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Sheung Moon Holdings Limited
常滿控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8523)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2022

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of Sheung Moon Holdings Limited (the “**Company**” or “**our**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively referred to as the “**Group**”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

ANNUAL RESULTS

Reference is made to the announcements of the Company dated 21 June 2022 and 18 July 2022 relating to the delay in publication of the audited annual results of the Group for the year ended 31 March 2022 (the “**Delay Announcements**”), the announcement of the Company dated 30 June 2022 relating to the unaudited consolidated results of the Group for the year ended 31 March 2022 (the “**Unaudited Results Announcement**”) and the announcements of the Company dated 8 July 2022 and 3 August 2022 relating to the date of board meeting of the Company (the “**Board Meeting Announcements**”, together with the Delay Announcements and Unaudited Results Announcement, the “**Announcements**”). Capitalised terms used herein shall have the same meanings as defined in the Announcements unless otherwise defined in this announcement.

The board of Directors (the “**Board**”) is pleased to announce that the Auditor, Cheng & Cheng Limited (“**Cheng & Cheng**”), has completed its audit of the annual results of the Group for the year ended 31 March 2022 in accordance with Hong Kong Standards on Auditing (“**HKSA**”).

MATERIAL DIFFERENCES BETWEEN THE UNAUDITED AND AUDITED ANNUAL RESULTS

Taking into account that the financial information contained in the Unaudited Results Announcement (“**2022 Unaudited Annual Results**”) was unaudited as at the date of its publication and subsequent adjustments have been made to such information, the shareholders and potential investors of the Company are advised to pay attention to the material differences between the 2022 Unaudited Annual Results and audited annual results of the Group for the year ended 31 March 2022 (“**2022 Audited Annual Results**”). Set forth below are the principal details and reasons for the material differences:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2022

	2022 Audited Annual Results <i>HK\$'000</i>	2022 Unaudited Annual Results <i>HK\$'000</i>	Differences <i>HK\$'000</i>	<i>Notes</i>
Revenue	314,107	274,251	39,856	(i), (viii)
Direct costs	<u>(295,486)</u>	<u>(255,041)</u>	(40,445)	(i)
Gross profit	18,621	19,210	(589)	
Other income	4,132	1,782	2,350	(ii)
Other losses	(7,767)	(6,038)	(1,729)	(iii)
Impairment losses under expected credit loss model, net of reversal	(149)	(704)	555	
Administrative expenses	(19,093)	(14,016)	(5,077)	(iv)
Finance costs	<u>(4,185)</u>	<u>(4,174)</u>	(11)	
Loss before taxation	(8,441)	(3,940)	(4,501)	
Taxation	<u>1,920</u>	<u>(106)</u>	2,026	(v)
Loss and total comprehensive loss for the year attributable to owners of the Company	<u><u>(6,521)</u></u>	<u><u>(4,046)</u></u>	(2,475)	
Loss per share (HK cents per share)				
Basic	<u><u>(1.63)</u></u>	<u><u>(1.01)</u></u>	(0.62)	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2022

	2022	2022	Differences	Notes
	Audited	Unaudited		
	Annual	Annual		
	Results	Results		
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	
Non-current assets				
Property, plant and equipment	55,291	76,114	(20,823)	(vi)
Right-of-use assets	19,282	17	19,265	(vi)
Investment property	12,100	12,100	–	
Pledged bank deposits	31,220	31,220	–	
	<u>117,893</u>	<u>119,451</u>	(1,558)	
Current assets				
Trade and other receivables	26,591	56,728	(30,137)	(vii)
Contract assets	243,338	213,762	29,576	(i), (vii)
Amount due from a joint operation	1,652	1,652	–	
Bank balances and cash	7,004	6,491	513	
	<u>278,585</u>	<u>278,633</u>	(48)	
Current liabilities				
Trade and other payables	70,493	71,192	(699)	(i)
Contract liabilities	6,922	3,202	3,720	(viii)
Amount due to a joint operation	–	–	–	
Tax payable	688	37	651	(v)
Bank borrowings and overdraft	124,690	124,562	128	
Lease liabilities	4,687	10,051	(5,364)	(ix)
	<u>207,480</u>	<u>209,044</u>	(1,564)	
Net current assets	<u>71,105</u>	<u>69,589</u>	1,516	
Total assets less current liabilities	<u>188,998</u>	<u>189,040</u>	(42)	

	2022 Audited Annual Results <i>HK\$'000</i>	2022 Unaudited Annual Results <i>HK\$'000</i>	Differences <i>HK\$'000</i>	<i>Notes</i>
Non-current liabilities				
Lease liabilities	5,110	–	5,110	(ix)
Deferred tax liabilities	5,944	8,621	(2,677)	(v)
	<u>11,054</u>	<u>8,621</u>	2,433	
Net assets	<u>177,944</u>	<u>180,419</u>	(2,475)	
Capital and reserves				
Share capital	4,000	4,000	–	
Reserves	173,944	176,419	(2,475)	
Total equity	<u>177,944</u>	<u>180,419</u>	(2,475)	

Notes:

- (i) The differences in revenue, direct costs, contract assets and trade payables were mainly due to the late adjustment regarding to the recognition of additional construction costs as a result of the delay in receiving necessary information and documents for the annual audit in a timely manner.
- (ii) The difference was mainly due to the late adjustment regarding to the additional income which are not related to the construction projects were received during the year.
- (iii) The differences were mainly due to the recognition of the loss on disposal of property, plant and equipment and impairment loss on property, plant and equipment during the year.
- (iv) The differences were mainly due to the loss upon written off of plant and machinery and motor vehicles under property, plant and equipment and right-of-use assets.
- (v) The differences in taxation, tax payable and deferred tax liabilities were mainly due to the adjustment on the provision of income tax and deferred tax during the year.
- (vi) The differences were mainly due to the late adjustment regarding to the (i) reallocation of accounts between the property, plant and equipment and right-of-use assets; (ii) recognition of the impairment loss on property, plant and equipment; and written off of property, plant and equipment and right-of-use assets during the year.
- (vii) The difference was mainly due to the late adjustment regarding to the delay in receiving necessary information and documents for the settlement.
- (viii) The difference was mainly due to the reclassification from revenue to contract liabilities during the year.
- (ix) The difference was mainly due to the reallocation from the current portion to the non-current portion.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2022

	<i>NOTES</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue	3	314,107	468,620
Direct costs		(295,486)	(447,780)
		<hr/>	<hr/>
Gross profit		18,621	20,840
Other income	4	4,132	21,905
Other losses	5	(7,767)	(943)
Impairment losses under expected credit loss model, net of reversal		(149)	(44)
Administrative expenses		(19,093)	(16,218)
Finance costs	6	(4,185)	(4,325)
		<hr/>	<hr/>
(Loss)/profit before taxation	7	(8,441)	21,215
Taxation	8	1,920	(568)
		<hr/>	<hr/>
(Loss)/profit and total comprehensive (loss)/ income for the year attributable to owners of the Company		(6,521)	20,647
		<hr/> <hr/>	<hr/> <hr/>
(Loss)/earnings per share (HK cents per share)	9		
Basic		(1.63)	5.16
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2022

	<i>NOTES</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		55,291	76,152
Right-of-use assets		19,282	20,726
Investment property		12,100	12,400
Pledged bank deposits		<u>31,220</u>	<u>21,212</u>
		<u>117,893</u>	<u>130,490</u>
Current assets			
Trade and other receivables	11	26,591	51,552
Contract assets		243,338	175,171
Amount due from a joint operation		1,652	3,204
Bank balances and cash		<u>7,004</u>	<u>22,339</u>
		<u>278,585</u>	<u>252,266</u>
Current liabilities			
Trade and other payables	12	70,493	63,406
Contract liabilities		6,922	4,493
Amount due to a joint operation		–	241
Tax payable		688	1,372
Bank borrowings	13	124,690	108,920
Lease liabilities		<u>4,687</u>	<u>5,514</u>
		<u>207,480</u>	<u>183,946</u>
Net current assets		<u>71,105</u>	<u>68,320</u>
Total assets less current liabilities		<u>188,998</u>	<u>198,810</u>
Non-current liabilities			
Lease liabilities		5,110	5,725
Deferred tax liabilities		<u>5,944</u>	<u>8,620</u>
		<u>11,054</u>	<u>14,345</u>
Net assets		<u>177,944</u>	<u>184,465</u>
Capital and reserves			
Share capital		4,000	4,000
Reserves		<u>173,944</u>	<u>180,465</u>
Total equity		<u>177,944</u>	<u>184,465</u>

NOTES

For the year ended 31 March 2022

1. GENERAL INFORMATION

The Company was incorporated and registered in the Cayman Islands as an exempted company with limited liability on 31 May 2017 under the Companies Law, Cap 22 (Law 3 of 1961, as amended, consolidated or supplemented from time to time) of the Cayman Islands and its shares were listed on GEM of The Stock Exchange on 12 February 2018. The immediate holding company of the Company is Chrysler Investments Limited, which is incorporated in the British Virgin Islands (“BVI”) and owned by Mr. Tang Sze Wo (“Mr SW Tang”). The address of the Company’s registered office is at Cricket Square, Hutchins Drive PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business is in Office D, 27/F, The Globe, No. 79 Wing Hong Street, Kowloon, Hong Kong.

The Company acts as an investment holding company and its subsidiaries are principally engaged in provision of civil engineering construction service.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

Basis of Preparation

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provision of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and the disclosure requirements of the Companies Ordinance (Cap. 622).

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group had incurred net loss of HK\$6,521,000 and operating cash outflow of HK\$12,831,000 and considered that the Group’s ability to continue as a going concern highly depends on the amount of contract assets realized by the Group and other cash flows generated by the Group within twelve months after the end of the reporting period. In order to improve the Group’s financial position, to provide liquidity and cashflows and to sustain the Group as a going concern, the management has taken and/or will take the following measures:

- (i) The Group is taking measures to tighten cost controls over various operating costs and expenses with the aim to attain profitable and positive cash flow operation;
- (ii) The substantial shareholder agreed to provide adequate financial support to enable the Group to meet in full its financial obligations as they fall due for the next twelve months; and
- (iii) The Group will closely monitor the progress of the realization of contract assets.

The directors of the Company considered that after taken the above measures, the Group will have sufficient cash resources to satisfy its future working capital and other financial requirements. Accordingly, the directors of the Company considered that it is appropriate to prepare the consolidated financial statements on a going concern basis.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2021 for the preparation of the consolidated financial statements:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendment to HKFRS 16	Covid-19 Related Rent Concessions beyond 30 June 2021

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue

Revenue represents the fair value of amounts received and receivable from the civil engineering construction services provided by the Group to external customers. The Group’s revenue is solely derived from civil engineering construction services in Hong Kong during the year.

(i) Revenue from contracts with customers

Revenue from provision of civil engineering construction services during the year is analysed as follows:

	2022 <i>HK\$’000</i>	2021 <i>HK\$’000</i>
Civil engineering construction contracts recognised over time	<u>314,107</u>	<u>468,620</u>

(ii) *Performance obligations for contracts with customers*

The Group provides construction services to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised for these construction services based on the stage of completion of the contract using input method.

The Group's construction contracts include payment schedules which require stage payments over the construction period once certain specified milestones are reached. When the Group receives a deposit before construction commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit.

A contract asset, net of contract liability related to the same contract, is recognised over the period in which the construction services are performed representing the Group's right to consideration for the services performed because the rights are conditioned on the Group's future performance in achieving specified milestones. The contract assets are transferred to trade receivables when the rights become unconditional.

Retention receivables, prior to expiration of defect liability period, are classified as contract assets, which ranges from one to two years from the date of the practical completion of the construction. The relevant amount of contract asset is reclassified to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the construction services performed comply with agreed- upon specifications and such assurance cannot be purchased separately.

(iii) *Transaction price allocated to the remaining performance obligations for contracts with customers*

The expected timing of recognising revenue are as follows:

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Civil engineering construction contracts		
Expected to be recognised within one year	224,344	445,262
Expected to be recognised over one year	240,952	377,932
	465,296	823,194

Segment information

The executive directors of the Company, being the chief operating decision maker (“CODM”), regularly review revenue analysis by nature of business. The executive directors of the Company considered the operating activities of civil engineering construction services as a single operating segment. The operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies which conform with HKFRSs, and is regularly reviewed by the CODM. The CODM reviews the overall results, assets and liabilities of the Group as a whole to make decisions about resources allocation and performance evaluation. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

All of the Group’s revenue from external customers and all of the Group’s non-current assets were generated from and physically located in Hong Kong during the years ended 31 March 2022 and 2021.

Information about major customers

Revenue attributed from customers that accounted for 10% or more of the Group’s total revenue during the year is as follows:

	2022	2021
	<i>HK\$’000</i>	<i>HK\$’000</i>
Customer A	158,108	241,222
Customer B	75,564	N/A*

* Revenue from the relevant customer was less than 10% of the Group’s total revenue for the year.

4. OTHER INCOME

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Government subsidies (<i>Note</i>)	–	20,312
Bank interest income	7	28
Rental income	395	389
Compensation income	–	219
Project management income	–	468
Sundry income	3,730	400
Others	–	89
	<u>4,132</u>	<u>21,905</u>

Note: During the year ended 31 March 2021, the Group received government grants of approximately HK\$20,312,000 in respect of COVID-19-related subsidies, of which approximately HK\$20,002,000 related to Employment Support Scheme provided by the Government of the Hong Kong Special Administrative Region (the “**HKSAR Government**”) and approximately HK\$310,000 related to one-off subsidy from Transportation Department of the HKSAR Government.

5. OTHER LOSSES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Fair value change of investment property	300	600
Impairment loss on property, plant and equipment	2,200	–
Loss on disposal of property, plant and equipment	4,490	–
Loss on disposal of right-of-use assets	777	343
	<u>7,767</u>	<u>943</u>

6. FINANCE COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interests on:		
Bank borrowings	3,556	3,635
Bank overdraft	64	–
Lease liabilities	565	690
	<u>4,185</u>	<u>4,325</u>

7. (LOSS)/PROFIT BEFORE TAXATION

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
(Loss)/Profit before taxation has been arrived at after charging/(crediting):		
Directors' remuneration	4,373	4,282
Other staff costs	124,954	153,259
Retirement benefit scheme contributions for other staff	4,534	5,356
Total staff costs	<u>133,861</u>	<u>162,897</u>
Auditor's remuneration	1,000	1,100
Depreciation of property, plant and equipment	6,713	7,042
Depreciation of right-of-use assets	3,311	3,612
Loss upon written off of property, plant and equipment	4,984	–
Loss upon written off of right-of-use assets	723	–
Gross rental income from investment property (included in other income)	(395)	(389)
Less: direct operating expense incurred for investment property that generate rental income for the year	59	53
	<u>(336)</u>	<u>(336)</u>

8. TAXATION

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Tax charge comprises:		
Hong Kong Profits Tax:		
Current tax	756	145
Deferred taxation	<u>(2,676)</u>	<u>423</u>
	<u><u>(1,920)</u></u>	<u><u>568</u></u>

The Hong Kong Profits Tax of a subsidiary of the Group is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million. The profits of group entities not qualifying for the two-tiered profits tax regime will be taxed at a flat rate of 16.5%.

9. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to the owners of the Company for the year is based on the following data:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
(Loss)/Earnings		
(Loss)/ Profits for the year attributable to owners of the Company for the purposes of calculating basic (loss)/ earnings per share	<u><u>(6,521)</u></u>	<u><u>20,647</u></u>
	<i>'000</i>	<i>'000</i>

Number of shares

Number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	<u><u>400,000</u></u>	<u><u>400,000</u></u>
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No diluted (loss)/earnings per share for the years ended 31 March 2022 and 2021 were presented as there were no potential ordinary shares in issue during both years.

10. DIVIDENDS

The board of directors of the Company does not recommend the payment of final dividend for the year ended 31 March 2022 (2021: nil).

11. TRADE AND OTHER RECEIVABLES

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables – net of allowance for credit losses	15,728	38,737
Prepayments	150	3,479
Deposits	4,435	4,692
Other receivables	6,278	4,644
	26,591	51,552

The Group allows credit period ranging from 30 to 45 days to its customers from the date of invoices on progress payments of contract work. The following is an ageing analysis of the trade receivables presented based on the customer's payment certificate date at the end of the reporting period, net of the credit loss allowance:

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 – 30 days	13,017	20,880
31 – 60 days	2,253	17,851
61 – 90 days	–	–
91 – 180 days	458	6
	15,728	38,737

As at 31 March 2022, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$458,000 (2021: HK\$39,000) which are past due as at the reporting date, HK\$458,000 (2021: HK\$39,000) of these overdue balances were past due over 90 days. The Group does not hold any collateral over these balances.

12. TRADE AND OTHER PAYABLES

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables	56,671	44,751
Retention payables	4,583	3,781
Accruals and other payables	2,149	1,981
Accrued salaries	7,090	11,893
Payables for acquisition of property, plant and equipment	<u>—</u>	<u>1,000</u>
	<u>70,493</u>	<u>63,406</u>

The credit period of trade payables is ranging from 0 to 30 days.

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	As at 31 March	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 – 30 days	7,133	26,820
31 – 60 days	2,000	7,090
61 – 90 days	4,800	3,718
Over 90 days	<u>42,738</u>	<u>7,123</u>
	<u>56,671</u>	<u>44,751</u>

13. BANK BORROWINGS

	2022	2021
	HK\$'000	HK\$'000
Secured and variable-rate bank borrowings	86,685	102,055
Unsecured and fixed-rate bank borrowings	29,588	6,865
Unsecured and variable-rate bank overdraft	8,417	–
	124,690	108,920
The carrying amounts are repayable*:		
Within one year	106,804	86,669
More than one year but not exceeding two years	2,494	4,373
More than two years but not exceeding five years	3,948	6,452
More than five years	11,444	11,426
	124,690	108,920

* The amounts due are based on scheduled repayment dates set out in the loan agreements. However, as all bank borrowings contained a repayable on demand clause and therefore all of the Group's bank borrowings are classified as current liabilities.

The above variable-rate bank borrowings bear interest ranging from HK\$ Best Lending Rate less a spread to Hong Kong Prime Rate plus a spread. The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's bank borrowings are as follows:

	2022	2021
Effective interest rate per annum:		
Fixed-rate bank borrowings	4.36% to 5.06%	4.36% to 5.06%
Variable-rate bank borrowings	2.80% to 4.59%	1.88% to 4.49%

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a local contractor in the civil engineering construction industry and is principally engaged in the provision of site formation works, road and drainage works as well as structural works in both public and private sectors in Hong Kong. The Group is an approved contractor of the HKSAR Government, a registered general building contractor and a specialist contractor (site formation works) with the Hong Kong Buildings Department.

The following table sets out the number of contracts awarded to and completed by the Group and the aggregate contract sum during the period under review:

	Number of Contracts	Aggregate contract sum^(Note) HK\$' million
As at 1 April 2021		
Existing contracts	47	1,110.7
During the year ended 31 March 2022		
Contracts completed	(1)	(9.1)
New contracts awarded	39	38.3
	<hr/>	<hr/>
As at 31 March 2022	85	1,139.9
	<hr/> <hr/>	<hr/> <hr/>

Note: The aggregate contract sum is based on a total of all contract sums stated in the initial agreements between the Group's customers and the Group. It does not include additions and modifications due to subsequent variation orders. The final revenue recognised from a contract may differ from the contract sum initially agreed between the contracting parties.

During the year under review, COVID-19 continued to severely hit the local economy. Although there were signs of improvement in containing the coronavirus during the year in 2021, the situation suddenly turned worse since the end of 2021 with the outbreak of the fifth wave of COVID-19 pandemic. A number of infected cases have been reported at our head office of the Group in the first quarter of 2022. Also, there was a slow-down in construction progress of our construction projects as a result of COVID-19 and the margins of the projects were severely hit by the outbreak of COVID-19 with intense competition during the year under review. The prolonged outbreak of COVID-19 continues to bring uncertainties to the market and imposed negative impacts to the construction industry, including disruption to the supply chain, workforce shortages as a result of the illness and preventative quarantines, and suspension of construction works as a result of the measures imposed by the HKSAR Government. In response, the management of the Group strengthened its preventive measures against COVID-19 to ensure all staff and workers were well protected against the infection of COVID-19 by providing a safe and healthy working environment.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately HK\$154.5 million, or 33.0%, from approximately HK\$468.6 million for the year ended 31 March 2021 to approximately HK\$314.1 million for the year ended 31 March 2022. Such decrease was primarily due to a slow-down in construction progress of our construction projects as a result of COVID-19.

Direct Costs

Direct costs primarily comprised subcontracting fee, direct labour cost, construction materials, rental of site equipment, depreciation of site equipment, petrol consumption as well as transportation expenses. Direct costs decreased by approximately HK\$152.3 million, or 34.0%, from approximately HK\$447.8 million for the year ended 31 March 2021 to approximately HK\$295.5 million for the year ended 31 March 2022. Such decrease was mainly due to the decrease in the materials consumption and transportation expenses incurred in our projects as a result of the corresponding decrease in revenue.

Gross Profit and Gross Profit Margin

As a result of the decrease in revenue and direct costs, the Group's gross profit decreased by approximately HK\$2.2 million, or 10.6%, from approximately HK\$20.8 million for the year ended 31 March 2021 to approximately HK\$18.6 million for the year ended 31 March 2022. Gross profit margin increased from 4.4% for the year ended 31 March 2021 to 5.9% for the year ended 31 March 2022. Such increase was attributable to the variation orders and additional ad-hoc works requested by main contractors during the year ended 31 March 2022, which usually provide higher gross profit margin.

Other Income

Other income for the year ended 31 March 2022 decreased by approximately HK\$17.8 million or 81.1% from approximately HK\$21.9 million for the year ended 31 March 2021 to approximately HK\$4.1 million for the year ended 31 March 2022. Such decrease was mainly due to the government subsidies received by the Company were no longer available during the year ended 31 March 2022, as compared with a package of one-off subsidies granted from the HKSAR Government during the year ended 31 March 2021.

Other Losses

Other losses increased by approximately HK\$6.9 million or 723.6% from approximately HK\$0.9 million for the year ended 31 March 2021 to approximately HK\$7.8 million for the year ended 31 March 2022. Such loss was mainly due to the loss on disposal and impairment loss provided on property, plant and equipment during the year ended 31 March 2022.

Administrative Expenses

Administrative expenses increased by approximately HK\$2.9 million or 17.7% from approximately HK\$16.2 million for the year ended 31 March 2021 to approximately HK\$19.1 million for the year ended 31 March 2022. The increase was mainly due to written off of plant and machinery, and right-of-use assets during the year ended 31 March 2022.

Finance Costs

Finance costs remained stable at approximately HK\$4.3 million and HK\$4.2 million for the year ended 31 March 2021 and 2022, respectively.

Taxation

There was a turnaround of the taxation from expenses of approximately HK\$0.6 million for the year ended 31 March 2021 to credit of approximately HK\$1.9 million for the year ended 31 March 2022. It was mainly due to the decrease in the provision of the deferred tax during the year.

As a result of the above, the Group recorded a loss of approximately HK\$6.5 million for the year ended 31 March 2022, a decrease of HK\$27.1 million, or 131.6%, as compared to last year (year ended 31 March 2021: a profit of approximately HK\$20.6 million).

PROSPECT

The fluctuating entailments brought by the fifth wave of COVID-19 pandemic in the first half of year 2022 impacted not only the progress of the construction projects, but also logistics and delivery schedules of the construction materials. Also, with the additional costs for COVID-19 pandemic prevention and control measures, the business environment in which the Group operates will remain challenging.

Looking forward, the operating environment for the Group may remain challenging in the short term due to uncertainties from ongoing pandemic situation, intense competition with continuous increase in the cost of construction materials. Despite the worsened economic prospects, the Directors are relatively optimistic that the Group's construction business will remain robust and get back on track to grow with potentials, including the development of Tung Chung New Town Extension and the development of the northern part of Hong Kong as proposed by the Chief Executive in the 2021 Policy Address. In light of that, the Group continues to take measures to tighten cost control over various costs, particularly the costs of materials and petrol and the sub-contractor fees, with an aim to attain profitable and positive cash flow operations.

THE COVID-19 PANDEMIC'S IMPACT

The rapid spread of Delta and Omicron variants and the threat of new wave of infection have continuously expanded globally and the prevention and control measures to combat the disease have been continued to be implemented in Hong Kong. The publications of audited annual results and annual report have been delayed due to the suspension of work of some staff members in Hong Kong who had tested positive for COVID-19 and related quarantine measures in Hong Kong. Also, the tightened COVID-19 prevention measures in the PRC have lead to the delay in sending and receiving necessary information and documents for the annual audit in a timely manner as some of the Group's suppliers are headquartered in Mainland China. It is expected that the COVID-19 will continue to pose risks and uncertainties on the continual recovery of the construction industry and the business environment in which the Group operates will remain challenging. The Directors will continue to closely monitor the development of the COVID-19 pandemic and assess its impact on the financial position and operational results of the Group. In response, the management of the Group will continue to strengthen its preventive measurements against the COVID-19 to ensure all staff and workers are well protected against the infection of COVID-19 by providing them a safe and healthy working environment in order to mitigate the adverse impact of the COVID-19 pandemic on our business.

Liquidity and Financial Resources

During the year under review, the Group's source of funds was primarily from the cash generated from operating activities. The Group also utilised bank borrowings to finance its operations. As at 31 March 2022, the Group had a healthy financial position with net assets amounted to approximately HK\$177.9 million (31 March 2021: approximately HK\$184.5 million). Net current assets stood at approximately HK\$71.1 million (31 March 2021: approximately HK\$68.3 million). As at 31 March 2022, the Shareholders' equity amounted to approximately HK\$177.9 million (31 March 2021: approximately HK\$184.5 million).

Current assets amounted to approximately HK\$278.6 million (31 March 2021: approximately HK\$252.3 million), mainly comprising trade and other receivables, contract assets, amount due from a joint operation, bank balances and cash (excluding pledged bank deposits of HK\$31.2 million which has been classified as non-current asset (31 March 2021: HK\$21.2 million)). Increase in current assets was mainly attributable to the increase in contract assets (works performed but not yet certified by architect) as at 31 March 2022.

Current liabilities amounted to approximately HK\$207.5 million (31 March 2021: approximately HK\$183.9 million), mainly comprising trade and other payables, contract liabilities, tax payable, bank borrowings and lease liabilities. Increase in current liabilities was mainly due to the increase in trade and other payables and bank borrowings. Besides, there were also decrease in lease liabilities as a result of repayment of leased assets.

As at 31 March 2022, the Group's bank balances and cash (including pledged bank deposits of approximately HK\$31.2 million) amounted to approximately HK\$38.2 million (31 March 2021: approximately HK\$43.6 million). The decrease in bank balances and cash was due to the repayments of part of the bank loans and lease liabilities before the end of the year under review. Net asset value per Share was HK\$0.44 as at 31 March 2022 (as at 31 March 2021: HK\$0.46).

As at 31 March 2022, the gearing ratio of the Group, which is based on the ratio of interest bearing borrowings and lease liabilities to total equity, was 75.6% (31 March 2021: 65.2%). Such increase was mainly due to the additional bank loans raised during the year. The unutilised bank facilities was amounted to approximately HK\$4.98 million as at 31 March 2022.

As the Company is listed on the GEM of the Stock Exchange, the Group's source of funds can further be satisfied by using a combination of cash generated from operating activities, bank loans and other fund raised from the capital markets from time to time.

Capital Structure

As at 31 March 2022, the share capital of the Group comprised only ordinary shares. The capital structure of the Group mainly consists of borrowings from banks, lease liabilities and equity attributable to owners of the Group, comprising issued share capital, share premium, retained profits and other reserves. Borrowings from banks were mainly denominated in Hong Kong dollars and were secured by pledged bank deposits and investment property.

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

During the year ended 31 March 2022, the Group did not have any material acquisitions nor disposals of subsidiaries and affiliated companies.

Significant Investments Held

As at 31 March 2022, the Group did not have any significant investments held (31 March 2021: nil).

Charges on the Group's Assets

As at 31 March 2022, the Group's property, plant and equipment and right-of-use assets with an aggregate carrying amount of approximately HK\$51.8 million (31 March 2021: approximately HK\$57.9 million) was pledged to finance equipment purchases, while investment property of approximately HK\$12.1 million (31 March 2021: approximately HK\$12.4 million) and bank deposits of approximately HK\$31.2 million (31 March 2021: approximately HK\$21.2 million) were pledged to secure bank borrowings for financing the Group's operating activities.

Foreign Exchange Exposure

The Group's operating activities such as revenue, direct costs, expenses, monetary assets and liabilities are all transacted and denominated in Hong Kong dollars. The Group currently has no foreign currency hedging policy as the exposure to foreign exchange risk is rare. Nevertheless, the Group will consider hedging significant foreign currency exposure should the need arise.

Contingent Liabilities

As at 31 March 2022, the Group did not have any material contingent liabilities (31 March 2021: nil).

Capital Commitment

As at 31 March 2022, the Group did not have any significant capital commitment (31 March 2021: nil).

Future Plans for Material Investments and Capital Assets

The Group did not have other plan for material investments and capital assets.

Employees and Remuneration Policies

As at 31 March 2022, the Group had a total staff (including the Directors) of approximately 218 employees (as at 31 March 2021: 450). Total staff cost including Directors' remuneration for the year ended 31 March 2022 amounted to approximately HK\$133.9 million (for the year ended 31 March 2021: approximately HK\$162.9 million). The remuneration package offered by the Group to its employees includes salaries and discretionary bonuses. In general, the Group determines employee salaries based on individual employee's qualifications, position and seniority. Employees performance will be assessed annually, which forms the basis of the Group's decisions with respect to salary increment, discretionary bonuses and promotions.

EVENTS AFTER THE REPORTING PERIOD

The Group had no significant events after the end of the reporting period and up to the date of this announcement.

OTHER INFORMATION

FINAL DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 March 2022 (year ended 31 March 2021: nil).

CORPORATE GOVERNANCE PRACTICES

The Directors consider that incorporating the core elements of good corporate governance in the management structure and internal control procedures of the Group would help to balance the interest of the Shareholders, customers and employees of the Company. The Board has adopted the principles and the code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Appendix 15 of the GEM Listing Rules to ensure that the Group’s business activities and decision making processes are regulated in a proper and prudent manner.

During the year ended 31 March 2022, the Company has complied with the code provisions of the CG Code as set out in Appendix 15 of the GEM Listing Rules.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company, having made specific enquiry of all Directors, is not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors during the year ended 31 March 2022.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 March 2022, the Company did not redeem any of its Shares, and neither did the Company nor any of its subsidiaries purchase or sell any of the Company’s Shares.

SHARE OPTION SCHEME

The share option scheme of the Company (the “**Share Option Scheme**”) was adopted under the written resolutions of the shareholders of the Company passed on 24 January 2018. No share option has been granted under the Share Option Scheme since its adoption.

COMPETITION AND CONFLICT OF INTERESTS

As far as the Directors are aware of, none of the Directors nor the controlling shareholders nor any of their respective associates (as defined in the GEM Listing Rules) had any business or interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group or had any other conflict of interests with the Group during the year ended 31 March 2022.

SCOPE OF WORK OF CHENG & CHENG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2022 as set out in this announcement have been agreed by the Group's auditor, CHENG & CHENG LIMITED, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by CHENG & CHENG LIMITED in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CHENG & CHENG LIMITED on this announcement.

EXTRACT FROM INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

The following is an extract of the independent auditor's report issued by CHENG & CHENG LIMITED, the external auditor of the Group, on the Group consolidated financial statements for the year ended 31 March 2022.

Disclaimer of opinion

We were engaged to audit the consolidated financial statements of SHEUNG MOON HOLDINGS LIMITED (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out in the annual report of the Company, which comprise the consolidated statement of financial position as at 31 March 2022, and 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 financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for disclaimer of opinion

1. Material uncertainty related to going concern basis

The Group had incurred a loss of approximately HK\$6,521,000 and operating cash outflow of HK\$12,831,000 for the financial year ended 31 March 2022 and, as of that date, although the Group was in net current assets position of approximately HK\$71,105,000, the net current assets position was significantly contributed by the carrying amount of contract assets as at 31 March 2022, which was approximately HK\$243,338,000. As described in the paragraphs under the sub-heading “Revenue and contract assets” below, we were unable to obtain sufficient appropriate audit evidence to assess the accuracy of balances of the contract assets as at 31 March 2022. The loss incurred by the Group for the year as well as the uncertainty on the carrying amount of the contract assets as at 31 March 2022, and therefore the uncertainty on the amount to be realized by the Group within twelve months after the end of the reporting date altogether indicate the existence of material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern.

As details in note 3 to the consolidated financial statements, the directors of the Company have been undertaking a number of measures to improve the Group’s liquidity and financial position, including the substantial shareholder’s agreement to provide adequate financial support to enable the Group and the Company to meet in full its financial obligations as they fall due for the next twelve months. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on continuous financial support from the substantial shareholder and the outcome of the measures undertaken by the directors of the Company.

Up to the date of this report, we were unable to obtain sufficient appropriate evidences for the underlying assumptions on going concern assessment to satisfy ourselves that they were reasonable and supportable. Hence, we were unable to assess the appropriateness or reasonableness of the use of the going concern assumption in the preparation of the consolidated financial statements.

Should the Group fail to achieve the abovementioned plans and measures, it might not be able to continue as a going concern and to settle its obligations and commitments, and adjustments may have to be made to write down the Group’s assets to amounts that can be realized, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effects of these adjustments have not been reflected in the consolidated financial statements.

2. Revenue and contract assets

The Group recorded approximately HK\$243 million and HK\$175 million of contract assets as at 31 March 2022 and 31 March 2021 respectively and recognized approximately HK\$314 million of revenue for the year ended 31 March 2022.

The recognition of revenue and contract assets related to contract work relies on the management's estimation of the progress and outcome of the construction projects. We were unable to obtain sufficient appropriate audit evidence on the reasonableness and appropriateness of the management's estimation of progress and outcome of the construction projects. Moreover, part of the contract assets and revenue are related to certain projects operated by the Group which have been completed in last year or current year or nearly completed during the year ended 31 March 2022 in accordance with the relevant contract terms (the "**Relevant Projects**"). The Group recognized total contract revenue of the Relevant Projects amount to approximately HK\$152 million in current year while the total contract assets of the Relevant Projects increased by approximately HK\$57 million. The total contract assets of the Relevant Projects as at 31 March 2022 were approximately HK\$135 million (including the opening balance of approximately HK\$78 million and the current year additional amount of approximately HK\$57 million). According to the management of the Company, the relevant performance obligations have been completed and the completed contract works would be certified by the main contractors. Revenue certified during the year ended 31 March 2022 from those projects were approximately HK\$95 million. Up to the date of this report, none of the balances of contract assets of the Relevant Projects were certified by the main contractors and the management of the Company was unable to provide us with adequate documentary evidence and explanation to support the appropriateness and reasonableness of the estimation of the total revenue of the construction projects for the year ended 31 March 2022 and the contract assets thereof as at 31 March 2022 and 31 March 2021. Hence, we were unable to obtain sufficient appropriate audit evidence to assess the accuracy of revenue recognized for the year ended 31 March 2022 and balances of the contract assets as at 31 March 2022 and 31 March 2021.

There were no alternative audit procedures that we could perform to satisfy ourselves as to whether the carrying amounts of the contract assets as at 31 March 2022 and 31 March 2021 and the revenue recognized for the year ended 31 March 2022 were free from material misstatements and how much impairment loss on contract assets should be recognized for the year ended 31 March 2022. Any adjustments found to be necessary in respect thereof, had we obtained sufficient appropriate audit evidence, might have a consequential effect on the net assets of the Group as at 31 March 2022 and 31 March 2021, on its loss for the year ended 31 March 2022 and the disclosures in the notes to the consolidated financial statements for the year then ended.

3. Direct costs and trade payables

The Group recorded approximately HK\$56,671,000 trade payables as at 31 March 2022 and recognized approximately HK\$295,486,000 of direct costs for the year then ended.

The management of the Company was unable to provide us with supporting documents for part of sub-contracting cost paid to one subcontractor for an amount of approximately HK\$15,000,000 because the cost had not been finalized between the subcontractor and the Group and we do not receive the confirmation from this subcontractor to confirm the amount owing by the Group to this subcontractor as at 31 March 2022 and the transaction amounts of subcontracting services for this subcontractor provided to the Group for the year then ended. Besides, we did not receive confirmations from certain major trade payables. We were therefore unable to confirm the completeness of the direct costs and the balance of the trade payables. There were no alternative audit procedures that we could perform to satisfy ourselves as to whether the carrying amount of the trade payables as at 31 March 2022 and the direct costs recognized for the year then ended were free from material misstatements.

Any adjustments found to be necessary in respect thereof, had we obtained sufficient appropriate audit evidence, might have a consequential effect on the net assets of the Group as at 31 March 2022, on its loss for the year then ended and the disclosures in the notes to the consolidated financial statements for the year then ended.

4. Property, plant and equipment and right-of-use assets

The Group had incurred operating loss during the year ended 31 March 2022 so the management performed an impairment assessment to review the carrying amounts of the Group's property, plant and equipment and right-of-use assets. Based on the impairment assessment, an impairment loss of approximately HK\$2,200,000 was provided on property, plant and equipment during the year. However, our work on the impairment assessment was limited because we were unable to obtain sufficient appropriate audit evidence on the reasonableness of the underlying assumptions made by the management on the impairment assessment of property, plant and equipment and right-of-use assets. There were no alternative audit procedures that we could perform to satisfy ourselves as to whether the carrying amounts of the property, plant and equipment and right-of-use assets as at 31 March 2022 and the impairment loss recognized for the year then ended were free from material misstatements.

Any adjustments found to be necessary in respect thereof, had we obtained sufficient appropriate audit evidence, might have a consequential effect on the net assets of the Group as at 31 March 2022, on its loss for the year then ended and the disclosures in the notes to the consolidated financial statements for the year then ended.

5. Taxation

As described in point 2 and point 3 above, we were unable to obtain sufficient appropriate audit evidence on the accuracy of revenue and the direct costs. Accordingly, we were unable to satisfy ourselves the accuracy of the taxation provision for the year ended 31 March 2022.

Any adjustments found to be necessary in respect thereof, had we obtained sufficient appropriate audit evidence, might have a consequential effect on the net assets of the Group as at 31 March 2022, on its loss for the year then ended and the disclosures in the notes to the consolidated financial statements for the year then ended.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company (the “**Annual General Meeting**”) is scheduled to be held on Friday, 9 September 2022. A notice convening the Annual General Meeting will be issued and dispatched to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 6 September 2022 to Friday, 9 September 2022 (both dates inclusive) during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of Shares accompanied by the relevant Share certificates and transfer forms must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, for registration not later than 4:30 p.m. on Monday, 5 September 2022.

As informed by the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, its address will change from Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong to 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong with effect from 15 August 2022. Shareholders are reminded to deliver documents to the new address of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited on or after 15 August 2022 accordingly.

AUDIT COMMITTEE

The Board has established an audit committee (the “**Audit Committee**”) on 24 January 2018, which operates under terms of reference approved by the Board. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management system of the Group, to oversee the audit process, to develop and review the policies of the Group, and to perform other duties and responsibilities as assigned by the Board.

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Wong Choi Chak, Dr. Wong Kwok Yiu Chris and Mr. Leung Kim Hong. Mr. Wong Choi Chak, who has the appropriate accounting and financial management expertise as required under Rule 5.05(2) of the GEM Listing Rules, is the chairman of the Audit Committee. The 2022 Audited Annual Results have been reviewed by the Audit Committee and approved by the Board on 12 August 2022.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.smcl.com.hk). The annual report of the Company for the year ended 31 March 2022 containing all the information required by the GEM Listing Rules will be dispatched to the Shareholders and posted on the above websites in due course.

By order of the Board
Sheung Moon Holdings Limited
Tang Sze Wo
Chairman

Hong Kong, 12 August 2022

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Tang Sze Wo, Mr. Lai Yung Sang and Mr. Tang Siu Tim and three independent non-executive Directors, namely Dr. Wong Kwok Yiu Chris, Mr. Wong Choi Chak and Mr. Leung Kim Hong.

This announcement will remain on the “Latest Listed Company Information” page on the Stock Exchange’s website at www.hkexnews.hk for at least 7 days from the day of its posting. This announcement will also be published on the Company’s website at www.smcl.com.hk.