的收益來自該分部。於本報告期內，我們已基本完成的項目包括(i)政府收費隧道及道路供應及安裝「停車拍卡」電子繳費系統；(ii)提供逾400台八達通服務站機促進一個公共服務項目；(iii)翻新九廣通列車；及(iv)桃園捷運行動支付第一期。就下個年度而言，本集團將繼續進行的項目包括(i)與機場三跑道系統相關的前期工程；(ii)更換及改動機場快綫及東涌綫的煙幕系統；及(iii)改裝約1,000部收費閘機可使用支付寶香港二維碼支付香港地鐵系統的車票費用。

OUTLOOK

前景

Modernisation and Upgrading of Transportation System

While our Group continues to focus on deepening our penetration of the Hong Kong E&M engineering industry with special focus on the Transportation Mission Critical System Solutions market, in order to keep pace with the growing transport needs, modernization, upgrading and expansion projects, the Group has been devoting more resources to the development and application of different technologies such as QR Code and different emerging payment methods. For the year ended 31 March 2019, the Group has been awarded over 170 projects including (i) Taoyuan Metro Mobile Payment Design and Implementation; and (ii) Partnering with Alipay HK to retrofit about 1,000 ticket gates to enable Alipay HK QR Code payment for travel on Hong Kong's MTR system. The awarding of these two projects signifies the success of the Group in deploying the latest technology particularly in relation to mobile payment to our projects in terms of system design and integration. The Group will continue to develop and deploy related application and technology to meet the emerging needs of smart mobility.

交通系統現代化及升級

本集團持續拓寬於香港機電工程行業的佔有率，特別專注交通關鍵系統解決方案，以緊貼不斷增長的交通需求、現代化、升級及擴建項目，同時，本集團一直致力於開發及應用不同技術，如二維碼及各類新興支付方式。截至二零一九年三月三十一日止年度，本集團獲授逾170個項目，包括(i)桃園捷運行動支付的設計及實施；及(ii)與支付寶香港合作改裝約1,000部收費閘機以便使用支付寶香港二維碼支付香港地鐵系統的車票費用。獲得該兩個項目標誌著本集團於運用最新技術方面的成功，尤其是行動支付方面的系統設計及集成相關的項目。本集團將繼續開發及部署相關應用及技術以符合智慧出行的新興需求。

In addition, one of our major customers is engaged in a programme of continuous renovations and upgrades to enhance passengers' comfort and overall travelling experience. The Group expects that the launching out of these network-wide replacement works will create unprecedented opportunities to the Group. In order to increase our competitiveness in terms of financial and technical capability, the Group has teamed up with various partners including some stated-owned enterprises. We believe by having synergy with our business partners will increase the chance of awarding the projects to the parties.

此外，我們的一名主要客戶正在進行一項持續更新及提升計劃，以提升乘客舒適度及整體出行體驗。本集團預期推出該等網絡性替換工程將為本集團帶來前所未有的機遇。為增強我們在財務及技術能力方面的競爭力，本集團與包括若干國有企業的多名合作夥伴合作。我們相信，與業務夥伴的協同作用將增加授予該等項目的機會。

FINANCIAL REVIEW

Revenue

Revenue of the Group for the year ended 31 March 2019 amounted to approximately HK$210.6 million, representing an increase of approximately HK$16.6 million or approximately 8.6% as compared with approximately HK$194.0 million for the year ended 31 March 2018. Such increase was mainly contributed by (i) an increase of number of projects undertaken by the Group including a new maintenance contract in relation to the signalling equipment for the Guangzhou-Shenzhen-Hong Kong Express Rail Link for the year ended 31 March 2019; and (ii) a variation order with substantial amount received during the year.

Cost of Sales and Gross Profit

The majority of the Group's cost of sales comprised (i) material and equipment; (ii) direct labour; and (iii) subcontracting cost. The cost of sales increased by approximately 4.7% from approximately HK$138.0 million for the year ended 31 March 2018 to approximately HK$144.5 million for the year ended 31 March 2019. The increase in cost of sales is mainly due to the increase in the number of projects undertaken by the Group during the year. The gross profit of the Group increased by approximately 18.0% from approximately HK$56.0 million for the year ended 31 March 2018 to approximately HK$66.1 million for the year ended 31 March 2019. The increase in gross profit is mainly due to (i) the increase in revenue as discussed above; and (ii) a relative reduction of cost of sales.

Administrative Expenses

The Group's administrative expenses increased by approximately 8.7% from approximately HK$40.1 million for the year ended 31 March 2018 to approximately HK$43.6 million for the year ended 31 March 2019. The increase is mainly due to (i) the increase of professional fee after listing; and (ii) the increase of staff costs including the addition of the fair value of the share options granted on 3 September 2018 and the set up fee and maintenance fee of the share award scheme adopted on 5 November 2018.

Profit attributable to owners of the Company

The Group recorded net profit attributable to the owners of the Company of approximately HK$19.3 million for the year ended 31 March 2019 (2018: net loss of approximately HK$2.1 million).

財務回顧

收益

本集團截至二零一九年三月三十一日止年度的收益約為210.6百萬港元，較截至二零一八年三月三十一日止年度的約194.0百萬港元增加約16.6百萬港元或約8.6%。有關增加主要由於(i)本集團於截至二零一九年三月三十一日止年度承接的項目(包括廣深港高速鐵路之軌道信號設備的新維修服務合約)數量增加；及(ii)於年內接獲數額較大的變更訂單。

銷售成本及毛利

本集團的主要銷售成本包括(i)物料及設備；(ii)直接勞工；及(iii)分包成本。銷售成本由截至二零一八年三月三十一日止年度約138.0百萬港元增加約4.7%至截至二零一九年三月三十一日止年度約144.5百萬港元。銷售成本增加主要由於本集團於年內承接的工程項目數量增加。本集團毛利由截至二零一八年三月三十一日止年度約56.0百萬港元增加約18.0%至截至二零一九年三月三十一日止年度約66.1百萬港元。毛利增加主要由於(i)上文所討論收益增加；及(ii)銷售成本相對減少。

行政開支

本集團行政開支由截至二零一八年三月三十一日止年度約40.1百萬港元增加約8.7%至截至二零一九年三月三十一日止年度約43.6百萬港元。該增加主要由於(i)上市後專業服務費用增加；及(ii)員工成本增加(包括計入於二零一八年九月三日授出購股權的公允值及於二零一八年十一月五日採納的股份獎勵計劃的成立費用及其維護費用)。

本公司擁有人應佔溢利

截至二零一九年三月三十一日止年度，本集團錄得本公司擁有人應佔淨溢利約19.3百萬港元(二零一八年：淨虧損約2.1百萬港元)。

FINANCIAL POSITION

Liquidity, Financial Resources and Capital Structure

Historically, the Company has met the liquidity and capital requirements primarily through operating cash flows and capital contribution from its shareholders.

The Company requires cash primarily for working capital needs. As at 31 March 2019, the Company had approximately HK$77.0 million in (i) bank balances and cash; and (ii) time deposits with original maturity over three months (2018: approximately HK$60.2 million), representing an increase of approximately HK$16.8 million as compared to that as at 31 March 2018.

On 16 October 2017 (the "**Listing Date**"), the ordinary shares of the Company (the "**Shares**") were listed on GEM by way of share offer (the "**Share Offer**") and completed the Share Offer of its 100,000,000 Shares, comprising 50,000,000 Shares offered by the Company for subscription and 50,000,000 Shares offered by the Company for placing, with a par value of HK$0.01 each at offer price of HK$0.6 per Share for the net proceeds of approximately HK$36.0 million. The Company believed that the funding from the Share Offer on the GEM would allow the Group to access the capital market for raising funds in the future. There has been no change on the capital structure of the Group for the year ended 31 March 2019 and up to the date of this report (i.e. 19 June 2019) (the "**Date of this Report**"). The capital of the Company only comprises of ordinary shares.

Capital Expenditure

The Group purchased property, plant and equipment amounting to approximately HK$0.8 million for the year ended 31 March 2019 which comprised of the acquisition of furniture, fixtures and office equipment (2018: approximately HK$1.9 million).

Final Dividend

The Board does not recommend the payment of a final dividend for the year ended 31 March 2019 (2018: Nil).

Employees and Remuneration Policies

As at 31 March 2019, the Group employed 202 employees (2018: 212 employees). The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employee. On top of basic salaries, bonus may be paid with reference to the Group's performance as well as individual's performance. Other staff benefits include provision of retirement benefits, medical benefits and life insurance benefits. Share options and/or share awards may also be granted to eligible employees by reference to the Group's performance as well as the individual contribution.

財務狀況

流動資金、財務資源及資本架構

過往，本公司主要透過經營現金流量及股東注資滿足其流動資金及資本需求。

本公司主要需要現金應付營運資金需要。於二零一九年三月三十一日，本公司有(i)銀行結餘及現金；及(ii)原到期日超過三個月的定期存款合共約77.0百萬港元(二零一八年：約60.2百萬港元)，較於二零一八年三月三十一日增加約16.8百萬港元。

於二零一七年十月十六日(「**上市日期**」)，本公司普通股(「**股份**」)透過股份發售(「**股份發售**」)方式於GEM上市，並完成100,000,000股股份發售，當中50,000,000股股份由本公司提呈認購及50,000,000股股份由本公司提呈配售，每股面值為0.01港元，每股股份發售價為0.6港元，以換取所得款項淨額約36.0百萬港元。本公司相信來自GEM股份發售的資金可讓本集團於未來在資本市場集資。於截至二零一九年三月三十一日止年度及直至本報告日期(即二零一九年六月十九日)(「**本報告日期**」)，本集團資本架構並無任何變動。本公司資本僅包括普通股。

資本開支

於截至二零一九年三月三十一日止年度，本公司購買金額約0.8百萬港元的物業、廠房及設備，當中包括購買傢俱、裝置及辦公室設備(二零一八年：約1.9百萬港元)。

末期股息

董事會不建議宣派截至二零一九年三月三十一日止年度的末期股息(二零一八年：無)。

僱員及薪酬政策

於二零一九年三月三十一日，本集團僱用202名僱員(二零一八年：212名僱員)。本集團的薪酬政策與當前市場慣例一致及根據個別僱員的表現、資格及經驗而釐定。除基本薪金外，經參考本集團的表現及個人的表現後，或會派發花紅。其他員工福利包括提供退休福利、醫療福利及人壽保險福利。經參考本集團表現及個人貢獻後，亦或會向合資格僱員授出購股權及／或股份獎勵。

Comparison of Business Objectives with Actual Business Progress

An analysis comparing the business objectives as set out in the Company's prospectus dated 29 September 2017 (the "**Prospectus**") with the Group's actual business progress for the period from the Listing Date to 31 March 2019 is set out below:

Business strategy	Actual business progress up to 31 March 2019
Expand and enhance our E&M engineering technical capabilities by:	The Group has purchased several fibre cable testing related equipment in order to maintain our competitiveness in the railway sector as the Group anticipates that E&M engineering systems in the railways will rely increasingly on optical fibre networks to transfer relevant system data in the future.
(i) Increasing our productivity through the purchase of new machineries and equipment;	
(ii) Improving our material handling and field service capacity;	The Group has enhanced our insurance coverage and employee remuneration packages, including (i) upgrading of employees' medical insurance plan; (ii) purchasing of the Group's professional indemnity insurance plan; (iii) purchasing of the Group's product liability insurance plan; and (iv) providing funds for the employees' performance bonus scheme.
(iii) Purchasing and implementing information technology solutions; and	
(iv) Retaining our talents and enhancing the risk mitigation measures.	
	The Group has rented additional space and storage facilities to cater for additional space required for operation and to accommodate the new machineries and equipment to be purchased.
	The Group has purchased four vehicles to increase our travelling efficiency and allow or project teams to transport additional spare parts and equipment for use in our operations.
Deepen our penetration of the E&M engineering industry with special focus on the Transportation Mission Critical System Solutions market by strengthening our research and development capabilities and increasing our brand awareness through marketing efforts through:	The Group has (i) arranged our employees to participate in exhibitions, conferences and symposiums; and (ii) been making an effort to increase business exposure in Taiwan.
	The Group has produced corporate and promotional video in order to increase our corporate image as well as brand awareness.
(i) Expanding our office space and work area;	The Group has purchased three-dimensional design software, enabling us to create three-dimensional drawings and designs for our products.
(ii) Increasing our marketing efforts and business exposure; and	The Group is in the process of (i) recruiting additional marketing staff; and (ii) setting up the marketing and demonstration area.
(iii) Enhancement of our research and development capabilities.	
Strengthen our financial capabilities to undertake larger-scale E&M engineering projects in the future.	The Group has further enhanced our banking facilities in order to improve the provision of performance guarantees such that the Group could undertake large-scale E&M engineering projects.

業務目標與實際業務進展之比較

載於本公司日期為二零一七年九月二十九日的招股章程(「**招股章程**」)之業務目標與本集團由上市日期至二零一九年三月三十一日止期間之實際業務進展之比較分析如下：

業務策略	截至二零一九年三月三十一日止的實際業務進展
透過以下方式擴大及提高我們的機電工程技術能力：	本集團已採購若干光纖電纜測試相關設備以維持我們於鐵路行業的競爭力，因本集團預期鐵路的機電工程系統將愈來愈依賴光學纖維網絡以於未來傳送相關系統數據。
(i) 通過採購新機器及設備增加我們的生產力；	
(ii) 提高我們的物料處理及現場施工能力；	本集團已擴大保險覆蓋範圍及提高僱員薪酬待遇，包括(i)升級僱員醫療保險計劃；(ii)投購本集團的專業責任保險計劃；(iii)投購本集團的產品責任保險計劃，及(iv)為僱員績效獎金計劃提供資金。
(iii) 採購及執行資訊科技解決方案；及	
(iv) 挽留人才及加強風險緩減措施。	
	本集團已租用額外場所及存儲設施迎合營運所需的額外空間及容納將予購買的新機器及設備。
	本集團已購買四輛汽車增加我們的運輸效率及可使項目團隊運輸額外零件及設備以供營運使用。
通過增強我們的研發能力加深對機電工程行業的滲透率(特別專注於交通關鍵系統解決方案市場)及通過營銷手段提高我們的品牌認知度，方式為：	本集團已(i)安排僱員參與展覽會、會議及研討會；及(ii)盡力擴展台灣的業務。
	本集團已製作企業宣傳視頻，以提升我們的企業形象以及品牌意識。
(i) 擴大辦公室及工作空間；	本集團已購買三維設計軟件，可使我們為產品創建三維圖紙及設計。
(ii) 加大我們的營銷效能及推廣我們的業務；及	本集團正在(i)招募額外營銷人員；及(ii)設立營銷及展示區。
(iii) 提高我們的研發能力。	
增強我們日後承接較大型機電工程項目的財政實力。	本集團已進一步增加銀行融資以改善履約擔保，以使本集團可承接大型機電工程項目。

Use of Proceeds from the Listing

On 16 October 2017, the Shares were listed on GEM by way of Share Offer. The Group intends to apply the proceeds from the Listing in accordance with the proposed applications set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

As set out in the Prospectus, the business objectives and strategies of the Group are: (i) expand and enhance our E&M engineering technical capability; (ii) deepen our penetration of the Hong Kong E&M engineering industry with special focus on the Transportation Mission Critical System Solutions market by strengthening our research and development capabilities and increasing our brand awareness through marketing efforts; and (iii) strengthen the Group's financial capabilities to undertake larger scale E&M engineering projects in the future.

After deduction of all related listing expenses and commissions, the net proceeds from Listing amounted to approximately HK$36.0 million. Up to 31 March 2019, the Group has utilized approximately HK$16.5 million of the net proceeds from Listing as follows:

上市所得款項用途

於二零一七年十月十六日，股份以股份發售方式在GEM上市。本集團擬將上市所得款項按招股章程內「未來計劃及所得款項用途」一節所載的擬定用途使用。

誠如招股章程所載，本集團的業務目標及策略為(i)擴大及提高我們的機電工程技術能力；(ii)通過增強我們的研發能力及透過營銷手段提高我們的品牌認知度及加深對香港機電工程行業(特別專注於交通關鍵系統解決方案市場)的滲透率；及(iii)增強本集團日後承接較大型機電工程項目的財政能力。

經扣除所有相關上市開支及佣金後，上市所得款項淨額約為36.0百萬港元。直至二零一九年三月三十一日，本集團已動用上市所得款項淨額約16.5百萬港元如下：

		Planned use of net proceeds as stated in the Prospectus up to 31 March 2019 直至二零一九年三月三十一日招股章程所載所得款項淨額的計劃用途 HK'000 千港元	**Actual use of net proceeds up to 31 March 2019 直至二零一九年三月三十一日所得款項淨額的實際用途 HK'000 千港元**
Expand and enhance our E&M engineering technical capabilities	擴大及提高我們的機電工程技術能力	**16,054**	5,673
Deepen our penetration of the Hong Kong E&M engineering industry with special focus on the Transportation Mission Critical System Solutions market by strengthening our research and development capabilities and increasing our brand awareness through marketing efforts	通過增強我們的研發能力及透過營銷手段提高我們的品牌認知度加深對香港機電工程行業(特別專注於交通關鍵系統解決方案市場)的滲透率	**7,564**	790
Strengthen our financial capabilities to undertake larger-scale E&M engineering projects in the future	增強本集團日後承接較大型機電工程項目的財政實力	**6,000**	10,000
Total	合共	**29,618**	16,463

The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group's business and the market conditions.

招股章程所載業務目標、未來計劃及所得款項擬定項用途乃基於本集團於編製招股章程時作出的最佳估計及對未來市場狀況的假設，而所得款項已根據本集團業務及市況的實際發展應用。

GEARING RATIO

The ratio was not applicable for the year ended 31 March 2019 as no borrowing was incurred (2018: not applicable).

FOREIGN EXCHANGE EXPOSURE

We conducted business with customers, suppliers and subcontractors located in Hong Kong, the People's Republic of China (the "**PRC**") and overseas. The Group's exposure to the currency risk mainly arises from the fluctuation of Renminbi ("**RMB**"), Euro ("**EUR**") or United States dollars ("**USD**"). The Group currently does not have any hedging policy in place for its foreign currency exposure. The management will consider hedging significant currency exposure should the need arise.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year ended 31 March 2019. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not hold any significant investments in equity interest in any other companies as at 31 March 2019. Except for those included in the section headed "Future Plans and Use of Proceeds" in the Prospectus, the Group had no definite future plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

Apart from the reorganisation in relation to the Listing as disclosed in the Prospectus, there were no other significant investments held, material acquisitions or disposals of subsidiaries, associates or joint ventures during the year ended 31 March 2019.

PLEDGES OF ASSETS

As at 31 March 2019, the Group has pledged bank deposits at HK$10.8 million (2018: HK$5.0 million) to secure the banking facilities.

COMMITMENTS

The commitments of the Group were primarily related to the leases of its office premises and workshops. The Group's future commitments as at 31 March 2019 were mainly in relation to (i) operating lease commitments amounted to approximately HK$5.9 million (2018: approximately HK$10.2 million); and (ii) capital commitments amounted to approximately HK$1.2 million of additional equipment (2018: Nil).

資產負債比率

截至二零一九年三月三十一日止年度並不適用該比率，因並無產生借貸(二零一八年：不適用)。

外匯風險

我們與香港、中華人民共和國(「**中國**」)及海外客戶、供應商及分包商均有業務往來。本集團所面臨的貨幣風險主要來自人民幣(「**人民幣**」)、歐元(「**歐元**」)或美元(「**美元**」)的波動。目前本集團並無進行任何對沖政策以應對外幣風險。如有需要，管理層將考慮對沖重大外幣風險。

庫務政策

本集團的庫務政策採納穩健的財務管理方針，因此，於截至二零一九年三月三十一日止年度，流動資金狀況均處於健康水平。本集團致力透過持續進行信貸評估及評估客戶的財務狀況，降低所承受的信貸風險。為管理流動資金風險，董事會密切監察本集團的流動資金狀況，確保本集團資產、負債及其他承擔組成的流動資金架構能應付不時的資金需要。

重大投資與重大投資及資本資產的未來計劃

於二零一九年三月三十一日，本集團並無於任何其他公司的股本權益持有任何重大投資。除招股章程內「未來計劃及所得款項用途」一節所載者外，本集團並無有關重大投資及資本資產的明確未來計劃。

附屬公司、聯營公司或合營公司的重大收購及出售

除招股章程所披露就上市所進行的重組外，於截至二零一九年三月三十一日止年度並無持有其他重大投資，亦並無有關附屬公司、聯營公司或合營公司的重大收購或出售。

資產抵押

於二零一九年三月三十一日，本集團擁有已抵押銀行存款10.8百萬港元(二零一八年：5.0百萬港元)以獲得銀行融資。

承擔

本集團的承擔主要與其租賃辦公室物業及工場有關。於二零一九年三月三十一日，本集團的未來承擔主要有關(i)經營租賃承擔約為5.9百萬港元(二零一八年：約10.2百萬港元)；及(ii)添置設備的資本開支約1.2百萬港元(二零一八年：零)。

CONTINGENT LIABILITIES

As at 31 March 2019, the Group did not have any significant contingent liabilities (2018: Nil).

或然負債

於二零一九年三月三十一日，本集團並無任何重大或然負債(二零一八年：無)。

PRINCIPAL RISKS AND UNCERTAINTIES

For the year ended 31 March 2019, the following principal risks of the Group were identified:

(i) Technology is fast changing and keep up with technological advancements is important to allow the Group to stay competitive in the industry. Failure to keep up with the technical breakthroughs could potentially jeopardise the Company's competitiveness within the industry;

(ii) Personal injuries, property damages or fatal accidents may occur at our work sites which may materially and adversely affect our business operations as well as financial position;

(iii) Our success and business operations rely on certain key personnel and our ability to attract and retain talented staff. If we are unable to retain them, our business may be severely disrupted and our operations, financial results and future prospects may be adversely affected;

(iv) In order to bid larger scale or more complex projects, the Group may need to form joint venture with different business partners. Unstable joint venture partners may bring operational or financial risks to the Company; and

(v) The Group is facing challenges when exploring more opportunities in different business areas or industries due to licensing or registration requirements. Failure of breaking these entrance barriers may limit our business growth.

For other risks facing the Group, please refer to the section headed "Risk Factors" in the Prospectus.

主要風險及不確定性

截至二零一九年三月三十一日止年度，本集團已識別下列主要風險：

(i) 科技瞬息萬變，緊跟技術進步對本集團於行業中保持競爭力尤為重要。未能跟上技術突破，則可能妨害本集團於行業內的競爭力；

(ii) 我們的工地或會發生人身傷害、財產受損或死亡事故，這可能對我們的業務營運及財務狀況產生不利影響；

(iii) 我們的成功及業務運營依賴若干主要人員及我們吸引及挽留優秀員工的能力。倘我們無法挽留彼等，則我們的業務或會嚴重中斷及我們的經營、財務業績及未來前景將受到不利影響；

(iv) 為競標更大規模或更複雜的項目，本集團可能需要與不同業務夥伴成立合營企業。不穩定的合營企業夥伴或會給本公司帶來營運或財務風險；及

(v) 由於牌照或註冊規定，本集團於不同業務領域或行業探索機遇時面臨挑戰。未能打破該等進入壁壘可能限制我們的業務增長。

有關本集團面臨的其他風險，請參閱招股章程中「風險因素」一節。

Our Risk Control Mechanism

Our Group has adopted a three-tier risk management approach to identify, assess, mitigate and handle risks. At the first line of defence, operating units are responsible for identifying and monitoring risks associated with each business. The management, as the second line of defence, defines rules and models, provides technical support, develops new systems and oversees portfolio management. It ensures that risks are within acceptable range and that the first line of defence is effective. As the final line of defence, the risk management committee of the Company (the "**Risk Management Committee**"), with the professional and independent advice from the internal audit function ensures the first and second line of defence are effective through constant inspection and monitoring.

The Group maintains a risk register to keep track of all identified major risks of the Group. The risk register provides the Board, the Risk Management Committee and management with a profile of its major risks and records management's action taken to mitigate the relevant risks. The risk register will be reviewed and monitored at least annually. The review process ensures that the Group proactively manages the risks faced by it.

風險控制機制

本集團已採納三層風險管理模式以識別、評估及降低及應對風險。在第一道防線，營運組別負責識別及監察與各項業務相關的風險。管理層(作為第二道防線)界定規則及模式、提供技術支援、開發新系統及監督投資組合管理。其確保風險處於可接受範圍內及第一道防線為有效。作為最後一道防線，本公司的風險管理委員會(「**風險管理委員會**」)，加上來自內部審計職能的專業及獨立意見，透過不斷視察及監控而確保第一道及第二道防線有效。

本集團設立風險登記冊以跟踪本集團所有已識別主要風險。風險登記冊為董事會、風險管理委員會及管理層提供其主要風險情況，並記錄管理層為降低相關風險所採取的行動。每年至少檢討及監察風險管理冊一次。此檢討程序可確保本集團主動管理其所面臨的風險。

EXECUTIVE DIRECTORS

Mr. Luk Kam Ming (陸鑑明), aged 72, is an Executive Director and the chairman of our Board. Mr. KM Luk founded our Group and joined us when he was appointed as a director of KML Engineering Limited ("**KML Engineering**") in August 1977. Mr. Luk is responsible for overall strategic planning and development of our Group, and oversees the financial management and planning of our Group. He is also the chairman of the Nomination Committee, and a member of the Remuneration Committee.

Mr. KM Luk has more than 50 years of experience in the E&M engineering industry, with a focus on the development of automatic fare collection and railway transportation control systems. In August 1977, Mr. Luk founded KML Engineering, the principal subsidiary of our Group as a contractor for providing services in the fields of electrical power engineering, signalling and communication engineering, and computer-based toll collection systems, etc.

Mr. KM Luk was registered as a Chartered Engineer (CEng) by The Institution of Electronic and Radio Engineers, the United Kingdom, a Chartered Engineer by the Council of Engineering Institutions, the United Kingdom. He is admitted a member and registered as a Chartered Electrical Engineer by The Institution of Electrical Engineers (currently known as the Institution of Engineering and Technology), the United Kingdom, and a Chartered Engineer by the Council of Engineering institutions, the United Kingdom. He is also admitted as a member of the Hong Kong Institution of Electrical Engineers, a member of Institution of Railway Signal Engineers, and a member of Hong Kong Association of Energy Engineers. He was nominated as the Country Vice President of Institution of Railway Signal Engineers for Hong Kong, China in March 2011.

Mr. KM Luk is the father of Mr. Luk Kwai Lung ("**Mr. KL Luk**") and Mr. Luk Yin Cheung ("**Mr. YC Luk**"), both our Executive Directors. Mr. KM Luk is also the spouse of Ms. Leung Kwok Yee ("**Madam Leung**"), our controlling Shareholder, and the father-in-law of Ms. Woo Siu Wai ("**Ms. Woo**"), our company secretary.

執行董事

陸鑑明先生，72歲，執行董事及董事會主席。陸鑑明先生於一九七七年八月創辦並加入本集團，獲委任為高明科技工程有限公司(「**高明科技工程**」)的董事。陸先生負責本集團的整體策略規劃及發展以及監督本集團的財務管理及規劃。彼亦為提名委員會主席及薪酬委員會成員。

陸鑑明先生於機電工程行業擁有逾50年的經驗，專注於開發自動收費系統及鐵路交通監控系統。於一九七七年八月，陸鑑明先生創辦高明科技工程(本集團的主要附屬公司)，作為於電力工程、信號及通訊工程以及電腦收費系統等領域提供服務的承辦商。

陸鑑明先生於英國電子及無線工程師協會註冊為特許工程師及於英國工程師協會註冊為特許工程師。彼獲英國電氣工程師協會(現稱為英國工程技術學會)認可為會員及註冊為特許電機工程師及於英國工程師學會委員會註冊為特許工程師。彼亦獲認可為香港電氣工程學會會員，鐵路信號工程師協會會員及香港能源工程師協會會員。於二零一一年三月，彼獲提名為鐵路信號工程師協會副會長(中國香港)。

陸鑑明先生為兩名執行董事陸季農先生(「**陸季農先生**」)及陸彥彰先生(「**陸彥彰先生**」)的父親。陸鑑明先生亦為本公司控股股東梁幗儀女士(「**梁女士**」)的配偶，及本公司的公司秘書胡劭卉女士(「**胡女士**」)的家翁。

Mr. Chan Chak Lun Philip (陳澤麟), aged 57, is an Executive Director and our chief executive officer. Mr. Chan is responsible for overseeing the daily operations and overall general management of our Group. Mr. Chan is also a member of the Risk Management Committee.

陳澤麟先生，57歲，為執行董事及行政總裁。陳先生負責監督本集團的日常營運及整體綜合管理。陳先生亦為風險管理委員會成員。

Mr. Chan has more than 30 years of experience in E&M engineering. He joined KML Engineering in October 1987. Since then, he has served our Group in various capacities including engineer, general manager of advanced products department, the operation director and the managing director of KML Engineering.

陳先生擁有逾30年機電工程的經驗。彼於一九八七年十月加入高明科技工程。自此，彼於本集團擔任多種職務，包括工程師、先進產品部總經理、高明科技工程營運董事及董事總經理。

Mr. Chan has been a director of KML Engineering since June 1991. He is a technical director and one of the authorised signatories appointed by KML Engineering for its qualification as a Registered Minor Works Contractor for Type A and Type C of Class II & III under the Buildings Ordinance.

陳先生自一九九一年六月起為高明科技工程的董事。彼為技術董事並獲高明科技工程委任為授權簽署人之一，合資格作為建築物條例下第II級別及第III級別A類型及C類型註冊小型工程承建商。

Mr. Chan obtained a degree of Bachelor of Engineering with first class honours in mechanical engineering from the University of Newcastle, the United Kingdom and a degree of Master of Science in Engineering from The University of Hong Kong, Hong Kong. He was admitted as associate member of the Hong Kong Institution of Engineers, a member of The Institution of Electrical Engineers (currently known as the Institution of Engineering and Technology), the United Kingdom and registered as a Chartered Engineer (CEng) by the Engineering Council (UK). He was elected as a member of the Institution of Mechanical Engineers, the United Kingdom. He is also a member of The Hong Kong Institute of Directors.

陳先生取得英國紐卡斯爾特大學機械工程的工程學學士學位(一級榮譽)及香港大學工程學理學碩士學位。彼獲認可為香港工程師學會副會員、英國電氣工程師學會(現稱為英國工程技術學會)會員及英國工程委員會註冊為特許工程師。彼獲選為英國機械工程師協會會員。彼亦為香港董事學會的會員。

Mr. Luk Kwai Lung (陸季農), aged 42, is an Executive Director. Mr. KL Luk is responsible for overseeing the business development and marketing of our Group. Mr. KL Luk has been a director of KML Technology Limited ("**KML Technology**") and KML Engineering since February 2012 and November 2015 respectively. Mr. KL Luk is one of the authorised signatories appointed by KML Engineering for its qualification as a Registered Minor Works for Type A of Class II & III under the Buildings Ordinance. Mr. KL Luk is also a member of the Risk Management Committee.

陸季農先生，42歲，為執行董事。陸季農先生負責監督本集團的業務發展及營銷。陸季農先生自二零一二年二月及二零一五年十一月起分別擔任高萌科技有限公司(「**高萌科技**」)及高明科技工程的董事。陸季農先生獲高明科技工程委任為授權簽署人之一，合資格作為建築物條例下第II級別及第III級別A類型註冊小型工程承建商。陸季農先生亦為風險管理委員會成員。

Mr. KL Luk joined our Group in January 2003 and appointed as deputy managing director in December 2015. He developed comprehensive experiences in process management in various departments in KML Engineering, and acted as the project manager for various projects undertaken by our Group in the past nine years.

陸季農先生於二零零三年一月加入本集團及於二零一五年十二月獲委任為副董事總經理。彼於高明科技工程各部門的流程管理方面累積了全方位的經驗，及於過往九年，擔任本集團承接的多個項目的項目經理。

Mr. KL Luk obtained a degree of Bachelor of Science in hotel administration from University of Nevada, Las Vegas, the United States, a degree of Master of Science in administrative studies from Boston University, the United States, and a degree of Master of Science in engineering business management from the Hong Kong Polytechnic University, Hong Kong. He is a member of The Hong Kong Institute of Directors.

陸季農先生取得美國內華達大學拉斯維加斯分校酒店管理的理學學士學位、美國波士頓大學行政學的理學碩士學位及香港理工大學工程商業管理理學碩士學位。彼為香港董事學會會員。

Mr. KL Luk is a son of Mr. KM Luk, our founder, Executive Director and chairman of our Board, and the elder brother of Mr. YC Luk, an Executive Director. Mr. KL Luk is the elder son of Madam Leung, our controlling Shareholder, and the brother-in-law of Ms. Woo Siu Wai, our company secretary.

陸季農先生為本集團創辦人、執行董事兼董事會主席陸鑑明先生的兒子，及執行董事陸彥彰先生的胞兄。陸季農先生為控股股東梁女士的長子，及公司秘書胡劭卉女士的大伯。

Mr. Luk Yin Cheung (former name is Luk Tit Cheung) (陸彥彰), aged 40, is an Executive Director. Mr. YC Luk is responsible for overseeing the operation support of our Group, including sourcing and project administration of our Group. Mr. YC Luk has been a director of KML Technology and KML Engineering since February 2012 and November 2015 respectively. Mr. YC Luk is also a member of the Risk Management Committee.

陸彥彰先生(前度名字為陸鐵鏘)，40歲，為執行董事。陸彥彰先生負責監督本集團的營運支援，包括本集團的採購及項目行政。陸彥彰先生自二零一二年二月及二零一五年十一月起分別為高萌科技及高明科技工程的董事。陸彥彰先生亦為風險管理委員會成員。

Mr. YC Luk joined our Group in June 2006 and appointed as associate director in December 2015. In the past 11 years, Mr. YC Luk has gained vast experience in providing training on occupation safety, purchasing, inventory and logistics management in the E&M engineering industry.

陸彥彰先生於二零零六年六月加入本集團並於二零一五年十二月獲委任為副董事。於過往十一年，陸彥彰先生於機電工程行業提供職業安全培訓、採購、存貨及物流管理方面積累了豐富經驗。

Mr. YC Luk graduated with a degree of Bachelor of Business Administration from The University College of the Cariboo, Canada and Diploma in Marketing by The University of Hong Kong School of Professional and Continuing Education in association with the Chartered Institute of Marketing, Hong Kong. He was elected an affiliate member of The Chartered Institute of Logistics and Transport in Hong Kong and a member of The Hong Kong Institute of Directors. To promote the occupational safety of our Group, Mr. YC Luk also awarded a Diploma in Occupational Health and Safety by the Li Ka Shing Institute of Professional and Continuing Education, The Open University of Hong Kong.

陸彥彰先生畢業於加拿大加里布大學，取得工商管理學士學位及獲香港大學專業進修學院(與英國特許市務學會聯營)頒發的營銷深造文憑。彼獲選為香港運輸物流學會普通會員及香港董事學會會員。為促進本集團的職業安全，陸彥彰先生亦獲得香港公開大學李嘉誠專業進修學院頒發的職業健康及安全文憑。

Mr. YC Luk is a son of Mr. KM Luk, our founder, Executive Director and chairman of our Board, and the younger brother of Mr. KL Luk, an Executive Director. Mr. YC Luk is the younger son of Madam Leung, our controlling Shareholder, and the spouse of Ms. Woo Siu Wai, our company secretary.

陸彥彰先生為本集團創辦人、執行董事兼董事會主席陸鑑明先生的兒子及執行董事陸季農先生的胞弟。陸彥彰先生為控股股東梁女士的幼子，及公司秘書胡劭卉女士的配偶。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lau On Kwok (劉安國), aged 52, was appointed as an Independent Non-executive Director on 20 September 2017. Mr. Lau is the chairman of the Audit Committee and a member of each of the Risk Management Committee and the Remuneration Committee.

Mr. Lau has extensive experience in the fields of financial management, corporate governance and direct investment. He started his career as accounting professional in an international accountancy firm. Mr. Lau was an executive director at China Assets Investment Management Limited and was also the company secretary and a member of investment committee of China Assets (Holdings) Limited, a company previously listed on the Stock Exchange (stock code: 170) from April 2004 to December 2010. He was a director of Shandong Lukang Pharmaceutical Company Limited, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600789), from May 2007 to April 2012. From May 2009 to January 2011, Mr. Lau was an independent non-executive director of Sheng Yuan Holdings Limited, a company listed on the Stock Exchange (stock code: 0851). He was employed by Sheng Yuan Asset Management Limited from January 2011 to August 2014, where his last position was executive director. He also assumed the duties of the managing director of Sheng Yuan Investment Advisors Limited from January 2011 to December 2013. Mr. Lau was the company secretary and financial controller at Winshine Science Company Limited, a company listed on the Stock Exchange (stock code: 209), from November 2014 to November 2018. Mr. Lau has been a director of China Assets (Holdings) Limited and a director of China Assets Investment Management Limited since October 2018.

Mr. Lau obtained a degree of Bachelor of Arts in accounting and financial analysis from University of Newcastle upon Tyne and a degree of Master of Science in financial management from University of London. He also obtained a Diploma on Practices in Chinese Laws and Regulations affecting Foreign Business jointly awarded by Southwest University of Political Science and Law and the Hong Kong Management Association.

Mr. Lau is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow of The Association of Chartered Certified Accountants, the United Kingdom.

Mr. Law Wing Chi Stephen (羅永志), aged 49, was appointed as an Independent Non-executive Director on 20 September 2017. Mr. Law is the chairman of the Risk Management Committee, and a member of each of the Audit Committee and the Nomination Committee.

Mr. Law has extensive experience in financial management and professional accounting. He was the chief finance officer of Diamondlite Limited, one of the leading jewellery manufacturer in the PRC. Having started his career as a professional accountant in an international accountancy firm, Mr. Law has undertaken key financial management positions in companies engaged in a variety of industries. Mr. Law has been an executive director and company secretary of Kai Yuan Holdings Limited, a company listed on the Stock Exchange (stock code: 1215), since May 2011 and February 2014 respectively and is also currently their chief financial officer.

Mr. Law obtained a degree of Bachelor of Arts in Accountancy from the City University of Hong Kong, Hong Kong. He is an associate member of the Hong Kong Institute of Certified Public Accountants.

獨立非執行董事

劉安國先生，52歲，於二零一七年九月二十日獲委任為獨立非執行董事。劉先生為審核委員會主席、風險管理委員會及薪酬委員會成員。

劉先生於財務管理、企業管治及直接投資領域擁有豐富經驗。彼於一間國際會計公司擔任會計專業人員，開啟其職業生涯。於二零零四年四月至二零一零年十二月，劉先生為中國資本投資管理有限公司的董事及亦為中國資本(控股)有限公司(曾於聯交所上市公司，股份代號：170)的公司秘書及投資委員會成員。於二零零七年五月至二零一二年四月，彼為山東魯抗醫藥股份有限公司(其股份於上海證券交易所上市，股份代號：600789)的董事。於二零零九年五月至二零一一年一月，劉先生為盛源控股有限公司(聯交所上市公司，股份代號：0851)獨立非執行董事。於二零一一年一月至二零一四年八月，彼受盛源資產管理有限公司僱傭，彼最後職位為執行董事。於二零一一年一月至二零一三年十二月，彼亦於盛源資本投資有限公司承擔董事總經理職責。於二零一四年十一月至二零一八年十一月，劉先生為瀛晟科學有限公司(聯交所上市公司，股份代號：209)的公司秘書及財務總監。自二零一八年十月起，劉先生為中國資本(控股)有限公司的董事及中國資本投資管理有限公司的董事。

劉先生於紐卡斯爾特大學取得會計及財務分析文學學士學位及在倫敦大學取得財務管理理學碩士學位。彼亦取得由西南政法大學與香港管理專業協會合頒發的中國涉外經貿法律實務文憑。

劉先生為香港會計師公會附屬會員及英國特許公認會計師公會資深會員。

羅永志先生，49歲，於二零一七年九月二十日獲委任為獨立非執行董事。羅先生為風險管理委員會主席、審核委員會及提名委員會成員。

羅先生於財務管理及專業會計方面擁有豐富經驗。彼為元藝有限公司(中國一家大型珠寶製造商)財務總監。於一間國際會計公司擔任會計專業人員開啟其職業生涯後，彼於各行各業的公司承擔重要財務管理職位。羅先生自二零一一年五月及二零一四年二月起分別為開源控股有限公司(於聯交所上市的公司，股份代號：1215)執行董事及公司秘書，及現時亦為其財務總監。

羅先生於香港城市大學取得會計學文學學士學位。彼為香港會計師公會附屬會員。

Dr. Tse Chi Kong (謝智剛), aged 54, was appointed as an Independent Non-executive Director on 20 September 2017. Dr. Tse is the chairman of the Remuneration Committee, a member of each of the Audit Committee and the Nomination Committee.

謝智剛博士，54歲，於二零一七年九月二十日獲委任為獨立非執行董事。謝博士為薪酬委員會主席、審核委員會及提名委員會成員。

From September 1991 to April 2005, Dr. Tse worked as a lecturer, assistant professor, associate professor and professor in the department of electronic and information engineering ("EIE Department") of the Hong Kong Polytechnic University, Hong Kong. Dr. Tse was the head of EIE Department from August 2005 to December 2012. Since May 2005, He has also been the chair professor of electronic engineering in the EIE Department. Dr. Tse has been appointed as a member of the research projects assessment panel of Innovation and Technology Fund, a fund administered by the Innovation and Technology Commission of the Government of Hong Kong, for a term from January 2017 to December 2018. He was re-appointed as a member of the Quality Education Fund Steering Committee, which advises the government of Hong Kong on the policies and procedures governing the operation of the Quality Education Fund, in January 2017 for a term of two years. Dr. Tse is currently a member of the council of the Confucius Institute of Hong Kong, an institute under the faculty of humanities of the Hong Kong Polytechnic University, Hong Kong and a member of the board of governers of the Hong Kong Sinfonietta.

於一九九一年九月至二零零五年四月，謝博士擔任香港理工大學電子及資訊工程學系(「電子及資訊工程學系」)的講師、助理教授、副教授及教授。於二零零五年八月至二零一二年十二月，謝博士為電子及資訊工程學系系主任。自二零零五年五月起，彼亦一直為電子及資訊工程學系電子工程首席教授。於二零一七年一月至二零一八年十二月期間，謝博士獲委任為香港政府創新科技署管理的一項基金創新科技基金評審委員。於二零一七年一月，彼再次獲委任為香港優質教育基金督導委員會成員，為期兩年，該委員會就管治及運作優質教育基金的政策及程序向香港政府提供意見。謝博士現時亦為香港孔子學院(香港理工大學人文學院轄下的學院)理事會理事及香港小交響樂團監察委員會成員。

Dr. Tse obtained a degree of Bachelor of Engineering and a degree of Doctor of Philosophy from The University of Melbourne, Australia. He has been elected to the grade of fellow of the Institute of Electrical and Electronic Engineers, Inc., New York. He is a Chartered Professional Engineer with Engineers Australia and a Fellow of Engineers Australia.

謝博士取得澳洲墨爾本大學工程學學士學位及哲學博士學位。彼一直獲選為紐約電機電子工程師學會資深會員。彼為澳洲工程師學會註冊專業工程師及澳洲工程師學會資深註冊專業工程師。

SENIOR MANAGEMENT

高級管理層

Mr. Tung Tsz On (董子安), aged 49, is the chief engineer of our Group. Mr. Tung is responsible for research and development, planning and formulation and supervising the implementation of our projects with provision of day-to-day technical and expert advice to our Group. Mr. Tung is one of the authorised signatories of KML Engineering for its qualification as a Registered Minor Works Contractor for Type A and Type C of Class II & III under the Buildings Ordinance since September 2011.

董子安先生，49歲，為本集團總工程師。董先生負責研發、規劃及制定以及監督項目的執行並向本集團提供日常的技術及專家意見。自二零一一年九月起，董先生一直為高明科技工程有關建築物條例第II及III級別A類型及C類型註冊小型工程承建商的授權簽署人之一。

Mr. Tung joined our Group in February 2003 as a system engineer and was promoted to the position of chief engineer in April 2010. Mr. Tung has more than 10 years of experience in design and management of E&M engineering projects covering a variety of systems such as mobile payment, automatic control system, car park system, security system and point of sales system etc. He has expertise in handling maintenance work for electronic systems, as well as participating in development and implementation of automatic fare collection systems.

董先生於二零零三年二月加入本集團為系統工程師並於二零一零年四月晉升為總工程師。董先生於設計及管理機電工程項目方面擁有逾10年經驗，涵蓋汽車支付、自動監控系統、泊車系統、保安系統及零售點系統等各系統。彼於處理電子系統的保養工作，以及參與發展及執行自動收費系統方面擁有專業知識。

Mr. Tung obtained an Advanced Diploma in network engineering granted by the Hong Kong Productivity Council in December 2000.

董先生於二零零零年十二月取得香港生產力促進局頒授的網絡工程師高等文憑。

Ms. Law Shuk Ming (羅淑明), aged 48, is our chief accountant, being responsible for day-to-day accounting and financial reporting of our Group. Ms. Law joined our Group in May 1995 and was promoted to chief accountant in November 2017.

羅淑明女士，48歲，為本集團總會計師，負責本集團日常的會計及財務報告。羅女士於一九九五年五月加入本集團，並於二零一七年十一月晉升為總會計師。

Ms. Law obtained a degree of Bachelor of Business Administration from Capstone University, the United States, and completed the Accounting Technician Examination by Hong Kong Institute of Accredited Accounting Technicians.

羅女士取得美國Capstone University工商管理學士學位及在香港財務會計協會完成財務會計員考試。

Ms. Wai Hang Ying Helen (衛杏英), aged 44, is a director of KML Engineering. Ms. Wai joined our Group in December 1997 and has been responsible for overall administration of our Group. Ms. Wai has been a director of KML Engineering since October 2009.

衛杏英女士，44歲，為高明科技工程董事。衛女士於一九九七年十二月加入本集團並負責集團整體的行政。衛女士自二零零九年十月起一直為高明科技工程董事。

Ms. Wai obtained a degree of Bachelor of Arts in public and social administration and a Degree of Master of Arts in professional accounting and information systems, both from the City University of Hong Kong. She was also awarded the Graduate Diploma of Financial Services by Deakin University, Australia, and admitted as a fellow Certified Insurance Professional by the Australian and New Zealand Institute of Insurance and Finance.

衛女士於香港城市大學分別取得公共及社會行政文學學士學位及專業會計學及資訊系統學文學碩士學位。彼亦獲澳洲迪肯大學頒發財務服務深造文憑及澳洲新西蘭保險與金融學會認可為資深認證保險師。

COMPANY SECRETARY

公司秘書

Ms. Woo Siu Wai (胡劭卉), aged 39, is our company secretary, responsible for company secretarial matters, human resources and administrative duties. Ms. Woo joined our Group in April 2011 and was subsequently promoted to administration manager in October 2016.

胡劭卉女士，39歲，為公司秘書，負責公司秘書事宜、人力資源及行政職務。胡女士於二零一一年四月加入本集團，並隨後於二零一六年十月晉升為行政經理。

Before joining our Group, Ms. Woo worked at Success Light Investment Limited from February 2004, and last held the position of company secretarial assistant in the finance department before her departure in April 2011.

於加入本集團前，胡女士自二零零四年二月起於Success Light Investment Limited任職及於二零一一年四月辭職前最後職位為財務部的公司秘書助理。

Ms. Woo obtained a degree of Bachelor of Arts from the faculty of social sciences of the University of Victoria, Canada, and a degree of Master of Science in Professional Accounting and Corporate Governance from City University of Hong Kong, Hong Kong. Ms. Woo was admitted as an associate of the Hong Kong Institute of Chartered Secretaries and an associate of the Institute of Chartered Secretaries and Administrators.

胡女士於加拿大維多利亞大學社會科學學院取得文學學士學位及在香港取得香港城市大學專業會計與企業管治理學碩士學位。胡女士獲香港特許秘書公會認可為會員及特許公司秘書及行政人員公會認可為會員。

Ms. Woo is the spouse of Mr. YC Luk, our Executive Director, the daughter-in-law of Mr. KM Luk, our founder, Executive Director and chairman of our Board, the daughter-in-law of Madam Leung, our controlling Shareholder, and the sister-in-law of Mr. KL Luk, our Executive Director.

胡女士為執行董事陸彥彰先生的配偶、本集團創辦人、執行董事兼董事會主席陸鑑明先生的兒媳、控股股東梁女士的兒媳及執行董事陸季農先生的弟媳。

COMPLIANCE OFFICER

合規主任

Mr. Luk Yin Cheung (陸彥彰), aged 40, has been appointed as the compliance officer of our Company. His biography is set out in the subsection headed "Executive Directors" in this section.

陸彥彰先生，40歲，已獲委任為本公司合規主任。其履歷載於本節「執行董事」分節。

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the year ended 31 March 2019.

董事會欣然提呈本報告連同本集團截至二零一九年三月三十一日止年度的經審核綜合財務報表。

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and its subsidiaries are principally engaged in the provision of electrical and mechanical engineering solutions and services. Analysis of the principal activities of the Group during the year ended 31 March 2019 is set out in the note 6 to the consolidated financial statements.

主要業務

本公司主要業務為投資控股及其附屬公司主要從事提供機電工程解決方案及服務。本集團於截至二零一九年三月三十一日止年度的主要業務分析載列於綜合財務報表附註6。

RESULTS

The results of the Group for the year ended 31 March 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on page 75 of this annual report.

業績

本集團截至二零一九年三月三十一日止年度的業績載列於本年報第75頁的綜合損益及其他全面收益表。

FINAL DIVIDENDS

The Board did not recommend the payment of a final dividend for the year ended 31 March 2019 (2018: Nil).

末期股息

董事會不建議派付截至二零一九年三月三十一日止年度的末期股息(二零一八年：無)。

BUSINESS REVIEW

A review of the business of the Group as at 31 March 2019 and a discussion on the Group's future business development are set out in the paragraphs headed "Business Review" and "Outlook" under the section headed "Management Discussion and Analysis" of this annual report respectively. Descriptions of possible risks and uncertainties that the Group may be facing are provided in paragraphs headed "Principal Risks and Uncertainties" under the section headed "Management Discussion and Analysis" of this annual report. An analysis of the Group's performance during the year using financial key performance indicators is provided in the Financial Highlights on page 6 of this annual report.

業務回顧

本集團於二零一九年三月三十一日的業務回顧及有關本集團未來業務發展的討論分別載列於本年報「管理層討論及分析」一節中「業務回顧」及「回顧」兩段。有關本集團可能面臨的潛在風險及不確定性的描述載列於本年報「管理層討論及分析」一節中「主要風險及不確定性」一段。使用主要財務表現指標對本集團於本年度內的表現作出的分析載列於本年報第6頁財務摘要。

In addition, discussions on the Group's environmental policies and performance, important relationships with its stakeholders and compliance with relevant laws and regulations are contained and available in this Report of Directors. The above discussions constitute part of this Report of Directors.

此外，就本集團環境政策及表現、與其主要持份者的重要關係及有關有關法律法規之遵守的討論載列於本董事會報告及可從中查閱。上述討論構成本董事會報告的一部分。

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group recognises that all employees have the social obligation to preserve and enhance the quality of the environment. We strive to protect the environment in the course of our business activities by preventing pollution, reducing adverse impact on climate change and enhancing sustainable development. These policies are supported by our employees and are implemented effectively.

At the same time, the Group recognises the importance of compliance with regulatory requirements and applicable laws and regulations. During the year ended 31 March 2019, the Group has complied in material respects with environmental laws and regulations including Air Pollution Control (Construction Dust) Regulation, Waste Disposal (Chemical Waste) (General) Regulation of Waste Disposal Ordinance, Waste Disposal (Charges for Disposal of Construction Waste) Regulation, Noise Control Ordinance, Noise Control (General) Regulation and Noise Control (Hand Held Percussive Breakers) Regulations.

In addition, the efforts of the implementation of environmental management system of the company along with its two subsidiaries (KML Engineering and KML Technology) have been recognized, all three companies have been successfully certified with the ISO 14001:2015 in one time during the Reporting Period.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risks of non-compliance with the applicable laws and regulations. The major laws and regulations relating to the Group's business and operations include the Electricity Ordinance, Security and Guarding Services Ordinance, Building (Minor Works) Regulation, Construction Industry Council Ordinance and the Subcontractor Registration Scheme. During the year ended 31 March 2019 and up to the Date of this Report, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. There was no material breach or non-compliance with the applicable laws and regulations by the Group during the year ended 31 March 2019 and up to the Date of this Report. And the Group has complied with all relevant requirements including financial, technical, management and personal criteria applicable to each respective laws and regulations.

環境政策及表現

本集團認識到，全體僱員都有社會義務保護及提高環境質量。在進行業務活動過程中，我們通過避免污染、減少對氣候變化的負面影響及增強可持續發展能力來保護環境。該等政策得到我們僱員的大力支持及獲得有效落實。

同時，本集團意識到遵守監管規定及適用法律法規的重要性。於截至二零一九年三月三十一日止年度，本集團於重大方面已遵守環境法律法規包括空氣污染管制(建造工程塵埃)規例、廢物處置條例之廢物處置(化學廢物)(一般)規例、廢物處置(建築廢物處置收費)規例、噪音管制條例、噪音管制(一般)條例及噪音管制(手提撞擊式破碎機)規例。

此外，本公司連同其兩間附屬公司(高明科技工程及高萌科技)實施環境管理制度的努力得到認可，該等三間公司於報告期內一次性成功獲得ISO 14001:2015認證。

遵守相關法律法規

本集團意識到遵守監管規定之重要性及不遵守適用法律法規之風險。有關本集團業務及營運的主要法律法規包括電力條例、保安及護衛服務條例、建築物(小型工程)規例、建造業議會條例及分包商註冊制度。於截至二零一九年三月三十一日止年度及直至本報告日期，本集團於重大方面已遵守對本集團業務及營運產生重大影響之相關法律法規。於截至二零一九年三月三十一日止年度及直至本報告日期，本集團概無實質性違反或不遵守適用法律法規及本集團已遵守所有相關規定，包括適用於各法律法規的財務、技術、管理及個人準則。

RELATIONSHIP WITH KEY STAKEHOLDERS

Employees

As at 31 March 2019, the Group employed 202 employees. We maintained a good working relationship with our employees and we did not experience any labour disputes during the year ended 31 March 2019. Recruitment in the E&M engineering service industry is highly competitive, especially with respect to the recruitment of qualified engineering staff. We believe we are hiring high-quality employees in the market by offering competitive wages and benefits and comprehensive training opportunities. We have facilitated the recruitment through a variety of channels, such as newspapers, internet websites, recruitment agencies, career talks and internal referrals. We believe our continuous efforts will help us attract suitable personnel.

Customers

Our customers comprise mainly transportation companies and other engineering companies in Hong Kong and Taiwan and also various departments of the Hong Kong Government. We maintain business relationship with our top one customer since year 1978. We usually enter into agreements with our customers on project basis and the majority of such contracts have term over one year. Most of our project contracts are fixed price contracts. The lump sum price is usually determined based on factors including project requirements and estimated cost of materials, labour and time required for completion of the projects.

Suppliers

The Group sources equipment, parts and components from our suppliers. The principal materials and equipment used by our E&M engineering business include steel and copper parts, switchboards, and various mechanical equipment. Most of these materials and equipment are sourced from local suppliers or imported mainly from Germany, Taiwan and the PRC.

FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the last four financial years is set out on page 144 of this annual report. This summary does not form part of the audited consolidated financial statements.

USE OF NET PROCEEDS FROM LISTING

The net proceeds from the Listing of the Company on the GEM of the Stock Exchange on the Listing Date (after deducting underwriting fees and related expenses) amounted to approximately HK$36.0 million. As at 31 March 2019, the Company had used approximately HK$16.5 million of the net proceeds for the purposes as disclosed in the Prospectus, representing 45.8% of the net proceeds for the Listing.

與主要持份者的關係

僱員

於二零一九年三月三十一日，本集團僱用202名僱員。本集團與我們的僱員保持良好的工作關係，於截至二零一九年三月三十一日止年度，我們並無面臨任何勞動糾紛。機電工程服務行業中招募員工競爭激烈，尤其是招募合資格工程員工。我們相信，我們通過提供具競爭力的薪資及福利以及全面培訓機會能於市場上聘用高質素僱員。通過報紙、互聯網網站、招聘代理、宣講會及內部推薦等一系列渠道，我們加快招聘進度。我們相信我們的不斷努力將有助於吸引合適人員。

客戶

我們的客戶主要包括香港及台灣公共交通營運公司及其他工程公司，以及香港政府各部門。自一九七八年起，我們與我們的最大客戶一直保持業務關係。我們通常按照項目與我們的客戶簽訂協議及大部分相關合約期限一年以上。我們大部分合約項目為固定價格合約。總價通常基於項目規定、估計材料成本、完成項目所需勞工及時間等因素而釐定。

供應商

本集團從我們的供應商獲得設備、零件及部件。我們的機電工程業務使用的主要材料及設備包括鋼材、銅製零件、交換機及各類機械設備。大部分該等材料及設備源自本地供應商或主要自德國、台灣及中國進口。

財務概要

本集團過往四個財務年度的業績、資產及負債概要載列於本年報第144頁。該概要並不構成經審核綜合財務報表的一部分。

上市所得款項淨額用途

本公司於上市日期於聯交所GEM上市的所得款項淨額(經扣除包銷費及相關開支後)約為36.0百萬港元。於二零一九年三月三十一日，本公司按招股章程披露的用途動用所得款項淨額約16.5百萬港元，佔上市所得款項淨額的45.8%。

MAJOR CUSTOMERS, SUPPLIERS AND SUBCONTRACTORS

Major Customers

For the year ended 31 March 2019, the Group's sales to its five largest customers accounted for approximately 85.9% (2018: approximately 85.5%) of the Group's total revenue and our single largest customer accounted for approximately 66.0% (2018: approximately 57.6%) of the Group's total revenue.

Major Suppliers

For the year ended 31 March 2019, the Group's five largest suppliers accounted for approximately 36.3% (2018: approximately 40.2%) of the Group's total purchases and our single largest supplier accounted for approximately 14.8% (2018: approximately 20.9%) of the Group's total purchases.

Major Subcontractors

For the year ended 31 March 2019, the Group's five largest subcontractors accounted for approximately 69.6% (2018: approximately 92.2%) of the Group's total subcontracting cost and our single largest subcontractor accounted for approximately 22.9% (2018: approximately 32.8%) of the Group's total subcontracting cost.

During the year ended 31 March 2019, none of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the number of issued shares of the Company) had any interest in the Group's five largest customers, suppliers and subcontractors.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and the Group during the year ended 31 March 2019 are set out in note 13 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 March 2019 are set out in note 23 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 31 March 2019 are set out on page 77 in the consolidated statement of changes in equity.

DISTRIBUTABLE RESERVES

As at 31 March 2019, the Company's reserves available for distribution, amounted to approximately HK$77.1 million (2018: approximately HK$57.9 million).

BANK LOANS AND OTHER BORROWINGS

The Company and the Group did not have any bank loans and other borrowings during the year ended 31 March 2019.

主要客戶、供應商及分包商

主要客戶

截至二零一九年三月三十一日止年度，本集團與五大客戶的銷售額佔本集團總收益約為85.9%（二零一八年：約85.5%）及單一最大客戶佔本集團總收益約為66.0%（二零一八年：約57.6%）。

主要供應商

截至二零一九年三月三十一日止年度，本集團五大供應商佔本集團總採購額約為36.6%（二零一八年：約40.2%）及單一最大供應商佔本集團總採購額約為14.8%（二零一八年：約20.9%）。

主要分包商

截至二零一九年三月三十一日止年度，本集團五大分包商佔本集團總分包成本約為69.6%（二零一八年：約92.2%）及單一最大分包商佔本集團總分包成本約為22.9%（二零一八年：約32.8%）。

於截至二零一九年三月三十一日止年度，董事、彼等任何緊密聯繫人及任何股東（就董事所深知，彼等擁有本公司已發行股份數目的5%以上）概無於本集團五大客戶、供應商及分包商擁有任何權益。

物業、廠房及設備

本公司及本集團於截至二零一九年三月三十一日止年度的物業、廠房及設備變動詳情載列於綜合財務報表附註13。

股本

本公司於截至二零一九年三月三十一日止年度的股本變動詳情載列於綜合財務報表附註23。

儲備

本公司及本集團於截至二零一九年三月三十一日止年度的儲備變動詳情載列於第77頁的綜合權益變動表。

可供分派儲備

於二零一九年三月三十一日，本公司可供分派儲備約為77.1百萬港元（二零一八年：約57.9百萬港元）。

銀行貸款及其他借貸

本公司及本集團於截至二零一九年三月三十一日止年度沒有任何銀行貸款及其他借貸。

DIRECTORS

The Directors of the Company during the year ended 31 March 2019 and up to the Date of this Report are:

Executive Directors
Mr. Luk Kam Ming (Chairman)
Mr. Chan Chak Lun, Philip (Chief Executive Officer)
Mr. Luk Kwai Lung
Mr. Luk Yin Cheung

Independent Non-executive Directors
Mr. Lau On Kwok
Mr. Law Wing Chi Stephen
Dr. Tse Chi Kong

In accordance with article 84(1) of the Articles of Association, at each annual general meeting ("**AGM**") one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

Details of the Directors to be re-elected at the AGM are set out in the circular to be despatched to the Shareholders.

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out on pages 15 to 20 of this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent during the year ended 31 March 2019 (the "**Relevant Period**") and remain so as at the date of this annual report.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of the executive Directors has signed a service contract with the Company for a term of three years commencing from the Listing Date, which may be renewable subject to both parties' agreement.

Each of the independent non-executive Directors has signed a letter of appointment with the Company for a term of three years commencing from the Listing Date, which may be renewable subject to both parties' agreement.

None of the Directors has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

董事

截至二零一九年三月三十一日止年度及直至本報告日期，本公司的董事為：

執行董事
陸鑑明先生(主席)
陳澤麟先生(行政總裁)
陸季農先生
陸彥彰先生

獨立非執行董事
劉安國先生
羅永志先生
謝智剛博士

根據組織章程細則第84(1)條，於各股東週年大會(「**股東週年大會**」)上，當時的三分之一董事(或倘董事人數並非三(3)的整數倍，則為最接近且不低於三分之一的人數)應輪席退任，惟各董事須至少每三年在股東週年大會上輪席退任一次。

於股東週年大會上將重選的董事詳情載列於將寄發予股東的通函內。

董事及高級管理層

本公司董事及高級管理層的履歷詳情載列於本年報第15至20頁。

獨立執行董事獨立性確認

根據GEM上市規則第5.09條，本公司已接獲各獨立非執行董事的年度獨立性確認及本公司認為該等董事於截至二零一九年三月三十一日止年度(「**有關期間**」)均屬獨立及於本年報日期保持獨立性。

董事的服務合約及委任函

各執行董事已與本公司簽訂服務合約，自上市日期起計為期三年，可由雙方協定重續。

各獨立非執行董事已與本公司簽訂委任函，自上市日期起計為期三年，可由雙方協定重續。

董事概無訂立本集團不可於一年內免付賠償(法定賠償除外)而終止之服務合約。

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No Director or his connected entity had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party during the Relevant Period.

董事於交易、安排或重大合約中的權益

於有關期間，概無董事或其關連實體直接或間接於任何由本公司或其任何附屬公司或同系附屬公司訂立並對本集團業務而言屬重大的交易、安排或合約中擁有重大權益。

CONTRACTS OF SIGNIFICANCE

Saved as disclosed in this annual report, during the Relevant Period, no contract of significance in respect of provision of services or otherwise was entered into between the Company or its subsidiaries and the controlling Shareholders or his/her/its subsidiaries.

重大合約

除本年報所披露者外，於有關期間，本公司或其附屬公司與控股股東或其附屬公司概無就提供服務或其他訂立重大服務合約。

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 Relevant Period and up to the date of this annual report.

管理合約

於有關期間及直至本年報日期，概無訂立或存在涉及本公司全部或任何大部分業務管理及行政的合約。

EMOLUMENT POLICY

A remuneration committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the directors and senior management of the Group, having regard to the Group's operating results, individual performance of the directors and senior management and comparable market practices.

薪酬政策

本公司設立薪酬委員會以檢閱本集團的薪酬政策及本集團所有董事及高級管理層的薪酬(須考慮本集團的經營業績、董事及高級管理層的個人表現及可比較市場慣例)結構。

Details of the emoluments of the Directors, and five highest paid individuals during the year ended 31 March 2019 are set out in note 8 to the consolidated financial statements.

董事及五名最高薪人士於截至二零一九年三月三十一日止年度的薪酬詳情載列於綜合財務報表附註8。

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement and employee benefits scheme of the Company are set out in note 26 to the consolidated financial statements.

退休及僱員福利計劃

本公司退休及僱員福利計劃詳情載列於綜合財務報表附註26。

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

As at 31 March 2019, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**")) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), which were recorded in the register required to be kept pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

董事及主要行政人員於股份、相關股份及債權證的權益及淡倉

於二零一九年三月三十一日，董事及本公司主要行政人員於本公司或其相聯法團(定義見證券及期貨條例(「**證券及期貨條例**」)第XV部)股份、相關股份及債權證中擁有根據《證券及期貨條例》第XV部第7和8分部須知會本公司及聯交所的權益及淡倉(包括根據《證券及期貨條例》有關條文視為或當作擁有的權益及淡倉)，或須登記於根據《證券及期貨條例》第352條存置的登記冊，或根據GEM上市規則第5.46至5.67條須另行知會本公司及聯交所的權益及淡倉如下：

Name 姓名	Capacity/Nature of Interest 身份／權益性質	Number of Shares 股份數目	Long/short position(Note 5) 好倉／淡倉(附註5)	Approximate Percentage of Shareholding in the Company (%) 於本公司的持股概約百分比
Mr. KM Luk (Note 1) 陸鑑明先生(附註1)	Beneficial owner; interest of spouse 實益擁有人；配偶權益	162,000,000	L	40.5
Mr. KL Luk (Note 2) 陸季農先生(附註2)	Interest in controlled corporation 受控法團權益	138,000,000	L	34.5
Mr. YC Luk (Note 2) (Note 3) 陸彥彰先生(附註2)(附註3)	Interest in controlled corporation; interest of spouse 受控法團權益；配偶權益	138,600,000	L	34.7
Mr. Chan Chak Lun Philip ("**Mr. CL Chan**") (Note 4) 陳澤麟先生(「**陳澤麟先生**」)(附註4)	Beneficial owner 實益擁有人	4,000,000	L	1.0

Notes:

(1) Mr. KM Luk directly holds 105,000,000 Shares. Since Mr. KM Luk is the spouse of Madam Leung, Mr. KM Luk is deemed to be interested in all the Shares in which Madam Leung is interested or deemed to be interested under the SFO, which is 57,000,000 Shares.

(2) Each of Mr. KL Luk and Mr. YC Luk owns one common share in KML Holdings Limited ("KML Holdings"), representing 50% of the issued share capital of KML Holdings carrying voting rights. Mr. KL Luk and Mr. YC Luk are deemed to be interested in all Shares in which KML Holdings is interested or deemed to be interested under the SFO, which is 138,000,000 Shares.

(3) Since Mr. YC Luk is the spouse of Ms. Woo Siu Wai ("Ms. Woo"), Mr. YC Luk is deemed to be interest in all the Shares in which Ms. Woo is interested or deemed to be interested under the SFO, which is 600,000 Shares.

(4) Mr. Chan Chak Lun Philip was interested as a grantee of options to subscribe for up to 4,000,000 Shares under the Share Option Scheme (announced on 3 September 2018).

(5) The Letter "L" denotes the entity/person's long position in the Shares.

Save as disclosed above, as at 31 March 2019, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

附註：

(1) 陸鑑明先生直接擁有105,000,000股股份。由於陸鑑明先生為梁女士的配偶，故陸鑑明先生被視為於梁女士擁有權益或根據證券及期貨條例被視作擁有權益的所有股份(即57,000,000股股份)中擁有權益。

(2) 陸季農先生及陸彥彰先生各自擁有一股KML Holdings Limited(「KML Holdings」)普通股(佔KML Holdings附帶投票權之已發行股本的50%)。陸季農先生及陸彥彰先生於KML Holdings擁有權益或根據證券及期貨條例被視作擁有權益的所有股份(即138,000,000股股份)中擁有權益。

(3) 由於陸彥彰先生為胡劭卉女士(「胡女士」)的配偶，根據《證券及期貨條例》，陸彥彰先生被視為於胡女士擁有權益或被視為擁有權益的所有股份(即600,000股股份)中擁有權益。

(4) 陳澤麟先生以購股權承授人身份擁有股份權益，可根據購股權計劃(於二零一八年九月三日公佈)認購最多4,000,000股股份。

(5) 字母「L」表示該實體／個人於股份之好倉。

除上文所披露者外，於二零一九年三月三十一日，董事並不知悉任何人士(並非董事或本公司主要行政人員)於本公司股份或相關股份中擁有根據《證券及期貨條例》第XV部第2及3分部須向本公司及聯交所披露，或根據《證券及期貨條例》第336條須記入該條所述登記冊內的權益或淡倉。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

主要股東於股份及相關股份的權益及淡倉

As at 31 March 2019, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

於二零一九年三月三十一日，就董事所深知，以下人士(並非董事或本公司主要行政人員)於本公司股份或相關股份擁有本公司根據《證券及期貨條例》第336條須存置的登記冊所記載或根據《證券及期貨條例》第XV部第2及3分部條文須向本公司及聯交所披露的權益或淡倉：

Name 姓名	Capacity/Nature of Interest 身份／權益性質	Number of Shares 股份數目	Long/short position(Note 5) 好倉／淡倉(附註5)	Approximate Percentage of Shareholding in the Company (%) 於本公司的持股概約百分比
KML Holdings (Note 1) KML Holdings (附註1)	Beneficial owner 實益擁有人	138,000,000	L	34.5
Madam Leung (Note 2) 梁女士(附註2)	Beneficial owner; interest of spouse 實益擁有人；配偶權益	162,000,000		40.5
Ms. Chan Patricia (Note 3) 陳珮筠女士(附註3)	Interest of spouse 配偶權益	138,000,000	L	34.5
Ms. Woo (Note 4) 胡女士(附註4)	Beneficial owner; interest of spouse 配偶權益	138,600,000	L	34.7

Notes:

(1) Each of Mr. KL Luk and Mr. YC Luk owns one common share in KML Holdings, representing 50% of the issued share capital of KML Holdings carrying voting rights. Mr. KL Luk and Mr. YC Luk also own approximately 50% and approximately 50%, respectively, of the issued preferred shares in KML Holdings which do not carry voting rights but only rights to dividends.

(2) Madam Leung is the spouse of Mr. KM Luk. By virtue of the SFO, Madam Leung is deemed to be interested in all the Shares in which Mr. KM Luk is interested or deemed to be interested under the SFO, and vice versa.

(3) Ms. Chan is the spouse of Mr. KL Luk. By virtue of the SFO, Ms. Chan is deemed to be interested in all the Shares in which Mr. KL Luk is interested or deemed to be interested under the SFO.

(4) Ms. Woo is the spouse of Mr. YC Luk. By virtue of the SFO, Ms. Woo is deemed to be interested in all the Shares in which Mr. YC Luk is interested or deemed to be interested under the SFO, which is 138,000,000 Shares. Ms. Woo was interested as a grantee of options to subscribe for up to 600,000 Shares under the Share Option Scheme (announced on 3 September 2018).

(5) The Letter "L" denotes the entity/person's long position in the Shares.

附註：

(1) 陸季農先生及陸彥彰先生各自擁有KML Holdings一股普通股，佔KML Holdings附帶投票權的已發行股本50%。陸季農先生及陸彥彰先生亦分別擁有KML Holdings已發行優先股(並無附帶投票權但僅有收取股息的權利)約50%及約50%。

(2) 梁女士為陸鑑明先生的配偶。根據《證券及期貨條例》，梁女士於陸鑑明先生擁有權益或根據《證券及期貨條例》被視作擁有權益的所有股份中擁有權益，反之亦然。

(3) 陳女士為陸季農先生的配偶。根據《證券及期貨條例》，陳女士於陸季農先生擁有權益或根據《證券及期貨條例》被視作擁有權益的所有股份中擁有權益。

(4) 胡女士為陸彥彰先生的配偶。根據《證券及期貨條例》，胡女士被視為於陸彥彰先生擁有權益或根據《證券及期貨條例》被視作擁有權益的所有股份(即138,000,000股股份)中擁有權益。胡女士以購股權承授人身份擁有股份權益，可根據購股權計劃(於二零一八年九月三日公佈)認購最多600,000股股份。

(5) 字母「L」表示該實體／個人於股份之好倉。

Save as disclosed above, as at 31 March 2019, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

除上文所披露者外，於二零一九年三月三十一日，董事並不知悉任何人士(並非董事或本公司主要行政人員)於本公司股份或相關股份中擁有根據《證券及期貨條例》第XV部第2及3分部須向本公司及聯交所披露，或根據《證券及期貨條例》第336條須記入該條所述登記冊內的權益或淡倉。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this annual report, at no time during the Relevant Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

董事收購股份或債權證的權利

除本年報以其他方式披露者外，於有關期間內任何時間，本公司或其任何附屬公司概無訂立任何安排，使董事可藉收購本公司或任何其他法團的股份或債權證而獲得利益，且董事或其任何配偶或未滿18歲子女概無獲授予任何認購本公司或任何其他法團的權益或債務證券的權利或已經行使任何該權利。

SHARE OPTION SCHEME

In order to recognise and acknowledge the contributions that the directors and employees of the Group have made or may make to the Group, the Company approved and adopted the share option scheme pursuant to the written resolutions of the Shareholders passed on 20 September 2017 (the "**Share Option Scheme**").

(i) The Board may, at its absolute discretion and on such terms as it may think fit, grant an option to subscribe any Director or employee of the Group, from time to time, on the basis of his/her contribution or potential contribution to the development and growth of the Group.

(ii) On 3 September 2018, 9,200,000 share options ("**Options**") were granted by the Company under the Share Option Scheme. Among the Options granted, 4,000,000 Options were granted to 1 Director of the Company, 1,400,000 Options were granted to 1 Director of a subsidiary of the Company and 600,000 Options were granted to an associate to a Director of the Company. Among the 9,200,000 Options granted, approximately 48.9% has been vested on 3 March 2019 and approximately 51.1% will be vested on 3 March 2020, provided that the grantee has to remain as an Eligible Participant (as defined in the Share Option Scheme) on such vesting date.

(iii) For the year ended 31 March 2019, 9,200,000 Options were granted on 3 September 2018 and the fair value of the Options granted was approximately HK$1,706,448, which was calculated by using the binomial option pricing model based on following inputs. The values of the Options are subject to certain fundamental limitations, including the subjective nature of and uncertainty relating to a number of assumptions of the expected future performance input to the model, and certain inherent limitations of the model itself. The expected volatility was determined with reference to the historical daily volatilities of the share price of the Company. The risk-free rate was determined with reference to the prevailing rate on debt securities with reference to Thomson Reuters.

購股權計劃

為嘉許及表揚已經或可能對本集團作出的貢獻的本集團董事及僱員，本公司已根據股東於二零一七年九月二十日通過的書面決議案批准及採納購股權計劃(「**購股權計劃**」)。

(i) 董事會可全權酌情及按照其可能認為合適的相關條款，基於對本集團的發展及成長所作出之貢獻或潛在貢獻不時向本集團的任何董事或僱員授出購股權。

(ii) 於二零一八年九月三日，本公司已根據購股權計劃授出9,200,000份購股權(「**購股權**」)。在已授出的購股權當中，4,000,000份購股權乃授予一名本公司董事、1,400,000份購股權乃授予本公司附屬公司的一名董事及600,000份購股權乃授予一名本公司董事的聯繫人。於已授出的9,200,000份購股權中，約48.9%已於二零一九年三月三日歸屬及約51.1%將於二零二零年三月三日歸屬，惟承授人於有關歸屬日期須仍為合資格參與者(定義見購股權計劃)。

(iii) 截至二零一九年三月三十一日止年度，9,200,000份購股權已於二零一八年九月三日授出及已授出購股權的公允值約為1,706,448港元，乃根據以下數據採用二項式期權定價模式計算。購股權價值之準確性乃受制於若干因素，當中包括為預測未來表現而作的多項假設所涉及之主觀判斷及不肯定因素，以及計算模式的內在限制。預期波幅乃參考本公司股價以往之每日波幅釐定。無風險利率乃參考湯森路透社所示債務證券之現行利率釐定。

Date of grant **授出日期**	**3 September 2018** **二零一八年九月三日**
Share price at grant date 於授出日期的股份價格	HK$0.385 0.385港元
Exercise price 行使價	HK$0.385 0.385港元
Expected volatility 預期波幅	61.93% 61.93%
Expected life 預期年期	5 years from the date of grant 自授出日期起計五年
Risk-free rate 無風險利率	2.112% 2.112%
Expected dividend yield 預期股息率	0% 0%
Exercise multiple 行使倍數	2.x 2.x

The Group recognised an expense of approximately HK$1,166,000 in relation to Options granted by the Company for the year ended 31 March 2019.

本集團就本公司於截至二零一九年三月三十一日止年度所授出的購股權確認開支約為1,166,000港元。

Details regarding the number of Options, date of grant, vesting period, exercise period and exercise price of the Options granted under the Share Option Scheme are set out below:

有關根據購股權計劃授出購股權之購股權數目、授出日期、歸屬期、行使期及行使價之詳情載列如下：

Name of participants **參與者姓名**	**Date of Options granted** **授出購股權日期**	**Total number of Options granted** **已授出購股權數目總數**	**Number of Options granted** **已授出購股權數目**	**Vesting period** **歸屬期**	**Exercise period** **行使期**	**Exercise price of Options** **購股權行使價** HK$ per share 港元／股	**Closing price immediately before date of grant** **緊接授出日期前之收市價** HK$ per share 港元／股
Mr. CL Chan (Director and Chief executive officer) 陳澤麟先生（董事兼行政總裁）	3 September 2018 二零一八年九月三日	4,000,000	2,000,000	3 September 2018 to 2 March 2019 二零一八年九月三日至二零一九年三月二日	3 March 2019 to 3 September 2023 二零一九年三月三日至二零二三年九月三日	0.385	0.35
			2,000,000	3 September 2018 to 2 March 2020 二零一八年九月三日至二零二零年三月二日	3 March 2020 to 3 September 2023 二零二零年三月三日至二零二三年九月三日		
Ms. Wai Hang Ying Helen (Director of KML Engineering) 衛杏英女士（高明科技工程的董事）	3 September 2018 二零一八年九月三日	1,400,000	700,000	3 September 2018 to 2 March 2019 二零一八年九月三日至二零一九年三月二日	3 March 2019 to 3 September 2023 二零一九年三月三日至二零二三年九月三日	0.385	0.35
			700,000	3 September 2018 to 2 March 2020 二零一八年九月三日至二零二零年三月二日	3 March 2020 to 3 September 2023 二零二零年三月三日至二零二三年九月三日		

Name of participants 參與者姓名	Date of Options granted 授出購股權日期	Total number of Options granted 已授出購股權數目總數	Number of Options granted 已授出購股權數目	Vesting period 歸屬期	Exercise period 行使期	Exercise price of Options 購股權行使價 HK$ per share 港元／股	Closing price immediately before date of grant 緊接授出日期前之收市價 HK$ per share 港元／股
Ms. Woo (Company Secretary) 胡女士（公司秘書）	3 September 2018 二零一八年九月三日	600,000	300,000	3 September 2018 to 2 March 2019 二零一八年九月三日至二零一九年三月二日	3 March 2019 to 3 September 2023 二零一九年三月三日至二零二三年九月三日	0.385	0.35
			300,000	3 September 2018 to 2 March 2020 二零一八年九月三日至二零二零年三月二日	3 March 2020 to 3 September 2023 二零二零年三月三日至二零二三年九月三日		
Employees 僱員	3 September 2018 二零一八年九月三日	3,200,000	1,500,000	3 September 2018 to 2 March 2019 二零一八年九月三日至二零一九年三月二日	3 March 2019 to 3 September 2023 二零一九年三月三日至二零二三年九月三日	0.385	0.35
			1,700,000	3 September 2018 to 2 March 2020 二零一八年九月三日至二零二零年三月二日	3 March 2020 to 3 September 2023 二零二零年三月三日至二零二三年九月三日		
Total 總計		9,200,000					

Details of the movements of Options granted, exercised or cancelled/lapsed during the year ended 31 March 2019 and still outstanding as at 31 March 2019 are as follows:

於截至二零一九年三月三十一日止年度內已授出、已行使或已注銷／已失效及於二零一九年三月三十一日尚未行使之購股權變動詳情如下：

Name of participants 參與者姓名	Outstanding as at 1 April 2018 於二零一八年四月一日尚未行使	Number of Options granted during the year 本年度已授出購股權數目	Number of Options exercised during the year 本年度已行使購股權數目	Number of Options cancelled during the year 本年度已註銷購股權數目	Number of Options lapsed during the year 本年度已失效購股權數目	Outstanding as at 31 March 2019 於二零一九年三月三十一日尚未行使
Mr. CL Chan (Director and Chief executive officer) 陳澤麟先生（董事兼行政總裁）	–	4,000,000	–	–	–	4,000,000
Ms. Wai Hang Ying Helen (Director of KML Engineering) 衛杏英女士（高明科技工程的董事）	–	1,400,000	–	–	–	1,400,000
Ms. Woo (Company Secretary) 胡女士（公司秘書）	–	600,000	–	–	–	600,000
Employees 僱員	–	3,200,000	–	–	–	3,200,000
Total 總計	–	9,200,000	–	–	–	9,200,000

SHARE AWARD SCHEME

The Company adopted a share award scheme (the "**Share Award Scheme**") on 5 November 2018 (the "**Adoption Date**"). Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of 15 years commencing on the Adoption Date. Please refer to the announcement dated 5 November 2018 for details.

There were no awarded shares granted, vested, forfeited or outstanding during the year ended 31 March 2019.

股份獎勵計劃

本公司於二零一八年十一月五日(「**採納日期**」)採納一項股份獎勵計劃(「**股份獎勵計劃**」)。股份獎勵計劃將自採納日期起生效，有效期為十五年，董事會可決定提前終止。有關詳情，請參閱日期為二零一八年十一月五日的公告。

於截至二零一九年三月三十一日止年度，概無已授出、已歸屬、已失效或未行使獎勵股份。

EQUITY-LINKED AGREEMENTS

Saved for the Share Option Scheme and Share Award Scheme as set out in this annual report, no equity-linked agreement that would or might result in the Company issuing Shares, or that requiring the Company to enter into an agreement that would or might result in the Company issuing Shares, was entered into by the Company during the year or subsisted at the end of the year.

股權掛鉤協議

除本年報所載購股權計劃及股份獎勵計劃外，本公司於年內或於年末不曾訂立或存有將會或可能導致本公司發行股份或規定本公司訂立將會或可能導致本公司發行股份的協議的股權掛鉤協議。

DEBENTURES ISSUED

The Company did not issue any debentures for the year ended 31 March 2019.

已發行債權證

截至二零一九年三月三十一日止年度，本公司概無發行任何債權證。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Relevant Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

購買、出售或贖回上市證券

於有關期間，本公司或任何其附屬公司概無購買、出售或贖回任何本公司的上市證券。

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands that would oblige the Company to offer new Shares on a pro rata basis to the existing Shareholders.

優先購買權

根據組織章程細則及開曼群島法律概無優先購買權條文，規定本公司須按比例向現有股東發售新股份。

NON-COMPETITION UNDERTAKING

Pursuant to the deed of non-competition dated 20 September 2017 (the "**Deed of Non-competition**") entered into by the Group and Mr. KM Luk, Madam Leung, Mr. KL Luk, Mr. YC Luk and KML Holdings (collectively, the "**Controlling Shareholders**") and as covenators (collectively, the "**Covenators**"), each of the Covenators has irrevocably and unconditionally undertaken to and covenanted with the Company (for itself and as trustee for its subsidiaries) that, subject to the exceptions as described in the Prospectus, during the period that the Deed of Non-Competition remains effective, he/she/it shall not, and shall procure that his/her/its associates (other than any members of the Group) will not, during the term of the Deed of Non-Competition, directly or indirectly, either for his/her/its own account or in conjunction with or on behalf of or for any other person, firm or company, whether for profit, reward or otherwise, (i) carry on, participate in, be interested or engaged in, or acquire or hold any right or interest (in each case whether as a shareholder, partner, agent, consultant, employee or otherwise) directly or indirectly in any business which is or likely to be in competition with the business currently from time to time engaged by the Group (the "**Restricted Business**") in Hong Kong, Taiwan and any other country or jurisdiction which any member of the Group provides such services and/or in which any member of the Group carries on its business currently and from time to time (the "Territory"); (ii) solicit, interfere with or endeavour to entice away from any member of the Group any person, firm, company or organisation who to his/her/its knowledge is now or has been a customer, supplier, subcontractor or employee of any member of the Group in the past twelve months before such proposed engagement or employment; or (iii) without prior written consent of the Company, make use of any information pertaining to the business, which have or may have come to his/her/its knowledge in his/her/its capacity as a Controlling Shareholder and/or Director for any purpose of his/her/its capacity as a Controlling Shareholder and/or Director for any purpose of his/her/its engaging, investing or participating in any Restricted Business in the Territory. For details of the above, please refer to the Prospectus.

The Company has received confirmations from the Controlling Shareholders confirming their compliance with the Deed of Non-competition respectively during the Relevant Period for disclosure in this annual report.

The independent non-executive Directors have reviewed the Deed of Non-competition during the Relevant Period and based on the information and confirmation provided by or obtained from the Controlling Shareholders and they were satisfied that the Controlling Shareholders have duly complied with the Deed of Non-competition during the Relevant Period.

DIRECTORS' INTEREST IN COMPETING BUSINESS

Save as disclosed in this annual report, during the Relevant Period, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

不競爭承諾

根據本集團與陸鑑明先生、梁女士、陸季農先生、陸彥彰先生及KML Holdings(統稱「**控股股東**」)及作為契諾人(統稱「**契諾人**」)簽立日期為二零一七年九月二十日的不競爭契據，契諾人各自已不可撤回及無條件地向本公司(為其本身及作為其附屬公司的受託人)承諾及立約，除非符合招股章程所述的例外情況，於不競爭契據仍屬有效期間，彼將不會並將促使其聯繫人(本集團任何成員公司除外)不會於不競爭契據有效期間，為彼／其本身或聯同或代表任何其他人士、商號或公司，為利潤、收益或其他利益而直接或間接(i)在香港、台灣及本集團任何成員公司提供相關服務及／或本集團任何成員公司現時及不時進行業務所在的任何其他國家或司法權區(「境內」)發展、經營、持有權益或從事，或收購或持有權利或利益(於各情況下不論為股東、合夥人、代理、顧問、僱員或其他身份)與本集團現時及不時參與的業務活動構成競爭或可能構成競爭的任何業務(「**受限制業務**」)；(ii)招攬、干預或設法從本集團任何成員公司招引任何據其所知現時或於建議委聘或僱用前十二個月內為本集團任何成員公司的客戶、供應商、分包商或僱員的任何人士、商號、公司或組織；或(iii)在未經本公司事先書面同意的情況下，利用因作為我們的控股股東及／或董事而已經或可能獲悉有關業務的任何資料，以於境內從事、投資或參與任何受限制業務。有關上述詳情，請參閱招股章程。

本公司已接獲控股股東的確認，彼等於有關期間已遵守不競爭契據，以披露於本年報。

獨立非執行董事於有關期間已審閱不競爭契據及根據控股股東提供或自其獲悉的資料及確認，彼等信納控股股東於有關期間已恰當準守不競爭契據。

董事於競爭業務中的權益

除本年報所披露者外，於有關期間，概無董事或彼等各自的聯繫人從事與本集團業務直接或間接競爭或可能競爭的任何業務或於該等業務中擁有權益。

CONNECTED TRANSACTIONS

During the Relevant Period, the Group entered into certain connected transactions with the connected persons of the Company, namely K M L Limited and Logistic Industrial Supply Company Limited.

關連交易

於有關期間，本集團與本公司關連人士(即圖遠有限公司及洛士工業器材有限公司)訂立若干關連交易。

NON-EXEMPT CONTINUING CONNECTED TRANSACTION

Tenancy Agreement

KML Engineering, a wholly-owned subsidiary of the Company, as tenant entered into the tenancy agreement on 12 September 2017 (the "**First Tenancy Agreement**") with K M L Limited as landlord, pursuant to which K M L Limited agreed to lease to KML Engineering the Premises and certain parking spaces (as detailed in the Prospectus). The Directors believe that the entering of this First Tenancy Agreement is necessary for the continuous use of the premises and parking spaces by KML Engineering and the growth and operations of the Group.

K M L Limited is a company incorporated in Hong Kong and owned as to 78.2% by Golden Sail International Limited ("**Golden Sail**"), which is wholly-owned by a trustee for a family trust where the beneficiaries include Mr. KM Luk and Madam Leung. Therefore, K M L Limited is an associate of each of Mr. KM Luk and Madam Leung, and hence is a connected person of the Company.

The principal terms of the First Tenancy Agreement are set out below:

(i) The term of the First Tenancy Agreement is for a fixed term commencing on the Listing Date and expiring on 31 March 2020 unless terminated earlier upon certain events of default as provided in the First Tenancy Agreement.

(ii) For the year ended 31 March 2019, the monthly rent of HK$383,000 per calendar month payable by KML Engineering (exclusive of management fees, government rates and rent and outgoings).

(iii) The maximum aggregate rent payable by KML Engineering under the First Tenancy Agreement for the year ended 31 March 2019 sets out as below:

非獲豁免持續關連交易

租賃協議

於二零一七年九月十二日，本公司的全資附屬公司高明科技工程(作為租戶)與圖遠有限公司(作為業主)訂立租賃協議(「**首份租賃協議**」)，據此，圖遠有限公司同意向高明科技工程租賃該等物業及若干泊車位(詳述於招股章程)。董事相信訂立首份租賃協議對高明科技工程持續使用物業及泊車位以及本集團的增長及營運而言屬必需。

圖遠有限公司為於香港註冊成立的公司及由Golden Sail International Limited(「**Golden Sail**」)擁有78.2%，Golden Sail由一名受託人代家族信託(受益人包括陸鑑明先生及梁女士)全資擁有。因此，圖遠有限公司為陸鑑明先生及梁女士的聯繫人，故為本公司的關連人士。

首份租賃協議的主要條款載於下文：

(i) 首份租賃協議的期限乃固定，除非因發生首份租賃協議訂明的若干違約事件，否則將自上市日期起計及於二零二零年三月三十一日到期。

(ii) 截至二零一九年三月三十一日止年度，高明科技工程應付的月租為每月383,000港元(不包括管理費、政府差餉、地租及支出)。

(iii) 於截至二零一九年三月三十一日止年度，高明科技工程根據首份租賃協議應付的最高租金總額載列如下：

		Maximum aggregate rent for the year ended 31 March 2019 截至二零一九年三月三十一日止年度的最高租金總額 HK$'000 千港元
Maximum aggregate rent	最高租金總額	4,596

The actual aggregate rent payable by KML Engineering under the First Tenancy Agreement for the year ended 31 March 2019 amounted to approximately HK$4.6 million.

於截至二零一九年三月三十一日止年度，高明科技工程根據首份租賃協議應付的實際租金總額為4.6百萬港元。

During the Relevant Period, the independent non-executive Directors have reviewed the aforesaid continuing connected transactions and confirmed that the transactions have been entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms; and

(iii) in accordance with relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

於有關期間，獨立非執行董事已審閱上述持續關連交易及確認該等交易乃：

(i) 於本集團的日常及一般業務過程中訂立；

(ii) 按正常商業條款訂立；及

(iii) 按照監管彼等的有關協議，按公平合理及符合股東的整體利益之條款訂立。

The external auditor of the Company (the "**Auditor**") has performed the audit procedures regarding the continuing connected transactions entered into by the Group during the Relevant Period and based on its work, the Auditor provided the Board with a letter confirming that, with respect to the aforesaid continuing connected transaction:

(i) the transactions have been approved by the Board;

(ii) the transactions were entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and

(iii) the aggregate amounts of the transactions have not exceeded the relevant caps as set by the Company.

本公司外聘核數師(「**核數師**」)已履行有關本集團於有關期間訂立的持續關連交易的審計程序。核數師根據其工作就上述持續關連交易向董事會致函確認：

(i) 該等交易已獲董事會批准；

(ii) 該等交易於所有重大方面均根據監管彼等的有關協議訂立；及

(iii) 該等交易總額不超過由本公司設定的相關上限。

On 3 September 2018, KML Engineering and K M L Limited entered into the second tenancy agreement ("**the Second Tenancy Agreement**"), pursuant to which KML Engineering agreed to rent additional premises situated at the same building of the First Tenancy Agreement. The applicable percentage ratios (other than the profit ratio) for the Second Tenancy Agreement is less than 5% and under HK$3.0 million and hence, these transactions, on a standalone basis, constitute de minimis continuing connected transactions pursuant to Rule 20.74 of the GEM Listing Rules and are fully exempt from the shareholders' approval, annual review and all disclosure requirements under Chapter 20 of the GEM Listing Rules.

於二零一八年九月三日，高明科技工程與圖遠有限公司訂立第二份租賃協議(「**第二份租賃協議**」)，據此，高明科技工程同意出租位於首份租賃協議相同樓宇的其他物業。第二份租賃協議的適用百分比率(不包括溢利率)低於5%及少於3.0百萬港元，因此，該等交易按單獨基準構成GEM上市規則第20.74條的最低豁免水平的持續關連交易，及根據GEM上市規則第20章全面獲豁免股東批准、年度審閱及所有披露規定。

Save as disclosed in this annual report, during the Relevant Period, the Company had no connected transactions or continuing connected transactions which fell to be disclosed in accordance with the provisions under Chapter 20 of the GEM Listing Rules in relation to the disclosure of connected transactions and continuing connected transactions.

除本年報所披露者外，於有關期間，本公司並無根據GEM上市規則第20章項下有關披露關連交易及持續關連交易的條文須予披露的關連交易或持續關連交易。

The related party transactions as disclosed in note 25 to the consolidated financial statements constituted as connected transactions or continuing connected transactions as defined in Chapter 20 of the GEM Listing Rules and in compliance with the disclosure requirements under Chapter 20 of the GEM Listing Rules.

誠如綜合財務報表附註25所披露，關聯方交易構成關連交易或持續關連交易(定義見GEM上市規則第20章)及遵守GEM上市規則第20章項下的披露規定。

MATERIAL LEGAL PROCEEDINGS

For the year ended 31 March 2019, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against the Company.

重大法律訴訟

於截至二零一九年三月三十一日止年度，本公司概無涉及任何重大訴訟或仲裁，及董事並不知悉任何仍未了結或面臨的重大訴訟或索償。

PERMITTED INDEMINTY PROVISION

Pursuant to the Articles, Directors and senior officers of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no Director or officer shall be liable for any loss, damages or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. The Company has arranged appropriate Directors and officers liability insurance coverage for the Directors and officers of the Company since the Listing Date.

獲准許彌償條文

根據細則，本公司董事及高級職員就其執行職務或與此有關所蒙受或招致的一切損失或負債，均有權從本公司資產中獲得彌償保證，而各董事或職員概無須就其執行職務可能出現或招致的任何損失、損害或不幸情況負責。自上市日期起，本公司已為本公司董事及職員安排合適的董事及高級職員責任保險。

SUBSEQUENT EVENTS

Since 31 March 2019 to the Date of this Report, there was no important events affecting the Group.

期後事項

自二零一九年三月三十一日至本報告日期，並無任何對本集團有重大影響的事件。

AUDIT COMMITTEE

The Audit Committee had, together with the management and the Auditor, reviewed the accounting principles and policies adopted by the Group and the consolidated financial statements for the year ended 31 March 2019.

審核委員會

審核委員會已連同管理層及核數師審閱本集團採納的會計原則及政策及截至二零一九年三月三十一止年度的綜合財務報表。

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 38 to 52 of this annual report.

企業管治

本公司致力維持高水平的企業管治常規。有關本集團採納的企業管治常規的資料載列於本年報第38至52頁的企業管治報告。

The compliance officer of the Company is Mr. Luk Yin Cheung, whose biographical details are set out on page 17. The company secretary is Ms. Woo Siu Wai who satisfies the qualification requirement under Rules 5.14 and 11.07 of the GEM Listing Rules as the company secretary of the Company. Ms. Woo Siu Wai's biographical details are set out on page 20 of this annual report.

本公司的合規主任為陸彥彰先生，其履歷詳情載列於本年報第17頁。公司秘書為胡劭卉女士，其作為本公司的公司秘書符合GEM上市規則第5.14條及第11.07條項下的資格規定。胡劭卉女士的履歷詳情載列於本年報第20頁。

INTERESTS OF COMPLIANCE ADVISER

As notified by the Company's compliance adviser, Kingsway Capital Limited ("**Kingsway Capital**"), neither Kingsway Capital nor any of its directors or employees or close associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) or otherwise in relation of the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules and all Directors and the Controlling Shareholders of the Company and their respective close associates as referred to in Rule 11.04 of the GEM Listing Rules (except for the compliance adviser service provided by Kingsway Capital as at the Date of this annual report).

合規顧問的權益

誠如本公司合規顧問滙富融資有限公司(「**滙富融資**」)告知，滙富融資或其任何董事或僱員或緊密聯繫人概無於本公司或本集團任何成員公司的股本中擁有任何權益(包括認購該等證券的購股權或權利)或擁有根據GEM上市規則第6A.32條須知會本公司及全體董事及本公司控股股東及彼等按GEM上市規則第11.04條所指的各自緊密聯繫人與本公司有關的其他權益(滙富融資於本年報日期提供的合規顧問服務除外)。

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company's total issued shares, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the GEM Listing Rules, was held by the public at all times during the Relevant Period and up to the date of this annual report.

足夠公眾持股量

根據本公司可公開獲取的資料及據董事所深知，於有關期間及直至本年報日期，本公司已發行股份總數中至少25%(聯交所批准及根據GEM上市規則所允許的規定最低公眾持股百分比)一直由公眾持有。

AUDITOR

Deloitte Touche Tohmatsu was appointed as the Auditor for the year ended 31 March 2019. The accompanying financial statements prepared in accordance with Hong Kong Financial Reporting Standards have been audited by Deloitte Touche Tohmatsu.

核數師

德勤 • 關黃陳方會計師行獲委任為截至二零一九年三月三十一日止年度的核數師。根據香港財務報告準則編製的隨附財務報表已獲德勤 • 關黃陳方會計師行審核。

On behalf of the Board
KML Technology Group Limited
Luk Kam Ming
Chairman and Executive Director

Hong Kong, 19 June 2019

代表董事會
高萌科技集團有限公司
陸鑑明
主席兼執行董事

香港，二零一九年六月十九日

CORPORATE GOVERNANCE PRACTICE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix 15 to the GEM Listing Rules as its own code of corporate governance. During the Relevant Period, the Company has applied the principles as set out in the CG Code contained in Appendix 15 to the GEM Listing Rules which are applicable to the Company and has complied with the CG Code.

企業管治常規

本公司致力維持高水平的企業管治，以保障股東權益以及提升企業價值及問責性。本公司已採納GEM上市規則附錄十五所載的企業管治守則(「**企業管治守則**」)作為其本身的企業管治守則。於有關期間，本公司已採用GEM上市規則附錄十五所載企業管治守則項下適用於本公司的原則，並已遵守企業管治守則。

THE BOARD

Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group. To oversee particular aspects of the Company's affairs, the Board has established four Board committees including the Audit Committee, the remuneration committee (the "**Remuneration Committee**"), the nomination committee (the "**Nomination Committee**") and the risk management committee (the "**Risk Management Committee**") (together, the "**Board Committees**"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

董事會

職責

董事會負責本集團的整體領導，監督本集團的戰略決策及監控業務與表現。董事會已授出有關本集團日常經營管理方面的權力及職責。為監督本公司事務的特定方面，董事會已成立四個董事委員會，包括審核委員會、薪酬委員會(「**薪酬委員會**」)、提名委員會(「**提名委員會**」)及風險管理委員會(「**風險管理委員會**」)(統稱「**董事委員會**」)。董事會已向董事委員會授權其各自職權範圍所載的職責。

All Directors had carried out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the Shareholders at all times.

全體董事以誠信態度執行職責，並遵守適用法例及規例，且一直以符合本公司及股東的利益行事。

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.

本公司已就針對董事的法律訴訟安排適當的責任保險，保險範圍將每年進行審閱。

Board Composition

The Board comprises four executive Directors and three independent non-executive Directors as follows:

董事會組成

董事會由下列四名執行董事及三名獨立非執行董事組成：

Executive Directors:
Mr. LUK Kam Ming
Mr. CHAN Chak Lun Philip
Mr. LUK Kwai Lung
Mr. LUK Yin Cheung

執行董事：
陸鑑明先生
陳澤麟先生
陸季農先生
陸彥彰先生

Independent Non-executive Directors:
Mr. LAU On Kwok
Mr. LAW Wing Chi Stephen
Dr. TSE Chi Kong

獨立非執行董事：
劉安國先生
羅永志先生
謝智剛博士

The biographies of the Directors are set out under the section headed "Directors and Senior Management" of this annual report.

各董事履歷載於本年報「董事及高級管理層」一節。

During the Relevant Period, the Board has met at all times the requirements under Rules 5.05(1) and 5.05(2) of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

於有關期間，董事會一直遵守GEM上市規則第5.05(1)及5.05(2)條有關委任至少三名獨立非執行董事，而其中至少有一名獨立非執行董事擁有適當的專業資格或會計或相關財務管理專長的規定。

The Company has also complied with Rule 5.05A of the GEM Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

本公司亦遵守GEM上市規則第5.05A條有關委任的獨立非執行董事佔董事會人數至少三分之一的規定。

The Company believes that the diversity of Board members will be immensely beneficial for the enhancement of the Company's performance. Therefore, the Company has adopted a Board diversity policy to ensure that the Company will, when determining the composition of the Board, consider Board diversity in terms of, among other things, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on merits, and candidates will be considered against objective criteria, having due regard for the benefits of diversity of the Board.

本公司相信董事會成員多元化將對加強本公司表現益處良多。因此，本公司已採納董事會多元化政策，以確保在釐定董事會成員組合時會從年齡、文化及教育背景、專業經驗、技能及知識等多個方面考慮董事會多元化。董事會所有委任均以用人唯才為基礎，並在考慮候選人時以客觀條件顧及董事會多元化之裨益。

The Company has received the confirmation from each of the independent non-executive Directors about his independence pursuant to Rule 5.09 of the GEM Listing Rules, the Company considers all of them to be independent.

本公司已接獲各獨立非執行董事根據GEM上市規則第5.09條之規定就其獨立性而發出之確認，本公司認為彼等均為獨立人士。

Save as disclosed in the Directors' biographies set out in the section headed "Directors and Senior Management" in this annual report, none of the Directors have any personal relationship (including financial, business, family or other material or relevant relationship) with any other Directors and the chief executive of the Company.

除本年報「董事及高級管理層」一節所載董事履歷中披露者外，概無董事與任何其他董事及本公司主要行政人員有任何個人關係(包括財務、業務、家族或其他重大或相關關係)。

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

全體董事(包括獨立非執行董事)均為董事會帶來各種不同的寶貴營商經驗、知識及專門技能，促進董事會高效及有效運作。獨立非執行董事獲邀出任審核委員會、薪酬委員會、提名委員會及風險管理委員會成員。

As regards the CG Code provision requiring directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as the identity of the public companies or organisations and the time involved to the Company, the Directors have agreed to disclose their commitments and any subsequent change to the Company in a timely manner.

鑒於企業管治守則條文要求董事向本公司披露於公眾公司或機構擔任職務的數量及性質及其他重大承擔，以及公眾公司或機構的身份及所投入時間，董事已同意適時向本公司披露彼等的承擔及任何後續變動。

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Group's operations and businesses as well as his/her responsibilities under relevant statues, laws, rules and regulations. The Company also provides regular updates on latest development and changes in the GEM Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Group's performance, position and prospects to enable the Board as a whole and each Director to discharge his duties.

Directors are encouraged to participate in continuous professional development seminars to develop and refresh their knowledge and skills. The company secretary of the Company has from time to time updated and provided the Directors with written training materials relating to the roles, functions and duties of a director of a listed issuer on GEM of the Stock Exchange.

The professional trainings of the Directors during the year ended 31 March 2019 are as follows:

入職及持續專業發展

所有新委任的董事均獲提供必要的入職培訓及資料，以確保彼對本集團的營運及業務以及彼於相關法規、法例、規則及規例下的責任有適當了解。本公司亦定期提供GEM上市規則及其他相關法律及監管規定之不時最新發展及變動的更新資料。董事亦定期獲提供有關本集團表現、狀況及前景的最新資料，以便董事會全體及各董事履行彼等的職責。

本公司鼓勵董事參與持續專業發展研討會，以發展及更新彼等的知識及技能。本公司的公司秘書不時向董事更新及提供有關聯交所GEM上市發行人董事角色、職能及職責的書面培訓資料。

董事於截至二零一九年三月三十一日止年度參與的專業培訓如下：

Directors 董事		Type of trainings (Notes) 培訓類別（附註）
Executive Directors	**執行董事**	
Mr. LUK Kam Ming	陸鑑明先生	A, B
Mr. CHAN Chak Lun Philip	陳澤麟先生	A, B
Mr. LUK Kwai Lung	陸季農先生	A, B
Mr. LUK Yin Cheung	陸彥彰先生	A, B
Independent Non-Executive Directors	**獨立非執行董事**	
Mr. LAU On Kwok	劉安國先生	A, B
Mr. LAW Wing Chi Stephen	羅永志先生	A, B
Dr. TSE Chi Kong	謝智剛博士	A, B

Notes:

A: Attending seminars and/or meetings and/or forums and/or briefings

B: Reading materials relevant to corporate governance, director's duties and responsibilities, listing rules and other relevant ordinances

附註：

A： 出席研討會及／或會議及／或論壇及／或簡報會

B： 閱覽企業管治、董事職責及責任、上市規則及其他相關條例的相關材料

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals.

The chairman of the Board and the chief executive officer of the Company are currently two separate positions held by Mr. KM Luk and Mr. CL Chan, respectively, with clear distinction in responsibilities. Mr. KM Luk is responsible for devising strategies for the continuous development of the Group, overseeing the Group's business operations and financial performance, as well as leading the Board in performing its functions while Mr. CL Chan is responsible for managing the overall business operations and executing business strategies of the Group.

主席及行政總裁

根據企業管治守則守則條文第A.2.1條，主席及行政總裁的角色應予以區分及由不同人士擔任。

董事會主席及本公司行政總裁目前由陸鑑明先生及陳澤麟先生分別擔任，其職責範圍有明確區分。陸鑑明先生負責設計本集團持續發展策略、監督本集團業務營運及財務表現以及領導董事會履行其職能，而陳澤麟先生負責管理本集團整體業務營運及執行業務策略。

TERMS OF APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors has signed a service contract with the Company for an initial term of three years commencing from the Listing Date, subject to termination as provided in the service contract.

Each of the independent non-executive Directors has signed a letter of appointment with the Company for an initial term of three years commencing from the Listing Date, which may be renewable subject to both parties' agreement.

None of the Directors has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

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

董事的委任年期及重選連任

各執行董事已與本公司訂立服務合約，初始年期為自上市日期起計為期分別三年，惟可須根據服務合約規定予以終止。

各獨立非執行董事已與本公司訂立委任函，初始年期為自上市日期起計為期三年，可按雙方協定予以重續。

概無董事與本集團訂有任何本集團如無作出賠償(法定賠償除外)則不可於一年內終止的服務合約。

董事的委任、重選連任及罷免程序及步驟載於組織章程細則。提名委員會負責檢討董事會的組成及就董事的委任、重選連任及繼任計劃向董事會提供推薦建議。

COMPLIANCE WITH THE REQUIRED STANDARDS OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors' securities transactions in the securities of the Company.

The Company has made specific enquiries to all Directors about their compliance with the required standard of dealings for the year ended 31 March 2019, without noticing any violation of the required standard.

遵守董事進行證券交易的必守標準

本公司已採納GEM上市規則第5.48至5.67條所載交易必守標準作為其本身就董事進行本公司證券交易的操守準則。

本公司已就全體董事於截至二零一九年三月三十一日止年度遵守交易必守標準的情況向彼等作出特定查詢，並無發現任何違反必守標準的情況。

DELEGATION BY THE BOARD

The Board reserves for its decision on all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, risk management and internal control systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors are provided with sufficient resources to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

董事會的授權

董事會對本公司所有重大事宜保留決策權，包括：批准及監督一切政策事宜、整體策略及預算、風險管理及內部監控系統、重大交易(特別是可能牽涉利益衝突者)、財務資料、委任董事及其他重大財務及營運事宜。董事於履行彼等職責時獲提供充足資源尋求獨立專業意見，費用由本公司承擔。彼等亦可向本公司高級管理層進行獨立諮詢。

本集團的日常管理、行政及營運交予高級管理層負責。授權職能及職責由董事會定期檢討。管理層訂立任何重大交易前須取得董事會批准。

CORPORATE GOVERNANCE FUNCTION

The Board recognises that corporate governance should be the collective responsibility of the Directors which includes:

(i) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(ii) to review and monitor the training and continuous professional development of the Directors and senior management;

(iii) to develop, review and monitor the codes of conduct and compliance manuals applicable to employees and the Directors;

(iv) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board on such matters;

(v) to review the Company's compliance with the CG Code and disclosure in the corporate governance report; and

(vi) to review and monitor the Company's compliance with the Company's whistleblowing policy.

企業管治職能

董事會確認，企業管治應屬董事的共同責任，包括：

(i) 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；

(ii) 檢討及監察董事及高級管理層的培訓及持續專業發展；

(iii) 制定、檢討及監察適用於僱員及董事的操守準則及合規手冊；

(iv) 制定及檢討本公司的企業管治政策及常規，並就有關事宜向董事會提出建議；

(v) 檢討本公司遵守企業管治守則的情況及企業管治報告的披露資料；及

(vi) 檢討及監察本公司遵守其舉報政策的情況。

BOARD MEETINGS

The Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board and Board Committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are despatched to the Directors or Board Committees members at least three days before the meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings. When Directors or Board Committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman of the Board or the relevant Board Committees prior to the meeting. Minutes of the meetings are kept by the company secretary with copies circulated to all Directors to the relevant Board Committees members for information and records.

Minutes of the Board meetings and Board Committees meetings are recorded in sufficient details about the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors or the Board Committees members. Draft minutes of each Board meeting and Board Committee meeting are sent to the Directors or the Board Committees members for comments within a reasonable time after the date on which the meeting is held. Minutes of the Board meetings and the Board Committees are open for inspection by Directors.

董事會會議

本公司採納定期舉行董事會會議之慣例，每年至少舉行四次會議，大約每季度舉行一次。全體董事就所有定期董事會會議會獲發不少於十四天的通知，令彼等有機會出席會議及於定期會議議程內載入有關事宜。

就其他董事會及董事委員會會議而言，一般會發出合理時間的通知。會議議程及隨附董事會文件在會議日期前至少三天寄發予董事或董事委員會成員，以確保彼等有充足時間審閱有關文件及充分準備出席會議。倘董事或董事委員會成員未能出席會議，則彼等會獲悉將予討論的事宜及於會議召開前有機會知會董事會或相關董事委員會主席有關彼等的意見。會議記錄由公司秘書保存，副本將於全體董事或相關董事委員會成員間傳閱，以供參閱及記錄。

董事會會議及董事委員會會議的會議記錄會詳盡記錄董事會及董事委員會所考慮的事宜及所達致的決定，包括董事或董事委員會成員提出的任何問題。各董事會會議及董事委員會會議的會議記錄草稿會於會議舉行日期後的合理時間內寄送至各董事或董事委員會成員，以供彼等提出意見。董事會及董事委員會的會議記錄可供董事查閱。

During the Relevant Period, five board meetings and one general meeting were held and the attendance of each Director at these meetings is set out in the table below:

於有關期間，共舉行五次董事會會議及一次股東大會。各董事於該等會議的出席情況載於下表：

Directors 董事		Board meeting(s) Attended/Held 已出席／已舉行 董事會會議	General meeting(s) Attended/Held 已出席／已舉行 股東大會
Executive Directors:	**執行董事：**		
Mr. LUK Kam Ming	陸鑑明先生	5/5	1/1
Mr. CHAN Chak Lun Philip	陳澤麟先生	5/5	1/1
Mr. LUK Kwai Lung	陸季農先生	5/5	1/1
Mr. LUK Yin Cheung	陸彥彰先生	5/5	1/1
Independent Non-executive Directors:	**獨立非執行董事：**		
Mr. LAU On Kwok	劉安國先生	5/5	1/1
Mr. LAW Wing Chi Stephen	羅永志先生	5/5	1/1
Dr. TSE Chi Kong	謝智剛博士	5/5	1/1

BOARD COMMITTEES

董事委員會

Audit Committee

The Audit Committee comprises three members, namely Mr. LAU On Kwok (chairman), Mr. LAW Wing Chi Stephen and Dr. TSE Chi Kong, all of them are independent non-executive Directors.

The principal duties of the Audit Committee include the following:

(i) To review the relationship with the Auditor by reference to the work performed by the Auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of the Auditor;

(ii) To review the financial statements and reports and consider any significant or unusual items raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or the auditor before submission to the Board; and

(iii) To review the adequacy and effectiveness of the Company's financial reporting system, financial and accounting policies, including the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

The Audit Committee had five meetings and one of the meetings with the Company's Auditor during the Relevant Period.

審核委員會

審核委員會目前由三名成員組成，即劉安國先生(主席)、羅永志先生及謝智剛博士，彼等均為獨立非執行董事。

審核委員會的主要職責包括以下方面：

(i) 透過參考核數師開展的工作、彼等的薪酬及委聘條款檢討與核數師的關係，及就委任、續聘及罷免核數師向董事會提出建議；

(ii) 審閱財務報表及報告，並於遞交予董事會前考慮本公司負責會計及財務報告職能的職員、合規主任或核數師提出的任何重大或不尋常事項；及

(iii) 檢討本公司財務報告系統、財務及會計政策是否充足有效，包括本公司在會計及財務報告職能方面的資源、員工資歷及經驗、培訓課程及預算是否充足。

審核委員會的書面職權範圍於聯交所及本公司網站可供查閱。

審核委員會於有關期間已舉行五次會議，並與本公司的核數師舉行一次會議。

During the Relevant Period up to the date of this annual report, the Audit Committee had one meeting with the Auditor to discuss the annual audit for the year ended 31 March 2019 with the following matters:

(i) reviewed the final results of the Group for the year ended 31 March 2019 as well as the audit report prepared by the Auditor relating to accounting issues and major findings in course of audit; and

(ii) reviewed the financial reporting system, compliance procedures, (including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function), and the re-appointment of the Auditor; the Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of the Auditor.

Nomination Committee

The Nomination Committee currently comprises three members, namely Mr. LUK Kam Ming (chairman), Mr. LAW Wing Chi Stephen and Dr. TSE Chi Kong, the majority of the committee is comprised by independent non-executive Directors.

The principal duties of the Nomination Committee include the following:

(i) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(ii) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

(iii) to assess the independence of independent non-executive Directors; and

(iv) to make recommendations to the Board on the appointment or re-appointment of Directors and the succession planning for Directors, in particular the chairman and the chief executive officer of the Company.

The Nomination Committee assesses the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision. The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

於有關期間，審核委員會與核數師舉行一次會議，就截至二零一九年三月三十一日止年度的年度審核的下列方面進行討論：

(i) 審閱本集團截至二零一九年三月三十一日止年度之末期業績，以及由核數師就有關會計事項及於審核過程中的重大發現所編製的審核報告；及

(ii) 檢討財務報告系統、合規程序(包括本公司在會計及財務報告職能方面的資源、員工資歷及經驗、培訓課程及有關預算是否充足)以及核數師的重新委任；董事會並無偏離審核委員會就甄選、委任、辭任或罷免核數師提出之任何推薦建議。

提名委員會

提名委員會現時由三名成員組成，即陸鑑明先生(主席)、羅永志先生及謝智剛博士。該委員會大多數成員為獨立非執行董事。

提名委員會的主要職責包括以下方面：

(i) 至少每年檢討董事會的架構、人數及組成(包括技能、知識及經驗)，並就任何為配合本公司的企業策略而擬對董事會作出的變動作出推薦建議；

(ii) 物色具備合適資格之人士出任董事會成員，以及對獲提名出任董事之人士進行甄選或就此向董事會作出推薦建議；

(iii) 評估獨立非執行董事的獨立性；及

(iv) 就委任或重新委任董事以及董事(尤其是本公司主席及行政總裁)繼任計劃向董事會提出建議。

提名委員會按誠信、經驗、技能以及為履行責任及職責所付出之時間及努力等標準評估候選人或在任人。提名委員會之建議將於其後提交董事會以作決定。提名委員會的書面職權範圍於聯交所及本公司網站可供查閱。

Policy on Directors Nomination

The Company has adopted a nomination policy stating the process and criteria to select and recommend candidates for directorship during the relevant period. In identifying suitable candidate qualified to become Board members, the Nomination Committee shall consider the attributes complementary to the Board, business experience and Board Expertise and skills, availability, motivation, integrity and independence of candidates.

The Nomination Committee had one meeting during the Relevant Period to assess the independence of independent non-executive Directors and consider the re-appointments of the retiring Directors.

Board Diversity Policy

The Board has adopted a board diversity policy, a summary of which is set out below:

(i) With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development;

(ii) In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;

(iii) All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board;

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

(v) The Nomination Committee will report annually, in the Corporate Governance Report, on the Board's composition under diversified perspectives, and monitor the implementation of this Policy; and

(vi) The Nomination Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

董事提名政策

本公司已採納一項提名政策，指明於有關期間選擇及推薦董事職務候選人的流程及標準。為識別合資格成為董事會成員的合適候選人，提名委員會將考慮與董事會的互補、候選人的業務經驗及董事會專業知識及技能、可用性、動機、誠信及獨立性。

提名委員會於有關期間舉行一次會議以評估獨立非執行董事的獨立性及考慮重新委任退任董事。

董事會多元化政策

董事會已採納董事會多元化政策，其概要載列如下：

(i) 為達致可持續的均衡發展，公司視董事會層面日益多元化為支持其達到戰略目標及維持可持續發展的關鍵元素；

(ii) 公司在設計董事會成員組成時，會從多個方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期；

(iii) 董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益；

(iv) 甄選人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。最終將按人選的長處及可為董事會提供的貢獻而作決定；

(v) 提名委員會將每年在《企業管治報告》內匯報董事會在多元化層面的組成，並監察本政策的執行；及

(vi) 提名委員會將在適當時候審閱本政策，以確保本政策行之有效。提名委員會將會討論任何或需作出的修訂，再向董事會提出修訂建議，供董事會審批。

Remuneration Committee

The Remuneration Committee currently comprises three members, namely Dr. TSE Chi Kong (chairman), Mr. LAU On Kwok and Mr. LUK Kam Ming, the majority of the committee is comprised by independent non-executive Directors.

The principal duties of the Remuneration Committee include the following:

(i) to make recommendations to the Board on the Company's overall policy and structure for the remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;

(ii) to review and approve the management's remuneration proposals with reference to the corporate goals and objectives determined by the Board, and assess performance of executive Directors and the terms of their service agreements;

(iii) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. These include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

(iv) to make recommendations to the Board on the remuneration of non-executive Directors; and

(v) to ensure that no Director or any of his/her associates (as defined in the GEM Listing Rules) is involved in deciding his/her own remuneration.

The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

The Remuneration Committee had three meetings during the Relevant Period to discuss, review and make recommendations to the Board on the remuneration packages of individual executive Directors and senior management of the Company.

薪酬委員會

薪酬委員會現時由三名成員組成，即謝智剛博士(主席)、劉安國先生及陸鑑明先生。該委員會大多數成員為獨立非執行董事。

薪酬委員會的主要職責包括以下方面：

(i) 就董事及高級管理層的整體薪酬政策及架構，以及就設立正規且具透明度的程序以便制定薪酬政策，向董事會提出推薦建議；

(ii) 經參考董事會所訂企業目標及目的，檢討及批准管理層的薪酬提案，並評估執行董事的表現以及其服務協議條款；

(iii) 就個別執行董事及高級管理層的薪酬待遇，包括實物利益、退休金權利及賠償金額(包括喪失或終止職務或委任應付的任何賠償)向董事會提出推薦建議；

(iv) 就非執行董事的薪酬向董事會提出推薦建議；及

(v) 確保任何董事或其任何聯繫人(定義見GEM上市規則)不得參與訂定本身的薪酬。

薪酬委員會的書面職權範圍於聯交所及本公司網站可供查閱。

於有關期間，薪酬委員會舉行三次會議，討論、檢討及就本公司個別執行董事及高級管理層的薪酬待遇向董事會提出推薦建議。

Remuneration of Directors and Senior Management

Particulars of the remuneration of the Directors and the five highest individuals during the Relevant Period are set out in note 8 to the consolidated financial statements. Pursuant to code provision B.1.5 of the CG Code, the remuneration of the members of the senior management (including Company Secretary and other than the Directors) whose particulars are contained in the section headed "Directors and Senior Management" in this annual report for the year ended 31 March 2019 by band is set out below:

董事及高級管理層的薪酬

於有關期間，董事及五名最高薪酬人士的薪酬詳情載列於綜合財務報表附註8。根據企業管治守則守則條文第B.1.5條，其詳細資料載於截至二零一九年三月三十一日止年度的本年報「董事及高級管理層」一節的高級管理層成員(包括公司秘書及董事除外)按薪酬組別劃分的薪酬載列如下：

Remuneration band (in HK$) **薪酬組別**(港元)		**Number of individuals** **人數**
Not exceeding HK$1,000,000	不超過1,000,000港元	4
HK$1,000,001 to HK$1,500,000	1,000,001港元至1,500,000港元	0

Risk Management Committee

The Risk Management Committee comprises five members, namely Mr. LAW Wing Chi Stephen (chairman), Mr. CHAN Chak Lun Philip, Mr. LAU On Kwok, Mr. LUK Kwai Lung and Mr. LUK Yin Cheung.

The principal duties of the Risk Management Committee include the following:

(i) to review the Group's risk management system, including risk, capital and liquidity management framework, the Group's risk tolerance capability, its risk policies and standards, and relevant risk limits, including the parameters used and the methodology adopted, and the processes used for identifying and assessing risks;

(ii) to approve risk policies and standards, referring any new material policies/standards or material changes to existing policies/standards/limits to the Board for approval;

(iii) to discuss the risk management system with the management and ensure that the management has performed its duties to establish an effective system. The contents to be discussed include the Company's resources for risk management, adequacy of qualifications and experiences of the employees, as well as adequacy of training courses and relevant budgets available to the employees;

(iv) to review material risk exposures of the Group, including market, credit, insurance, operational, liquidity, and economic and regulatory capital risks against the Group's risk measurement methodologies and management actions to monitor and control such exposures;

(v) to review annually the changes, since the last annual review, in the nature and extent of significant risks, and the issuer's ability to respond to changes in its business and the external environment; and

(vi) to review annually the effectiveness of the issuer's processes for financial reporting and compliance of the Listing Rules.

風險管理委員會

風險管理委員會由五名成員組成，即羅永志先生(主席)、陳澤麟先生、劉安國先生、陸季農先生及陸彥彰先生。

風險管理委員會的主要職責包括以下方面：

(i) 檢討本集團的風險管理系統，包括風險、資本及流動資金管理框架，本集團的風險承受能力，風險政策及標準和相關風險限制，包括所用參數、所採納的方法及用於識別及評估風險的程序；

(ii) 批准風險政策及標準，向董事會提交任何重大新政策／標準或現有政策／標準／限制的重大變動，以供審批；

(iii) 與管理層討論風險管理系統，確保管理層已履行職責以建立有效的系統。討論內容應包括公司在風險管理職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算是否充足；

(iv) 根據本集團風險計量方法及管理層行動檢討本集團的重大風險狀況，包括市場、信貸、保險、營運、流動資金及經濟及監管資本風險，以監督及控制該等風險；

(v) 每年檢討自上次年度檢討起重大風險性質及程度的變動，及發行人應對其業務及外部環境變動的能力；及

(vi) 每年檢討發行人進行財務申報及遵守上市規則的程序效用。

The written terms of reference of the Risk Management Committee are available on the websites of the Stock Exchange and the Company.

風險管理委員會的書面職權範圍於聯交所及本公司網站可供查閱。

The Risk Management Committee had one meeting during the Relevant Period to discuss and review risk management policy, internal control manual, internal audit plan, internal audit report, risk management and internal control systems.

於有關期間，風險管理委員會舉行一次會議，討論及審閱風險管理政策、內部監控手冊、內部審核計劃、內部審核報告、風險管理及內部監控制度。

ATTENDANCE OF DIRECTORS AT VARIOUS BOARD COMMITTEE MEETINGS

董事出席各董事委員會會議的情況

Directors	董事	Number of meetings attended/held 出席／舉行會議次數 Audit Committee Meeting 審核委員會會議	Nomination Committee Meeting 提名委員會會議	Remuneration Committee Meeting 薪酬委員會會議	Risk Management Committee Meeting 風險管理委員會會議
Executive Directors	**執行董事**				
Mr. LUK Kam Ming	陸鑑明先生	–	1/1	3/3	–
Mr. CHAN Chak Lun Philip	陳澤麟先生	–	–	–	1/1
Mr. LUK Kwai Lung	陸季農先生	–	–	–	1/1
Mr. LUK Yin Cheung	陸彥彰先生	–	–	–	1/1
Independent Non-Executive Directors	**獨立非執行董事**				
Mr. LAU On Kwok	劉安國先生	5/5	–	3/3	1/1
Mr. LAW Wing Chi Stephen	羅永志先生	5/5	1/1	–	1/1
Dr. TSE Chi Kong	謝智剛博士	5/5	1/1	3/3	–

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

董事就財務報表的財務申報責任

The Directors acknowledge their responsibility for preparing the financial statements for the year ended 31 March 2019 which give a true and fair view of the affairs of the Group and of the Group's results and cash flows.

董事確認彼等編製截至二零一九年三月三十一日止年度的財務報表的責任，該報表真實公平地反映本集團的事務以及本集團業績及現金流量。

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on Group's performance, positions and prospects.

管理層已向董事會提供必要的解釋及資料，以使董事會對獲提呈待審批的本公司財務報表作出知情評估。本公司向董事會全體成員提供有關本集團表現、狀況及前景的月度更新資料。

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.

董事會並不知悉任何有關可能對本集團按持續基準繼續經營的能力構成重大質疑的事件或情況的任何重大不明朗因素。

The statement by the Auditor regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the independent auditor's report on pages 69 to 74 of this annual report.

核數師就其對本公司綜合財務報表的申報責任的聲明載於本年報第69至74頁獨立核數師報告內。

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is its responsibility to ensure that the Company establishes and maintains sound risk management and internal control systems within the Group and to review the effectiveness of the systems. Such systems are designed to manage and mitigate risks inherent in the Group's business faced by the Group to an acceptable level, but not eliminating the risk of failure to achieve business objectives, and can only provide reasonable assurance against material misstatement, loss or fraud.

The Board has entrusted the Risk Management Committee with the responsibility to oversee the risk management and internal control systems of the Group on an on-going basis and to review the effectiveness of the systems annually. The annual review covered all material controls, including financial, operational and compliance controls.

Under the Company's risk management and internal control structure, the management is responsible for the design, implementation and maintenance of risk management and internal control systems to ensure, amongst others, (i) appropriate policies and control procedures have been designed and established to safeguard the Group's assets against improper use or disposal; (ii) relevant laws, rules and regulations are adhered to and complied with; and (iii) that reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements.

The main features of risk management and internal control structure of the Company are as follows:

(i) Heads of each operation unit or department manage major risks affecting the Group's businesses and operations through the processes of risk identification, risk assessment and implementation of risk mitigation measures in accordance with the internal guidelines approved by the Board and the Risk Management Committee;

(ii) The management ensures appropriate actions are taken on major risks affecting the Group's businesses and operations; and

(iii) Internal audit functions provide independent assurance to the Board, the Risk Management Committee and the management concerning the effectiveness of risk management and internal control systems.

During the year ended 31 March 2019, major works performed by the management in relation to risk management and internal control include the following:

(i) Reviewed the progress of the implementation of the mitigation plan for the major risks identified for the year ended 31 March 2018;

風險管理及內部監控

董事會確認其須負責確保本公司設立及維持本集團內穩健的風險管理及內部監控系統，並檢討該等系統的成效。該等系統旨在管理本集團所面臨其業務中的固有風險，並將其緩解至可接受水平，而非消除未能達致業務目標的風險，且僅可就重大錯誤陳述、損失或欺詐提供合理保證。

董事會已將持續監察本集團風險管理及內部監控系統以及每年檢討該等系統成效的責任交託予風險管理委員會執行。年度檢討涵蓋所有重大監控，包括財務、營運及合規監控等。

根據本公司的風險管理及內部監控架構，管理層負責設計、執行及維持風險管理及內部監控系統，以確保(其中包括)(i)已設計及確立適當的政策及監控程序，以保障本集團資產不會遭不當使用或處置；(ii)依循及遵守相關法例、規則及規例；及(iii)根據相關會計準則及監管申報規定保持可靠的財務及會計記錄。

本公司風險管理及內部監控架構的主要特點如下：

(i) 各營運組別或部門的主管根據董事會及風險管理委員會批准的內部指引，透過風險識別、風險評估及實施風險緩釋措施的過程去管理本集團業務及營運的主要風險；

(ii) 管理層確保已就影響本集團業務及營運的重大風險採取合適的行動；及

(iii) 內部審核功能就風險管理及內部監控系統的成效向董事會、風險管理委員會及管理層提供獨立保證。

於截至二零一九年三月三十一日止年度，管理層就風險管理及內部監控進行的主要工作包括以下各項：

(i) 審閱有關截至二零一八年三月三十一日止年度識別的主要風險的緩衝計劃的實施進展；

(ii) Identified new risks at corporate level for year ended 31 March 2019; and incorporated them into risk register for risk assessment;

(iii) Conducted an annual review on effectiveness of the risk management and internal control systems of the Group, covering all material controls including financial, operational and compliance controls; and

(iv) Reported the results of the risk assessment and internal audit to the Risk Management Committee and the Board.

Based on the findings of the internal audit and the comments of the Risk Management Committee, the Board considered that the risk management and internal control systems are effective and adequate.

The Group has established procedures and internal controls for handling and dissemination of inside information. The Group has reminded the employees about due compliance with the policy regarding the inside information.

DIVIDEND POLICY

The Company has adopted a dividend policy facilitating the Shareholders and investors to make informed investment decisions relating to the Company during the relevant period. In considering whether to propose a dividend and in determining the dividend amount, the Board shall consider the following factors before declaring or recommending dividends:

(i) the Company's actual and expected financial performance;

(ii) retained earnings and distributable reserves of the Company and each of the members of the Group;

(iii) the Groups' working capital requirements, capital expenditure requirements and future expansion plans;

(iv) the Group's liquidity position;

(v) business conditions and strategies;

(vi) future operations and earnings;

(vii) reasonable return in investment to the shareholders and investors; and

(viii) other factors that the Board may consider relevant.

Declaration and payment of dividend by the Company shall also subject to any restrictions under the Cayman Islands laws, any applicable laws, rules and regulations, any restrictions that may be imposed by the Group's lenders, if any and the Company's articles of associations.

(ii) 識別截至二零一九年三月三十一日止年度的公司層面的新風險；並將其納入風險登記冊作風險評估；

(iii) 對本集團風險管理及內部監控制度有效性進行年度檢討，涵蓋所有重大監控，包括財務、經營及合規監控；及

(iv) 向風險管理委員會及董事會報告風險評估及內部審核的結果。

根據內部審核的發現及風險管理委員會的評論，董事會認為，風險管理及內部監控制度屬有效及充足。

本集團已為處理及發放內幕消息設立程序及內部監控。本集團已提醒僱員嚴格遵守有關內幕消息的政策。

股息政策

本公司已經採納一項股息政策，促進股東及投資者於有關期間就本公司作出知情投資決定。於考慮是否擬派股息及釐定股息金額時，董事會應於宣派或建議派付股息前考慮如下因素：

(i) 本公司實際及預期財務表現；

(ii) 本公司及本集團各成員公司的保留盈利及可供分派儲備；

(iii) 本集團營運資金需求、資本開支需求及未來擴張計劃；

(iv) 本集團流動資金狀況；

(v) 業務狀況及策略；

(vi) 未來經營及盈利；

(vii) 股東及投資者投資的合理回報；及

(viii) 董事會可能認為屬相關的其他因素。

本公司宣派及支付股息亦需遵守開曼群島法律、任何適用法律、規則及規例的任何限制，本集團貸方可能施加的任何限制（如有）及本公司組織章程。

AUDITOR'S REMUNERATION

The remuneration for the audit and non-audit services provided by the Auditor to the Group during the Relevant Period was approximately as follows:

核數師薪酬

於有關期間，核數師向本集團提供的審核及非審核服務的薪酬概述如下：

Type of Services **服務類型**		**Amount** (HK$'000) **金額**（千港元）
Audit services	審核服務	1,200
Non-audit services *(Note)*	非審核服務*（附註）*	45
Total	總計	1,245

Note : For the year ended 31 March 2019, the Group has engaged the Auditor and their affiliate companies to provide non-audit services which include (i) tax service; and (ii) audit of retirement scheme.

附註： 截至二零一九年三月三十一日止年度，本集團已委聘核數師及其聯屬公司提供非核數服務，包括(i)稅項服務；及(ii)退休計劃審核。

COMPANY SECRETARY

Ms. WOO Siu Wai, the company secretary of the Company, is responsible for advising the Board on corporate governance matters and ensuring that the Board policies and procedures, as well as the applicable laws, rules and regulations are followed.

During the Relevant Period, Ms. Woo have undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 5.15 of the GEM Listing Rules.

公司秘書

本公司的公司秘書胡劭卉女士負責就企業管治事宜向董事會提供意見，並確保遵守董事會政策及程序以及適用法例、規則及規例。

於有關期間，胡女士已根據GEM上市規則第5.15條參與不少於15小時的相關專業培訓。

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

The general meetings of the Company provides opportunity for the Shareholders to communicate directly with the Directors. The chairman of the Company and the chairmen of the Board Committees will attend the annual general meetings s to answer Shareholders' questions. The Auditor will also attend the annual general meetings to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and the Shareholders and maintains a website of the Company at www.kml.com.hk, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

與股東的溝通及投資者關係

本公司認為與股東有效溝通對加強投資者關係以及讓投資者更了解本集團的業務、表現及戰略甚為重要。本公司亦認同及時及不經篩選地披露資料的重要性，此有助股東及投資者作出知情投資決定。

本公司的股東大會向股東提供與董事直接溝通的機會。本公司主席及各董事委員會主席將出席股東週年大會，回答股東的提問。核數師亦將出席股東週年大會，回答有關審核工作、編製核數師報告及其內容、會計政策以及核數師的獨立性等問題。

為促進有效的溝通，本公司採納股東通訊政策，旨在建立本公司與其股東之間的雙向關係及溝通，並設有公司網站(www.kml.com.hk)，以刊登有關本公司業務營運及發展的最新資料、財務資料、企業管治常規及其他資料，以供公眾人士獲取。

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted by poll pursuant to the GEM Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

Convening of extraordinary general meeting and putting forward proposals

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

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

Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to the headquarters of the Company at B12, G/F, Shatin Industrial Centre, Siu Lek Yuen Road, Shatin, New Territories, Hong Kong.

CHANGE IN CONSTITUTIONAL DOCUMENTS

The Company has adopted an Amended and Restated Memorandum and Articles of Association pursuant to written resolutions passed by all Shareholders on 20 September 2017 when preparing for the listing of the shares of the Company on the Stock Exchange. The Amended and Restated Memorandum and Articles of Association became effective on the Listing Date. An up-to-date version of the Company's Memorandum and Articles of Association is available on the websites of the Company and the Stock Exchange.

股東權益

為保障股東利益及權利，本公司將於股東大會上就各項事宜(包括個別董事的選舉)提呈獨立決議案。

於股東大會上提呈的所有決議案將根據GEM上市規則以投票方式表決，投票結果將於各股東大會舉行後及時於本公司及聯交所網站刊登。

召開股東特別大會及提呈建議

股東可根據組織章程細則向本公司股東大會提呈建議以供考慮。於遞交要求當日持有不少於本公司十分之一附有權利可於本公司股東大會上投票的繳足股本的任何一名或以上股東應一直有權透過向董事會或本公司的公司秘書遞交書面要求後，要求董事會召開本公司股東特別大會，以處理有關要求所列明的任何事項。有關大會須於遞交有關要求後兩個月內舉行。倘於遞交有關要求後21天內董事會未能著手召開有關大會，則要求人士本身可按相同方式自行召開有關大會，而有關要求人士因董事會未能召開大會而產生的所有合理費用應由本公司向有關要求人士進行償付。

關於建議一名人士參選董事的事宜，可於本公司網站查閱有關程序。

向董事會提出查詢

股東如欲向董事會提出有關本公司的查詢，可將有關查詢寄至本公司總部(地址為香港新界沙田小瀝源路沙田工業中心地下B12室)。

更改組織章程文件

根據全體董事籌備本公司股份於聯交所上市時於二零一七年九月二十日通過的書面決議案，本公司已採納經修訂及經重列的組織章程大綱及細則。經修訂及經重列的組織章程大綱及細則於上市日期生效。本公司組織章程大綱及細則的最新版本於本公司及聯交所的網站可供查閱。

ABOUT THIS REPORT

The Group is delighted to present its second Environmental, Social and Governance ("**ESG**") report, which highlights its ESG performance for the year ended 31 March 2019 ("**the Reporting Period**") for the purpose of assisting all stakeholders in understanding the Group's key ESG concepts and practices in achieving sustainable development for the future.

This report covers the Group's principal business and operations in Hong Kong including the provision of E&M engineering solutions and services, E&M engineering design and fabrication services and E&M engineering maintenance services, unless otherwise specified.

This report is prepared in accordance with the Appendix 20 – Environmental, Social and Governance Reporting Guide ("**ESG Guide**") under the GEM Listing Rules. Information regarding the Group's Corporate Governance is addressed in the annual report in accordance with Appendix 15 of the GEM Listing Rules.

Stakeholder engagement

The Group understands the importance of building and maintaining successful relationships with our stakeholders (shareholders, employees, customers, partners, subcontractors, suppliers, community, certification bodies, non-governmental organisations, statutory bodies and government departments) in order to achieve long term success and sustainability. To maintain the stakeholder engagement on an on-going basis, the Group has developed effective internal and external communication channels, such as regular and ad-hoc meetings, interim and quarterly results announcements, the Group's website, instant communication applications, briefings, training and workshops, staff performance appraisal. In addition, the Group has sent questionnaires to our stakeholders to collect their feedback on the first ESG report as well as understand their expectations on the disclosure of relevant ESG issues for this report.

Materiality Assessment

Based on the results of engagement activities mentioned above, the following ESG issues are considered to be material to the Group:

關於本報告

本集團欣然呈列其第二份環境、社會及管治(「**環境、社會及管治**」)報告，闡述其於截至二零一九年三月三十一日止年度(「**報告期**」)在環境、社會及管治方面的表現，以協助所有持份者了解本集團為達成日後可持續發展的主要環境、社會及管治理念及實踐。

除另有說明外，本報告涵蓋本集團於香港的主要業務及營運，包括提供機電工程解決方案及服務、機電工程設計及裝配服務以及機電工程保養服務。

本報告乃根據GEM上市規則附錄二十 – 環境、社會及管治報告指引(「**環境、社會及管治指引**」)編製。根據GEM上市規則附錄十五，有關本集團企業管治的資料於年報內刊載。

持份者參與

本集團深知與持份者(股東、僱員、客戶、合作夥伴、分包商、供應商、社區、認證機構、非政府機構、法定機構及政府部門)建立及維持成功的關係以取得長期成功及可持續發展的重要性。為維持持份者的持續參與，本集團已制定有效的內部及外部溝通渠道，例如定期及臨時會議、中期及季度業績報告、本集團網站、即時通訊應用程式、簡報、培訓及研討會、員工績效考核等。此外，本集團已向持份者發出問卷以收集彼等對首份環境、社會及管治報告的反饋意見，以及了解彼等對本報告披露相關環境、社會及管治事項的期望。

重要性評估

根據上述參與活動的結果，以下環境、社會及管治事項被視為對本集團而言屬重大：

ESG aspects as set out in ESG Guide 環境、社會及管治指引所載的環境、社會及管治層面		Material ESG issues of the Group 本集團的重大環境、社會及管治議題
A. Environmental 環境	A1 Emissions 排放物 A2 Use of Resources 資源使用 A3 The Environment and Natural Resources 環境及天然資源	• Construction waste management 建築廢物管理 • Energy consumption 能源消耗 • Noise management 噪音管理

ESG aspects as set out in ESG Guide **環境、社會及管治指引所載的環境、社會及管治層面**		**Material ESG issues of the Group** **本集團的重大環境、社會及管治議題**
B. Social 社會	B1 Employment 僱傭	• Employment practices 僱員常規 • Compensation and benefits 薪酬和福利
	B2 Health and safety 健康與安全	• Occupational health and safety 職業健康與安全 • Work environment 工作環境
	B3 Development and training 發展及培訓	• Training and development for employees 僱員培訓及發展
	B4 Labour standards 勞工準則	• Anti-child and forced labour 反童工及強制勞工
	B5 Supply chain management 供應鏈管理	• Supply chain practices 供應鏈慣例
	B6 Product responsibility 產品責任	• Quality management 質量管理 • Personal data privacy 個人資料私隱
	B7 Anti-corruption 反貪污	• Corporate integrity 企業廉潔 • Whistle-blowing mechanism 舉報機制
	B8 Community investment 社區投資	• Corporate social responsibility 企業社會責任

Feedback

Comments and suggestions regarding the Group's ESG performance are always welcome and can be sent to the Group at kmlinfo@kml.com.hk. We value your feedback on our ESG Report. Your valuable feedback would greatly help us continuously improve our sustainable performance.

反饋意見

倘對本集團的環境、社會及管治表現有任何意見及建議，歡迎電郵至kmlinfo@kml.com.hk向本集團提出。我們重視　閣下就本環境、社會及管治報告提出的反饋意見。 閣下的寶貴意見對我們持續提升可持續發展表現有莫大助益。

ENVIRONMENTAL PERFORMANCE

Environmental Management and Compliance

As a responsible engineering contractor, the Group has established an environmental management system ("**EMS**") to manage environmental risks as well as its significant environmental aspects such as use of energy, use of natural resources, air/energy emissions and waste generation for sustainable development of the Group and the protection of the environment. Moreover, regular internal audits on the effectiveness and level of compliance of EMS are carried out, and management review is conducted at least annually to ensure continuing suitability, adequacy and effectiveness of EMS.

The efforts of the implementation of EMS for the company along with its two subsidiaries (KML Engineering and KML Technology) have been recognized that all 3 companies have been successfully certified with the ISO 14001:2015 in one time during the Reporting Period.

During the Reporting Period, the Group had complied with all relevant requirements including the Air Pollution Control Ordinance, Air Pollution Control (Construction Dust) Regulation, Motor Vehicle Idling (Fixed Penalty) Ordinance, Waste Disposal (Chemical Waste) (General) Regulation of Waste Disposal Ordinance, Waste Disposal (Charges for Disposal of Construction Waste) Regulation, Noise Control Ordinance, Noise Control (General) Regulation and Noise Control (Hand Held Percussive Breakers) Regulations.

Air and Greenhouse Gas Emissions

There are two major sources of air and greenhouse gases ("**GHG**") emissions during our business activities, namely (i) use of electricity in head offices; and (ii) consumption of fuels in vehicles for delivering materials from the warehouses to project sites. The Group supports the use of more environmental-friendly fuels and has been closely monitoring the fuel consumption as well as the vehicle usage. Maintenance services to the vehicles are regularly arranged to ensure engine performance and efficient use of fuel.

In addition, the Group has scheduled to replace some old high energy-consumption and low efficient vehicles with eco-friendly and/or energy efficient models with an objective in reducing emissions from vehicles.

Regarding the reduction initiatives of electricity, please refer to section headed "Electricity" in this ESG Report.

環境表現

環境管理及合規

作為一名負責任的工程承包商，本集團已設立環境管理體系(「**環境管理體系**」)以管理環境風險及其有關本集團可持續發展及環境保護的重大環境問題，例如能源使用、自然資源使用、氣體/能源排放量及所產生的廢棄物。此外，對環境管理體系的有效性及合規水平進行定期內部審核，以及至少每年進行一次管理層檢討，以確保環境管理體系持續合適、充分及有效。

本公司連同其兩間附屬公司(高明科技工程及高萌科技)實施環境管理體系的努力得到認可，該三間公司於報告期內成功一次獲得ISO 14001:2015認證。

於報告期內，本集團已遵守所有相關規定，包括空氣污染管制條例、空氣污染管制(建造工程塵埃)規例、汽車引擎空轉(定額罰款)條例、廢物處置條例的廢物處置(化學廢物)(一般)規例、廢物處置(建築廢物處置收費)規例、噪音管制條例、噪音管制(一般)規例及噪音管制(手提撞擊式破碎機)規例。

廢氣及溫室氣體排放

於我們的業務活動中，廢氣及溫室氣體(「**溫室氣體**」)排放有兩大來源，分別為(i)總辦事處用電；及(ii)將材料從倉庫運送至項目地盤而引致的汽車燃料消耗。本集團支持使用更加環保的燃料，並已密切監察燃料消耗以及汽車使用。本集團亦定期安排車輛進行保養服務，以確保引擎性能及高效使用燃料。

此外，本集團已計劃以環保及/或節能型號車輛替代若干老舊高能耗及低效車輛，以減少車輛排放。

有關降低用電措施，請參閱本環境、社會及管治報告「電力」一節。

The following table highlights the air emission data of the Group.

下表闡述本集團的廢氣排放數據。

Type of emission 廢氣排放類別		2019 二零一九年 Amount (in kilograms ("kg")) 排放量(公斤)	2018 二零一八年
Nitrogen oxides ("NO_x")	氮氧化物(「NO_x」)	**70.60**	72.09
Sulphur oxides ("SO_x")	硫氧化物(「SO_x」)	**0.34**	0.37
Particulate Matter ("PM")	懸浮粒子(「PM」)	**6.35**	6.47

The following table highlights the GHG emission data, in tonnes in terms of carbon dioxide equivalent ("tCO_2-eq"), of the Group. An increase in the amount of GHG emission in the Reporting Period is observed, which is mainly arisen from two sources: (i) purchased electricity in offices; and (ii) the necessary business travel associated with overseas projects, despite of intensive communication via call conference as well as e-mail. The increase of the use of electricity will be further discussed in the section headed "Electricity" in this ESG Report.

下表闡述本集團的溫室氣體排放數據(以噸二氧化碳當量(「二氧化碳當量」)計)。我們注意到於報告期內溫室氣體排放量有所增加,主要來自兩個來源:(i)辦公室所購電力;及(ii)與海外項目相關的必要差旅,儘管已通過電話會議及電郵進行密切溝通。用電量增加將於本環境、社會及管治報告「電力」一節進一步討論。

Scope 範圍		Sources of emission 排放來源	2019 二零一九年 Amount (in tCO_2-eq) 排放量(以噸二氧化碳當量計)	2018 二零一八年
1.	Direct emissions 直接排放	Combustion of stationary sources 固定燃燒源	**0.21**	0.36
		Combustion of mobile sources 流動燃燒源	**61.97**	66.24
		Unintentional releases *(Note a)* 無意釋放*(附註a)*	**14.81**	7.95
2.	Energy indirect emissions 能源間接排放	Purchased electricity in offices 辦公室購買電力	**144.38**	138.12
3.	Other indirect emissions *(Note b)* 其他間接排放*(附註b)*	Business air travel *(Note c)* 商務差旅*(附註c)*	**10.51**	2.64
Total GHG Emission		溫室氣體總排放量	**231.88**	215.31
Total GHG Intensity *(Note d)*		溫室氣體總密度*(附註d)*	**1.07**	0.98

Notes:

(a) The unintentional releases are mainly due to the uses of air conditioning equipment in the head offices.

(b) The Group chose to disclosure the emissions associated with business air travel as there are negligible emissions due to disposal of paper waste, electricity used for fresh water processing and sewage processing.

(c) The GHG emission from business air travel is calculated based on the International Civil Aviation Organization ("IACO") carbon emissions calculator.

(d) Intensity is calculated based on the amount of the GHG emission divided by the average number of full-time employees ("FTE") during the Reporting Period.

附註:

(a) 無意釋放主要是由於總辦事處使用空調設備。

(b) 本集團選擇披露與商務差旅有關的排放,乃因處置廢紙、淡水處理及污水處理所用電力的排放甚微。

(c) 商務差旅的溫室氣體排放量乃根據國際民用航空組織(「國際民航組織」)碳排放量計算器計算。

(d) 密度乃根據溫室氣體排放量除以報告期內全職僱員(「全職僱員」)的平均數目計算。

Waste Management

The Group upholds environmentally friendly manner in managing waste within its business operations. We promote and support 8R principles, i.e. "Reduce, Reuse, Recycle, Responsibility, Replace, Repair, Respect, Rethink", to minimize waste generation at source.

During the course of our operations, chemical wastes including surplus paint, spent mineral oil and waste batteries/unwanted printed circuit boards would be generated. Being a registered waste producer under the Waste Disposal (Chemical Waste) (General) Regulation of Waste Disposal Ordinance, we ensure the chemical wastes have been properly labelled, packaged, stored temporarily at a designated chemical waste storage area prior to their collection by licensed waste recyclers and collectors for disposal.

The amount of chemical wastes generated by the Group during the Reporting Period is tabulated below:

廢物管理

本集團於其業務營運中處理廢物時一直秉承環保方式。我們推動及支持8R原則，即「減少使用、物盡其用、循環再造、環保責任、替代使用、修復再用、尊重環境、重新思考」，實行源頭減廢。

於營運過程中，所產生的化學廢物包括剩餘油漆、廢礦物油及廢電池／多餘的印刷電路板。作為廢物處置條例的廢物處置(化學廢物)(一般)規例下的登記廢物產生者，我們確保化學廢物已適當張貼標識、包裝，臨時存放於指定化學廢棄物存放區域內，以待持牌廢物回收商和收集商收集處理。

本集團於報告期內產生的化學廢物量列表如下：

Type of chemical waste **化學廢物類別**		**2019** **二零一九年** **Amount (in kg)** **重量(公斤)**	2018 二零一八年
Surplus paint	剩餘油漆	**0**	1,900
Spent mineral oil	廢礦物油	**0**	0
Waste batteries/Unwanted printed circuit boards	廢電池／多餘的印刷電路板	**0**	0
Total hazardous waste	有害廢物總量	**0**	1,900
Total hazardous waste intensity *(Note)*	有害廢物總密度*(附註)*	**0**	8.63

Note:

Intensity is calculated based on the amount of the total hazardous waste divided by the average number of FTE during the Reporting Period.

附註：

密度乃根據有害廢物總量除以報告期內全職僱員的平均數目計算。

Regarding non-hazardous wastes, two major sources identified are:

(i) construction wastes generated in the project sites are sent to waste disposal facilities under the Construction Waste Disposal Charging Scheme of Waste Disposal (Charges for Disposal of Construction Waste) Regulation; and

(ii) residential/domestic wastes generated from daily activities in our head offices are disposed by the building management.

The Group currently does not report on the total non-hazardous waste produced and intensity. We plan to disclose the information in the future. During the Reporting Period, it was recorded that a total of approximately 50.16 tonnes (2018: approximately 68.49 tonnes) construction wastes were ultimately transported to landfill.

有關無害廢物，已識別的兩大來源為：

(i) 項目地盤產生的建築廢物根據廢物處置(建築廢物處置收費)規例的建築廢物處置收費計劃送往廢物處置設施；及

(ii) 總辦事處日常活動產生的住宅／家居廢物由大廈管理部門處置。

本集團目前並無報告所產生無害廢物總量及密度。我們計劃日後披露有關資料。於報告期內，最終運送至填堆區的建築廢物合共錄得約50.16噸(二零一八年：約68.49噸)。

The Group continues to implement the following initiatives to reduce waste production. Examples include:

(i) incorporate waste reduction ideas in staff induction trainings;

(ii) place trays to collect stationery supplies such as envelope, document and file folders for re-use;

(iii) post eye-catching reminders at individual desktops to promote the concepts of using paper wisely and efficiently, such as think before you print and adopt double sided printing;

(iv) place paper boxes near printers to collect single-sided printed papers for re-use;

(v) re-use the packaging materials (paper boxes, protective foam etc.) for protecting materials or products during transportation/delivery where appropriate; and

(vi) provide recycle facilities/allocated a designated area in office to encourage sorting and recycling of useful materials, including but not limited to paper, plastics and aluminum cans.

The waste reduction effort by KML Engineering is recognized by Hong Kong Awards for Environmental Excellence. KML Engineering has been awarded "Class of Excellence" Wastewi$e Certificate since year 2013.

Looking ahead, the Group has planned to issue paperless ESG report next year, in order to further minimize the paper usage.

Uses of Resources

Electricity

The Group strives to reduce its resources consumption mainly electricity, thereby reducing costs and promoting the long-term environmental and economic sustainability of its operations.

During the previous and this Reporting period, in addition to the implementation of multiple administrative measures, including but not limited to, awareness training and switching off machineries/electrical appliances not in use, the Group has accomplished most renovation works in offices. From the planning stage of the renovation project, the Group has considered various environmental initiatives. Those have been implemented includes but not limited to:

(i) adopt an open plan office, which remove excess lighting and air conditioning systems;

(ii) replace some old/inefficient split type air conditioners with more energy-efficient inverter split type air conditioners;

(iii) replace window type air conditioners by installing split type air conditioners in designated locations; and

(iv) replace most T8 light pipes by LED/T5 light pipes.

本集團繼續實施以下措施以減少廢物產生。其中包括：

(i) 將減廢概念納入員工入職培訓；

(ii) 放置托盤以收集如信封、文件及文件夾等文具用品，以供重複使用；

(iii) 在個人桌面當眼處張貼提醒，推廣明智善用紙張的概念，例如「印前三思」及採用雙面打印；

(iv) 在打印機附近放置紙箱以收集單面打印紙張供重複使用；

(v) 在適當的情況下，重用包裝材料(紙箱、保護泡沫紙等)以保護運輸／交付過程中的材料或產品；及

(vi) 於辦公室內提供回收設施／劃分指定區域以鼓勵分類及回收有用物料，包括但不限於紙張、塑料及鋁罐。

高明科技工程的減廢成果獲得香港環境卓越大獎認可。高明科技工程自二零一三年以來一直獲頒「卓越級別」減廢證書。

展望未來，本集團計劃於明年發行無紙化的環境、社會及管治報告，以進一步減少紙張使用量。

資源使用

電力

本集團致力減少耗用資源(主要為電力)，從而降低成本並促進其長遠營運環境和經濟的可持續性。

於上個及本報告期內，除實施各項行政管理措施(包括但不限於意識培訓及關閉未使用的機器/電器)外，本集團已完成辦公室的大部分翻新工程。從翻新項目的規劃階段起，本集團已考慮各項環保舉措。已實施的舉措包括但不限於：

(i) 採用開放式辦公室，移除多餘的照明及空調系統；

(ii) 使用更節能的變頻分體式空調替代若干老舊／低效分體式空調；

(iii) 在指定地點安裝分體式空調替代窗口式空調；及

(iv) 使用LED/T5 燈管替代大部分T8燈管。

Our endeavours in combating climate change through the reduction of its electricity consumption were affirmed through the Power Smart Energy Saving Contest 2017-18 organized by the Friends of the Earth (HK), and the Group has awarded the Champion of Highest Percentage Saver Award (Organization).

我們透過減少用電，致力對抗氣候變化的努力，得到了由香港地球之友舉辦「知慳惜電節能比賽2017/18」認可，及本集團奪得勁減百分比大獎(機構組)冠軍。

During the Reporting Period, the Group has participated in Earth Hour 2019 with the theme "Reduce, Reuse, Change the Way We Live" and committed to cherish natural resources, make smart, eco-friendly choices in our works and daily lives and reduce wastage, especially single-use plastics to safeguard our future Earth. In addition, we have participated in the "9th No Air con Night 2018" campaign for the first time to enhance the employees' awareness about energy saving and wise use of air-conditioning.

於報告期內，本集團曾參與主題為「慳啲、醒啲、改變生活．變好世界」的地球一小時2019活動，並承諾珍惜自然資源，在我們的工作及日常生活中作出明智、環保的選擇以及減少廢棄物，尤其是即棄塑膠，以保護地球未來。此外，我們首次參加「第九屆無冷氣夜2018」活動，以提高僱員有關節能及明智使用空調的意識。

During the Reporting Period, the Group consumed certain amount of energies, in kilowatt hour ("kWh") or litres ("L"), as stated below:

於報告期內，本集團消耗若干以千瓦時(「度」)或公升(「升」)計的能源，載述如下：

Type of energy 能源類別		**2019 二零一九年**	2018 二零一八年	**Amount (Unit) 量(單位)**
1. Direct energy consumption 直接能源消耗				
Diesel	柴油	**5,465**	5,734	L 升
Unleaded petrol	無鉛汽油	**16,267**	18,669	
2. Indirect energy consumption 間接能源消耗				
Electricity	電力	**283, 105**	270, 820	kWh 度

Type of energy 能源類別		**2019 二零一九年**	2018 二零一八年	**Intensity (Unit) 密度(單位)**
1. Direct energy consumption 直接能源消耗				
Diesel	柴油	**12.63**	13.03	L *(Note a)* 升*(附註a)*
Unleaded petrol	無鉛汽油	**7.22**	7.45	
2. Indirect energy consumption 間接能源消耗				
Electricity	電力	**1,308.65**	1,230.54	kWh *(Note b)* 度*(附註b)*

Notes:

(a) Intensity is calculated based on the amount of direct energy consumption divided by the average number of vehicles and the average number of FTE during the Reporting Period.

(b) Intensity is calculated based on the amount of the indirect energy consumption divided by the average number of FTE during the Reporting Period.

附註：

(a) 密度乃根據直接能源消耗量除以報告期內汽車平均數目及全職僱員的平均數目計算。

(b) 密度乃根據間接能源消耗量除以報告期內全職僱員的平均數目計算。

The electricity consumption in intensity has approximately 6.3% increase when compared to the previous reporting period. This difference is mainly due to the fact that most of the operating machines were idle for certain periods during renovations in the previous reporting period, and they have been resumed working during this Reporting Period.

與上個報告期相比，電力消耗密度增加約6.3%。該差異主要由於大多數營運機器在上個報告期內於裝修時間置一段時間，並於本報告期內恢復運行所致。

Water

The majority of our water consumption are arisen from the daily activities in our head office. The Group does not have any difficulty in sourcing water. During the Reporting Period, the amount of water consumption is negligible to be reported. Despite of the insignificant water consumption, the Group has actively strived for improving our water efficiency. Apart from a regular monitoring on water usage, together with continuous water conservation education via employee induction and signage posting, the Group will continue to install dual flush water closets and replace some traditional faucets with motion sensing faucets in the washrooms during the remaining office renovation works.

水

我們的大部分水消耗來自總辦事處的日常活動。本集團在求取適用水源上並無任何困難。於報告期內，水消耗量甚少，不足以報告。儘管水消耗量甚微，本集團積極致力於提高我們的用水效率。除定期監測用水量外，還通過僱員入職培訓和張貼標誌進行節水教育。於餘下辦公室裝修工程中，本集團將繼續在洗手間內安裝雙掣式沖水馬桶，並以感應水龍頭替代部分傳統水龍頭。

Total Packaging Material Used for Finished Products

The packaging materials, such as plastic wrapping, bubble sheet/cushion wrap and carton boxes, used for the finished products were negligible to be reported.

製成品所使用包裝材料總量

用於製成品的包裝材料(如塑料包裝、氣泡紙／緩衝包裝及紙箱)用量甚少，不足以報告。

The Environment and Natural Resources

Noise generation during loading/unloading materials or the use of powered mechanical equipment for drilling/concrete breaking is inevitable at our working sites.

環境及天然資源

於地盤裝載／卸載材料或使用動力機械設備進行鑽探／混凝土粉碎時產生的噪音是不可避免的。

The Group has established and implemented various noise mitigation measures to minimize any adverse impacts on the environment and the public. Examples include:

本集團已制定及實施多項減低噪音措施，將對環境及公眾產生的不利影響降至最低。其中包括：

(i) strategic planning of work to minimize the frequency of noise generating activities;

(i) 對工作進行策略規劃，將產生噪音的活動頻率盡量降低；

(ii) strategic scheduling of work to minimize high noise level activities during noise sensitive hours;

(ii) 對工作安排進行策略計劃，於噪音敏感時段內減少高噪音水平的活動；

(iii) choose quiet and low-noise level powered mechanical equipment; and

(iii) 選擇較寧靜及低噪音的動力機械設備；及

(iv) adopt acoustic enclosures where necessary.

(iv) 於必要時採用隔音罩。

SOCIAL PERFORMANCE

社會表現

Employment Policy and Compliance

The Group understands that employees are its valuable assets. Without the employees and their expertise, the Group could hardly maintain and excel its industry position. The Group is dedicated to fair and equal treatment in all areas of human resources management, including recruitment, training and promotion, compensation and dismissal, working hours, diversity and other benefits and welfare.

僱傭政策及合規

本集團深知僱員為其寶貴資產。如無僱員及其專業知識，本集團將難以維持及超越其行業地位。本集團致力於公正公平地處理人力資源管理所有方面的事宜，包括招聘、培訓、晉升、薪酬及解僱、工時、多元化及其他待遇及福利。

In terms of recruitment, we values diversity in its workforce, hence the Group recruits people solely based on their ability and attitude, regardless of their gender, race, disability. The Group has a code of business conduct (the "**Code**"), in relation to prevent age, disability, sex and family status discrimination and sexual harassment, which clearly mentioned a disciplinary action would be taken against the staff if violation is discovered.

就招聘而言，我們重視勞動力的多元化，因而本集團僅根據不同人士的能力、態度，而非性別、種族及殘疾招聘員工。本集團具有一套業務行為守則(「**守則**」)，就有關避免年齡、殘疾、性別及家庭狀況的歧視及性騷擾方面，明確闡述員工被發現違反守則時將採取的紀律處分。

The Group rewards its employees with competitive salary package, which is subjected to annual review with reference to comparable market level. Apart from offering remuneration package with discretionary performance bonus to our employees, the Group also offers share option scheme to the selected senior staff for further encouraging our employees to grow with the Group and to reinforce their loyalty.

本集團以具競爭力的薪資待遇酬報僱員，有關薪資待遇將會每年參考相若市場水平進行檢討。除提供酌情表現花紅的薪酬方案予僱員外，本集團亦向選定高級員工提供購股權計劃，進一步鼓勵僱員與本集團共同成長及增強彼等的忠誠度。

Our employees are entitled to have sick leave, injury leave, maternity leave and paternity leave. Other benefits, such as medical and hospitalisation insurance, life insurance and education and training sponsorship, marriage leave and compassionate leave are offered for eligible staff. Additionally, team building activities, such as local tour, Christmas party and annual dinner to enhance employees' sense of belongings, have been organized annually.

僱員有權享有病假、工傷假、產假及侍產假。本集團亦向合資格員工提供其他福利，如醫療及住院保險、人壽保險、教育及培訓資助、婚假及恩恤假。此外，每年組織團隊建設活動，如本地旅遊、聖誕晚會及年度晚宴，以提高僱員的歸屬感。

During the Reporting Period, KML Engineering has been a Signatory of the Good Employer Charter 2018 under Labour Department; and pledged to adopt employee-oriented good human resources management practices. The Group has complied with all applicable laws and regulations relating to labour (i.e. Employment Ordinance) and receive no unfair and unequal cases.

於報告期內，高明科技工程成為勞工處《二零一八年好僱主約章》的簽署機構；並承諾採納以僱員為本的良好人力資源管理常規。本集團已遵守有關勞工的所有適用法律及規例(即僱傭條例)，並無接獲不公平及不平等案例。

Safety and Health Policies and Compliance

Safety, health and loss prevention bring long term benefits to the company. They are equally important and complementary to sustainable development in quality and profit and therefore are taken as top priority commitment. We commit to strictly comply with all relevant safety and health regulatory requirements in our Safety, Health and Loss Prevention Policy. The policy is implemented and managed by the Safety and Health team, which is oversighted by a director.

Regarding project safety management, site surveys will be carried out in order to facilitate the identification, analysis and evaluation processes of the hazards if considered necessary. The method statements, safety management plan and risk assessment incorporating recommended control measures will then be generated for those high risk activities by adopting the hierarchy of risk control. Designated site supervisors are assigned to the projects for ensuring the works done in accordance with the safety and project requirements.

Safety training is a major preventive measure for addressing safety and health risks. In addition to induction training, specific training sessions and site-specific briefings are regularly held according to employees' roles and responsibilities to ensure awareness of job hazards and conformity to safety practices. Training contents are reviewed and reported to the management by the safety officer regularly.

Regular safety inspections and internal safety audits are carried out by safety officers and safety auditors in order to check the implementation of safety management practices to eliminate unsafe conditions and unsafe acts and the compliance of all relevant requirements. Any instances of non-compliance and accidents are recorded and are subject to investigation and corrective actions. Further inspection is undertaken to avoid recurrence. Significant non-compliance is communicated across the Group as a reminder to prevent similar cases from occurring again. Any employees or workers including those from subcontractors found to be deliberately and consistently in breach of regulations and instructions on safety and health may be subject to disciplinary actions.

During the Reporting Period, KML Engineering has been awarded the 2017-18 Contractor Safety Performance Award, and its safety initiatives implemented in the project sites were commended again by one of our key customers.

安全與健康政策及合規

安全、健康及損害預防為本公司帶來長期裨益。該等預防措施與質量及溢利的可持續發展同樣重要，並相輔相成，因而被視為首要承諾。我們致力於嚴格遵守我們的安全、健康及損失預防政策中的所有相關安全與健康監管規定。該政策由安全及健康團隊執行及管理，並由一名董事負責監督。

關於項目安全管理，有需要將進行現場勘測以便於識別、分析和評估危害。透過採納風險控制等級，將為高風險活動制定建議的控制措施，並將該措施納入方法說明、安全管理計劃和風險評估內。為項目分派指定地盤主管，以確保按照安全和項目要求完成工程。

安全培訓為針對安全與健康風險的主要預防措施。除入職培訓外，根據僱員角色及職責定期進行具體培訓課程及因應個別地盤的簡報會，以確保對工作危險意識及遵守安全慣例。安全主任定期檢討培訓內容，並向管理層報告。

安全主任及安全審計員進行定期安全檢查及內部安全審計，以檢驗安全管理常規的執行情況，減少不安全狀況及不安全行為以及符合所有相關要求。任何違規及意外的情況均會記錄，且須進行調查及採取糾正行動，並會進行進一步檢驗以避免再次發生。重大違規事項將於本集團內部全面傳達，作為警戒，以避免類似事件再次發生。任何僱員或工人(包括被發現故意及持續違反有關安全及健康的法規及指示的分包商所僱用者)可能被採取紀律行動。

於報告期內，高明科技工程已獲授2017-18年度承辦商安全表現獎，其於項目地盤實施的安全措施再次得到我們其中一名主要客戶的贊譽。

Meanwhile, the Group has been actively participated in "Construction Industry Safety Award Scheme 2018/2019", to promote awareness of Occupational Safety and Health and advocate the importance of electricity safety. The Group has also been awarded a "Certificate of Appreciation" of the site safety competition under Construction Industry Safety Award Scheme 2018/2019.

同時，本集團已積極參與「2018/2019年度建造業安全獎勵計劃」，以增強職業安全及健康意識及提倡電力安全的重要性。本集團亦已獲授「2018/2019年度建造業安全獎勵計劃」項下地盤安全比賽的「嘉許狀」。

During the Reporting Period, the Group's operations have complied with all relevant laws and regulations relating to workplace safety and health, including Occupational Health and Safety Ordinance as well as Factories and Industrial Undertakings Ordinance. With good communication and stringent implementation of safety control measures, the Group has reported no work-related accidents and injuries from employees. The key safety performance are summarized as below:

於報告期內，本集團的營運已遵守有關工作場所安全及健康的所有相關法律法規，包括職業安全及健康條例以及工廠及工業經營條例。透過良好的溝通及嚴格實施安全控制措施，本集團並無呈報僱員工傷事故及受傷。主要安全表現概述如下：

Safety Performance **安全表現**		**2019** **二零一九年** **Data** **數據**	2018 二零一八年
1. Work-related fatalities 與工作有關的死亡事故	Number of time(s) 宗數	**0**	0
Work-related fatalities Rate (per 1,000 employees) 與工作有關的死亡率（每1,000名僱員）		**0.00%**	0.00%
Work-related fatalities Rate (per 100,000 man hours) 與工作有關的死亡率（每100,000工時）		**0.00%**	0.00%
2. Lost days due to work-related injuries 由工傷所引致的工作天數損失	Number of day(s) 日數	**0**	7
3. Work-related accidents 與工作有關的事故	Number of time(s) 宗數	**0**	2
No. of accidents per 1,000 employees 事故率（每1,000名僱員）		**0.00%**	9.09%
No. of accidents per 100,000 man hours worked 事故率（每100,000工時）		**0.00%**	0.41%

Safety and Health Initiatives

For the health sake of our employees, the Group has offered them free-of-charge influenza prevention vaccination annually since Year 2010 and fruit weekly since Year 2012. During the Reporting Period, we have implemented two proactive measures to reduce safety and health risks at work site: (i) provided wearable portable waist fans to our colleague to prevent heat stroke; and (ii) dispense insect repellents to them for dengue fever prevention.

The Group has allocated additional resources for engaging external safety professionals to offer tailor-made in-house trainings to our site supervisory staff in next reporting period.

Development and Training

The Group provides an open and friendly but challenging environment for all employees. Training budgets are planned annually in order to ensure adequate allocation of resources available for offering our employees with opportunities for developing their skills and competency through in house and external professional training.

According to our training policies, management staff evaluate and assess their subordinates' training needs regularly so that our employees can support their career enhancement in line with our business needs by acquiring the necessary skills, knowledge and qualifications.

During the Reporting Period, various in-house training has been conducted. Examples of in-house training highlighted as follows:

(i) Comprehensive employees induction trainings;

(ii) Environmental, safety and health awareness trainings;

(iii) Policies and procedures trainings;

(iv) Internal audit and supplier audit trainings;

(v) Introduction and Implementation of ISO 14001:2015 Environmental Management Systems;

(vi) Permit-to-works systems refresh trainings; and

(vii) Consultancy coaching, in relation to project management planning cycle, problem solving tools, project issue management, project implementation and execution, leadership skills, economical and technological trends, conflicts management and personality test.

安全及健康措施

為了僱員的健康，本集團自二零一零年起每年為僱員提供免費流感預防疫苗接種，並自二零一二年起每星期為僱員提供水果。於報告期內，我們已實施兩項主動措施以減低工地的安全及健康風險：(i)向同事提供可穿戴便攜式腰部風扇以避免中暑；及(ii)向彼等分發驅蟲劑以避免登革熱。

本集團已分配額外資源供委聘外部安全專業人員於下個報告期提供量身定制的內部培訓予地盤監督人員。

發展及培訓

本集團為全體僱員提供開放、友好但充滿挑戰的環境。每年規劃培訓預算，以確保分配充足資源用於內部及外部專業培訓，為僱員提供發展其技能及能力的機遇。

根據我們的培訓政策，管理人員定期評估其下屬的培訓需求，以使僱員可透過獲得必要技能、知識及資格以支持其職業提升及配合我們的業務需求。

於報告期內，已進行多項內部培訓，其中包括：

(i) 全面的僱員入職培訓；

(ii) 環境、安全及健康意識培訓；

(iii) 政策及程序培訓；

(iv) 內部審核及供應商審核培訓；

(v) 引進及實施ISO 14001:2015環境管理體系；

(vi) 工作許可證制度更新培訓；及

(vii) 涉及項目管理規劃週期、解難工具、項目問題管理、項目實施及執行、領導技能、經濟及技術趨勢、衝突管理及性格測試的顧問指導。

Apart from the in-house trainings, the Group also offers a wide range of external training opportunities. Examples of training opportunities offered during the Reporting Period include, but are not limited to:

(i) Software trainings;

(ii) Technical and factory visits;

(iii) Contract technology and management;

(iv) Safety-related courses organized by the Occupational Safety & Health Council and Construction Industry Council;

(v) Safety supervisory or management courses; and

(vi) Symposia, forums, seminars, briefings and professional trainings organized by our customers, suppliers, engineering institutes or federation, management associations, statutory bodies, professional bodies and ISO certification bodies.

Looking ahead, the Group plans to provide coaching and mentoring to the engineering graduates to further develop their professionalism and leadership.

Labour Standards

The Group has a "Respect of Ethics, Human and Labour Rights Policy" which demonstrates our commitment to supporting and respecting the rights of individuals and working communities. We respect and observe all the applicable laws and regulations in the countries we operate and support the international principles of human and labour rights, including, but not limited to, the areas of child labour and forced labour, such as the International Labour Organization Declaration on Fundamental Principles and Rights at Work and the United Nations Global Compact.

The recruitment process is strictly abided by the guidelines of the Human Resource and Administration Department, a recruitment form is used to collect personal, educational, and employment information of job applicants, and as such all necessary data related to employment is verified and the proper and right candidate would be hired in accordance to the job requirement and candidates' expectation for a healthy and sustainable workforce.

During the Reporting Period, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations (including but not limited to: "Employment of Children Regulations", "Employment Ordinance", etc.) in Hong Kong that would have a significant impact on the Group.

除內部培訓外，本集團亦提供各種外部培訓機會。於報告期內所提供的培訓機會案例包括但不限於：

(i) 軟件培訓；

(ii) 技術及工廠參觀；

(iii) 合同技術及管理；

(iv) 職業安全健康局及建造業議會舉辦的安全相關課程；

(v) 安全督導或管理課程；及

(vi) 由客戶、供應商、工程學院或聯會、管理協會、法定機構、專業團體及ISO認證機構舉辦的專題研討會、論壇、研討會、簡報及專業培訓。

展望未來，本集團計劃提供指導及督導予工程畢業生以進一步發展彼等的專業技能及領導能力。

勞工準則

本集團設有「尊重道德、人權及勞工權利政策」，表明我們對支持及尊重個人及工作社區權利的承諾。我們尊重並遵守我們營運所在國家的所有適用法律及法規，並支持國際人權及勞工權利原則，包括但不限於童工及強迫勞動方面，如國際勞工組織的《關於工作中基本原則和權利宣言》及聯合國全球契約。

招聘過程嚴格遵守人力資源和行政部的指引，使用招聘表格收集求職者的個人、教育及就業資料，以及核查所有與僱傭有關的必要資料，並根據職位要求及候選人的期望聘用合適的候選人，以維持健康及可持續的勞動力。

於報告期內，本集團並不知悉有任何嚴重違反香港有關童工及強制勞工的法例及規例(包括但不限於：「僱用兒童規例」、「僱傭條例」等)而會對本集團造成重大影響的事宜。

Supply Chain Management

The Group recognises the positive influence we have on our suppliers and subcontractors, and therefore we continuously improve our performance by incorporating good corporate social responsibility practices into supply chain management processes and, as a result, mitigating and managing risks which might affect our operations.

供應鏈管理

本集團深知我們對供應商及分包商的積極影響，因此，我們通過將良好的企業社會責任常規納入供應鏈管理流程，持續提高績效，並因而減輕及管理可能影響我們業務的風險。

The Group has maintained our own approved vendor list and updates the list regularly in order to maintain sufficient suppliers and sub-contractors for selection. As at 31 March 2019, the Group has 594 suppliers, including 452 in Hong Kong, 96 in China and 46 in oversea countries.

本集團備有我們自己的核准供應商名單，並定期更新名單以維持足夠供應商及分包商以供甄選。於二零一九年三月三十一日，本集團共有594名供應商，其中452名位於香港，96名位於中國及46名位於海外國家。

Geographical Region of Vendors	供應商的地區	As at 31 March 2019 於二零一九年三月三十一日 Number of suppliers 供應商數量	As at 31 March 2018 於二零一八年三月三十一日
Hong Kong	香港	**452**	383
China	中國	**96**	55
Oversea countries	海外國家	**46**	46

To ensure the quality of the raw materials and subcontractors' services, smaller projects would be assigned to the newly engaged subcontractors as a way to pre-assess whether their services comply with the Groups' specific project requirements.

為確保原材料及分包商服務的質素，本集團會指派較小型項目予新委聘分包商，作為預先評估彼等的服務是否符合本集團指定項目要求的一種方式。

In our engineering projects, safety and environmental briefings are delivered by the safety officers to raise safety and environmental awareness and implement our safety and environmental management policy on the sub-contractor's level. The training information is recorded and reviewed by the internal auditors regularly. The quality, environmental, safety and health performance of sub-contractors are also evaluated as a part of our operational control as mentioned under section headed "Safety and Health Policies and Compliance" and section headed "Quality Management" in this ESG report.

在我們的工程項目中，安全主任提供安全及環境簡報，以提高安全和環境意識，並在分包商層面實施我們的安全和環境管理政策。培訓資料已作記錄，並將由內部稽核員定期審閱。評估分包商的質素、環境、安全及健康表現亦作為我們營運控制的一部分，詳情於本環境、社會及管治報告中「安全及健康政策與合規」一節及「質量管理」一節闡述。

In addition to the regular monitoring during the project implementation, performance reviews with regards to their quality, safety and environmental performance, are conducted on key approved vendors and all newly engaged vendors annually to minimise the associated risks in our supply chain.

除於項目實施過程中的定期監督外，每年將審閱主要核准供應商及所有新聘供應商有關質量、安全及環境的表現，以使供應鏈的相關風險降至最低。

Product Responsibility

產品責任

Quality Management

It is the policy of the Group, in executing operations at all time in such manner to ensure the customers' satisfaction and full compliance of statutory and other requirements in terms of quality, environment, health and safety in the projects. The key operations in one of our subsidiaries, KML Engineering, has been qualified to ISO 9001:2015 for quality management since January 2017.

質量管理

本集團的政策一直是以確保客戶滿意度及全面遵守有關項目質量、環境、健康及安全法定及其他規定進行經營。附屬公司高明科技工程的主要業務自二零一七年一月起已通過ISO 9001:2015質量管理資格認證。

According to our quality procedures, our project management team will carry out regular quality check and inspection in order to ensure that works done by our employees and subcontractors conform to the contractual specifications during the course of implementation and execution of the project. Any product that has failed to meet the standards is rectified by its project team before its delivery to our customers. In the event of receiving complaint, we will take prompt actions to investigate the issue and carry out remediate action plans. Corrective and preventive measures will be followed to avoid re-occurrence.

根據本集團質量程序，本集團項目管理團隊將定期進行質量檢查及視察，以確保僱員及分包商在項目實施及執行過程中所進行的工作符合合約規範。任何不符合標準的產品在交付予客戶前均將由其項目團隊予以糾正。倘收到投訴，我們將會立即採取行動調查問題並執行補救行動計劃。我們將採取糾正及預防措施，避免再次發生。

Regularly progress meetings with our customers are conducted throughout the project cycle where our project manager will report the progress to the customer, discuss the major issues encountered and obtain customer's feedbacks. In addition, we proactively seek feedback from our customers by conducting satisfaction surveys among customers at the end of projects, thereby contributing into continual improvements. For maintenance projects, the Group collects their feedbacks and records any suggestions or compliant in the service report.

在整個項目週期中定期與客戶進行會議，會上項目經理將向客戶報告進度、討論遇到的主要事項及獲得客戶的反饋，此外，我們透過於各項目結束時對客戶進行滿意度調查積極尋求客戶的反饋，從而有助於持續改善。就維修及保養項目而言，本集團收集彼等的反饋並於服務報告中記錄任何建議或投訴。

During the Reporting Period, the Group was not aware of any incidents of non-compliance with regulations concerning the Group's products and services, including but not limited to product and service safety and health, advertising and labelling.

於報告期內，本集團並不知悉違反有關本集團產品及服務的規例之任何事件，包括但不限於產品及服務安全性、健康、廣告及標籤。

Protection of Personal Data Privacy

The Group emphasizes the importance to protecting personal data privacy and the compliance to the Personal Data (Privacy) Ordinance. As stipulated in the Group's procedure, employees are instructed of their responsibility to ensure data is collected, processed, used, maintained, managed, stored and handled properly and secured appropriately. Any leakage of confidential information to the third parties is strictly prohibited.

保護個人資料私隱

本集團強調保護個人資料私隱及遵守個人資料(私隱)條例的重要性。如本集團程序中所指明，僱員獲指示有責任確保資料乃妥善收集、處理、使用、保管、管理、儲存及妥當處理並適當保護。嚴令禁止任何向第三方洩漏保密資料。

During the Reporting Period, there was no complaint concerning breaches of data privacy reported to the Group.

於報告期內，本集團並無收到有關違反資料私隱投訴的報告。

Anti-corruption

The Group has zero tolerance on any form of bribery and corruption. The Code was established to describe the responsibilities to a variety of stakeholders ranging from shareholders, suppliers, contractors, clients to community. The code and the Staff Handbook also guide and encourage ethical employees' conduct, including:

反貪污

本集團對任何形式的賄賂及貪污零容忍。本集團已設立守則描述對各種利益相關者(從股東、供應商、承建商、客戶到社區)的責任。守則及員工手冊亦指引及鼓勵員工的道德行為，包括：

(i) Compliance with anti-corruption laws under HKSAR;

(i) 遵守香港特別行政區反貪污法律；

(ii) Prevention of bribery, illegal gifts and commission against Bribery Ordinance;

(ii) 禁止違反防止賄賂條例，預防賄賂、非法送禮及佣金；

(iii) Proper handling situations involving a conflict of interest; and

(iii) 妥善處理涉及利益衝突的狀況；及

(iv) Prohibition of any forgery or deceptive accounting methods and records.

(iv) 禁止任何偽造或欺騙的會計方法及記錄。

To enforce the consciousness of anti-corruption, the Group has incorporated the guidances into the training materials in the staff induction training.

為增強反貪污意識，本集團已把指引納入員工入職培訓的培訓材料內。

In addition to the Code, the Group establishes a whistle-blowing policy that details the procedures of handling employees' report on suspected misconduct, malpractice or impropriety on a confidential basis. Following a report, a designated senior officer conducts an investigation on behalf of the Risk Management Committee. Results of the investigation including the final disposition, impact, implications, and disciplinary or corrective actions are reported to the Risk Management Committee and to the Board and/or regulatory authorities where appropriate.

除守則外，本集團設立舉報政策，詳細說明僱員在保密的基礎上提交涉嫌不當行為、瀆職或不合適行為的報告之程序。於報告後，指定高級人員代表風險管理委員會進行調查。調查結果包括最終處置、影響、涵義及紀律行動或糾正行為，將報告予風險管理委員會及董事會及／或監管機構（如適用）。

During the Reporting Period, the Group was not aware of any breach of Prevention of Bribery Ordinance and other laws and regulations relating to corruption, nor any legal cases concerned with corrupt practices brought against the Group or our employees.

於報告期內，本集團並不知悉任何違反防止賄賂條例及有關貪污的其他法律法規的行為，亦無對本集團或其僱員就貪污行為提起任何法律案件。

Community Investment

As a responsible corporate citizen, the Group is committed to nurturing the social responsibilities of our colleagues in our daily operation as well as daily life through the participation and promotion in a variety of community projects, ranging from reducing waste generation, combating climate change and raising public awareness of construction safety. The relevant involvements has been discussed in the sections headed "Waste Management", "Electricity" and "Safety and Health Policies and Compliance" in this ESG Report.

社區投資

作為一個負責任的企業公民，本集團致力於通過參與和推廣各種社區項目，包括減少廢物產生，應對氣候變化和提高公眾對建築安全的意識，培養我們的同事在日常運作和日常生活中的社會責任。相關項目已於本環境、社會及管治報告「廢物管理」，「電力」和「安全與健康政策及合規」部分討論。

As part of the Group's strategic development, we are also committed to supporting the youth and the educational institutions by the means of contribution and cooperation. KML Engineering has been offering scholarship to students studying in IVE since year 2001. During the Reporting Period, KML Engineering has continued to receive 'Certificate of Appreciation' from branches in Chai Wan, Haking Wong, Tsing Yi and Shatin respectively.

作為本集團策略發展的其中一環，我們還致力於通過貢獻和合作的方式支持青年和教育機構。高明科技工程自二零零一年起向在香港專業教育學院的學生提供獎學金。於報告期內，高明科技工程繼續獲得由柴灣、黃克競、青衣及沙田各分校頒發的「感謝狀」。

In addition to the donation, KML Engineering has engaged in IVE's Industrial Attachment & Industry-Based Student Project scheme since year 2013. During the Reporting Period, over 15 students joined our company to practice their knowledge, conduct research study and experience a real-life organisational context. Through the supervision and feedback from the mentors, the students developed skills regarding engineering, valuable to their professional development.

除捐贈外，高明科技工程已自二零一三年度起參與香港專業教育學院的工作實習及工業專題學生習作計劃。於報告期內，逾15名學生加入本公司實踐彼等的知識、進行調查研究及體驗現實的工作環境。透過導師的監督及反饋，學生掌握有關工程的技能，對彼等的職業發展非常寶貴。

KML Engineering offered short term internship opportunity for the "Workplace Experience Program for Youth" organized by Lions Club International District 303–Hong Kong & Macao, China for the first time. Three number of junior secondary students visited our offices and attended briefings with the aim to increase their awareness of the development of industry and learned how to enhance their competitive edge before continuing their studies by understanding more of the job requirements.

高明科技工程首次為由國際獅子總會中國港澳303區組織的「青少年職場體驗計劃」提供短期工作實習機會。三名初中生參觀我們的辦公室並參與簡報會，旨在提高彼等對行業發展的意識及透過了解更多的工作要求，學習在繼續升學前如何提升彼等的競爭優勢。

Independent Auditor's Report
獨立核數師報告

To the SHAREHOLDERS of KML TECHNOLOGY GROUP LIMITED
(Incorporated in Cayman Islands with limited liability)

致高萌科技集團有限公司股東
(於開曼群島註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of KML Technology Group Limited (the "**Company**") and its subsidiaries (collectively referred to as "the **Group**") set out on pages 75 to 143, which comprise the consolidated statement of financial position as at 31 March 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 2019, 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.

意見

本核數師(以下簡稱「**我們**」)已審核列載於第75至143頁的高萌科技集團有限公司(「**貴公司**」)及其附屬公司(以下統稱「**貴集團**」)的綜合財務報表,此報表包括於二零一九年三月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

我們認為,該等綜合財務報表已根據香港會計師公會(「**香港會計師公會**」)頒佈的香港財務報告準則(「**香港財務報告準則**」)真實及公平地反映了 貴集團於二零一九年三月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及其綜合現金流量,並已遵照香港公司條例的披露要求妥為擬備。

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見基礎

我們已根據香港會計師公會頒佈的香港審計準則(「**香港審計準則**」)進行審核。我們在該等準則下承擔的責任已在本報告核數師就審核綜合財務報表須承擔的責任一節中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「**守則**」),我們獨立於 貴集團,並已根據守則履行其他道德責任。我們相信,我們所獲得的審核憑證能充足及適當地為我們的審核意見提供基礎。

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.

關鍵審核事項

關鍵審核事項是根據我們的專業判斷,認為對本期間綜合財務報表的審核最為重要的事項。該等事項是在我們審核整體綜合財務報表及就此出具意見時進行處理的。我們不會對該等事項提供單獨的意見。

KEY AUDIT MATTERS (CONTINUED)

關鍵審核事項(續)

Key audit matter **關鍵審核事項**	**How our audit addressed the key audit matter** **於審核中我們處理關鍵審核事項的方式**
Contract revenue from engineering solutions and services and contract costs *來自工程解決方案及服務的合約收益及合約成本*	
We identified the revenue from electrical and mechanical ("**E&M**") engineering solutions and services, including those from contract revenue, variation orders and contract claims ("**Contract Revenue**") and contract costs as a key audit matter as they are quantitatively significant to the consolidated financial statements as a whole and there are significant judgments exercised by the management of the Group in determining the outcome of the projects as well as the stage of completion of construction works and the amount of Contract Revenue recognised. As disclosed in notes 6 and 9 to the consolidated financial statements, the Contract Revenue and the contract costs for the year ended 31 March 2019 amounted to approximately HK$173,011,000 and HK$117,646,000 respectively. As described in notes 17 and 18 to the consolidated financial statements, the contract assets and contract liabilities as at 31 March 2019, amounted to HK$49,333,000 and HK$17,145,000 respectively. As disclosed in note 5 to the consolidated financial statements, the budget contract costs are prepared by the management on the basis of estimation of direct labour costs to incur and quotations from time to time provided by the major contractors, suppliers or vendors involved and the experience of the management and the engineering solutions and service contract revenue is recognised based on the management's estimate, such as the budget contract costs and collectability of contract claims, of each contract's outcome and stage of completion.	Our procedures in relation to Contract Revenue and contract costs included: • Understanding the management's assessment on the budget costs and how the management evaluates the accuracy of the budget costs; • Discussing with the project managers, and the management of the Group and evaluating the basis of the preparation and periodic reviews of the budget contract costs, • Obtaining the breakdown of budget contract costs and checking the quotations provided by major contractors, suppliers or vendors, to evaluate the reasonableness of the management's estimation of the budget contract costs, on a sample basis; • Checking the basis of the budgeted revenue to underlying engineering solutions and service contracts, purchase orders on a sample basis; • Recalculating the stage of completion based on the proportion that revenue recognised with reference to the proportion that contract cost incurred for work performed to date relative to the budget contract costs; • Agreeing the contract costs incurred for the year ended 31 March 2019 to the amount of costs recorded in the direct labour costs, subcontractor payment certificates and supplier invoices, on a sample basis; and • Assessing the appropriateness of the contract assets and contract liabilities by checking to the amount of costs recorded in the direct labour costs, subcontractor payment certificates and supplier invoices, or progress billing, on a sample basis.
我們將來自機電(「**機電**」)工程解決方案及服務的收益(包括來自合約收益、變動訂單及合約申索的收益)(「**合約收益**」)及合約成本認定為關鍵審核事項，乃由於其對於綜合財務報表的重要性，以及　貴集團管理層於釐定有關項目的結果以及建築工程的完工階段及所確認的合約收益金額時行使的重大判斷所致。 誠如綜合財務報表附註6及9所披露，截至二零一九年三月三十一日止年度的合約收益及合約成本分別為173,011,000港元及117,646,000港元。誠如綜合財務報表附註17及18所披露者，於二零一九年三月三十一日合約資產及合約負債款項分別為49,333,000港元及17,145,000港元。 誠如綜合財務報表附註5所披露，預算合約成本乃由管理層基於對將產生的直接勞工成本估計及主要承建商、供應商或賣方不時提供提供的報價及管理層的經驗而編製，而工程解決方案及服務合約收益乃基於管理對各合約的結果及完工階段的估計(如預算合約成本及合約申索的可收回性)而確認。	我們就有關合約收益及合約成本所開展的程序包括： • 了解管理層估計預算成本及管理層評估預算成本方式的準確性； • 與項目經理及　貴集團管理層商討並評估編製基準及定期檢討預算合約成本； • 獲得預算合約成本的細目及透過抽樣檢查主要承建商、供應商或賣方提供的報價以評估管理層對預算合約成本估計的合理性； • 透過抽樣檢查相關工程解決方案及服務合約的預算收益基準及採購訂單； • 經參考於預算合約成本有關的迄今所開展工程所產生的累計合約成本的比例之已確認收益，重新計算完工階段； • 透過抽樣檢查分包商付款證明及供應商發票，核對截至二零一九年三月三十一日止年度所產生的合約成本與記錄於直接勞工成本的成本金額；及 • 透過抽樣檢查直接勞工成本中記錄的成本金額、分包商付款證明及供應商發票或進度付款，評估合約資產及合約負債的合適性。

KEY AUDIT MATTERS (CONTINUED)

關鍵審核事項(續)

Key audit matter **關鍵審核事項**	**How our audit addressed the key audit matter** **於審核中我們處理關鍵審核事項的方式**
Estimated provision of expected credit losses ("ECL") for trade receivables and contract assets ***貿易應收款項及合約資產預期信貸虧損(「預期信貸虧損」)估計撥備***	
We identified the estimated provision of ECL for trade receivables and contract assets as a key audit matter due to its significance to the consolidated financial statements and significant management judgments and estimates involved in determining the allowance for credit losses. As disclosed in note 5 to the consolidated financial statements, the management of the Group estimates the amount of lifetime ECL of trade receivables and contract assets individually for debtors with significant balances and/or collectively based on provision matrix through grouping of various debtors that have similar loss patterns, after considering internal credit ratings of trade debtors, ageing, repayment history and/or past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is reasonable and supportable available without undue costs or effort. As disclosed in note 14 and 17 to the consolidated financial statements, the carrying amount of the Group's trade receivables and contract assets as at 31 March 2019 was HK$41,146,000 (net with HK$117,000 loss allowance recognised), and HK$49,333,000 (net with HK$93,000 loss allowance recognised) respectively. 我們將貿易應收款項及合約資產的預期信貸虧損估計撥備認定為關鍵審核事項，乃由於其對綜合財務報表至關重要以及於釐定信貸虧損撥備時涉及重大管理層判斷及估計。 如綜合財務報表附註5所披露，經考慮債務人的內部信貸評級、各貿易應收款項的償還歷史及／或逾期狀況後， 貴集團估計貿易應收款項及合約資產存續期預期信貸虧損的金額，對具有重大結餘的債務人作出單獨評估及／或使用撥備矩陣根據合適分組進行集體評估。評估具有重大結餘的債務人及或估計虧損率乃基於債務人預期年期的歷史可觀察違約率並就無須過度成本或精力獲得的合理有據資料作出前瞻性調整。 誠如綜合財務報表附註14及17所披露， 貴集團於二零一九年三月三十一日的貿易應收款項及合約資產賬面值分別為41,146,000港元(扣除已確認虧損撥備117,000港元)及49,333,000港元(扣除已確認虧損撥備93,000港元)。	Our procedures in relation to the ECL of trade receivables and contract assets included: • Obtaining an understanding of how the ECL of trade receivables and contract assets were assessed by the management; • Testing the accounting of ECL adjustment made by the group as at 1 April 2018 on initial adoption of HKFRS 9; • Challenging management's basis and judgement in determining credit loss allowance on trade receivables as at 31 March 2019, the reasonableness of management's grouping of the remaining trade debtors into different categories in the provision matrix, and the basis of estimated loss rates applied in each category in the provision matrix; • Testing the accuracy of the aged analysis and past due status of trade receivables, on a sample basis, to the invoices; and • Testing the reasonableness of internal credit rating given to each type of debtors by checking trade receivables ageing analysis as at 31 March 2019, payment history and past due status of trade receivables comparing individual items in the relevant invoice, bank receipts and other information, on a sample basis. 我們就貿易應收款項及合約資產的預期信貸虧損所展開的程序包括： • 了解管理層如何評估貿易應收款項及合約資產的預期信貸虧損； • 測試於首次應用香港財務報告準則第9號時 貴集團於二零一八年四月一日作出的預期信貸虧損調整的會計法； • 質疑管理層釐定於二零一九年三月三十一日貿易應收款項信貸虧損撥備時的基準及判斷、管理層將餘下應收賬款分為撥備矩陣中的不同類別的合理性、以及撥備矩陣各類別中應用的估計虧損率基準； • 按抽樣基準，對照發票測試貿易應收款項賬齡分析及逾期狀態的准確性；及 • 透過核查於二零一九年三月三十一日的貿易應收款項賬齡分析、比較相關發票的單獨項目、銀行收據及其他資料的貿易應收款項付款歷史及逾期狀態，測試給予各類債務人的內部信貸評級的合理性。

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirement of Hong Kong Companies Ordinance, and for such internal control as the directors of the Company 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

其他資料

貴公司董事須對其他資料負責。其他資料包括載於年報的資料，但不包括綜合財務報表及我們就此編製的核數師報告。

我們對綜合財務報表作出的意見並不涵蓋其他資料，我們亦不就此發表任何形式的保證結論。

就我們對綜合財務報表的審核而言，我們的責任為閱讀其他資料，從而考慮其他資料是否與綜合財務報表或我們於審核時所獲悉的資料存在重大不符或於其他方面存在重大錯誤陳述。基於我們已執行的工作，倘我們認為此其他資料存在重大錯誤陳述，我們須報告有關事實。就此，我們並無任何報告。

董事及治理人員對綜合財務報表的責任

貴公司董事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披露規定，編製真實且公允的綜合財務報表，以及維持　貴公司董事認為必要的有關內部監控，以確保編製綜合財務報表時不存在由於欺詐或錯誤而導致的重大錯誤陳述。

於編製綜合財務報表時，　貴公司董事負責評估　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宜，以及使用持續經營會計基礎，除非　貴公司董事有意將　貴集團清盤或停止經營，或別無其他實際的替代方案則除外。

治理人員負責監督　貴集團的財務報告程序。

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

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

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

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

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

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

- Conclude on the appropriateness of the Company's 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.

核數師對審核綜合財務報表的責任

我們的目標為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，並按照我們所協定的委聘條款僅向　閣下發出載有我們意見的核數師報告。除此以外，我們的報告不可用作其他用途。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。合理保證乃高水平的保證，但無法保證根據香港審計準則進行的審計在存在的重大錯誤陳述時總能發現。錯誤陳述可由欺詐或錯誤引起，若有合理預期它們個別或整體起來可能影響使用者根據該等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核的過程中，我們運用專業判斷及保持職業懷疑態度。我們亦：

- 識別及評估綜合財務報表中由於欺詐或錯誤而導致的重大錯誤陳述風險，因應該等風險，設計及執行審核程序，獲得充足及適當的審核憑證作為我們的意見提供基礎。由於欺詐可能涉及合謀串通、偽造、蓄意遺漏、虛假性陳述或凌駕內部監控，因此未能發現由欺詐造成的重大錯誤陳述風險較未能發現由於錯誤而導致的重大錯誤陳述風險更高。

- 瞭解與審核相關的內部監控，以設計恰當的審核程序，但並非旨在對　貴集團內部監控的有效性發表意見。

- 評估　貴公司董事所用會計政策是否恰當及所作出的會計估計及相關披露是否合理。

- 對　貴公司董事採用持續經營會計基礎的適當性作出結論，根據所取得的審核憑證，確定是否存在與事項或情況有關的重大不確定性，而可能對　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，則須於核數師報告中敦請注意綜合財務報表中的相關披露。假若有關的披露不足，則須修改我們的意見。我們的結論乃基於直至核數師報告日止所取得的審核憑證。然而，未來事件或情況可能導致　貴集團不能持續經營。

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

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

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

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Yu Kin Man.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
19 June 2019

核數師對審核綜合財務報表的責任(續)

- 評估綜合財務報表(包括披露)的整體呈報、架構及內容，以及綜合財務報表是否以達致公允反映相關交易及事件。

- 就　貴集團中實體或業務活動的財務資料取得充分及適當的審核憑證，以對綜合財務報表發表意見。我們負責指導、監督及執行　貴集團的審核。我們僅對我們的審核意見承擔責任。

我們與治理人員溝通了包括審核計劃的範圍、時間及重大審核發現，包括我們於審核中識別出內部監控的任何重大缺陷。

我們亦向治理人員提交聲明，說明我們已符合有關獨立性的相關道德要求，並與其溝通有可能合理地被認為會影響我們獨立性的所有關係及其他事項，以及於適用的情況下，相關的防範措施。

從與治理人員的溝通事項中，我們釐定該等對審核本期綜合財務報表最為重要及因此成為關鍵審核事項。我們於核數師報告中描述該等事項，除非法律或法規不允許對有關事項進行公開披露，或於極端罕見的情況下，若有合理預期在我們報告中傳達某事項造成的不利後果超過該傳達產生的公眾利益，我們決定不應於報告中傳達該事項。

出具本獨立核數師報告的審計專案合夥人是俞堅民。

德勤 • 關黃陳方會計師行
執業會計師
香港
二零一九年六月十九日

Consolidated Statement of Profit or Loss and Other Comprehensive Income
綜合損益及其他全面收益表

For the year ended 31 March 2019　截至二零一九年三月三十一日止年度

		NOTES 附註	**2019** **二零一九年** **HK$'000** **千港元**	2018 二零一八年 HK$'000 千港元
Revenue	收益	6	**210,596**	193,973
Cost of sales	銷售成本		**(144,520)**	(138,019)
Gross profit	毛利		**66,076**	55,954
Other income	其他收入	7	**1,230**	374
Other gain and losses, net	其他收益及虧損淨額	7	**(133)**	298
Impairment losses, net of reversal	減值虧損，扣除撥回	30	**(148)**	–
Administrative expenses	行政開支		**(43,551)**	(40,067)
Listing expenses	上市開支		**–**	(15,847)
Profit before taxation	除税前溢利	9	**23,474**	712
Income tax expense	所得税開支	10	**(4,219)**	(2,858)
Profit (loss) for the year	年內溢利(虧損)		**19,255**	(2,146)
Profit (loss) and total comprehensive income (expense) for the year attributable to owners of the Company	本公司擁有人應佔年內溢利(虧損)及全面收益(開支)總額		**19,255**	(2,146)
Earnings (loss) per share	每股盈利(虧損)			
Basic and diluted (HK cents)	基本及攤薄(港仙)	12	**4.81**	(0.62)

Consolidated Statement of Financial Position
綜合財務狀況表

At 31 March 2019　於二零一九年三月三十一日

		NOTES 附註	**2019 二零一九年 HK$'000 千港元**	2018 二零一八年 HK$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	**2,924**	3,312
Deposits	按金	15	**1,875**	1,335
Retention held by customers for contract works	客戶就合約工程持有的保留金	15	**–**	9,361
Contract assets	合約資產	17	**6,785**	–
			11,584	14,008
Current assets	流動資產			
Inventories	存貨		**463**	508
Trade receivables	貿易應收款項	14	**41,146**	44,853
Retention held by customers for contract works	客戶就合約工程持有的保留金	15	**–**	7,428
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	15	**5,453**	7,365
Amounts due from customers for contract works	應收合約工程客戶款項	16	**–**	27,225
Contract assets	合約資產	17	**42,548**	–
Tax recoverable	可收回稅項		**–**	73
Pledged bank deposits	有抵押銀行存款	19	**10,782**	5,000
Time deposits with original maturity over three months	原到期日超過三個月的定期存款	19	**40,050**	20,007
Bank balances and cash	銀行結餘及現金	19	**36,989**	40,225
			177,431	152,684
Current liabilities	流動負債			
Trade payables	貿易應付款項	20	**13,289**	10,027
Other payables and accrued charges	其他應付款項及應計費用	21	**12,621**	11,592
Amounts due to customers for contract works	應付合約工程客戶款項	16	**–**	21,022
Contract liabilities	合約負債	18	**17,145**	–
Tax payable	應付稅項		**1,617**	–
			44,672	42,641
Net current assets	流動資產淨值		**132,759**	110,043
Total assets less current liabilities	總流動資產減流動負債		**144,343**	124,051
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	22	**208**	248
Net assets	資產淨值		**144,135**	123,803
Capital and reserves	股本及儲備			
Share capital	股本	23	**4,000**	4,000
Share premium and reserves	股份溢價及儲備		**140,135**	119,803
Total equity	總權益		**144,135**	123,803

The consolidated financial statements on pages 75 to 143 were approved and authorised for issue by the Board of Directors on 19 June 2019 and are signed on its behalf by:

董事會於二零一九年六月十九日批准及授權刊發載於第75至143頁的綜合財務報表，並由下列董事代表簽署：

Mr. Luk Kam Ming
陸鑑明先生
Director
董事

Mr. Chan Chak Lun Philip
陳澤麟先生
Director
董事

Consolidated Statement of Changes in Equity
綜合權益變動表

For the year ended 31 March 2019　截至二零一九年三月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔					
		Share capital 股本 HK$'000 千港元	**Share premium 股份溢價** HK$'000 千港元	**Other reserve 其他儲備** HK$'000 千港元 (Note) (附註)	**Share option reserve 購股權儲備** HK$'000 千港元	**Accumulated profits 累計溢利** HK$'000 千港元	**Total equity 總權益** HK$'000 千港元
At 1 April 2017	於二零一七年四月一日	14,339	–	–	–	85,058	99,397
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	–	–	–	–	(2,146)	(2,146)
Dividend *(Note 11)*	股息*(附註11)*	–	–	–	–	(25,000)	(25,000)
Arising from Reorganisation *(Note)*	重組產生*(附註)*	(14,339)	–	14,339	–	–	–
Ordinary shares issued	已發行普通股	4,000	47,552	–	–	–	51,552
At 31 March 2018	於二零一八年三月三十一日	4,000	47,552	14,339	–	57,912	123,803
Impact on initial application of HKFRS 9 *(Note 3)*	本次應用香港財務報告準則第9號的影響*(附註3)*	–	–	–	–	(89)	(89)
At 1 April 2019 (restated)	於二零一九年四月一日(經重列)	4,000	47,552	14,339	–	57,823	123,714
Profit and total comprehensive income for the year	年內溢利及全面收益總額	–	–	–	–	19,255	19,255
Recognition of equity-settled share-based payments	確認權益結算股份為基礎付款	–	–	–	1,166	–	1,166
At 31 March 2019	於二零一九年三月三十一日	4,000	47,552	14,339	1,166	77,078	144,135

Note: Other reserve represents the difference between the nominal values of the ordinary shares issued by the Company and the share capital of subsidiaries acquired through an exchange of shares pursuant to the Reorganisation (as defined in note 2) during the year ended 31 March 2018.

附註：其他儲備指截至二零一八年三月三十一日止年度本公司已發行普通股之面值與透過根據重組(定義見附註2)交換股份所收購附屬公司股本之差額。

Consolidated Statement of Cash Flows
綜合現金流量表

For the year ended 31 March 2019　截至二零一九年三月三十一日止年度

		NOTE 附註	**2019 二零一九年 HK$'000 千港元**	2018 二零一八年 HK$'000 千港元
OPERATING ACTIVITIES	經營活動			
Profit before taxation	除税前溢利		**23,474**	712
Adjustments for:	就下列者調整：			
Depreciation of property, plant and equipment	物業、廠房及設備折舊		**1,195**	1,007
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益		**(4)**	(7)
Bank interest income	銀行利息收入		**(854)**	(197)
Impairment losses, net of reversal	減值虧損，扣除撥回		**148**	–
Equity-settled share-based payment	權益結算股份為基礎付款		**1,166**	–
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量		**25,125**	1,515
Changes in amounts due from/to contract works, net	應收／付合約工程客戶款項變動淨額		**–**	6,783
Decrease in inventories	存貨減少		**45**	27
Increase in retention receivables	應收保留金增加		**–**	(5,442)
Decrease (increase) in trade receivables	貿易應收款項減少(增加)		**3,590**	(13,375)
Decrease (increase) in other receivables, deposits and prepayments	其他應收款項、按金及預付款項減少(增加)		**2,366**	(4,211)
Increase in contract assets	合約資產增加		**(5,439)**	–
Increase in trade payables	貿易應付款項增加		**3,262**	1,234
Increase in other payables and accrued charges	其他應付款項及應計費用增加		**1,029**	1,050
Decrease in contract liabilities	合約負債減少		**(3,877)**	–
Cash generated (used in) from operations	營運所產生(所用)的現金		**26,101**	(12,419)
Income tax paid	已付所得税		**(2,569)**	(6,063)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	經營活動(所用)所產生的現金淨額		**23,532**	(18,482)
INVESTING ACTIVITIES	投資活動			
Bank interest received	已收銀行利息		**854**	197
Purchase of property, plant and equipment	購買物業、廠房及設備		**(821)**	(1,933)
Increase in deposits paid for purchase of property, plant and equipment	購買物業、廠房及設備已付按金增加		**(994)**	–
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備的所得款項		**18**	7
Withdrawn of time deposits with original maturity date over three months	提取原到期日超過三個月的定期存款		**4,761**	6,054
Placement of time deposits with original maturity date over three months	存入原到期日超過三個月的定期存款		**(24,804)**	(26,061)
Placement of pledged bank deposit	存入有抵押銀行存款		**(5,782)**	(5,000)
Net cash outflow arising from disposal of a subsidiary	出售一間附屬公司所產生的現金流出淨額	28	**–**	(3)
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用的現金淨額		**(26,768)**	(26,739)
FINANCING ACTIVITIES	融資活動			
Proceeds from issue of shares	發行股份所得款項		**–**	60,000
Share issue cost paid	已付股份發行成本		**–**	(8,173)
Dividends paid	已派付股息		**–**	(25,000)
NET CASH GENERATED FROM FINANCING ACTIVITIES	融資活動所產生的現金淨額		**–**	26,827
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額		**(3,236)**	(18,394)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初現金及現金等價物		**40,225**	58,619
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	年末現金及現金等價物，按銀行結餘及現金列示		**36,989**	40,225

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 5 May 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, a consolidated and revised) of the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is located at B12, G/F, Shatin Industrial Centre, Siu Lek Yuen Road, Shatin, New Territories, Hong Kong.

The Company's shares were listed on the GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 16 October 2017 (the "**Listing**"). The controlling shareholders of the Company are detailed in note 2. The principal activity of the Company is investment holding and its subsidiaries are principally engaged in the provision of E&M engineering solutions and services. The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is the same as the functional currency of the Company and its principal subsidiaries.

1. 一般資料

本公司於二零一七年五月五日在開曼群島根據開曼群島第22章公司法(一九六一年第3號法律，經綜合及修訂)註冊成立為一間獲豁免有限公司。本公司的註冊辦事處地址為Cricket Square,Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands。本公司於香港的主要營業地址為香港新界沙田小瀝源路沙田工業中心地下B12室。

本公司股份於二零一七年十月十六日在香港聯合交易所有限公司(「**聯交所**」)GEM上市(「**上市**」)。本公司控股股東詳述於附註2。本公司的主要業務為投資控股及其附屬公司主要從事提供機電工程解決方案及服務。綜合財務報表以港元(「**港元**」)呈列，港元亦為本公司及其主要附屬公司的功能貨幣。

2. GROUP REORGANISATION AND BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the group reorganisation stated in the Company's prospectus dated 29 September 2017 (the "**Prospectus**") in preparation for the Listing (the "**Reorganisation**"), the Company became the holding company of the subsidiaries now comprising the Group on 6 September 2017, the details of which are as set out in the Prospectus.

As the Group comprising the Company and its subsidiaries resulting from the Reorganisation continued to be controlled by Mr. Luk Kam Ming ("**Mr. KM Luk**"), Mr. Luk Kwai Lung ("**Mr. KL Luk**"), Mr. Luk Yin Cheung ("**Mr. YC Luk**"), Ms. Leung Kwok Yee ("**Madam Leung**") and KML Holdings Limited ("**KML Holdings**") (the "**Controlling Shareholders**") and is regarded as a continuing entity, accordingly, the consolidated financial statements have been prepared on the basis as if the Company had always been the holding company of the Group throughout the year ended 31 March 2018 under the principles of merger accounting in accordance with the Accounting Guideline 5 "Merger Accounting, Under Common Control Combinations" issued by the HKICPA.

The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for year ended 31 March 2018 had been prepared to present the results and cash flows of the companies comprising the Group as if the group structure upon the completion of the Reorganisation had been in existence throughout the year ended 31 March 2018 or since their respective dates of incorporation, where there is a shorter period.

The shares of the Company have been listed on the GEM of Stock Exchange with effect from 16 October 2017.

2. 集團重組及綜合財務報表編製基準

根據本公司二零一七年九月二十九日的招股章程(「**招股章程**」)所述為籌備上市而進行的集團重組(「**重組**」)，本公司於二零一七年九月六日成為本集團現時旗下附屬公司的控股公司，有關詳情載於招股章程。

由於重組而包括本公司及其附屬公司的本集團繼續由陸鑑明先生(「**陸鑑明先生**」)、陸季農先生(「**陸季農先生**」)、陸彥彰先生(「**陸彥彰先生**」)、梁幗儀女士(「**梁女士**」)及KML Holdings Limited(「**KML Holdings**」)(「**控股股東**」)控制及被視為持續實體。因此，綜合財務報表乃根據香港會計師公會頒佈的會計指引第5號「共同控制合併之合併會計法」以合併會計原則編製，猶如本公司於截至二零一八年三月三十一日止整個年度一直為本集團的控股公司。

於截至二零一八年三月三十一日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表已予編製以呈列本集團旗下公司的業績及現金流量，猶如於重組完成後集團架構於截至二零一八年三月三十一日止整個年度或自彼等各自註冊成立日期起一直存在(以較短者為準)。

本公司股份已於二零一七年十月十六日起在聯交所GEM上市。

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

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

The Group has applied the following new and amendments to HKFRSs and an interpretation issued by the HKICPA for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 "Financial Instruments" with HKFRS 4 "Insurance Contracts"
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

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

3.1 HKFRS 15 "Revenue from Contracts with Customers"

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 April 2018. Any difference at the date of initial application is recognised in the opening accumulated profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1 April 2018 and has used the practical expedient for all contract modifications that occurred before the date of initial application, the aggregate effect of all of the modifications was reflected at the date of initial application. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 "Revenue" and HKAS 11 "Construction Contracts" and the related interpretations.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度強制生效的新訂及經修訂香港財務報告準則

本集團於本年度首次應用如下香港會計師公會頒佈的新訂及經修訂香港財務報告準則及詮釋：

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	來自客戶合約的收益及相關修訂本
香港(國際財務報告準則詮釋委員會)－詮釋第22號	外幣交易及墊付代價
香港財務報告準則第2號(修訂本)	以股份為基礎之付款交易的分類及計量
香港財務報告準則第4號(修訂本)	應用香港財務報告準則第4號「保險合約」時一併應用香港財務報告準則第9號「金融工具」
香港會計準則第28號(修訂本)	作為香港財務報告準則二零一四年至二零一六年週期的年度改進之一部分
香港會計準則第40號(修訂本)	轉撥投資物業

除下文所述者外，於本年度應用新訂及經修訂香港財務報告準則及詮釋對本集團於本年度及過往年度的財務表現及狀況及／或該等綜合財務報表中所載披露並無重大影響。

3.1 香港財務報告準則第15號「來自客戶合約的收益」

本集團已於本年度首次應用香港財務報告準則第15號。香港財務報告準則第15號取代香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋。

本集團已追溯應用香港財務報告準則第15號，而首次應用此準則的累計影響已於二零一八年四月一日首次應用當日確認。於首次應用日期的任何差額於期初累計溢利(或權益的其他組成部分，如適用)中確認，並無重列比較資料。再者，根據香港財務報告準則第15號的過渡條文，本集團選擇僅就於二零一八年四月一日尚未完成的合約追溯應用該準則並已於首次應用日期前發生的所有合約修改使用可行的權宜之計，所有修改的合併影響已於首次應用日期反映。因此，若干比較資料可能無法與根據香港會計準則第18號「收益」及香港會計準則第11號「建築合約」以及有關詮釋所編製的比較資料作比較。

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

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

3.1 HKFRS 15 "Revenue from Contracts with Customers" (continued)

The Group recognises revenue from the following major sources:

- Provision of E&M engineering solutions and services
- Provision of E&M engineering maintenance services
- Provision of E&M engineering design and fabrication services; and
- Sales of parts and components

Information about the Group's performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in notes 6 and 4 respectively.

Summary of effects arising from initial application of HKFRS 15

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 April 2018. Line items that were not affected by the changes have not been included.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

3.1 香港財務報告準則第15號「來自客戶合約的收益」(續)

本集團從以下主要來源確認收益：

- 提供機電工程解決方案及服務
- 提供機電工程保養服務
- 提供機電工程設計及裝配服務；及
- 銷售零件及部件

有關香港財務報告準則第15號所導致的本集團履約責任及會計政策的資料分別於附註6及4披露。

首次應用香港財務報告準則第15號所產生影響的概要

下列為對於二零一八年四月一日的綜合財務狀況表中確認的金額所作出的調整，並無列入未受該等變動影響的細列項目。

		Notes 附註	Carrying amounts previously reported at 31 March 2018 先前於二零一八年三月三十一日呈報的賬面值 HK$'000 千港元	Reclassification 重新分類 HK$'000 千港元	Carrying amounts under HKFRS 15 at 1 April 2018* 於二零一八年四月一日根據香港財務報告準則第15號計算的賬面值* HK$'000 千港元
Non-current assets	**非流動資產**				
Retention held by customers for contract works	客戶就合約工程持有的保留金	(b)	9,361	(9,361)	–
Contract assets	合約資產	(b)	–	9,361	9,361
Current assets	**流動資產**				
Retention held by customers for contract works	客戶就合約工程持有的保留金	(b)	7,428	(7,428)	–
Amounts due from customers for contract works	應收合約工程客戶款項	(a)	27,225	(27,225)	–
Contract assets	合約資產	(a) & (b)	–	34,653	34,653
Current liabilities	**流動負債**				
Amounts due to customers for contract works	應付合約工程客戶款項	(a)	21,022	(21,022)	–
Contract liabilities	合約負債	(a)	–	21,022	21,022

* *The amounts in this column are before the adjustments from the application of HKFRS 9.*

* *本欄所示金額為應用香港財務報告準則第9號作出調整前的數額。*

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

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

3.1 HKFRS 15 "Revenue from Contracts with Customers" (continued)

Summary of effects arising from initial application of HKFRS 15 (continued)

Notes:

(a) In relation to engineering service contracts previously accounted under HKAS 11, the Group continues to apply input method in estimating the performance obligations satisfied up to date of initial application of HKFRS 15. Amounts due from customers for contract works of HK$27,225,000 were reclassified to contract assets, whilst amounts due to customers for contract work of HK$21,022,000 were reclassified to contract liabilities.

(b) As the date of initial application, retention receivables of HK$16,789,000 arising from engineering services contracts are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts, and such balance was reclassified from retention receivables to contract assets.

The directors of the Company assessed that the application of HKFRS 15 have no material impact on the timing and amounts of revenue recognised.

The following tables summarise the impacts of applying HKFRS 15 on the Group's consolidated statement of financial position as at 31 March 2019 and its consolidated statement of cash flows for the current year for each of the line items affected. Line items that were not affected by the changes have not been included.

Impact on the consolidated statement of financial position

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

3.1 香港財務報告準則第15號「來自客戶合約的收益」(續)

首次應用香港財務報告準則第15號所產生影響的概要(續)

附註:

(a) 就過往根據香港會計準則第11號入賬的工程服務合約而言,本集團繼續應用輸入法估計截至首次應用香港財務報告準則第15號當日的已履行履約責任。應收合約工程客戶款項27,225,000港元重新分類至合約資產,而應付合約工程客戶款項21,022,000港元重新分類至合約負債。

(b) 於首次應用日期,工程服務合約產生的應收保留金16,789,000港元取決於客戶於合約指定若干期間信納服務質量,及有關結餘由應收保留金重新分類至合約資產。

本公司董事已評估,應用香港財務報告準則第15號對已確認收益的時間及金額無重大影響。

下表概述應用香港財務報告準則第15號對本集團於二零一九年三月三十一日的綜合財務狀況表及其本年度綜合現金流量表的影響(就受到影響的各細列項目而言),且表中並無列入未受該等變動影響的細列項目。

對綜合財務狀況表的影響

		As reported 如呈報 HK$'000 千港元	Adjustments 調整 HK$'000 千港元	Amounts without application of HKFRS 15 未應用香港財務報告準則第15號的金額 HK$'000 千港元
Non-current assets	**非流動資產**			
Retention held by customers for contract works	客戶就合約工程持有的保留金	–	6,785	6,785
Contract assets	合約資產	6,785	(6,785)	–
Current assets	**流動資產**			
Retention held by customers for contract works	客戶就合約工程持有的保留金	–	13,027	13,027
Amounts due from customers for contract works	應收合約工程客戶款項	–	29,521	29,521
Contract assets	合約資產	42,548	(42,548)	–
Current liabilities	**流動負債**			
Amounts due to customers for contract works	應付合約工程客戶款項	–	17,145	17,145
Contract liabilities	合約負債	17,145	(17,145)	–

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

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

3.1 HKFRS 15 "Revenue from Contracts with Customers" (continued)

Summary of effects arising from initial application of HKFRS 15 (continued)

Impact on the consolidated statement of cash flows

		As reported	Adjustments	Amounts without application of HKFRS 15
		如呈報	調整	未應用香港財務報告準則第15號的金額
		HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
OPERATING ACTIVITIES	**經營活動**			
Increase in retention held by customers for contract works	客戶就合約工程持有的保留金增加	–	(3,030)	(3,030)
Increase in contract assets	合約資產增加	(5,439)	5,439	–
Changes in amounts due to/from customers for contract works	應付／收合約工程客戶款項	–	(6,286)	(6,286)
Decrease in contract liabilities	合約負債減少	(3,877)	3,877	–

Except as described above, the application of HKFRS 15 has had no material impact on the amounts reported set out in these consolidated financial statements.

3.2 HKFRS 9 "Financial Instruments"

In the current year, the Group has applied HKFRS 9 "Financial Instruments" and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses ("**ECL**") for financial assets and other items (for example, contract assets) and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening accumulated profits without restating comparative information.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

3.1 香港財務報告準則第15號「來自客戶合約的收益」(續)

首次應用香港財務報告準則第15號所產生影響的概要(續)

對綜合現金流量表的影響

除上述者外，應用香港財務報告準則第15號並無對該等綜合財務報表所載的呈報金額造成重大影響。

3.2 香港財務報告準則第9號「金融工具」

於本年度，本集團已應用香港財務報告準則第9號「金融工具」及其他香港財務報告準則相關的相應修訂。香港財務報告準則第9號引入1)金融資產及金融負債的分類及計量，2)金融資產及其他項目(例如合約資產)的預期信貸虧損(「**預期信貸虧損**」)及3)一般對沖會計的新規定。

本集團已根據香港財務報告準則第9號所載的過渡條文應用香港財務報告準則第9號，即對二零一八年四月一日(初始應用日期)尚未取消確認的工具追溯應用分類及計量規定(包括預期信貸虧損模式項下的減值)，而並無對於二零一八年四月一日已取消確認的工具應用有關規定。二零一八年三月三十一日之賬面值與二零一八年四月一日之賬面值之間的差額於期初累計溢利及其他權益部分中確認，而並無重列比較資料。

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

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

3.2 HKFRS 9 "Financial Instruments" (continued)

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 "Financial Instruments: Recognition and Measurement".

Accounting policies resulting from application of HKFRS 9 are disclosed in note 4.

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement (including impairment) of financial assets and other items subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 April 2018.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

3.2 香港財務報告準則第9號「金融工具」(續)

由於比較資料乃根據香港會計準則第39號「金融工具:確認及計量」編製,因此若干比較資料可能無法用作比較。

應用香港財務報告準則第9號所導致的會計政策於附註4披露。

首次應用香港財務報告準則第9號所產生影響的概要

下表說明於首次應用日期二零一八年四月一日根據香港財務報告準則第9號及香港會計準則第39號金融資產及金融負債及預期信貸虧損項下其他項目的分類及計量(包括減值)。

		Note 附註	Contract assets 合約資產 HK$'000 千港元	Trade receivables 貿易應收款項 HK$'000 千港元	Accumulated profits 累計溢利 HK$'000 千港元
Closing balance at 31 March 2018 – HKAS 39	於二零一八年三月三十一日的 – 香港會計準則第39號		–	44,853	(57,912)
Effect arising from initial application of HKFRS 15	首次應用香港財務報告準則第15號產生的影響:		44,014	–	–
Effect arising from initial application of HKFRS 9:	首次應用香港財務報告準則第9號產生的影響:				
Remeasurement	重新計量				
Impairment under ECL model	預期信貸虧損模式下的減值	(a)	(27)	(62)	89
Opening balance at 1 April 2018	於二零一八年四月一日的期初結餘		43,987	44,791	(57,823)

Note:

(a) Impairment under ECL model

The Group applies the HKFRS 9 simplified approach which uses a lifetime ECL, to measure ECL for all contract assets and trade receivables. Contract assets and trade receivables have been assessed individually with significant balances and/or collectively using a provision matrix with appropriate groupings based on its historical default rates which are adjusted for forward-looking estimates. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore estimated the expected loss rates for the trade receivables and the contract assets on the same basis.

附註:

(a) 預期信貸虧損模式項下的減值

本集團採用香港財務報告準則第9號簡化方法計量預期信貸虧損,該方法對所有合約資產及貿易應收款項使用存續期之預期信貸虧損。合約資產及應收貿易款項已根據重大結餘作出單獨評估及/或使用撥備矩陣根據合適分組(基於就前瞻性估計調整的過往違約率)進行集體評估。合約資產與未開票在建工程有關,且與同類合約的貿易應收款項具有大致相同的風險特徵。本集團因此按照相同基準估計貿易應收款項及合約資產的預期虧損率。

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

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

3.2 HKFRS 9 "Financial Instruments" (continued)

Summary of effects arising from initial application of HKFRS 9 (continued)

(a) Impairment under ECL model (continued)

Loss allowances for other financial assets at amortised cost including other receivables, pledged bank deposits, time deposits with original maturity over three months and bank balance are measured on 12-month ECL basis as there had been no significant increase in credit risk since initial recognition.

As at 1 April 2018, the additional credit loss allowance of HK$89,000 has been recognised against accumulated profits. The additional loss allowance is charged against the respective asset.

All loss allowances for financial assets including trade receivables and contract assets as at 31 March 2018 reconcile to the opening loss allowance as at 1 April 2018 is as follows:

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

3.2 香港財務報告準則第9號「金融工具」(續)

首次應用香港財務報告準則第9號所產生影響的概要(續)

(a) 預期信貸虧損模式項下的減值(續)

按攤銷成本計量的其他金融資產(包括其他應收款項、已抵押銀行存款、原到期日超過三個月的定期存款及銀行結餘)的虧損撥備以12個月預期信貸虧損為基準進行評估,原因為相關信貸風險自初始確認以來並無顯著增加。

於二零一八年四月一日,已就累計溢利確認其他信貸虧損撥備89,000港元。其他虧損撥備針對各資產扣除。

金融資產(包括貿易應收款項及合約資產)於二零一八年三月三十一日的所有虧損撥備與於二零一八年四月一日的期初虧損撥備對賬如下:

		Contract assets 合約資產 HK$'000 千港元	Trade receivables 貿易應收款項 HK$'000 千港元
At 31 March 2018-HKAS 39	於二零一八年三月三十一日－香港會計準則第39號	–	–
Effect arising from initial application of HKFRS 9:	首次應用香港財務報告準則第9號產生的影響:		
Amounts remeasured through opening accumulated profits	透過期初累計溢利重新計量的金額	(27)	(62)
At 1 April 2018	於二零一八年四月一日	(27)	(62)

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

3.3 Impacts on opening consolidated statement of financial position arising from the application of all new standards, amendments and interpretation

As a result of the changes in the Group's accounting policies above, the opening consolidated statement of financial position had to be restated. The following table shows the adjustments recognised for each of the line items affected. Line items that were not affected by the changes have not been included.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

3.3 應用所有新訂準則、修訂及詮釋產生的對期初綜合財務狀況表的影響

由於上述本集團會計政策的變動，期初綜合財務狀況表必須予以重列。下表顯示就受到影響的各細列項目確認的調整，且表中並無列入未受該等變動影響的細列項目。

		31 March 2018 (Audited) 二零一八年三月三十一日(經審核) HK$'000 千港元	HKFRS 15 香港財務報告準則第15號 HK$'000 千港元	HKFRS 9 香港財務報告準則第9號 HK$'000 千港元	1 April 2018 (Restated) 二零一八年四月一日(經重列) HK$'000 千港元
Non-current assets	**非流動資產**				
Retention held by customers for contract works	客戶就合約工程持有的保留金	9,361	(9,361)	–	–
Contract assets	合約資產	–	9,361	(3)	9,358
Current assets	**流動資產**				
Trade receivables	貿易應收款項	44,853	–	(62)	44,791
Retentions held by customers for contract works	客戶就合約工程持有的保留金	7,428	(7,428)	–	–
Amounts due from customers for contract works	應收合約工程客戶款項	27,225	(27,225)	–	–
Contract assets	合約資產	–	34,653	(24)	34,629
Current liabilities	**流動負債**				
Amounts due to customers for contract works	應付合約工程客戶款項	21,022	(21,022)	–	–
Contract liabilities	合約負債	–	21,022	–	21,022

Note: For the purposes of reporting cash flows from operating activities under indirect method for the year ended 31 March 2019, movements in working capital have been computed based on opening consolidated statement of financial position as at 1 April 2018 as disclosed above.

附註：就使用間接方法呈報截至二零一九年三月三十一日止年度經營活動的現金流量而言，營運資金的變動已根據上文所披露的二零一八年四月一日的期初綜合財務狀況表計算。

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

New and amendments to HKFRSs issued but not yet effective

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

HKFRS 16	Leases[1]
HKFRS 17	Insurance Contracts[2]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to HKFRS 3	Definition of a Business[4]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1 and HKAS 8	Definition of Material[5]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle[1]

1 Effective for annual periods beginning on or after 1 January 2019.
2 Effective for annual periods beginning on or after 1 January 2021.
3 Effective for annual periods beginning on or after a date to be determined.
4 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
5 Effective for annual periods beginning on or after 1 January 2020.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of the other new and amendments to HKFRSs and interpretations will have no material impact on the consolidated financial statements in the foreseeable future.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用下列已頒佈但尚未生效的新訂香港財務報告準則及香港財務報告準則修訂本及詮釋:

香港財務報告準則第16號	租賃[1]
香港財務報告準則第17號	保險合約[2]
香港(國際財務報告準則詮釋委員會)－詮釋第23號	所得稅處理的不確定性[1]
香港財務報告準則第3號(修訂本)	業務的定義[4]
香港財務報告準則第9號(修訂本)	具有負補償的提前還款特性[1]
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間的資產出售或注資[3]
香港會計準則第1號及香港會計準則第8號(修訂本)	重大的定義[5]
香港會計準則第19號(修訂本)	計劃修正、縮減或清償[1]
香港會計準則第28號(修訂本)	於聯營公司及合營企業的長期權益[1]
香港財務報告準則(修訂本)	香港財務報告準則二零一五年至二零一七年週期之年度改進[1]

1 於二零一九年一月一日或之後開始的年度期間生效。
2 於二零二一年一月一日或之後開始的年度期間生效。
3 於待定日期或之後開始的年度期間生效。
4 對收購日期是在二零二零年一月一日或之後開始的首個年度期間開始時或之後的業務合併及資產收購生效。
5 於二零二零年一月一日或之後開始的年度期間生效。

除下文所述新訂及經修訂香港財務報告準則外,本公司董事預期應用所有其他新訂及經修訂香港財務報告準則及詮釋將不會於可見將來對綜合財務報表構成重大影響。

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

New and amendments to HKFRSs issued but not yet effective (continued)

HKFRS 16 "Leases"

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 "Leases" and the related interpretations when it becomes effective.

HKFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, among others. For the classification of cash flows, the Group currently presents operating lease payments as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group and upfront prepaid lease payments will be presented as investing or operating cash flows in accordance with the nature, as appropriate.

Other than certain requirement which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。香港財務報告準則第16號於生效時將取代香港會計準則第17號「租賃」及相關詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。除短期租賃及低值資產外，經營及融資租賃的差異自承租人會計處理中移除，並由承租人須就所有租賃確認使用權利資產及相應負債的模式替代。

使用權資產初步按成本計量，其後按成本(有若干例外情況)減累計折舊及減值虧損計量，並就租賃負債的任何重新計量作出調整。租賃負債初步按於租賃日期未付租賃付款的現值計量。其後，租賃負債就(其中包括)利息、租賃付款及租約修訂的影響作出調整。至於現金流量分類，本集團現時將預付租賃付款呈列為經營現金流量。於應用香港財務報告準則第16號後，有關租賃負債的租賃付款將就本金及利息部份作出分配，並將由本集團呈列為融資現金流量及預付租賃付款將繼續根據其性質(如適用)呈列為投資或經營現金流量。

除亦適用於出租人的若干規定外，香港財務報告準則第16號大體上沿用香港會計準則第17號出租人會計處理方法的規定，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號要求更詳盡的披露。

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

New and amendments to HKFRSs issued but not yet effective (continued)

HKFRS 16 "Leases" (continued)

As at 31 March 2019, the Group had non-cancellable operating lease commitments of HK$5,851,000 as disclosed in note 24. A preliminary assessment indicates that these arrangements meet the definition of a lease. Upon application of HKFRS 16, the Group recognises a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of HK$90,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 "Determining whether an Arrangement Contains a Lease". Therefore, the Group has not reassessed whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group has elected the modified retrospective approach for the application of HKFRS 16 as lessee and has recognised the cumulative effect of initial application to opening retained profits without restating comparative information.

Amendments to HKAS 1 and HKAS 8 "Definition of Material"

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgements. The amendments also align the definition across all HKFRSs and will be mandatorily effective for the Group's annual period beginning on 1 April 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」(續)

誠如附註24所披露，於二零一九年三月三十一日，本集團有不可撤銷經營租賃承擔5,851,000港元。初步評估顯示，此等安排將符合租賃的定義。於應用香港財務報告準則第16號時，本集團將就所有此等租賃確認使用權資產及相應的負債，除非有關租賃符合低值或短期租賃之資格。

此外，本集團現時將已付的可退還租金按金90,000港元視為香港會計準則第17號所適用的租賃權利及責任。根據香港財務報告準則第16號項下租賃付款的定義，有關按金並非與相關資產使用權相關的款項，有關按金的賬面金額可調整至攤銷成本。對已付可退還租金按金作出的調整將被視為額外租賃付款並計入使用權資產的賬面值中。

應用新規定或會導致上文所示之計量、呈列及披露發生變動。本集團已選擇可行權宜方法，就先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號「釐定安排是否包括租賃」識別為租賃之合約應用香港財務報告準則第16號。因此，本集團不會重新評估合約是否為或包括於首次應用日期前已存在之租賃。此外，本集團(作為承租人)已選擇經修訂追溯法應用香港財務報告準則第16號，並已確認首次應用對年初保留溢利的累計影響，而並無重列比較資料。

香港會計準則第1號及香港會計準則第8號「重大的定義」的修訂

該等修訂透過載入作出重要性判斷時的額外指引及解釋提供重大的定義的修訂。該等修訂亦符合所有香港財務報告準則的定義並將於本集團於二零二零年四月一日開始的年度期間強制生效。預期應用該等修訂將不會對本集團的財務狀況及表現造成重大影響，惟可能影響綜合財務報表的呈列及披露。

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements has been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements includes the applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of Assets".

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

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

The principal accounting policies adopted are set out below.

4. 主要會計政策

綜合財務報表乃遵照下列與香港會計師公會所頒佈的香港財務報告準則一致的會計政策編製。此外，綜合財務報表包括聯交所GEM證券上市規則及香港公司條例所規定的適用披露事項。

如下文所載會計政策所述，綜合財務報表已於各報告期末按歷史成本法編製。

歷史成本一般為基於為換取貨品及服務所付代價的公允值。

公允值乃於計量日期市場參與者在有序交易中出售資產可收取或轉讓負債須支付之價格，不論該價格是否直接可觀察或可使用其他估值技術估計。倘市場參與者於計量日期對資產或負債定價時會考慮資產或負債之特點，則本集團於估計資產或負債之公允值時會考慮該等特點。該等綜合財務報表中作計量及／或披露用途之公允值乃按此基準釐定，惟屬於香港財務報告準則第2號「以股份支付的款項」範圍的以股份支付的交易，屬於香港會計準則第17號「租賃」範圍內的租賃交易，以及與公允值有部分類似但並非公允值的計量（例如香港會計準則第2號「存貨」內的可變現淨值或香港會計準則第36號「資產減值」的使用價值）除外。

此外，就財務申報而言，公允值計量根據公允值計量之輸入數據可觀察程度及公允值計量之輸入數據對其整體之重要性分類為第一、第二或第三級，詳情如下：

- 第一級輸入數據為實體可於計量日期取得之相同資產或負債於活躍市場之報價（未經調整）；
- 第二級輸入數據為就資產或負債而言可直接或間接觀察之輸入數據，惟第一級所載報價除外；及
- 第三級輸入數據為資產或負債之不可觀察輸入數據。

所採納之主要會計政策載列如下。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation

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

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

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

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

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

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

Merger accounting for business combination involving entities under common control

The consolidated financial statements incorporate the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

4. 主要會計政策(續)

綜合基準

綜合財務報表將本公司與本公司與其附屬公司所控制實體之財務報表綜合入賬。本公司於以下情況獲得控制權：

- 可對被投資方行使權力；
- 因參與被投資方之業務而獲得或有權獲得可變回報；及
- 有能力行使其權力影響其回報。

倘事實及情況反映上文所列三項控制因素其中一項或多項改變，則本集團會重估其是否仍然控制被投資方。

本集團獲得附屬公司控制權時便開始將附屬公司綜合入賬，於喪失附屬公司控制權時則終止入賬。具體而言，年內所收購或出售附屬公司的收入及開支於本集團獲得控制權日期計入綜合損益及其他全面收益表，直至本集團不再控制該附屬公司為止。

損益及其他各項綜合收益均歸屬於本公司擁有人及非控制權益。附屬公司的綜合收益總額歸屬於本公司擁有人及非控制權益，不論非控制權益會否因此出現虧絀。

於必要時，會對附屬公司之財務報表作出調整，以使其會計政策與本集團的會計政策一致。

所有有關本集團成員公司之間的交易的集團內資產、負債、權益、收入、開支及現金流量會於綜合入賬時全數對銷。

涉及受共同控制實體業務合併的合併會計法

綜合財務報表包括共同控制合併發生的合併實體或業務的財務報表項目，猶如自該等合併實體或業務首次受控制方控制當日起已合併。

合併實體或業務的資產淨值乃按控制方的現有賬面值進行合併。在控制方持續擁有權益的條件下，共同控制合併時並無就商譽或於被收購公司的可識別資產、負債及或然負債的公平淨值的權益高出成本的部分確認任何金額。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Merger accounting for business combination involving entities under common control (continued)

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period.

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 3)

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- The Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

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

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

4. 主要會計政策(續)

涉及受共同控制實體業務合併的合併會計法(續)

綜合損益及其他全面收益表包括自最早呈列日期起或自該等合併實體或業務首次受共同控制日期起(以期限較短者為準)的業績。

客戶合約產生的收益(根據附註3過渡條文應用香港財務報告準則第15號後)

根據香港財務報告準則第15號，本集團於履行履約責任時(即與特定履約責任相關的貨品或服務的「控制權」轉移予客戶時)或就此確認收益。

履約責任指個別貨品或服務(或一組貨品或服務)或一系列大致相同的個別貨品或服務。

倘符合以下其中一項條件，則控制權隨時間轉移，而收益則參照完全履行相關履約責任的進度而隨時間確認：

- 於本集團履約時，客戶同時取得並耗用本集團履約所提供的利益；
- 於本集團履約時，本集團的履約產生或提升一項由客戶控制的資產；或
- 本集團的履約並未產生讓本集團有替代用途的資產，且本集團對迄今已完成履約的付款具有可強制執行的權利。

否則，收益於客戶獲得個別貨品或服務控制權的時間點確認。

合約資產指本集團就本集團已向客戶轉讓的貨品或服務而收取交換代價的權利(尚未成為無條件)，根據香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即代價到期付款前僅需隨時間收取。

合約負債指本集團因已向客戶收取代價(或已到期收取代價)，而須向客戶轉讓貨品或服務的責任。

有關相同合約的合約資產及合約負債按淨額呈列入賬。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

Revenue recognition (prior to 1 April 2018)

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from design, supply, installation of systems and implementation of E&M engineering service contracts is based on the stage of completion at the end of each reporting period. The percentage of completion is determined using methods that measure reliably the work performed with reference to the proportion that contract cost incurred for work performed to date relative to the estimated total contract costs.

Revenue from provision of maintenance services is recognised when services are rendered.

Revenue from the sale of goods and fabrication and sales of made-to-order products for customers is recognised when the goods are delivered and titles have passed.

E&M Engineering solutions and services contracts (prior to 1 April 2018)

Where the outcome of an E&M engineering solutions and services contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of each reporting period, measured based on the proportion that revenue recognised with reference to the proportion that contract cost incurred for work performed to date relative to the budget contract costs. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

4. 主要會計政策(續)

按時間確認收益:計量完全達成履約責任的進度

輸入法

完成履行履約責任的進度乃根據輸入法計量,即本集團為完成履約責任而付出或投入相對整體預期完成該項履約責任的投入確認收益,有關方法最能反映本集團於轉讓貨品或服務控制權時的履約情況。

收入確認(於二零一八年四月一日之前)

收入按已收或應收代價之公允值計量。

設計、供應、安裝系統及執行機電工程服務合約的收益基於各報告期末完成階段計算。完成百分比採用可靠計量所達成工程的方法及經參考至今已施工工程產生的合約成本佔估計合約成本總額的比例計量予以釐定。

提供保養服務的收益於服務已交付時確認。

銷售貨品及為客戶裝配及銷售按訂單做成的產品的收益於貨品乃交付及所有權已轉移時確認。

機電工程解決方案及服務合約(於二零一八年四月一日之前)

倘機電工程解決方案及服務合約的結果能夠可靠地估計,收益及成本則會根據各報告期末合約活動的完成階段予以確認,乃基於參考至今已施工工程產生的合約成本佔估計合約成本總額的比例計量。合約工程的變更、申索及獎金只在金額能夠可靠地計量及認為很大可能收取該等金額的情況下方會入賬。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E&M Engineering solutions and services contracts (prior to 1 April 2018) (continued)

Where the outcome of an E&M engineering solutions and services contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable to be recovered. Contract costs are recognised as expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as amounts due to customers for contract work. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statements of financial position under trade receivables.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

4. 主要會計政策(續)

機電工程解決方案及服務合約(於二零一八年四月一日之前)(續)

倘未能可靠地估計機電工程解決方案及服務合約的結果，則合約收益按有可能收回的已產生合約成本予以確認。合約成本於其產生期間確認為支出。

倘總合約成本有可能超出總合約收益時，預期虧損即時確認為支出。

倘迄今產生的合約成本加已確認溢利減已確認虧損超出進度款項，則超出部分列作應收合約工程客戶款項。就進度款項超出至今產生的合約成本加已確認溢利減已確認虧損的合約而言，則超出部分列作應付合約工程客戶款項。就已施工工程發出賬單但客戶尚未支付的款項則計入綜合財務狀況表的貿易應收款項。

政府補助

政府補助不會確認直至合理確保本集團將遵守補助隨附的條件及該等補助將收取為止。

政府補助乃就本集團確認之有關開支(預期補助可予抵銷成本開支)期間按系統化之基準於損益中確認。尤其是，主要條件為本集團將購買、建造或另外收購非流動資產的政府補助於綜合財務狀況表確認為遞延收入並於相關資產的可使用年期按系統及合理基準轉讓至損益。政府補助是作為支出或已發生的虧損補償，或是以給予本集團及時的財務支援為目的而獲得的，無未來相關成本，在其成為應收款項的期間內於損益中確認。

存貨

存貨按成本與可變現淨值兩者中的較低者列賬。存貨成本按加權平均法釐定。可變現淨值指存貨估計售價減所有估計竣工成本及銷售所需成本。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment are stated at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment over their estimated useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for a prospective basis.

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

Impairment loss on tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount of tangible assets are estimated individually. When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

4. 主要會計政策(續)

物業、廠房及設備

物業、廠房及設備按成本減其後累計折舊以及其後累計減值虧損(如有)列賬。

折舊採用直線法於估計可使用年期內撇減物業、廠房及設備項目的成本方式確認。估計可使用年期及折舊法於各報告期末予以檢討，而估計的任何變動影響按預期基準列賬。

物業、廠房及設備項目於出售後或當預期持續使用該資產將不會產生未來經濟利益時終止確認。出售或棄置物業、廠房及設備項目產生的任何損益乃按該資產的出售所得款項與賬面值之間的差額釐定，並於損益內確認。

有形資產減值虧損

於各報告期末，本集團檢討其資產的賬面值，以釐定有否任何跡象顯示該等資產遭受減值虧損。如有任何該等跡象，則會估計資產的可收回金額，以釐定減值虧損(如有)的程度。對有形資產的可收回金額進行單獨評估。倘無法估計單項資產的可收回金額，本集團會估計該資產所屬現金產生單位的可收回金額。於可識別合理及一貫分配基準的情況下，公司資產亦會被單獨分配至現金產生單位，否則或會被分配至可合理及按一貫分配基準而識別的最小現金產生單位中。

可收回金額乃公允值減出售成本與使用價值的較高者。在評估使用價值時，估計未來現金流量使用稅前貼現率貼現至其現值，該貼現率反映對貨幣時間價值的當前市場評價及未來現金流量估計未經調整的資產或現金產生單位所特有的風險。

倘估計某資產(或現金產生單位)的可收回金額低於其賬面值，該資產(或現金產生單位)的賬面值被削減至其可收回金額。減值虧損即時於損益確認。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment loss on tangible assets (continued)
Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

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

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 April 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

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

4. 主要會計政策(續)

有形資產減值虧損(續)
倘減值虧損其後撥回，該資產的賬面值將增加至可收回金額的經修訂估計，惟所增加的賬面值不得超過假設該資產過往年度未確認減值虧損原應釐定的賬面值。減值虧損撥回即時於損益確認。

金融工具
金融資產及金融負債於集團實體訂立工具契約條文時確認。所有以常規方式購入或出售的金融資產於交易日確認及終止確認。以常規方式購入或出售指須於市場規則或慣例所設定的時間架構內交收的金融資產購入或出售。

金融資產及金融負債初步按公允值計量，惟客戶合約產生的貿易應收款項自二零一八年四月一日起根據香港財務報告準則第15號初步計量。因收購或發行金融資產及金融負債(按公允值計入損益的金融資產或金融負債除外)的直接應佔交易成本，於初始確認時將視乎情況計入或扣除自該等金融資產或金融負債的公允值。

實際利率法為計算有關期間金融資產或金融負債的攤銷成本及分配利息收入及利息開支的方法。實際利率是將估計未來現金收入及付款(包括所有構成實際利率組成部分的已付或已收費用及百分點、交易成本及其他溢價或折讓)按金融資產或金融負債預計年期或(如適用)更短期間準確貼現至初步確認時的賬面淨值的利率。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 3)

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

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

Amortised cost and interest income

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

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with note 3)

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 including trade receivables, other receivables, contract assets, pledged bank deposits, time deposits with original maturity over three months and bank balances. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

4. 主要會計政策(續)

金融工具(續)

金融資產

金融資產的分類及其後計量(根據附註3過渡條文應用香港財務報告準則第9號後)

符合以下條件的金融資產其後按攤銷成本計量:

- 以目的為收取合約現金流量的業務模式所持有的金融資產;及
- 金融資產的合約條款令特定日期產生的現金流量純粹為支付本金及尚未償還本金的利息。

攤銷成本及利息收入

其後按攤銷成本計量的金融資產的利息收入使用實際利率法確認。利息收入於將實際利率應用於金融資產的賬面總值時予以計算,惟其後出現信貸減值的金融資產(見下文)除外。對於其後出現信貸減值的金融資產,利息收入自下一個報告期內將實際利率應用於金融資產的攤銷成本時予以確認。倘信貸減值金融工具的信貸風險改善,以致金融資產不再出現信貸減值,則利息收入於確定資產不再出現信貸減值後自報告期初將實際利率應用於該金融資產的賬面總值時予以確認。

金融資產減值(根據附註3應用香港財務報告準則第9號及過渡)

本集團根據香港財務報告準則第9號就發生減值之金融資產(包括貿易應收款項、其他應收款項、合約資產、已抵押銀行存款、原到期日超過三個月的定期存款及以及銀行結餘及現金)確認預期信貸虧損的虧損準備。信貸虧損的金額於各報告日期更新,以反映自初始確認以來信貸風險的變化。

存續期預期信貸虧損指將相關工具的預期年期內所有可能的違約事件產生之預期信貸虧損。相反,12個月預期信貸虧損(「12個月預期信貸虧損」)將預期於報告日期後12個月內可能發生的違約事件導致之存續期預期信貸虧損部分。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with note 3) (continued)

Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings based on its historical default rates which are adjusted for forward-looking estimate.

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

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

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

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註3應用香港財務報告準則第9號及過渡)(續)

評估乃根據本集團的歷史信貸虧損經驗進行，並根據債務人特有的因素、一般經濟狀況以及對報告日期當前狀況的評估以及對未來狀況的預測作出調整。

本集團始終就貿易應收款項及合約資產確認存續期預期信貸虧損。該等資產的預期信貸虧損乃根據就前瞻性估計作出調整的歷史違約率就具有巨額結餘的債務人個別評估及／或使用具有內部信貸評級的撥備矩陣整體評估。

對於所有其他工具，本集團計量的虧損撥備等於12個月預期信貸虧損，除非自初始確認後信貸風險顯著增加，本集團會確認存續期預期信貸虧損。是否應確認存續期預期信貸虧損的評估乃基於自初始確認以來發生違約之可能性或風險的顯著增加。

(a) 信貸風險顯著增加
於評估自初始確認以來信貸風險是否大幅增加時，本集團將金融工具於報告日期發生違約的風險與該金融工具於首次確認日期發生違約的風險進行比較。進行此評估時，本集團會考慮合理有據的定量及定性資料，包括過往經驗及無需付出不必要的成本或努力而可獲得的前瞻性資料。

尤其是，評估信貸風險是否大幅增加時會考慮下列資料：

- 金融工具外部(如有)或內部信貸評級的實際或預期重大惡化；
- 信貸風險的外界市場指標的重大惡化，例如信貸息差大幅增加、債務人的信貸違約掉期價格；

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with note 3) (continued)

(a) Significant increase in credit risk (continued)

- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

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

(b) Definition of default

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

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

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註3應用香港財務報告準則第9號及過渡)(續)

(a) 信貸風險顯著增加(續)

- 預期將導致債務人履行其債務責任的能力大幅下降的業務、財務或經濟狀況的現有或預測不利變動；
- 債務人經營業績的實際或預期重大惡化；
- 導致債務人履行其債務責任的能力大幅下降的債務人監管、經濟或技術環境的實際或預期重大不利變動。

無論上述評估結果如何，本集團假定合約付款逾期超過30日時，信貸風險自初始確認以來已大幅增加，除非本集團有合理有據資料證明可予收回則當別論。

本集團定期監察用以確定信貸風險曾否顯著增加的標準的成效，並於適當時作出修訂，從而確保有關標準能夠於款項逾期前確定信貸風險顯著增加。

(b) 違約定義

就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或得自外界來源的資料顯示債務人不大可能悉數向債權人(包括本集團)還款(未計及本集團所持任何抵押品)時發生。

不論上文所述，本集團認為，金融資產逾期超過90日時，則違約已發生，除非本集團有合理有據資料證明更滯後的違約標準更為合適，則另作別論。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with note 3) (continued)

(c) Credit-impaired financial assets
A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

(i) Significant financial difficulty of the issuer or the borrower;

(ii) A breach of contract, such as a default or past due event;

(iii) The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(iv) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(v) The disappearance of an active market for that financial asset because of financial difficulties.

(d) Write-off policy
The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註3應用香港財務報告準則第9號及過渡)(續)

(c) 信貸減值金融資產
金融資產在一項或以上對該金融資產估計未來現金流量構成不利影響的違約事件發生時出現信貸減值。金融資產出現信貸減值的證據包括有關下列事件的可觀察數據：

(i) 發行人或借款人的重大財務困難；

(ii) 違反合約，如違約或逾期事件；

(iii) 借款人的借貸人因有關借款人財務困難的經濟或合約理由而向借款人批出借貸人於其他情況下不會考慮的優惠；

(iv) 借款人將可能破產或進行其他財務重組；或

(v) 該金融資產的活躍市場因財務困難而消失。

(d) 撇銷政策
當有資料表明交易對手處於嚴重財務困難，及預期實際上無法收回時(例如交易對手已被清盤或已進入破產程序，或就貿易應收款項而言，款項逾期兩年以上(以較早者為準))，本集團將撇銷有關金融資產。計及法律意見後(倘適當)，撇銷的金融資產可能需根據本集團的收回程序強制執行。撇銷構成解除確認事件。任何其後收回將於損益內確認。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with note 3) (continued)

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

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

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the shared characteristics basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

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

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

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註3應用香港財務報告準則第9號及過渡)(續)

(e) 計量及確認預期信用損失
預期信用損失的計量為違約概率、違約損失率(即違約導致的損失數額)及面臨的違約風險的函數。評估違約概率及違約損失率乃依據前瞻性資料調整的過往數據。預期信用損失的估計反映無偏概率加權平均金額，以發生違約的風險為權重確定。

一般而言，預期信用損失為根據合約應付本集團的所有合約現金流量與本集團預期將收取的所有現金流量間的差額，並按初始確認時釐定的實際利率貼現。

倘預期信用損失按集體基準或按具體情況(倘無法獲取個別工具的憑證)計量，則金融工具按共擔特征基準歸類：

- 金融工具性質；
- 逾期狀況；
- 債務人的性質、規模及行業；及
- 外部信貸評級(倘有)。

有關歸類經管理層定期檢討，以確保各組別成份繼續分擔類似信貸風險特性。

除非金融資產出現信貸減值，其利息收入會根據金融資產的攤銷成本計算，否則利息收入會依據金融資產的賬面總值計算。

本集團藉由調整金融工具的賬面值於損益中確認其減值收益或虧損，惟貿易應收款項及合約資產除外，相應調整於虧損撥備賬中確認。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 April 2018)
The Group's financial assets are loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables, other receivables and deposits, retention receivables, time deposits with original maturity over three months, pledged bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment of financial assets below).

Interest income is recognised by applying the effective interest rate except for short-term receivables where the recognition of interest would be insignificant.

Impairment of financial assets (before application of HKFRS 9 on 1 April 2018)
Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the loans and receivables, the estimated future cash flows of the loans and receivables have been affected.

For loans and receivables, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Breach of contract, such as a default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Objective evidence of impairment for a portfolio of trade receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments past credit period, observable changes in national or local economic conditions that correlate with default on trade receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產分類及其後計量(於二零一八年四月一日應用香港財務報告準則第9號之前)
本集團金融資產為貸款及應收款項。該分類視乎金融資產的性質及用途而定，並於初步確認時確定。

貸款及應收款項
貸款及應收款項為具有固定或可釐定付款的非衍生金融資產，該等付款於活躍市場並無報價。於初步確認後，貸款及應收款項(包括貿易應收款項、其他應收款項及按金、應收保留金、原到期日超過三個月的定期存款、有抵押銀行存款及銀行結餘及現金)乃使用實際利率法按攤銷成本減任何減值計量(參閱下文有關金融資產減值的會計政策)。

利息收入乃使用實際利率確認，惟利息確認並不重大的短期應收款項除外。

金融資產減值(於二零一八年四月一日應用香港財務報告準則第9號前)
金融資產在各報告期末評估是否有減值跡象。倘有客觀證據表明，由於一件或多件於初步確認貸款及應收款項後發生的事項，貸款及應收款項的估計未來現金流量受到影響，則金融資產被視為減值。

就貸款及應收款項而言，客觀減值證據可能包括：

- 發行人或交易對方出現嚴重財務困難；或
- 違反合約，例如欠繳或拖欠利息或本金付款；或
- 借款人很有可能將宣告破產或進行財務重組。

貿易應收款項組合的客觀減值證據可能包括本集團過往收取款項的經驗、超過信貸期的延遲付款數目增加、與拖欠貿易應收款項相關的全國或地方經濟狀況的可觀察變動。

就按攤銷成本列賬的金融資產而言，已確認的減值虧損金額按資產賬面值與按該金融資產原訂實際利率貼現的估計未來現金流量現值之間的差額確認。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 April 2018) (continued)

Impairment of financial assets (before application of HKFRS 9 on 1 April 2018 (continued)
The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets carried at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Classification as debt or equity
Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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

Financial liabilities
The Group's financial liabilities including trade payables and other payables and accrued charges are subsequently measured at amortised cost, using the effective interest method.

Derecognition
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

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

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

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產分類及其後計量(於二零一八年四月一日應用香港財務報告準則第9號前)(續)

金融資產減值(於二零一八年四月一日應用香港財務報告準則第9號前)(續)
所有金融資產的賬面值會直接按減值虧損予以調減，惟貿易應收款項除外，其賬面值乃透過使用撥備賬調減。撥備賬的賬面值變動於損益中確認。倘貿易應收款項被視為無法收回，則對撥備賬進行撇銷。先前撇銷的金額如於其後收回，則計入損益。

就按攤銷成本列賬的金融資產而言，倘於其後期間，減值虧損金額減少，而有關減少客觀上與確認減值後發生的事件有關，則過往確認的減值虧損會透過損益撥回，惟減值撥回當日投資賬面值不得超過假設減值並無確認時的攤銷成本。

金融負債及股本工具

分類為債務或股本
由本集團所發行的債務及股本工具乃根據合約安排的內容及金融負債及股本工具的定義分類為金融負債或股本。

股本工具
股本工具乃證明集團實體資產於扣除其所有負債後的剩餘權益的任何合約。本公司發行的股本工具按收取的所得款項扣除直接發行成本確認。

金融負債
本集團的金融負債(包括貿易應付款項及其他應付款項以及應計費用)其後採用實際利率法按攤銷成本計量。

終止確認
僅在獲取資產所產生現金流量的合約權利到期時，本集團方會終止確認金融資產。

於終止確認金融資產時，資產的賬面值與已收及應收代價總和之間的差額於損益確認。

僅在本集團的義務已經履行、撤銷或到期時，本集團方會終止確認金融負債。終止確認的金融負債的賬面值與已付及應付代價之間的差額在損益中確認。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Retirement benefits costs
Payments to the Occupational Retirement Scheme Ordinance (the "**ORSO Scheme**") and the Mandatory Provident Fund Scheme (the "**MPF Scheme**") as defined contribution plan are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits
A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period that related services is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of benefits expected to be paid in exchange for the related service.

Equity-settled share-based payment transactions

Share options granted to employees
The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve).

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated profits.

Leasing
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee
Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

4. 主要會計政策(續)

退休福利成本
對作為界定供款計劃的職業退休計劃條例計劃(「**職業退休計劃條例計劃**」)及強制性公積金計劃(「**強積金計劃**」)的付款乃於僱員提供服務使其有權獲得供款時確認為開支。

短期僱員福利
有關僱員工資及薪金、年假及病假的應計福利於提供相關服務期間按就交換相關服務將予支付的預期福利的未貼現金額確認負債。所有短期僱員福利確認為開支,除非另一香港財務報告準則規定或允許將福利納入資產成本。

就短期僱員福利確認的負債按就交換相關服務將予支付的預期福利的未貼現金額計量。

權益結算股份為基礎付款交易

授予僱員的購股權
於權益結算股份為基礎付款授出日期釐定的公允值於歸屬期內基於本集團對將最終歸屬的股本工具的估計按直線基準支銷,並於權益(購股權儲備)內相應增加。

於各報告期末,本集團修訂其對預期將予歸屬的股本工具數目的估計。對初始估計的修訂之影響(如有)將於損益內確認,以便累計開支反映經修訂估計,同時對購股權儲備作出相應調整。

當購股權獲行使,先前於購股權儲備中確認的金額將轉撥至股份溢價。當購股權於歸屬日期後沒收或於屆滿日仍未獲行使,則先前於購股權儲備中確認的金額將轉撥至累計溢利。

租賃
凡租賃條款將擁有權的絕大部分風險及回報轉移至承租人的租賃,均分類為融資租賃。所有其他租賃則分類為經營租賃。

本集團作為承租人
經營租賃付款乃於租期內以直線法確認為開支。

倘訂立經營租賃而收取租賃優惠,則該等優惠確認為負債。優惠整體利益按直線法確認為租金開支扣減。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

Taxation represents the sum of the income tax expense currently payable and deferred tax.

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

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

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

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

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

Current and deferred tax are recognised in profit or loss.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Research expenditure

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

4. 主要會計政策(續)

稅項

稅項指即期應付所得稅開支與遞延稅項的總和。

即期應付稅項根據年內應課稅溢利計算。應課稅溢利與綜合損益及其他全面收入表內呈報的「除稅前溢利」有別，乃由於其他年度的應課稅或可扣稅收支及毋須課稅及不可扣稅的項目。本集團的即期稅項負債使用於各報告期末已頒佈或實質上已頒佈的稅率計算。

遞延稅項按綜合財務報表內資產及負債賬面值與計算應課稅溢利時採用相應稅基之間的差額確認。遞延稅項負債一般就所有應課稅暫時差額進行確認。倘可扣減暫時差額可用以抵銷應課稅溢利，遞延稅項資產一般就所有可扣減暫時差額進行確認。若因商譽或初步確認並無影響應課稅溢利及會計溢利的一項交易中其他資產及負債(業務合併除外)而產生暫時差額，則不會確認該等資產及負債。

遞延稅項資產的賬面值於各報告期末審閱，並於不可能有足夠應課稅溢利收回全部或部分資產時予以調減。

遞延稅項資產及負債按預期將於清償負債或變現資產期間採用的稅率基於各報告期末已頒佈或實質上已頒佈的稅率(及稅法)計量。

遞延稅項負債及資產的計量，反映本集團於各報告期末預期收回資產或清償負債賬面值的方式所導致的稅務後果。

即期及遞延稅項於損益確認。

倘有可合法執行的權利將即期稅項資產與即期稅項負債互相抵銷，且其與同一課稅機關徵收的所得稅有關，而本集團計劃以淨額基準結算其即期稅項資產及負債，則遞延稅項資產與負債可予抵銷。

研究開支

研究活動的開支於其產生的年度內被確認為費用。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

In preparing the consolidated financial statements of the Group, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on the settlement of monetary items, and on the retranslation of monetary items are recognised in profit or loss in the period in which they arise.

4. 主要會計政策(續)

外幣

編製本集團的綜合財務報表時，以該實體功能貨幣以外的貨幣(外幣)進行的交易須按交易當日的現行匯率確認。於各報告期末，以外幣計值的貨幣項目均按該日現行匯率重新換算。以外幣按歷史成本計量的非貨幣項目毋須重新換算。

因結算貨幣項目及重新換算貨幣項目而產生的匯兑差額均於產生期間於損益確認。

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

E&M engineering solutions and services

The Group reviews and revises the estimates of contract revenue, contract costs, variation orders and contract claims prepared for each E&M engineering solutions and services contracts as the contract progresses. Budgeted engineering service costs are prepared by the management on the basis of estimation of direct labour costs to incur and 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, the 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 with adjustments made on a prospective basis.

Recognised amounts of E&M engineering solutions and services contracts revenue and related receivables reflect management's best estimate of each contract's outcome and stage of completion, which are determined on the basis of a number of estimates. This includes the assessment of the profitability of on-going E&M engineering solutions and services contracts.

5. 估計不確定因素的主要來源

於應用附註4所載本集團會計政策時，管理層須就未能從其他來源取得的資產及負債賬面值作出判斷、估計及假設。該等估計及有關假設乃根據過往經驗及其他被認為相關的因素而作出。實際結果與該等估計或有所不同。

有關估計及相關假設須按持續基準檢討。若會計估計的修訂只影響該期間，則該修訂於該期間內確認，或如該修訂影響本期及未來期間，則於修訂及未來期間內確認。

除涉及估計者外(見下文)，以下為本公司董事在應用本集團會計政策過程中所作出的關鍵判斷，亦對綜合財務報表中確認的金額產生最大影響。

機電工程解決方案及服務

隨著合約工程進度，本集團檢討及修訂就每一份機電工程解決方案及服務合約編製的合約收益、合約成本、更改工程指令及合約索償估計。合約成本預算由管理層以主要承包商、供應商或涉及的賣方不時提供的估計產生的直接勞工成本及報價及管理層的經驗為基礎而編製。為確保預算準確及更新，管理層通過比較預算金額與所產生實際金額，定期對合約預算進行檢討。有關重大估計或會對各期間所確認的損益造成影響，按預期基準作出調整。

機電工程解決方案及服務合約收益及相關應收款項的已確認金額反映管理層對各合約的結果及完成階段的最佳估計，乃基於若干估計釐定。這包括評估持續經營之機電工程解決方案及服務合約的盈利能力。

5. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

E&M engineering solutions and services (continued)
For more complex contracts in particular, costs to complete and the contracts profitability are subject to significant estimation uncertainty. The actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date with adjustments made on a prospective basis.

Provision of ECL for trade receivables and contract assets
The Group calculates ECL for the trade receivables and contract assets. The provision rates are based on internal credit ratings of individual debtors with significant balance or as groupings of various debtors that have similar loss patterns. The individual assessment and provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables and contract assets with significant balances and credit impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL, the Group's trade receivables and contract assets are disclosed in notes 30, 14 and 17, respectively.

5. 估計不確定因素的主要來源(續)

機電工程解決方案及服務(續)
特別對較複雜的合約而言，完成成本及合約盈利能力受限於重大估計不明朗因素。總成本或總收益之實際結果可能高於或低於報告期內作出之估計，從而將影響未來年度作為迄今記錄金額的調整而確認之收益及溢利，按預期基準作出調整。

貿易應收款項及合約資產預期信貸虧損撥備
本集團使用撥備矩陣計算貿易應收款項及合約資產預期信貸虧損。撥備率乃根據具重大結餘的個別債務人或具有類似虧損模式的不同債務人分組的內部信貸評級計算。個別評估及撥備矩陣以本集團的過往違約率為基礎，並考慮毋須繁重成本或工作即可取得的合理可靠前瞻性資料。於各報告日期會重新評估過往已觀察的違約率及考慮前瞻性資料的變動。此外，具有重大結餘及信貸減值的貿易應收款項及合約資產就預期信貸虧損單獨進行評估。

預期信貸虧損撥備受到估計變動的影響。有關預期信貸虧損及本集團貿易應收款項及合約資產的資料分別披露於附註30、14及17。

6. REVENUE AND SEGMENTAL INFORMATION

An analysis of the Group's revenue for the both years is as follows:

6. 收益及分部資料

本集團於兩個年度的收益分析如下：

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
E&M engineering solutions and services *(Note a)*	機電工程解決方案及服務*(附註a)*	**173,011**	164,789
E&M engineering maintenance services *(Note b)*	機電工程保養服務*(附註b)*	**28,399**	20,100
E&M engineering design and fabrication services *(Note c)*	機電工程設計及裝配服務*(附註c)*	**8,282**	7,031
Sales of parts and components *(Note d)*	銷售零件及部件*(附註d)*	**904**	2,053
		210,596	193,973

		2019 二零一九年 HK$'000 千港元
Timing of revenue recognition	收益確認時間	
A point in time	於某個時間點	**9,186**
Over time	隨著時間	**201,410**
		210,596

6. REVENUE AND SEGMENTAL INFORMATION (CONTINUED)

Notes:

*(a) Amount represents revenue generated from design, supply, installation of systems and implementation of E&M engineering solutions and services, including revenue generated from design and fabrication services for the fabrication of made-to-order products for the customers, where applicable ("**E&M engineering solutions and services**").*

Under the terms of contracts, the Group's performance creates and/or enhances the assets which the customers control during the course of work by the Group. Revenue from provision of contracting services is therefore recognised based on the stage of completion of contract over time using input method. The Group normally receives progress payment from customers with reference to the contract terms. The Group requires certain customers to provide upfront deposits range from 10% to 20% of total contract sum, when the Group receives a deposit before the project commences, this will give rise to contract liabilities at the start of a contract, until the full amount of deposit is deducted proportionately from progress payment.

A contract asset, net of contract liability related to the same contract, is recognised over the period in which the E&M engineering solutions and services are performed representing the Group's right to consideration for the services performed and not billed because the rights are conditioned on the Group's future performance accepted by the customers. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfers its contract assets to trade receivables when progress certificate/invoice is issued.

Retentions receivable, prior to expiration of maintenance period, are classified as contract assets, which usually ranges from one to three years from the date of the practical completion of the project. The relevant amount of contract assets is reclassified to trade receivables when the maintenance period expires, and/or the maintenance/payment certificate is issued, and/or the final account is issued.

(b) The Group also generates revenue from provision of maintenance services to the customers' facilities. The revenue is recognised over the contract period.

*(c) Amount represents revenue generated from design and fabrication services for the fabrication of made-to-order products for the customers, such as control room consoles, public access kiosks and terminals, relay racks, test rigs and also control room technical furniture and industrial enclosures and instrument cabinets without supply, installation of systems and implementation of E&M engineering solutions and services ("**E&M engineering design and fabrication services**").*

This revenue is recognised at a point in time when the goods have been delivered to specific locations and customers obtain control of the goods.

(d) The Group also generates revenue from sales of parts or components. This revenue is recognised at a point in time when the goods have been delivered to specific location and customers obtain control of the materials.

6. 收益及分部資料(續)

附註：

*(a) 該款項指設計、供應、安裝系統及執行機電工程解決方案及服務所產生的收益，包括為客戶定製的產品設計及裝配服務所錄得的收益(如適用)(「**機電解決方案及服務**」)。*

根據合約的條款，本集團的表現創造及／或增強客戶在本集團作業過程中控制的資產。因此，提供合約服務的收益使用輸入法隨著時間根據完成合約的階段確認。本集團通常參考工程合約條款從客戶處收取進度付款。本集團要求若干客戶提供介乎總合約金額10%至20%的事先按金，而本集團在項目開始前收到按金，這將造成於合約開始時的合約負債，直至按金的全部金額按比例從進度付款中扣減。

合約資產，扣除與相同合約相關的合約負債，於實施機電工程解決方案及服務的期間確認，代表本集團有權就已實施但尚未開票的服務收取代價，因為該等權利乃取決於客戶接納本集團未來表現。當權利變為無條件時，合約資產轉撥至貿易應收款項。本集團通常在發出進度證書／收據時將其合約資產轉撥至貿易應收款項。

於保修期屆滿前，應收保留金分類為合約資產，通常介乎自項目實際完成日期起一至三年。合約資產的相關金額在保修期屆滿，及／或保修／付款證書已發出，及／或最終賬戶已發行時重新分類至貿易應收款項。

(b) 本集團亦就向客戶的設施提供保養服務產生收益。收益於合約期確認。

*(c) 該款項指從有關為客戶製造定制產品(例如控制室控制台、公用關卡及終端、繼電器機架、試驗台，以及控制室技術傢俬及工業外殼及儀器櫃，且亦進行人類工程學及工作場所研究)的設計及裝配服務(並無供應、安裝系統及執行機電工程解決方案及服務)(「**機電工程設計及裝配服務**」)所錄得的收益。*

該收益於貨品交付至指定位置及客戶獲得貨品控制權時的時間點確認。

(d) 本集團亦就銷售零件或部件產生收益。該收益於貨品交付至指定位置及客戶獲得材料控制權時的時間點確認。

6. REVENUE AND SEGMENTAL INFORMATION (CONTINUED)

Notes: (continued)

(e) The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2019 and the expected timing of recognised revenue are as follows:

6. 收益及分部資料(續)

附註:(續)

(e) 於二零一九年三月三十一日,分配至剩餘履約責任(未履約或部份未履約)的交易價及預期確認收益的時間如下:

		E&M engineering solutions and services 機電工程解決方案及服務 HK$'000 千港元	E&M engineering maintenance services 機電工程保養服務 HK$'000 千港元	Others 其他 HK$'000 千港元
Within one year	一年內	193,675	28,860	2,208
More than one year but not more than two years	一年以上但不超過兩年	33,931	25,868	-
More than two years but less than five years	兩年以上但不超過五年	23,443	17,235	-
		251,049	71,963	2,208

Segment information

The Group's operation is solely derived from E&M engineering solutions and services, E&M engineering maintenance services with focus on (i) automatic fare collection system at railway stations; (ii) electronic payment and ticketing system; (iii) road and tunnel toll collection system; (iv) traffic control and surveillance system; and (v) railway signaling communication and control system, E&M engineering design and fabrication services and sales of parts and components during both years. For the purposes of resources allocation and performance assessment, the chief operation decision maker (i.e. the executive directors of the Company) reviews the overall results and financial position of the Group as a whole which is prepared based on the same accounting policies as set out in note 4. Accordingly, the Group has only one single operating segment and no separate analysis of this single segment is presented other than entity-wide disclosure.

分部資料

在兩個年度,本集團的經營僅來自機電工程解決方案及服務、機電工程保養服務,專注於(i)鐵路車站的自動收費系統;(ii)電子支付及票務系統;(iii)公路及隧道車輛繳費系統;(iv)交通管制及監察系統;及(v)軌道信號通訊及控制系統,機電工程設計及裝配服務及銷售零件及部件。就資源分配及表現評估而言,主要經營決策者(即本公司執行董事)審閱本集團的整體業績及財務狀況(乃基於附註4所載相同會計政策編製)。因此,本集團僅有一個單一經營分部及除實體範圍內的披露外,並無呈列該單一分部的單獨分析。

6. REVENUE AND SEGMENTAL INFORMATION (CONTINUED)

Geographical information

The Group's revenue from external customers based on place of operation of customers and non-current assets by jurisdictions based on the location of the assets are detailed below:

6. 收益及分部資料(續)

地區資料

本集團來自外部客戶(基於客戶營運所在地)的收益及按司法權區(基於資產所在位置)劃分的非流動資產詳述如下:

		Revenue 收益		Non-current assets 非流動資產	
		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元	**2019 二零一九年 HK$'000 千港元**	2018 二零一八年 HK$'000 千港元
Hong Kong	香港	**198,953**	191,606	**2,924**	3,312
Taiwan	台灣	**3,789**	1,110	**–**	–
Singapore	新加坡	**1,784**	104	**–**	–
Canada	加拿大	**2,933**	710	**–**	–
Others	其他	**3,137**	443	**–**	–
		210,596	193,973	**2,924**	3,312

Note: Non-current assets comprise of property, plant and equipment.

附註: 非流動資產包括物業、廠房及設備。

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

有關主要客戶的資料

於相關年度來自佔本集團總銷售額10%以上之客戶收益如下:

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Customer A	客戶A	**139,073**	111,643
Customer B	客戶B	**N/A** (note) **不適用**(附註)	19,670

Note: The corresponding revenue did not constitute over 10% of the total revenue of the Group.

附註: 相應收益並無佔本集團總收益超過10%。

Other than disclosed above, there was no revenue from customers individually contributing over 10% of the total revenue of the Group during years ended 31 March 2019 and 2018.

除上文所披露者外,於截至二零一九年及二零一八年三月三十一日止年度,概無來自單一客戶的收益佔本集團總收益10%以上。

7. OTHER INCOME, AND GAIN AND LOSSES, NET

7. 其他收入及收益以及虧損淨額

Other income

其他收入

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Bank interest income	銀行利息收入	**854**	197
Government subsidies *(Note)*	政府補助*(附註)*	**263**	106
Sundry income	雜項收入	**113**	71
		1,230	374

Other gain and losses, net

其他收益及虧損淨額

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	**4**	7
Net foreign exchange (loss) gain	外匯(虧損)收益淨額	**(137)**	291
		(133)	298

*Note: Amount represents subsidies received form the Government of Hong Kong Special Administration Region (the "**HKSAR**") for the Group's participation in Youth Employment and Training Programme, which is initiated by the Labour Department of HKSAR.*

*附註：該款項指就本集團參加香港特別行政區(「**香港特別行政區**」)勞工處發起的青年就業及培訓計劃收取香港特別行政區政府的補助。*

8. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' and chief executive's emoluments

Mr. KL Luk and Mr. YC Luk were appointed as executive directors of the Company on 5 May 2017, Mr. KM Luk and Mr. Chan Chak Lun Philip ("**Mr. CL Chan**") were appointed as executive directors of the Company on 9 June 2017. Mr. Lau On Kwok ("**Mr. Lau**"), Mr. Law Wing Chi, Stephen ("**Mr. Law**") and Dr. Tse Chi Kong ("**Dr. Tse**") were appointed as independent non-executive directors of the Company on 20 September 2017. The emoluments paid or payable to the directors of the Company (including emoluments for services as employee/directors of the group entities prior to becoming the directors of the Company) by the entities comprising the Group during the years ended 31 March 2019 and 2018 as:

8. 董事及僱員薪酬

(a) 董事及主要行政人員薪酬

於二零一七年五月五日，陸季農先生及陸彥彰先生獲委任為本公司董事。於二零一七年六月九日，陸鑑明先生及及陳澤麟先生(「**陳澤麟先生**」)獲委任為本公司執行董事。於二零一七年九月二十日，劉安國先生(「**劉先生**」)、羅永志先生(「**羅先生**」)及謝智剛博士(「**謝博士**」)獲委任為本公司獨立非執行董事。於截至二零一九年及二零一八年三月三十一日止年度組成本集團之實體已付或應付本公司董事的薪酬(包括於成為本公司董事之前作為集團實體僱員／董事之薪酬)如下：

		Mr. KM Luk 陸鑑明先生 HK$'000 千港元	Mr. KL Luk 陸季農先生 HK$'000 千港元	Mr. YC Luk 陸彥彰先生 HK$'000 千港元	Mr. CL Chan 陳澤麟先生 HK$'000 千港元	Mr. Lau 劉先生 HK$'000 千港元	Mr. Law 羅先生 HK$'000 千港元	Dr. Tse 謝博士 HK$'000 千港元	Total 總計 HK$'000 千港元
Year ended 31 March 2019	**截至二零一九年三月三十一日止年度**								
Fees	袍金	**–**	**60**	**60**	**60**	**144**	**144**	**144**	**612**
Other emoluments	其他薪酬								
Salaries and allowances	薪金及津貼	**1,068**	**580**	**557**	**1,170**	**–**	**–**	**–**	**3,375**
Bonus *(Note)*	花紅*(附註)*	**–**	**30**	**41**	**96**	**–**	**–**	**–**	**167**
Retirement benefit scheme contributions	退休福利計劃供款	**–**	**18**	**18**	**93**	**–**	**–**	**–**	**129**
Share-based payment	以股份為基礎付款	**–**	**–**	**–**	**521**	**–**	**–**	**–**	**521**
Total emoluments	薪酬總額	**1,068**	**688**	**676**	**1,940**	**144**	**144**	**144**	**4,804**
Year ended 31 March 2018	截至二零一八年三月三十一日止年度								
Fees	袍金	–	60	60	60	66	66	66	378
Other emoluments	其他薪酬								
Salaries and allowances	薪金及津貼	1,068	550	520	1,140	–	–	–	3,278
Bonus *(Note)*	花紅*(附註)*	–	61	68	117	–	–	–	246
Retirement benefit scheme contributions	退休福利計劃供款	–	18	18	91	–	–	–	127
Total emoluments	薪酬總額	1,068	689	666	1,408	66	66	66	4,029

Note: Performance bonus is determined by reference to the duties and responsibilities of relevant individual within the Group and the Group's performance.

附註： 表現花紅乃參考本集團內有關個人的職責及責任以及本集團的表現後釐定。

8. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (CONTINUED)

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

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

The emoluments of the independent non-executive directors were for their services as directors of the Company.

During the years ended 31 March 2019 and 2018, no remuneration was paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company have waived any remuneration during the years ended 31 March 2019 and 2018.

(b) Employees' emoluments

The five highest paid individuals included two directors of the Company whose emoluments are included in the disclosures in (a) above for the years ended 31 March 2019 and 2018. The emoluments of the remaining three individuals for the years ended 31 March 2019 and 2018, respectively were as follows:

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Salaries and other benefits	薪金及其他福利	**2,443**	2,740
Bonus *(Note)*	花紅*(附註)*	**80**	123
Retirement benefit scheme contributions	退休福利計劃供款	**54**	54
		2,577	2,917

Note: Performance bonus is determined by reference to the duties and responsibilities of relevant individual within the Group and the Group's performance.

Their emoluments were within the following bands:

		2019 二零一九年 No. of individuals 人數	2018 二零一八年 No. of individuals 人數
Nil to HK$1,000,000	零至1,000,000港元	**3**	2
HK$1,000,001 to HK$1,500,000	1,000,001港元至1,500,000港元	**–**	1

During the years ended 31 March 2019 and 2018, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

8. 董事及僱員薪酬(續)

(a) 董事及主要行政人員薪酬(續)

執行董事薪酬乃就彼等管理本公司及本集團事務提供之服務而發出。

獨立非執行董事薪酬乃就彼等作為本公司董事提供之服務而發出。

於截至二零一九年及二零一八年三月三十一日止年度，本集團並無向本公司董事支付薪酬作為吸引彼等加入或於加入本集團時的獎勵或作為離職賠償。於截至二零一九年及二零一八年三月三十一日止年度，概無本公司董事放棄任何薪酬。

(b) 僱員薪酬

五名最高薪人士包括於截至二零一九年及二零一八年三月三十一日止年度酬金計入上文(a)披露中的本公司兩名董事。於截至二零一九年及二零一八年三月三十一日止年度，其餘三名人士的薪酬分別如下：

附註：表現花紅乃參考本集團內有關個人的職責及責任以及本集團的表現後釐定。

彼等的薪酬在以下範圍之內：

於截至二零一九年及二零一八年三月三十一日止年度，本集團並無向五名最高薪人士支付薪酬，作為吸引彼等加入或加入本集團後的獎勵或作為離職補償。

9. PROFIT BEFORE TAXATION

9. 除税前溢利

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Profit before taxation has been arrived at after charging (crediting):	除税前溢利經扣除(計入)以下各項達致：		
Auditor's remuneration	核數師薪酬	**1,200**	1,100
Depreciation of property, plant and equipment	物業、廠房及設備折舊	**1,195**	1,007
Directors' remuneration *(Note 8)*	董事酬金*(附註8)*	**4,283**	4,029
Other staff costs	其他員工成本		
Salaries and other benefits	薪金及其他福利	**68,414**	68,859
Retirement benefits scheme contributions	退休福利計劃供款	**2,704**	2,763
Share-based payments	以股份為基礎付款	**1,166**	–
Total staff costs	員工成本總額	**76,567**	75,651
Contract costs recognised as expense	確認為開支的合約成本		
– E&M engineering solutions and services	－機電工程解決方案及服務	**117,646**	117,264
Lease payments under operating leases in respect of:	經營租賃項下有關下列的租賃付款：		
– office premises	－辦公室物業	**5,777**	5,459
– motor vehicles	－汽車	**–**	26
Net foreign exchange loss (gain)	匯兑虧損(收益)淨額	**137**	(291)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	**(4)**	(7)

10. INCOME TAX EXPENSE

10. 所得税開支

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Current tax:	即期税項：		
Hong Kong	香港	**4,259**	2,701
Deferred tax *(Note 22)*	遞延税項*(附註22)*	**(40)**	157
		4,219	2,858

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduced the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity would be taxed at 8.25%, and profits above HK$2 million would be taxed at 16.5%. The profits of group entities not qualified for the two-tiered profits tax rates regime would continue to be taxed at a flat rate of 16.5%.

Hong Kong Profits Tax is calculated at 8.25% for the first HK$2 million of profits and 16.5% of the estimated assessable profit above HK$2 million in 2019.

於二零一八年三月二十一日，香港立法會通過《二零一七年税務(修訂本)(第7號)條例草案》(「**條例草案**」)引入利得税兩級制。該條例草案於二零 一八年三月二十八日簽署成為法律，並於次日刊登於憲報。根據利得税兩級制，合資格集團實體首2百萬港元 溢利將按8.25%的税率繳税，及超過2 百萬港元的溢利將按16.5%的税率繳税。不符合兩級制利得税資格集團實體之溢利將繼續按16.5%的劃一税率徵收税項。

於二零一九年，溢利的首2百萬港元按8.25%的税率計算香港利得税及超出2百萬港元的估計應課税溢利按16.5%的税率計算香港利得税。

10. INCOME TAX EXPENSE (CONTINUED)

The Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands ("**BVI**") pursuant to the rules and regulations in those jurisdictions.

The tax charge for the both years can be reconciled to the profit before taxation as follows:

10. 所得稅開支(續)

根據於開曼群島及英屬處女群島(「**英屬處女群島**」)的規則及規例,本集團於該等司法權區無須繳納任何所得稅。

於兩個年度的稅項開支可與除稅前溢利對賬如下:

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Profit before taxation	除稅前溢利	**23,474**	712
Tax at the domestic income tax rate of 16.5%	按國內所得稅率16.5%計算之稅項	**3,873**	117
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	**(141)**	(80)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	**692**	2,881
Income tax at concessionary rate	按優惠稅率課稅的所得稅	**(165)**	–
One-off tax reduction *(Note)*	一次性稅項減免*(附註)*	**(40)**	(60)
Tax charge for the year	本年度稅項開支	**4,219**	2,858

Note: Amount represents the one-off reduction of profits tax for the both years proposed by the Financial Secretary of HKSAR.

附註: 該款項指香港特別行政區財政司司長建議兩個年度之一次性溢利減免。

11. DIVIDEND

During the year ended 31 March 2018, the Company declared and paid special dividend of HK$25,000,000 to the Controlling Shareholders.

Other than disclosed above, no dividend was paid or declared by any group entity for the year ended 31 March 2019 nor has any dividend proposed since the end of the reporting period.

11. 股息

於截至二零一八年三月三十一日止年度,本公司已宣派及派付特別股息25,000,000港元予控股股東。

除上文披露者外,截至二零一九年三月三十一日止年度,概無任何集團實體派付及宣派股息,及自報告期結束後亦無擬派任何股息。

12. EARNINGS (LOSS) PER SHARE

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

12. 每股盈利(虧損)

本公司擁有人應佔每股基本盈利(虧損)乃基於以下數據計算:

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Earnings (loss):	盈利(虧損):		
Earnings (loss) for the purpose of calculating basic earnings (loss) per share	用作計算每股基本盈利(虧損)之盈利(虧損)		
– Profit (loss) for the year attributable to the owners of the Company	一本公司擁有人應佔年內溢利(虧損)	**19,255**	(2,146)
		'000 千股	'000 千股
Weighted average number of shares:	股份加權平均數:		
Number of ordinary shares for the purpose of calculating basic earnings (loss) per share	用作計算每股基本盈利(虧損)之普通股數目	**400,000**	345,753

12. EARNINGS (LOSS) PER SHARE (CONTINUED)

For the year ended 31 March 2019, the computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options (2018: Nil) because the exercise prices of these share options were higher than the average market price for shares for the year.

For the year ended 31 March 2018, the weighted average number of ordinary shares for the purpose of calculating basic loss per share had been determined on the assumption that the Reorganisation, the Capitalisation Issue in relation to the Share Offer as defined and described in notes 2 and 23 respectively had been effective on 1 April 2017.

12. 每股盈利(虧損)(續)

截至二零一九年三月三十一日止年度，計算每股攤薄盈利並未假設行使本公司未行使購股權(二零一八年：無)，原因為該等購股權的行使價高於年內股份的平均市價。

截至二零一八年三月三十一日止年度，用於計算每股基本虧損的普通股加權平均數乃假設重組、有關股份發售的資本化發行(定義及描述分別見附註2及23)已於二零一七年四月一日生效而釐定。

13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Computer equipment 電腦設備 HK$'000 千港元	Leasehold improvement 租賃物業裝修 HK$'000 千港元	Furniture and fixture 傢俬及固定裝置 HK$'000 千港元	Plant and machinery 廠房及機器 HK$'000 千港元	Motor vehicles 汽車 HK$'000 千港元	Cruiser 小型快艇 HK$'000 千港元	Total 總計 HK$'000 千港元
Cost	**成本**							
As at 1 April 2017	於二零一七年四月一日	6,487	1,102	599	4,115	2,263	364	14,930
Additions	添置	461	549	239	684	–	–	1,933
Disposals	出售	(98)	–	–	–	–	–	(98)
As at 31 March 2018	於二零一八年三月三十一日	6,850	1,651	838	4,799	2,263	364	16,765
Additions	添置	83	307	19	412	–	–	821
Disposals	出售	(110)	–	–	(2,256)	(27)	–	(2,393)
As at 31 March 2019	於二零一九年三月三十一日	6,823	1,958	857	2,955	2,236	364	15,193
ACCUMULATED DEPRECIATION	**累計折舊**							
As at 1 April 2017	於二零一七年四月一日	5,828	594	539	3,687	1,823	73	12,544
Provided	撥備	353	154	56	218	153	73	1,007
Eliminated on disposal	於出售時對銷	(98)	–	–	–	–	–	(98)
As at 31 March 2018	於二零一八年三月三十一日	6,083	748	595	3,905	1,976	146	13,453
Provided	撥備	302	134	185	349	152	73	1,195
Eliminated on disposal	於出售時對銷	(96)	–	–	(2,256)	(27)	–	(2,379)
As at 31 March 2019	於二零一九年三月三十一日	6,289	882	780	1,998	2,101	219	12,269
NET CARRYING VALUES	**賬面淨值**							
As at 31 March 2019	於二零一九年三月三十一日	534	1,076	77	957	135	145	2,924
As at 31 March 2018	於二零一八年三月三十一日	767	903	243	894	287	218	3,312

The above items of property, plant and equipment are depreciated on a straight-line basis at 20% per annum.

上述物業、廠房及設備項目以直線法基準按每年20%折舊。

14. TRADE RECEIVABLES

The Group grants credit terms of 30 to 60 days to its customers from the date of invoices on progress billings of contract and maintenance works and sales of goods. An aged analysis of the trade receivables presented based on the invoice date at the end of the reporting period.

14. 貿易應收款項

本集團自合約及維修工程進度款項發票日期及銷售貨品起向其客戶授出30日至60日的信貸期。於報告期末基於發票日期呈列貿易應收款項賬齡分析。

		2019 **二零一九年** **HK$'000** **千港元**	2018 二零一八年 HK$'000 千港元
0-30 days	0至30日	**12,968**	17,118
31-60 days	31至60日	**16,338**	19,370
61-90 days	61至90日	**5,473**	2,700
Over 90 days	超過90日	**6,484**	5,665
		41,263	44,853
Less: Accumulated loss allowance	減：累計虧損撥備	**(117)**	–
		41,146	44,853

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Credit limits attributable to customers are reviewed regularly. The Group has policy for provision of ECL, which is based on an evaluation of the collectability and age analysis of accounts on every individual trade debtor with significant balances and the remaining balances are grouped based on past due characteristics and on management's judgement including creditworthiness, the past collection history and forward-looking information.

本集團於接納任何新客戶前評估潛在客戶的信用質素及界定其信貸限額。客戶的信貸限額會定期檢討。本集團就預期信貸虧損撥備設有政策，乃基於對具有重大結餘的各單獨應收賬款的可收回性評估及賬戶的賬齡分析以及餘下結餘根據預期特徵及管理層判斷(包括信用度、過往收回歷史及前瞻性資料)分組。

As at 31 March 2019, included in the Group's trade receivable balances were customers with an aggregate carrying amount of HK$15,389,000 which were past due as at the reporting date. Out of the past due balances, HK$6,484,000 has been past due more than 90 days and was not considered as in default. The Group rebutted the presumption of default under expected credit losses model for trade receivables past due over 90 days based on no significant change in credit quality after understood these customers' background as well as the good payment records of and continuous business relationship with those customers. Further, such long outstanding balances were primarily due to overdue payment was a common practice in E&M engineering solutions and services and prolonged by the internal procedures of the relevant customers. These customers were assessed individually and/or collectively using a provision matrix with appropriate groupings for the credit risk based on their historical default rate, probability of default and exposure of default and were adjusted for forward-looking information that was available without undue cost or effort. The Group did not hold any collateral over these balances.

於二零一九年三月三十一日，本集團貿易應收款項包括賬面值為15,389,000港元的應收客戶款項，該款項於報告期日已逾期。該等逾期結餘中，6,484,000港元已逾期超過90天及並未被視為違約。本集團在了解該等客戶的背景以及與該等客戶的良好支付記錄及持續業務關係後，根據信貸質素並無重大變動，推遲逾期90天的貿易應收款項逾期信貸虧損模式下的違約退訂。此外，長期為償還結餘主要由於機電工程解決方案及服務的常見慣例及相關客戶延長內部程序。對該等客戶進行單獨評估及/或根據該等客戶的歷史違約率、違約概率及違約風險使用對信貸風險合適分組的撥備矩陣共同評估並就無須過多的成本或努力可獲得的前瞻性資料作出調整。本集團並無就該等結餘持有任何抵押品。

As at 31 March 2018, 48% of trade receivables that are neither past due nor impaired have the best credit scoring attributable under the internal credit scoring system used by the Group as they have no historical rate at default.

於二零一八年三月三十一日，既未逾期亦無減值的貿易應收款項中48%根據本集團內部信貸評分系統擁有最高信貸評分，原因為彼等並無歷史違約率。

14. TRADE RECEIVABLES (CONTINUED)

As at 31 March 2018, included in the Group's trade receivables were debtors with aggregate carrying amount of approximately HK$23,547,000. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of each reporting period. The trade receivables past due but not provided for as at the end of each reporting period were either subsequently settled or from customers with no history of default. The Group did not hold any collaterel over these balance, The directors of the Company believe no credit provision is required. No impairment loss of trade receivables recognised as at 31 March 2018.

Ageing analysis of trade receivables which are past due but not impaired based on the invoice date at the end of the reporting period.

14. 貿易應收款項(續)

於二零一八年三月三十一日，本集團貿易應收款項包括賬面總值約為23,547,000港元的應收賬項。釐定貿易應收款項可收回性時，本集團考慮自初步授出信貸日期起直至各報告期末止貿易應收款項信貸質素的任何變動。於各報告期末已逾期但並無撥備的貿易應收款項為其後已結清，或來自過往並無拖欠的客戶。本集團並無就該等結餘持有任何抵押品。本公司董事認為，毋須就此作出更多信貸撥備。於截至二零一八年三月三十一日止貿易應收款項並無確認減值。

於報告期末基於發票日期作出的已逾期但未減值的貿易應收款項賬齡分析。

		2018 二零一八年 HK$'000 千港元
31-60 days	31至60日	15,182
61-90 days	61至90日	2,700
Over 90 days	超過90日	5,665
Total	總計	23,547

Details of impairment of trade receivables for the year ended 31 March 2019 were set out in note 30. The ECL of trade receivables as at 1 April 2018 (upon the application of HKFRS 9) and 31 March 2019 was approximately HK$62,000 and HK$117,000 respectively.

截至二零一九年三月三十一日止年度，貿易應收款項減值之詳情載於附註30。於二零一八年四月一日(於應用香港財務報告準則第9號)及二零一九年三月三十一日的貿易應收款項預期信貸虧損分別約為62,000港元及117,000港元。

Trade receivables of HK$219,000 (2018: HK$209,000) were denominated in United States Dollars ("**USD**") and that of HK$1,553,000 (2018: nil) were denominated in Singapore Dollars ("**SGD**") at 31 March 2019.

於二零一九年三月三十一日，貿易應收款項中219,000港元(二零一八年：209,000港元)以美元(「**美元**」)列值及1,553,000港元(二零一八年：無)以新加坡元(「**新加坡元**」)列值。

15. RETENTION RECEIVABLES/OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

15. 應收保留金／其他應收款項、按金及預付款項

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Non-current:	非即期：		
Retention receivables *(Note)*	應收保留金*(附註)*	**–**	9,361
Other deposits	其他按金	**881**	1,335
Deposits paid for purchase of property, plant and equipment	購買物業、廠房及設備已付按金	**994**	–
Total	總計	**1,875**	10,696
Current:	即期：		
Retention receivables *(Note)*	應收保留金*(附註)*	**–**	7,428
Advances to suppliers	墊款予供應商	**3,764**	5,144
Deposits	按金	**27**	38
Staff advances	員工墊款	**183**	293
Prepayments	預付款項	**921**	1,063
MPF/ORSO received	強積金／職業退休計劃條例應收款項	**390**	768
Interest receivables	利息應收款項	**168**	59
		5,453	7,365
Total	總計	**7,328**	25,489

Note: Retention monies withheld by customers of contract works are unsecured, interest-free and recoverable after the completion of maintenance period of the relevant contracts or in accordance with the terms specified in the relevant contracts, which was mostly within 1 year from the date of completion of respective E&M engineering solutions and services projects. In the opinion of the directors of the Company, the retention receivables to be received after 1 year were classified as non-current assets in consolidated statement of financial position since was not expected to realise the retention receivables in the Group's normal operating cycle.

附註： 客戶扣留的合約工程保留金為無抵押、免息及於相關合約維修期完成後或根據相關合約規定條款可予收回，大多數為自相關機電工程解決方案及服務項目完成日期起計1年內可收回。本公司董事認為，於一年之後收取的應收保留金於綜合財務狀況表中分類為非流動資產，因為預期於本集團正常經營週期內不會變現應收保留金。

The retention receivables were to be settled, based on the expiry of the defects liability period, at 31 March 2018:

應收保留金於二零一八年三月三十一日基於保修期屆滿後結算：

		2018 二零一八年 HK$'000 千港元
On demand or within one year	按要求或於一年內	7,428
After one year but less than three years	於一年後但於三年內	9,361
		16,789

Upon application of HKFRS 15, the retentions receivables were reclassified to contract assets.

於應用香港財務報告準則第15號時，應收保留金重新分類至合約資產。

Details of impairment of other receivables for the year ended 31 March 2019 were set out in note 30.

截至二零一九年三月三十一日止年度，其他應收款項之減值詳情載於附註30。

16. AMOUNTS DUE FROM/TO CUSTOMERS FOR CONTRACT WORKS

16. 應收／應付合約工程客戶款項

		2018 二零一八年 HK$'000 千港元
Contracts in progress at the end of the reporting period:	於報告期末進行中合約：	
Actual costs incurred plus recognised profits less recognised losses	已產生實際成本加已確認溢利減已確認虧損	326,274
Less: Progress billings	減：進度款項	(320,071)
		6,203
Analysed as:	分析為：	
Amounts due from customers for contract works	應收合約工程客戶款項	27,225
Amounts due to customers for contract works	應付合約工程客戶款項	(21,022)
		6,203

As at 31 March 2018, retention receivables held by customers of contract works amounted to HK$16,789,000 were set out in note 15.

於二零一八年三月三十一日，客戶就合約工程持有的應收保留金16,789,000港元載於附註15。

Upon application of HKFRS 15, the amounts due from/to customers for contract works were reclassified to contract assets/liabilities.

於應用香港財務報告第15號時應收／應付合約工程客戶款項重新分類至合約資產／負債。

17. CONTRACT ASSETS

17. 合約資產

		31 March 2019 二零一九年三月三十一日 HK$'000 千港元	1 April 2018 二零一八年四月一日 HK$'000 千港元 (Note) (附註)
E&M engineering solutions and services	機電工程解決方案及服務	**49,320**	42,420
E&M engineering design and fabrication services	機電工程設計及裝配服務	**13**	1,567
Total	總計	**49,333**	43,987

The amounts in this column are after adjustment from the application of HKFRS 15.

本欄所示金額為應用香港財務報告準則第15號作出調整後的數額。

Represented by:	即：		
Non-current	非流動	**6,785**	9,358
Current	流動	**42,548**	34,629
		49,333	43,987

Note: The amounts in this column are after adjustment from the application of HKFRS 15.

附註： 本欄所示金額為應用香港財務報告準則第15號作出調整後的數額。

A contract asset, net of contract liability related to the same contract, is recognised over the period in which the engineering services are performed representing the Group's right to consideration for the services performed and not billed because the rights are conditioned on the Group's future performance accepted by the customers. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfers its contract assets to trade receivables when progress certificate/invoice is issued. The Group generally provides their customers with one to three years maintenance period from the date of the practical completion of the project. Upon the expiration of maintenance period, the customers will provide a maintenance certificate and pay the retentions within the term specified in the contract.

合約資產，扣除與相同合約相關的合約負債，於實施工程服務的期間確認，代表本集團有權就已實施但尚未開票的服務收取代價，因為該等權利乃取決於客戶接納本集團未來表現。當條件變為無條件時，合約資產轉撥至貿易應收款項。本集團通常在發出進度證書／收據時將其合約資產轉撥至貿易應收款項。本集團通常向其客戶提供自項目實際完成日期起計一至三年的保修期。於保修期屆滿後，客戶將提供保修證書及於合約指定的期限內支付保留金。

The Group classifies certain of contract assets, which are expected to be recovered more than 12 months, as current because the Group expects to realise them in its normal operating cycle.

本集團將預期將於超過12個月收回的若干合約資產分類為流動，原因為本集團預期將於其正常經營週期內變現該等資產。

The Group applies the simplified approach to provide the ECL prescribed by HKFRS 9. Loss allowance of HK$93,000 was recognised during the year. Details of impairment of contract assets for the year ended 31 March 2019 were set out in note 30.

根據香港財務報告準則第9號的規定，本集團應用簡化方法以計提預期信貸虧損。年內已確認虧損撥備93,000港元。截至二零一九年三月三十一日止年度之合約資產的減值詳情載於附註30。

18. CONTRACT LIABILITIES

18. 合約負債

		31 March 2019 二零一九年 三月三十一日 HK$'000 千港元	1 April 2018 二零一八年 四月一日 HK$'000 千港元 Note 附註
E&M engineering solutions and services	機電工程解決方案及服務	**17,145**	21,022

Note: The amounts in this column are after adjustment from the application of HKFRS 15.

附註： 本欄所示金額為應用香港財務報告準則第15號作出調整後的數額。

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities.

下表列示與結轉合約負債相關的於本年度確認的收益金額及於過往期間履行履約責任相關的收益金額。

		Engineering service contracts 工程服務合約 HK$'000 千港元
Revenue recognised that was included in the contract liability balance at the beginning of the year	計入年初合約負債結餘的已確認收益	18,998

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

影響已確認合約負債金額的典型付款條款如下：

– Engineering service contracts

– 工程服務合約

The Group requires certain customers to provide upfront deposits range from 5% to 20% of total contract sum, when the Group receives a deposit before the project commences, this will give rise to contract liabilities at the start of a contract, until the full amount of deposit is deducted proportionately from progress payment.

本集團要求若干客戶提供事前按金，金額介乎總合約金額的5%至20%，當本集團在項目開始前收到按金，這將在合約開始產生合約負債，直至按金的全部金額自進度付款按比例扣除。

19. TIME DEPOSITS WITH ORIGINAL MATURITY OVER THREE MONTHS/PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

As at 31 March 2019, bank balances and cash comprise cash held by the Group and bank deposit carry interest at market rates which range from 0.01% to 3.02% (2018: 0.01% to 3.36%) per annum with an original maturity of three months or less.

As at 31 March 2019, pledged bank deposits represented deposits pledged to a bank to secure a bank facility granted by a bank to the Group, carried fixed interest rates ranged from 0.01% to 0.3% (2018: 0.01%) per annum.

As at 31 March 2019, time deposits with original maturity over three months carry fixed interest rates ranged from 1.40% to 3.45% (2018: 0.69% to 1.28%) per annum.

The Group's short-term time deposits, pledged bank deposits and bank balances and cash that are denominated in currencies which are not the functional currency of the Group are set out below:

19. 原到期日超過三個月的定期存款／有抵押銀行存款／銀行結餘及現金

於二零一九年三月三十一日，銀行結餘及現金包括本集團所持現金及原到期日為三個月或以下銀行存款按介乎0.01%至3.02%（二零一八年：0.01%至3.36%）的市場年利率計息。

於二零一九年三月三十一日，有抵押銀行存款指抵押予銀行以為銀行向本集團授出的銀行融資作抵押，按固定年利率介於0.01%至0.3%（二零一八年：0.01%）計息。

於二零一九年三月三十一日，原到期日超過三個月的定期存款包括固定年利率介乎1.40%至3.45%（二零一八年：0.69%至1.28%）的銀行存款。

以下載列本集團並非以本集團功能貨幣計值的短期定期存款、有抵押銀行存款及銀行結餘及現金：

		As at 31 March 於三月三十一日	
		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Euro ("**EUR**")	歐元（「**歐元**」）	**895**	582
Renminbi ("**RMB**")	人民幣（「**人民幣**」）	**2,731**	2,810
USD	美元	**1,217**	677
New Taiwan Dollars ("**NTD**")	新台幣（「**新台幣**」）	**171**	376
SGD	新加坡元	**316**	–

20. TRADE PAYABLES

The credit period on purchases and subcontracting of contract work services ranges from 30 to 60 days. The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

20. 貿易應付款項

購買及分包合約工程服務的信貸期介乎30至60日。以下為於報告期末基於發票日期呈列的貿易應付款項賬齡分析：

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Trade payables:	貿易應付款項：		
0-30 days	0至30日	**5,964**	3,464
31-60 days	31至60日	**153**	89
61-90 days	61至90日	**1,804**	694
91-365 days	91至365日	**467**	879
Over 365 days	超過365日	**4,901**	4,901
		13,289	10,027

20. TRADE PAYABLES (CONTINUED)

As at 31 March 2019 and 2018, included in the trade payables aged over 365 days was an amount of HK$4,901,000, representing the full provision of the Group's contractual obligation, which was pending settlement as the Group was in dispute with the counterparty for final settlement. No reversal of this payable was recognised during the two years ended 31 March 2019 as the derecognition criteria in accordance with the Group's accounting policies does not meet.

As at 31 March 2019, trade payables of HK$590,000 (2018: HK$370,000) was denominated in USD.

20. 貿易應付款項(續)

於二零一九年及二零一八年三月三十一日，計入貿易應付款項的賬齡超過365日的款項為4,901,000港元，指就本集團合約責任悉數撥備。該款項待結算，乃由於本集團與對手方就最終結算存在爭議所致。於截至二零一九年三月三十一日止兩個年度並無確認撥回該應付款項，因為根據本集團會計政策，其不符合取消確認標準。

於二零一九年三月三十一日，貿易應付款項590,000港元(二零一八年：370,000港元)以美元列值。

21. OTHER PAYABLES AND ACCRUED CHARGES

21. 其他應付款項及應計費用

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Accrued staff costs	應計員工成本	**4,053**	4,207
Provision for annual leave	年假撥備	**2,339**	2,309
Provision for long service payments	長期服務金撥備	**674**	760
Retention payables *(Note)*	應付保留金*(附註)*	**3,448**	2,455
Other accrued charges	其他應計費用	**2,107**	1,861
		12,621	11,592

Note: Retention payables to sub-contractors of contract work are interest-free and payable by the Company after the completion of maintenance period of the relevant contracts or in accordance with the terms specified in the relevant contracts, ranges from 1 to 2 years from the completion date of the respective E&M engineering solutions and services contracts.

附註： 應付分包商的合約工程保留金為免息，須由本公司於相關合約維修期完成後或根據相關合約規定的條款支付，自相關機電工程解決方案及服務合約完成日期起計介乎1至2年。

22. DEFERRED TAXATION

The following is the major deferred tax liabilities recognised and movements during the current and prior years.

22. 遞延稅項

以下為於本年度及過往年度確認的主要遞延稅項負債及變動。

		Accelerated tax (accounting) depreciation 加速稅項(會計)折舊 HK$'000 千港元	Provision of long service payment 長期服務金撥備 HK$'000 千港元	Total 總計 HK$'000 千港元
At 1 April 2017	於二零一七年四月一日	250	(159)	91
Charge to profit or loss *(note 10)*	扣除自損益*(附註10)*	123	34	157
At 31 March 2018	於二零一八年三月三十一日	373	(125)	248
(Credit) charge to profit or loss *(note 10)*	(計入)扣除自損益*(附註10)*	(54)	14	(40)
At 31 March 2019	於二零一九年三月三十一日	319	(111)	208

23. SHARE CAPITAL

The share capital of the Group at 31 March 2019 and 2018 represents the share capital of the Company as follows:

23. 股本

本集團於二零一九年及二零一八年三月三十一日的股本指本公司的股本，其股本如下：

		Number of shares 股份數目 '000 千股	Amount 金額 HK$'000 千港元
Ordinary shares of HK$0.01 each	每股面值0.01港元的普通股		
Authorised:	法定：		
At 5 May 2017 (date of incorporation)	於二零一七年五月五日(註冊成立日期)	38,000	380
Addition *(Note a)*	添置*(附註a)*	3,762,000	37,620
At 31 March 2019 and 2018	於二零一九年及二零一八年三月三十一日	3,800,000	38,000
Issued and fully paid:	已發行及悉數繳足：		
At 5 May 2017 (date of incorporation) *(Note b)*	於二零一七年五月五日(註冊成立日期) *(附註b)*	–	–
Issue of shares as part of Reorganisation on 6 September 2017 *(Note c)*	作為於二零一七年九月六日重組之一部分發行股份*(附註c)*	10	–
Capitalisation Issue *(Note d)*	資本化發行*(附註d)*	299,990	3,000
Issue of shares on 16 October 2017 by way of share offer and placing *(Note d)*	於二零一七年十月十六日透過股份發售及配售的方式發行股份*(附註d)*	100,000	1,000
At 31 March 2019 and 2018	於二零一九年及二零一八年三月三十一日	400,000	4,000

Notes:

(a) On 29 September 2017, the authorised share capital of the Company was increased from HK$380,000 to HK$38,000,000 by the creation of a further 3,762,000,000 shares of HK$0.01 each pursuant to a resolution passed on 20 September 2017.

(b) On date of incorporation, 1 share of HK$0.01 was allotted and issued to KML Holdings at a subscription price of HK$0.01.

(c) As part of the Reorganisation, the Company issued shares during the current year which are detailed below:

(i) On 9 June 2017, 45, 35 and 19 shares of the Company were allocated and issued to KML Holdings, Mr. KM Luk and Madam Leung respectively, and

(ii) On 6 September 2017, the Company issued 4,554, 3,465 and 1,881 shares to KML Holdings, Mr. KM Luk and Madam Leung, respectively.

*(d) The shares of the Company have been listed on the GEM of the Stock Exchange by way of share offer and placing on 16 October 2017. 100,000,000 shares of the Company of HK$0.01 each were issued at an offer price of HK$0.60 per share by way of share offer and placing (the "**Share Offer**"). On the same date, 299,990,000 of the Company's new shares were issued through capitalisation of HK$2,999,900 standing to the credit of share premium account of the Company (the "**Capitalisation Issue**") to Controlling Shareholders.*

附註：

(a) 於二零一七年九月二十九日，根據於二零一七年九月二十日通過的決議案增設3,762,000,000股每股面值0.01港元的股份，本公司的法定股本從380,000港元增加至38,000,000港元。

(b) 於註冊成立日期，一股面值0.01港元的股份按0.01港元的認購價配發及發行予KML Holdings。

(c) 作為重組的一部分，本公司於下文詳述的年度發行股份：

(i) 於二零一七年六月九日，45股、35股及19股本公司股份分別發行及配發予KML Holdings、陸鑑明先生及梁女士；及

(ii) 於二零一七年九月六日，本公司向KML Holdings、陸鑑明先生及梁女士分別發行4,554股、3,465股及1,881股股份。

*(d) 本公司股份於二零一七年十月十六日通過股份發售及配售於聯交所GEM上市。本公司已透過股份發售及配售按每股發售價0.60港元發行100,000,000股每股面值0.01港元的股份(「**股份發售**」)。於同日，本公司透過資本化本公司股份溢價賬進賬額2,999,900港元向控股股東發行299,990,000股新股份(「**資本化發行**」)。*

24. COMMITMENTS

(a) Operating lease commitments

The Group as lessee

The Group leases various office premises under non-cancellable operating lease agreements. The lease terms are between 2-5 years, and the majority of lease agreements are renewable at the end of the lease period at market rates.

As at 31 March 2019 and 2018, the Group had commitment for future minimum lease payments under non-cancellable operating leases which fall due as follows:

24. 承擔

(a) 經營租賃承擔

本集團作為承租人

本集團租賃不可撤銷經營租賃協議項下的各項辦公室物業。租賃期限為2至5年，且大部分租賃協議可於租期末按市場費率續期。

於二零一九年及二零一八年三月三十一日，本集團擁有不可撤銷經營租賃項下的未來最低租賃承擔，其到期如下：

		2019 **二零一九年** **HK$'000** **千港元**	2018 二零一八年 HK$'000 千港元
Land and buildings	土地及樓宇		
Within one year	於一年內	**5,701**	5,402
In the second to fifth year inclusive	第二年至第五年（包括首尾兩年）	**150**	4,776
		5,851	10,178

(b) Capital commitments

(b) 資本承擔

		2019 **二零一九年** **HK$'000** **千港元**	2018 二零一八年 HK$'000 千港元
Capital expenditure in respect of addition of property, plant and equipment:	有關添置物業、廠房及設備的資本開支：		
– Contracted for but not provided in the consolidated financial statements	－已訂約但未於綜合財務報表中計提撥備	**1,200**	–

25. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the both years:

25. 關聯方交易

除綜合財務報表其他處所披露者外，本集團於兩個年度與其關聯方擁有下列交易：

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Purchase of materials from Logistic Industrial *(Note a)*	向洛士工業採購物料 *（附註a）*	**131**	35
Rental fee paid to	支付予下列者的租金費用		
KML Limited *(Note b)*	圖遠有限公司*（附註b）*	**4,847**	4,206
K.M. Luk & Engineers Limited	陸鑑明工程有限公司	**–**	26

Notes:

*(a) Logistic Industrial Supply Company Limited ("**Logistic Industrial**") is a company which Mr. KM Luk and Madam Leung have significant influence over it.*

(b) KML Limited is controlled by Mr. KM Luk. The rental fee paid is regarded as continuing a connected transaction.

附註：

*(a) 洛士工業器材有限公司(「**洛士工業**」)為陸鑑明先生及梁女士對其有重大影響力的公司。*

(b) 圖遠有限公司由陸鑑明先生控制。已支付的租金視為持續關連交易。

Compensation of key management personnel
Key management personnel of the Company are the directors of the Company. Their remunerations during the years ended 31 March 2019 and 2018 were set out in note 8.

關鍵管理人員薪酬
本公司關鍵管理人員為本公司董事。彼等於截至二零一九年及二零一八年三月三十一日止年度的薪酬於附註8載列。

26. RETIREMENT BENEFITS SCHEMES

The Group participates in both a defined contribution scheme which is registered under the ORSO Scheme and the MPF Scheme established under the Mandatory Provident Fund Ordinance in December 2000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. Employees who were members of the ORSO Scheme prior to the establishment of the MPF Scheme were offered a choice of staying within the ORSO Scheme or switching to the MPF Scheme, whereas all new employees joining the Group on or after 1 December 2000 are required to join the MPF Scheme.

For members of the MPF Scheme, the Group contributes 5% of relevant payroll costs to the MPF Scheme, which contribution is matched by the employee.

The ORSO Scheme is funded by monthly contributions from both employees and the Group at rates ranging from 5% to 8% of the employee's basic salary, depending on the length of service with the Group.

The total expense recognised in profit or loss of HK$2,833,000 (2018: HK$2,890,000) during the year ended 31 March 2019 represents contributions paid and payable to these plans by the Group at rates specified in the rules of the plans.

The contributions paid and payable to the schemes by the Group are disclosed in note 9.

26. 退休福利計劃

本集團參與定額供款計劃，此乃根據職業退休計劃條例計劃及強制性公積金計劃(於二零零零年十二月根據強制性公積金條例成立)而註冊。該等計劃資產由受託人以基金形式管理，與本集團之資產分開持有。於強積金計劃成立前屬於職業退休計劃成員之僱員有權選擇繼續參與職業退休計劃，或轉移參加強積金計劃，惟於二零零零年十二月一日或之後加入本集團之所有新僱員則須參加強積金計劃。

就強積金計劃之成員而言，本集團須向強積金計劃之有關工資成本作5%供款，該筆供款與僱員之供款額一致。

職業退休計劃條例計劃之資金來自僱員及本集團按介乎僱員底薪5%至8%作每月供款，取決於服務予本集團的時間長短。

於截至二零一九年三月三十一日止年度，於損益中確認的總開支2,833,000港元(二零一八年：2,890,000港元)指本集團根據計劃原則指定的比率已付及應付該等計劃的供款。

本集團向該等計劃已繳付及應繳付的供款於附註9披露。

27. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

The Company has direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company in Hong Kong), the particulars of which at the end of the reporting period are as follows:

27. 本公司附屬公司的詳情

本公司於其附屬公司擁有直接及間接權益，其所有附屬公司為私人有限責任公司(或倘於香港境外註冊成立，與香港私人公司擁有大致類似的特徵)，詳情如下：

Name 名稱	Place and date of incorporation 註冊成立地點及日期	Place of operation 經營地點	Issued ordinary/ registered share capital 已發行普通股／註冊股本	Attributable equity interest of the Group as at 31 March 於下列日期應佔本集團股權百分比 三月三十一日 2019 二零一九年	2018 二零一八年	Principal activities 主要業務
Directly held: **直接持有：**						
KML Group (BVI) Limited	BVI 16 May 2017 英屬處女群島 二零一七年五月十六日	Hong Kong 香港	US$1 1美元	**100%**	100%	Investment holding 投資控股
Indirectly held: **間接持有：**						
KML Engineering Limited 高明科技工程有限公司	Hong Kong 12 August 1977 香港 一九七七年八月十二日	Hong Kong 香港	HK$10,000,000 10,000,000港元	**100%**	100%	Provision of professional E&M system engineering services for railway and road transport infrastructure projects and sales of parts and components 為鐵路及公路交通基建項目提供專業機電系統工程服務及銷售零件及部件
KML Technology Limited 高萌科技有限公司	Hong Kong 21 October 1988 香港 一九八八年十月二十一日	Hong Kong 香港	HK$3,020,000 3,020,000港元	**100%**	100%	Provision of professional E&M system engineering services for railway and road transport infrastructure projects 為鐵路及公路交通基建項目提供專業機電系統工程服務

28. DISPOSAL OF A SUBSIDIARY

On 9 June 2017, the Company disposed of its entire interest in KML Transtech Limited to Ms. Chan Patricia, for a total consideration of HK$1,932,722 with reference to the Company's interest in the net asset value of KML Transtech Limited. The net assets of KML Transtech Limited at the date of disposal were as follows:

28. 出售一間附屬公司

於二零一七年六月九日，經參考本公司於高明資訊科技有限公司資產淨值擁有的權益，本公司按總代價1,932,722港元向陳珮筠女士出售於高明資訊科技有限公司全部股權。高明資訊科技有限公司於出售日期的資產淨值如下：

Analysis of asset and liability over which control was lost:

對已失去控制權的資產及負債的分析：

		HK$'000 千港元
Bank balance and cash	銀行結餘及現金	1,936
Accrual	應計費用	(3)
Net asset disposed of	出售資產淨值	1,933
Gain on disposal of a subsidiary:	出售一間附屬公司之收益：	
Consideration received	已收代價	1,933
Net asset disposed of	出售資產淨值	(1,933)
Gain on disposal	出售收益	–
Net cash outflow arising on disposal:	出售產生之現金流出淨額：	
Cash consideration received	已收現金代價	1,933
Less: bank balance and cash disposed of	減：出售銀行結餘及現金	(1,936)
		(3)

29. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to owners through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt and equity of the Group, comprising issued share capital and accumulated profits.

Management of the Group reviews the capital structure regularly taking into account the cost of capital and the risk associated with the capital. The Group will balance its overall capital structure through issuance of new shares and the raise of borrowings.

29. 資本風險管理

本集團管理其資本以確保本集團內實體將能夠持續經營，同時透過優化債務及權益結餘為擁有人帶來最大回報。

本集團的資本架構由本集團債務及權益組成，包括已發行股本及累計溢利。

本集團管理層經計及資本成本及與資本有關的風險，定期檢討資本架構。本集團將通過發行新股份及籌集借貸，平衡其整體資本架構。

30. FINANCIAL INSTRUMENTS

30. 金融工具

Categories of financial instruments

金融工具類別

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Financial assets	**金融資產**		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等價物)	**–**	129,367
Amortised cost	攤銷成本	**130,616**	–
Financial liabilities	**金融負債**		
Amortised cost	攤銷成本	**22,897**	18,550

Financial risk management objectives and policies

The Group's financial instruments include trade receivables, retention receivables held by customers for contract works, other receivables and deposits, pledged bank deposits, time deposits with original maturity over three months, bank balances and cash, trade payables, other payables and accrued charges. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

財務風險管理目標及政策

本集團的金融工具包括貿易應收款項、客戶就合約工程持有的應收保留金、其他應收款項及按金、有抵押銀行存款、原到期日超過三個月的定期存款、銀行結餘及現金、貿易應付款項、其他應付款項及應計費用。該等金融工具的詳情於各附註披露。與該等金融工具有關的風險及如何減緩該等風險的政策載於下文。管理層管理及監控該等風險以確保及時和有效地執行適當措施。

Currency risk

Certain bank balances and cash, time deposits with original maturity over three months, trade receivables and trade payables of the Group are denominated in foreign currencies of respective group entities, i.e. RMB, EUR, USD, NTD and SGD. The carrying amounts of the Group's bank balances and cash, time deposits with original maturity over three months, trade receivables and trade payables denominated in foreign currencies at the end of each reporting period are as follows:

貨幣風險

本集團的若干銀行結餘及現金、原到期日超過三個月的定期存款、貿易應收款項及貿易應付款項以各集團實體外幣(即人民幣、歐元、美元、新台幣及新加坡元)列值。於各報告期末外幣列值的本集團銀行結餘及現金、原到期日超過三個月的定期存款、貿易應收款項及以及貿易應付款項的賬面值如下：

		Financial assets 金融資產 As at 31 March 於三月三十一日		Financial liabilities 金融負債 As at 31 March 於三月三十一日	
		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元	**2019 二零一九年 HK$'000 千港元**	2018 二零一八年 HK$'000 千港元
RMB	人民幣	**2,731**	2,810	**3**	–
EUR	歐元	**895**	582	**–**	–
USD	美元	**1,436**	886	**590**	370
NTD	新台幣	**171**	376	**–**	98
SGD	新加坡元	**1,869**	–	**–**	–

30. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (continued)

Currency risk (continued)

The Group currently does not have a foreign currency hedging policy. However, the directors of the Company monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

Since the exchange rate of HK$ is pegged with USD, the Group does not expect any significant movements in the USD/HK$ exchange rates. Thus, there is no sensitivity analysis on USD denominated financial assets.

Sensitivity analysis of strengthening 10% in functional currency of the Group (i.e. HK$) against foreign currencies and keeping all other variables constant resulted an decrease in post-tax profit of the years ended 31 March 2019 and 2018. For a 10% weakening of HK$ against foreign currencies there would be an equal and opposite impact on the results.

30. 金融工具(續)

財務風險管理目標及政策(續)

貨幣風險(續)

本集團現時並無外幣對沖政策。然而，本公司董事監控外匯風險並將於需要時考慮對沖重大外幣風險。

由於港元與美元相掛鈎，本集團預計美元／港元匯率並無任何重大變動。因此，並無以美元列值的金融資產敏感度分析。

本集團功能貨幣(即港元)兑外幣升值10%及所有其他變數保持不變的敏感度分析，導致截至二零一九年及二零一八年三月三十一日止年度除税後溢利減少。就港元兑外幣貶值10%而言，對業績將產生等量及相反的影響。

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
RMB	人民幣	**228**	235
EUR	歐元	**75**	49
SGD	新加坡元	**156**	8

Interest rate risk

The Group is exposed to cash flow interest rate risk in bank balances and cash and pledged bank deposits (note 19) as at 31 March 2019 and 2018.

As at 31 March 2019 and 2018, the Group is also exposed to fair value interest rate risk in relation to fixed rate time deposits with original maturity over three months.

The Group has not used any interest rate swaps to mitigate its exposure associated with interest rate risk. However, the management of the Group monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Sensitivity analysis

In the opinion of management of the Group, the expected change in interest rate will not have significant impact on the interest income or expenses on payments for bank balances and pledged bank deposits, hence sensitivity analysis is not presented.

利率風險

於二零一九年及二零一八年三月三十一日，本集團因銀行結餘及現金及有抵押銀行存款(附註19)面臨現金流量利率風險。

於二零一九年及二零一八年三月三十一日，本集團亦面臨有關利率固定的原到期日超過三個月的定期存款的公允值利率風險。

本集團並無使用任何利率掉期以減緩其有關利率的風險。然而，本集團管理層監控利率風險及於需要時將考慮對沖重大利率風險。

敏感度分析

本集團管理層認為，利率預計變動將不會對利息收入或支付銀行結餘及有抵押銀行存款的開支產生重大影響，因此並無呈列敏感度分析。

30. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge the obligations by counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statements of financial position at the end of the reporting period. The Group's credit risk is primarily attributable to trade receivables, contract assets, other receivables and deposits, pledged bank deposits, time deposits with original maturity over three months and bank balances.

Trade receivables and contract assets arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. The level of credit granted must not exceed a predetermined level set by the management. Limits and scoring attributed to customers are reviewed once a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 (2018: incurred loss model) on trade receivables and contract assets individually or based on provision matrix. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk on trade receivables and contract assets by geographical locations is mainly in Hong Kong, which accounted for 95.7% (2018: 99.5%) of the total trade receivables and 76% (2018: 64.3%) of the total contract assets as at 31 March 2019.

30. 金融工具(續)

財務風險管理目標及政策(續)

信貸風險及減值評估

本集團面臨的最大信貸風險為因未能解除交易對手方責任而對本集團造成財務虧損，來自於報告期末綜合財務狀況表所述各自已確認金融資產的賬面值。本集團信貸風險主要產生自貿易應收款項、合約資產、其他應收款項及按金、有抵押銀行存款、原到期日超過三個月的定期存款及銀行結餘。

貿易應收款項及來自客戶合約的合約資產

為盡量減低信貸風險，本集團管理層已委派一小組，負責釐定信貸限額及信貸批核。接納任何新客戶前，本集團採用內部信貸評分系統評估潛在客戶的信貸質素及按客戶界定的信貸額度。所授出信貸水平不得超過管理層預先設定的水平。每年一次審閱對客戶的額度及評分。進行其他監察程序，以確保已採取跟進措施，收回逾期債項。此外，本集團亦於應用香港財務報告準則第9號後對貿易應收款項及合約資產根據預期信貸虧損模式(二零一八年：已經產生虧損模式)單獨進行減值評估或根據撥備矩陣進行減值評估。就此而言，本公司董事認為本集團之信貸風險已大幅減低。

本集團貿易應收款項及合約資產按地理位置劃分的信貸風險集中主要在香港，於二零一九年三月三十一日佔總貿易應收款項的95.7%(二零一八年：99.5%)及總合約資產的76%(二零一八年：64.3%)。

30. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Trade receivables and contract assets arising from contracts with customers (continued)

The Group has concentration of credit risks on trade receivables and contract assets with exposure limited to certain customers. Top five customers amounting to HK$31,975,000 (2018: HK$42,580,000) comprised approximately 78% (2018: 90%) of the Group's trade receivables and 76% (2018: Nil) of the Group's total contract assets as at 31 March 2019. As at 31 March 2019, 70.8% (2018: 64.3%) of the Group's trade receivables was due from the Group's largest customer.

Pledged bank deposits, time deposits with original maturity over three months and bank balances

The Group has a concentration of credit risk on pledged bank deposits, time deposits with original maturity over three months and bank balances deposited with a few major banks. The credit risk on these balances is limited because the counterparties are banks with good reputation and with high credit ratings assigned by international credit-rating agencies.

Other receivables

The management of the Group regularly reviews and assesses the credit quality of the counterparties. The Group uses 12-month ECL to assess the loss allowance of other receivables since these receivables are not past due and there has not been a significant increase in credit risk since initial recognition. Based on internal credit assessment, the directors of the Company consider that these assets are low credit risk financial assets due to the short-term nature and the probability of default is negligible. Hence, no loss allowance was recognised during year ended 31 March 2019.

Other than the concentration risk as disclosed at above, the Group does not have any other significant concentration of credit risk.

30. 金融工具(續)

財務風險管理目標及政策(續)

信貸風險及減值評估(續)

貿易應收款項及來自客戶合約的合約資產(續)

本集團面臨僅限於若干客戶的貿易應收款項及合約資產集中信貸風險。於二零一九年三月三十一日，應收五大客戶款項為31,975,000港元(二零一八年：42,580,000港元)佔本集團貿易應收款項約78%(二零一八年：90%)及本集團總合約資產76%(二零一八年：零)。於二零一九年三月三十一日，本集團貿易應收款項中70.8%(二零一八年：64.3%)為應收本集團最大客戶款項。

已抵押銀行存款、原到期日超過三個月的定期存款及銀行結餘

本集團有關於已抵押銀行存款、原到期日超過三個月的定期存款及與一些主要銀行的銀行結餘的集中信貸風險。該等結餘的信貸風險有限，因為交易對手方為聲譽良好及由國際信貸評級機構評定的高信貸等級之銀行。

其他應收款項

本集團管理層定期審閱及評估交易對手方的信貸質素。本集團使用12個月預期信貸虧損評估其他應收款項的虧損撥備，因為該等應收款項並無逾期及自初次確認起其信貸風險並無重大增加。根據內部信貸評估，本公司董事認為由於短期性質及違約可能性可忽略，該等資產為低信貸風險資產。因此，於截至二零一九年三月三十一日止年度並無確認虧損撥備。

除上文所披露集中性風險外，本集團並無任何其他重大集中信貸風險。

30. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

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

30. 金融工具(續)

財務風險管理目標及政策(續)

信貸風險及減值評估(續)

本集團的內部信貸風險評級包括下列類別：

Internal credit rating 內部信貸評級	Description 描述	Trade receivables/ contract assets 貿易應收款項／合約資產	Other financial assets 其他金融資產
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 交易對手違約風險較低，且無任何逾期金額	Lifetime ECL – not credit-impaired 存續期預期信貸虧損－無信貸減值	12-month ECL 12個月預期信貸虧損
Watch list 觀察名單	Debtor frequently repays after due dates but usually settle in full 債務人經常在到期日後償還，但通常在到期日後悉數結算	Lifetime ECL – not credit-impaired 存續期預期信貸虧損－無信貸減值	12-month ECL 12個月預期信貸虧損
Doubtful 可疑	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 自通過內部開發的資訊或外部資源初步確認以來，信貸風險顯著增加	Lifetime ECL – not credit-impaired 存續期預期信貸虧損－無信貸減值	Lifetime ECL – not credit-impaired 存續期預期信貸虧損－無信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據表明資產存在信貸減值	Lifetime ECL – credit-impaired 存續期預期信貸虧損－信貸減值	Lifetime ECL – credit-impaired 存續期預期信貸虧損－信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據表明債務人處於嚴重的財務困境，而本集團日後收回款項的機會渺茫	Amount is written off 款項已撇銷	Amount is written off 款項已撇銷

30. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The tables below detail the credit risk exposures of the Group's financial assets and contract assets, which are subject to ECL assessment:

30. 金融工具(續)

財務風險管理目標及政策(續)

信貸風險及減值評估(續)

下表詳述須經過預期信貸虧損評估的本集團金融資產及合約資產的信貸風險情況:

2019 二零一九年	Notes 附註	External credit rating 外部信貸評級	Internal credit rating 內部信貸評級	12-month or lifetime ECL 12個月或存續期預期信貸虧損	Gross carrying amount 總賬面值 HK$'000 千港元
Financial assets at amortised cost **按攤銷成本計量的金融資產**					
Pledged bank deposits 有抵押銀行存款	19	AA+	N/A 不適用	12-month ECL 12個月預期信貸虧損	10,782
Time deposits with original maturity over three months 原到期日超過三個月的定期存款	19	AA+	N/A 不適用	12-month ECL 12個月預期信貸虧損	40,050
Bank balances 銀行結餘	19	AA+	N/A 不適用	12-month ECL 12個月預期信貸虧損	36,989
Other receivables 其他應收款項	15	N/A 不適用	Low risk 低風險	12-month ECL 12個月預期信貸虧損	1,649
Trade receivables 貿易應收款項	14	N/A 不適用	*(Note)* *(附註)*	Lifetime ECL 存續期預期信貸虧損	6,631
	14	N/A 不適用	Low risk 低風險	Lifetime ECL (not credit impaired) 存續期預期信貸虧損(無信貸減值)	34,632
					41,263
Contract assets 合約資產	17	N/A 不適用	*(Note)* *(附註)*	Lifetime ECL 存續期預期信貸虧損	4,528
	17	N/A 不適用	Low risk 低風險	Lifetime ECL (not credit impaired) 存續期預期信貸虧損(無信貸減值)	44,925
					49,453

Note: For trade receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances, the Group determines the expected credit losses on these items by using a provision matrix, grouped by internal credit rating.

附註: 就貿易應收款項及合約資產而言,本集團已應用香港財務報告準則第9號的簡化方法以按存續期預期信貸虧損計量虧損撥備。除具有重大未償還結餘的債務人外,本集團使用撥備矩陣按內部信貸評級,釐定該等項目的預期信貸虧損。

30. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Provision matrix – internal credit rating

As part of the Group's credit risk management, the Group applied internal credit rating for its customers in relation to its engineering services of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables and contract assets which are assessed based on provision matrix as at 31 March 2019 within lifetime ECL (not credit impaired). Debtors with significant outstanding balances for trade receivables and contract assets with gross carrying amounts of HK$34,632,000 and HK$44,925,000 respectively as at 31 March 2019 were assessed individually.

Gross carrying amount

Risk level	風險等級	Average loss rate 平均虧損率	Contract assets 合約資產 HK$'000 千港元	Trade receivables past due 逾期貿易應收款項 HK$'000 千港元
Low risk	低風險	0.09%	4,271	2,953
Watch list	觀察名單	4.04%	2,360	1,575

The estimated loss rates and risk level are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

During the year ended 31 March 2019, the Group provided HK$55,000 and HK$93,000 impairment allowance for trade receivables and contract assets respectively, based on the provision matrix. No impairment allowance was made on debtors with significant balance during year ended 31 March 2019.

30. 金融工具(續)

財務風險管理目標及政策(續)

信貸風險及減值評估(續)

撥備矩陣－內部信貸評級

作為本集團信貸風險管理的一環，本集團就有關其工程服務客戶根據合約條款支付所有未償款項的能力對客戶應用內部信貸評級。下表提供有關貿易應收款項及合約資產信貸風險的資料，該等款項於二零一九年三月三十一日已基於撥備矩陣評估存續期預期信貸虧損(無信貸減值)。於二零一九年三月三十一日就貿易應收款項及合約資產而言，具有重大結餘的總賬面值分別為34,632,000港元及44,925,000港元的債務人已單獨評估。

總賬面值

估計虧損率及風險等級乃根據歷史觀察違約率就債務人的預期年期估計，並會根據無需過多成本或努力即可獲得的前瞻性資料作出調整。管理層定期檢討有關分組，以確保特定債務人的相關資料保持更新。

截至二零一九年三月三十一日止年度，本集團根據撥備矩陣就貿易應收款項及合約資產分別計提減值撥備55,000港元及93,000港元。於截至二零一九年三月三十一日止年度，並無就具有重大結餘的債務人作出減值撥備。

30. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

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

30. 金融工具(續)

財務風險管理目標及政策(續)

信貸風險及減值評估(續)

下表顯示根據簡化方法就貿易應收款項及合約資產確認的存續期預期信貸虧損的變動情況。

		Trade receivables 貿易應收款項 HK$'000 千港元	Contract assets 合約資產 HK$'000 千港元
As at 31 March 2018 under HKAS 39	**根據香港會計準則第39號於二零一八年三月三十一日**		
Adjustment upon application of HKFRS 9	於應用香港財務報告準則第9號時調整	(62)	(27)
As at 1 April 2019-As restated	**於二零一九年四月一日－經重列**	(62)	(27)
Changes due to financial instruments recognised as at 1 April:	於四月一日已確認金融工具造成的變動：		
– Reversal (additional) of impairment losses	－撥回(增加)減值虧損	39	(60)
New financial assets originated	產生新的金融資產	(94)	(33)
As at 31 March 2019	**於二零一九年三月三十一日**	(117)	(120)

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. No trade receivable nor contract assets were written off by the Group during both years.

倘有資料顯示債務人身處嚴重財務困難且日後收回款項的機會渺茫(如債務人遭清盤或進入破產程序)，或應收貿易款項已逾期超過兩年(以較早者為準)，本集團將撇銷該項貿易應收款項。於兩個年度內，本集團概無撇銷貿易應收款項或合約資產。

Liquidity risk

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

流動資金風險

於管理流動資金風險時，本集團監控及維持管理層視為適當的現金及現金等價物水平，以撥付本集團營運資金及減緩現金流量無法預計波動的影響。

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

下表詳述本集團非衍生金融負債的餘下合約到期情況。該表基於金融負債於本集團須償付的最早日期的未折現現金流量編製。

30. FINANCIAL INSTRUMENTS (CONTINUED)

30. 金融工具(續)

Financial risk management objectives and policies (continued)

財務風險管理目標及政策(續)

Liquidity risk (continued)

流動資金風險(續)

		Weighted average effective interest rate	On demand	Within 1 year	Total undiscounted cash flows	Total carrying amount
		加權平均實際利率	按要求	於1年內	未折現現金流量總額	總賬面值
		%	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
As at 31 March 2019	於二零一九年三月三十一日					
Non-derivative financial liabilities	**非衍生金融負債**					
Trade payables	貿易應付款項	N/A不適用	5,964	7,325	13,289	13,289
Other payables	其他應付款項	N/A不適用	9,608	–	9,608	9,608
			15,572	7,325	22,897	22,897

		Weighted average effective interest rate	On demand	Within 1 year	Total undiscounted cash flows	Total carrying amount
		加權平均實際利率	按要求	於1年內	未折現現金流量總額	總賬面值
		%	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
As at 31 March 2018	於二零一八年三月三十一日					
Non-derivative financial liabilities	**非衍生金融負債**					
Trade payables	貿易應付款項	N/A不適用	3,464	6,563	10,027	10,027
Other payables	其他應付款項	N/A不適用	8,523	–	8,523	8,523
			11,987	6,563	18,550	18,550

Fair value of financial instruments

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

金融工具公允值

本集團管理層認為，按攤銷成本列入綜合財務報表內的金融資產及金融負債賬面值與其公允值相若。

31. PERFORMANCE GUARANTEE

As at 31 March 2019, performance guarantee of approximately HK$5,424,000 (2018: HK$2,594,000) was given by a bank in favour of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and its customers. If the Group failed to provide satisfactory performance to their customers to whom performance guarantee had been given, such customers may demand the banks to pay to them the sum or sum stipulated in such demand. The Group would become liable to compensate such banks accordingly. The performance guarantee would be released upon completion of the contract works. The performance guarantee was granted under a banking facility.

31. 履約擔保

於二零一九年三月三十一日，履約擔保約5,424,000港元(二零一八年：2,594,000港元)由銀行以本集團客戶為受益人作出，作為適當履約及遵守本集團於本集團與該客戶訂立的合約項下義務的擔保。倘本集團未有向獲給予履約擔保的其客戶提供令人滿意的履約，該等客戶可能要求銀行向其支付該款項或於該要求中訂明的款項。本集團須據此負責向該等銀行作出補償。履約擔保將於合約工程竣工後獲解除。履約擔保根據銀行融資授出。

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

32. 融資活動產生的負債之對賬

				Non-cash changes 非現金變動		
		As at 1 April 2017 於二零一七年四月一日 HK$'000 千港元	Financing cash flow 融資現金流 HK$'000 千港元 (Note) (附註)	Dividend declared 已宣派股息 HK$'000 千港元 (note 11) (附註11)	Share issue costs incurred 已產生股份發行成本 HK$'000 千港元	As at 31 March 2018 於二零一八年三月三十一日 HK$'000 千港元
Dividend payables	已付股息	–	(25,000)	25,000	–	–
Prepaid listing expenses	預付上市開支	(90)	(8,173)	–	8,263	–

Note: The cash flows represent the payment of dividend and costs incurred related to issue of new shares.

附註： 現金流指支付股息及有關發行新股份產生的成本。

33. SHARE OPTION SCHEME

Upon passing of an ordinary resolution on 20 September 2017, the Company adopted a share option scheme (the "**Share Option Scheme**") which will remain valid for a period of 5 years commencing on 16 October 2017. The major terms of the Share Option Scheme are set out below:

(a) The purpose of the Share Option Scheme is to recognise and acknowledge the contributions that the directors and employees of our Group have made or may make to our Group;

(b) The participants included any director or employees, of the Group, which in the opinion of the Company's board of directors, has contribution or potential contribution to the development and growth of or had made contribution to the Group;

(c) The maximum number of shares in respect of which options might be granted under the Share Option Scheme must not exceed 30% of the issued share capital of the Company from time to time. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to a substantial shareholder or an independent non-executive director in excess of 0.1% of the Company's share capital or with a value in excess of HK$5 million must be approved in advance by the Company's shareholders;

(d) In relation to each grantee of the options granted under the Share Option Scheme, the right of the grantee to exercise the option shall be in accordance with the terms of the Share Option Scheme and the period to be notified by the board of directors of the Company to each grantee which shall not exceed 10 years from the date upon which the options is deemed to be granted and accepted;

(e) The exercise price of an option will be determined by the board of directors of the Company and will not be less than the highest of:

- The closing price of the share on the date of grant;
- The average closing price of the share for the five business days immediately preceding the date of grant; and
- The nominal value of the share.

33. 購股權計劃

於二零一七年九月二十日通過普通決議案後，本公司採納一項購股權計劃(「**購股權計劃**」)，該計劃將自二零一七年十月十六日起5年內有效。購股權計劃的主要條款載列如下：

(a) 購股權計劃旨在嘉許及表揚已經或可能對本集團作出的貢獻的本集團董事及僱員；

(b) 參與者包括本公司董事會認為對本集團發展及增長作出貢獻或潛在貢獻或曾作出貢獻的本集團任何董事或僱員；

(c) 有關根據購股權計劃授出的購股權的股份之最高數目不得超過本公司不時已發行股本的30%。有關根據購股權計劃授出的購股權已發行及將予發行的股份數目及於任何12個月期間任何個人在未獲得本公司股東的事先批准前，不得超過本公司任何時間點已發行股份的1%。授予一名主要股東或獨立非執行董事的購股權超過本公司股本的0.1%或價值超過5百萬港元必須事先獲得本公司股東的批准；

(d) 就根據購股權計劃獲授購股權的承授人而言，承授人行使購股權的權利應根據購股權計劃的條款及本公司董事會通知各承授人的期間不得超過購股權視作授出及接納之日起10年；

(e) 購股權的行使價將由本公司董事會釐定及將不低於以下之最高者：

- 股份於授出日期的收市價；
- 股份於緊接授出日期前五個營業日的平均收市價；及
- 股份的名義值。

33. SHARE OPTION SCHEMES (CONTINUED)

Share Option Schemes (continued)

(f) A consideration of HK$10 per grant is payable on acceptance of the offer of grant of options.

Details of the share options outstanding under the Share Option Scheme and movements during the year were as follows:

33. 購股權計劃(續)

購股權計劃(續)

(f) 在接納每項要約授出購股權時應付代價10港元。

年內，購股權計劃項下未行使的購股權及變動之詳情如下：

Grantee 承授人	Date of grant 授出日期	Exercising period 行使期	Exercise price per share HK$ 每股行使價 港元	Number of share Options 購股權數目 Outstanding at 1 April 2018 於二零一八年四月一日未行使	Granted during the year 年內已授出	Outstanding at 31 March 2019 於二零一九年三月三十一日未行使
First Tranche *首批* Director 董事						
Mr. CL Chan 陳澤麟先生	3 September 2018 二零一八年九月三日	3 March 2019 to 3 September 2023 二零一九年三月三日至二零二三年九月三日	0.385	–	2,000,000	2,000,000
Other employees 其他僱員	3 September 2018 二零一八年九月三日	3 March 2019 to 3 September 2023 二零一九年三月三日至二零二三年九月三日	0.385	–	2,500,000	2,500,000
Second Tranche *第二批* Director 董事						
Mr. CL Chan 陳澤麟先生	3 September 2018 二零一八年九月三日	3 March 2020 to 3 September 2023 二零二零年三月三日至二零二三年九月三日	0.385	–	2,000,000	2,000,000
Other employees 其他僱員	3 September 2018 二零一八年九月三日	3 March 2020 to 3 September 2023 二零二零年三月三日至二零二三年九月三日	0.385	–	2,700,000	2,700,000
				–	9,200,000	9,200,000
Weighted average exercise price of share options 購股權的加權平均行使價				N/A 不適用		0.385
Exercisable at the end of the year 年末可行使				–		4,500,000

33. SHARE OPTION SCHEMES (CONTINUED)

Share Option Schemes (continued)

During the year ended 31 March 2019, 9,200,000 options were granted to director and employees of the Group on 3 September 2018 for the provision of services to the Group. The vesting period of first tranche of share options is from 3 September 2018 to 3 March 2019 ("**First Tranche**"). The vesting period of the second tranche of share options is from 3 September 2018 to 3 March 2020 ("**Second Tranche**"). The details of the First Tranche and Second Tranche share options are identical except for the difference in vesting period as above mentioned. The fair value of the share options at the date of grant was calculated using the Binominal Option Pricing Model. The inputs into the valuation of the share options were as follows:

Share price at grant date	HK$0.385
Exercise price	HK$0.385
Risk free rate (note a)	2.112%
Expected life (note b)	5 years
Expected volatility (note c)	61.93%

Notes:

(a) Risk free rate is determined by reference to the yield of the Hong Kong Exchange Fund Notes with duration similar to the expected life of the share option.

(b) Expected life is the exercise period of the share option.

(c) Expected volatility is estimated by calculating the historical daily share price volatility of the stock price of the Company.

The fair value of the share option granted on 3 September 2018 is HK$1,706,448.

In the current year, share option expenses of approximately HK$1,166,000 was recognised in profit or loss with a corresponding credit in the Group's share option reserve.

33. 購股權計劃(續)

購股權計劃(續)

截至二零一九年三月三十一日止年度，有9,200,000份購股權於二零一八年九月三日授予本集團董事及僱員，作為向本集團提供服務的回報。首批購股權的歸屬期為二零一八年九月三日至二零一九年三月三日(「**首批**」)。第二批購股權的歸屬期為二零一八年九月三日至二零二零年三月三日(「**第二批**」)。首批及第二批購股權的詳情相同，惟上文所述歸屬期存在差異。於授出日期購股權的公允值使用二項期權定價模式計算。購股權計劃估值的輸入數據如下：

於授出日期的股價	0.385港元
行使價	0.385港元
無風險利率(附註a)	2.112%
預期年期(附註b)	5年
預期波幅(附註c)	61.93%

附註

(a) 無風險利率參考香港外匯基金票據中期限與購股權預期年期類似者的收益率而釐定。

(b) 預期年期指購股權的行使期。

(c) 預期波幅乃計算本公司股價的歷史每日股價波幅而估計。

於二零一八年九月三日授出的購股權的公允值為1,706,448港元。

於本年度，已於損益內確認購股權開支約1,166,000港元，並相應計入本集團的購股權儲備。

34. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

34. 有關本公司財務狀況表的資料

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Non-current assets	**非流動資產**		
Investment in subsidiaries	於附屬公司的投資	**107,549**	107,549
Amount due from a subsidiary	應收一間附屬公司款項	**29,057**	33,112
		136,606	140,661
Current assets	**流動資產**		
Prepayments	預付款項	**305**	205
Bank balances and cash	銀行結餘及現金	**2**	12
		307	217
Current liabilities	**流動負債**		
Accrued charges	應計費用	**180**	111
Net current assets	**流動資產淨值**	**127**	106
Net assets	**資產淨值**	**136,733**	140,767
Capital reserves	**資本儲備**		
Share capital	股本	**4,000**	4,000
Reserves	儲備	**132,733**	136,767
Equity attributable to owners of the Company	**本公司擁有人應佔權益**	**136,733**	140,767

RESERVE OF THE COMPANY

本公司儲備

		Share premium 股份溢價 HK$'000 千港元	Other reserve 其他儲備 HK$'000 千港元	Share option reserve 購股權儲備 HK$'000 千港元	Accumulated loss 累計虧損 HK$'000 千港元	Total 總計 HK$'000 千港元
At 5 May 2017 (date of incorporation)	於二零一七年五月五日（註冊成立日期）	–	–	–	–	–
Loss for the period	期內虧損	–	–	–	(18,334)	(18,334)
Reserve arising from Reorganisation	重組產生的儲備	–	107,549	–	–	107,549
Ordinary shares issued	已發行普通股	47,552	–	–	–	47,552
At 31 March 2018	於二零一八年三月三十一日	47,552	107,549	–	(18,334)	136,767
Loss for the year	年內虧損	–	–	–	(5,200)	(5,200)
Recognition of equity-settled share-based payments	確認權益結算股份為基礎付款	–	–	1,166	–	1,166
At 31 March 2019	於二零一九年三月三十一日	47,552	107,549	1,166	(23,534)	132,733

Financial Summary
財務概要

		For the year ended 31 March 截至三月三十一日止年度			
		2019	2018	2017	2016
		二零一九年	二零一八年	二零一七年	二零一六年
		HK$'000	HK$'000	HK$'000	HK$'000
		千港元	千港元	千港元	千港元
RESULTS	業績				
Revenue	收益	**210,596**	193,973	171,116	163,821
Profit before tax	除税前溢利	**23,474**	712	16,065	26,561
Income tax expense	所得税開支	**(4,219)**	(2,858)	(2,738)	(4,408)
Profit for the year and total comprehensive income (expense) for the year attributable to owners of the Company	本公司擁有人應佔年內溢利及全面收益（開支）總額	**19,255**	(2,146)	13,327	22,153

		As at 31 March 於三月三十一日			
		2019	2018	2017	2016
		二零一九年	二零一八年	二零一七年	二零一六年
		HK$'000	HK$'000	HK$'000	HK$'000
		千港元	千港元	千港元	千港元
ASSETS AND LIABILITIES	資產及負債				
Total assets	總資產	**189,015**	166,692	141,372	137,940
Total liabilities	總負債	**(44,880)**	(42,889)	(41,975)	(41,870)
Equity attributable to owners of the Company	本公司擁有人應佔權益	**144,135**	123,803	99,397	96,070

高萌·科技

KML Technology Group Limited

高萌科技集團有限公司