GAIN PLUS HOLDINGS LIMITED
德益控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock code : 8522

2017-18 ANNUAL REPORT

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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this annual report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this annual report.

This annual report, for which the directors (the "Directors") of Gain Plus Holdings Limited (the "Company") 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. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this annual report 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 annual report misleading.

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CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. Tsang Chiu Kwan *(Chairman)*
Mr. Tsang Man Ping *(Chief Executive Officer)*
Mr. Lee Alexander Patrick

Independent non-executive Directors

Mr. So Chun Man
Mr. Chen Yeung Tak
Ms. Li Amanda Ching Man

Compliance Officer

Mr. Tsang Chiu Kwan

Authorised Representatives

Mr. Tsang Chiu Kwan
Mr. Tsang Man Ping

Company Secretary

Mr. Kwong Chun Ming Alex *(HKICPA)*

Audit Committee

Mr. Chen Yeung Tak *(Chairman)*
Mr. So Chun Man
Ms. Li Amanda Ching Man

Remuneration Committee

Mr. So Chun Man *(Chairman)*
Mr. Chen Yeung Tak
Ms. Li Amanda Ching Man

Nomination Committee

Ms. Li Amanda Ching Man *(Chairman)*
Mr. So Chun Man
Mr. Chen Yeung Tak

Compliance Advisor

Innovax Capital Limited
Room 2002, 20/F
Chinachem Century Tower
178 Gloucester Road
Wan Chai
Hong Kong

Auditor

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

Principal Bankers

DBS Bank (Hong Kong) Limited
11th Floor, the Center
99 Queen's Road Central
Hong Kong

Bank of China (Hong Kong) Limited
Bank of China Tower
1 Garden Road
Hong Kong

Registered Office

P.O. Box 1350, Clifton House
75 Fort Street
Grand Cayman
KY1-1108
Cayman Islands

Headquarters and Principal Place of Business in Hong Kong

Unit 1323A, Level 13
Landmark North
39 Lung Sum Avenue
Sheung Shui, the New Territories
Hong Kong

Cayman Islands Principal Share Registrar and Transfer Office

Estera Trust (Cayman) Limited
P.O. Box 1350, Clifton House
75 Fort Street
Grand Cayman
KY1-1108
Cayman Islands

Hong Kong Branch Share Register and Transfer Office

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

Company's Website

www.doublegain.hk

Stock Code

8522

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of Directors (the "**Board**") of Gain Plus Holdings Limited (the "**Company**"), I am pleased to present the first annual report of the Company and its subsidiaries (together referred to as the "**Group**") for the year ended 31 March 2018 ("**Year**").

LISTING

The shares of the Company were successfully listed on GEM of the Stock Exchange (the "**Listing**") on 13 February 2018 (the "**Listing Date**"). The Listing has since laid a foundation for the Group's continuous development.

BUSINESS REVIEW

For the year ended 31 March 2018, the Group achieved an increase in revenue of approximately HK$96.6 million or 22.4%. Such increase mainly attributable to the increase in revenue derived from building construction services due to increase in value of work certified of certain project, partially offset by the decrease in revenue derived from RMAA Services due to completion of certain projects before 31 March 2017.

Although the Group's profit attributable to shareholders decreased from approximately HK$23.6 million for the year ended 31 March 2017 to HK$9.7 million for the year ended 31 March 2018, the decrease in profit attributable to shareholders was mainly due to the non-recurring listing expenses of approximately HK$15.6 million (2017:Nil) incurred during the year ended 31 March 2018. Excluding this non-recurring listing expenses, the Group's profit attributable to shareholders would have been approximately HK$25.3 million (2017:HK$23.6 million).

FORWARD

Looking ahead, the Group is positive about the prospects of the construction market and will continue to focus on our core business.

APPRECIATION

I wish to take this opportunity to extend my sincere thanks to our shareholders, business partners and customers for their ongoing support to the Group. At the same time, I would like to express my appreciation to my fellow Directors, the Group's management team and staff members for their substantial contribution and unwavering dedication to the Group.

Gain Plus Holdings Limited
Tsang Chiu Kwan
Chairman

Hong Kong, 22 June 2018

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

Our Group is an established construction contractor in Hong Kong founded in 2004, principally engaged in subcontracting works providing repair, maintenance, addition and alteration services ("RMAA Services") and building construction services. Our RMAA Services include general upkeep, restoration and improvement of existing facilities and components of buildings and their surroundings; and our building construction services primarily consist of building works and civil works for new buildings such as lift tower, soccer field and walkways.

The Company has successfully listed its shares on GEM of the Stock Exchange on 13 February 2018 (the "Listing Date") by ways of public offer and placing (the "Share Offer"). The proceed from the Share Offer will strengthen our financial position and will enhance our Group to implement its business plans set out in the section headed "Future plans and use of proceeds — Implementation plans" in the Prospectus.

Financial Review

Revenue

Our revenue increased from approximately HK$430.5 million for the year ended 31 March 2017 to approximately HK$527.1 million for the Year. The increase was mainly attributable to the increase in revenue derived from building construction services due to increase in value of work certified of certain project, partially offset by the decrease in revenue derived from RMAA Services due to completion of certain projects before 31 March 2017. Our revenue rendered from building construction services increased from approximately HK$51.0 million for the year ended 31 March 2017 to approximately HK$95.7 million for the Year.

Cost of Services

Our cost of services increased from approximately HK$398.5 million for the year ended 31 March 2017 to approximately HK$485.2 million for the Year, which is in line with the increase in revenue for the year ended 31 March 2017 as compared to that for the Year.

Gross Profit

Our gross profit increased from approximately HK$32.0 million for the year ended 31 March 2017 to approximately HK$41.9 million for the Year. Our gross profit margin increased from approximately 7.4% for the year ended 31 March 2017 to approximately 8.0% for the Year. Such increase was mainly attributable to the increase in the gross profit margin of RMAA Services.

Other Income and gains

Our other income decreased from approximately HK$1.9 million for the year ended 31 March 2017 to approximately HK$0.6 million for the Year. The decrease was mainly attributable to the decrease in imputed interest income on amounts due from shareholders.

Administrative Expenses

Our Group's administrative expenses increased from approximately HK$5.8 million for the year ended 31 March 2017 to approximately HK$12.0 million for the Year. The increase was mainly attributable to the increase in staff costs including directors' remuneration.

Listing Expenses

For the year ended 31 March 2018, the Group recognised non-recurring listing expenses of approximately HK$15.6 million in relation to the Listing. No such expenses were incurred for the year ended 31 March 2017.

Finance Costs

Our Group's finance costs increased by approximately HK$28,000 for the Year, which was mainly due to increase in interest on finance lease as a result of additional motor vehicles.

Income Tax Expenses

The income tax expenses increased by approximately HK$0.7 million for the Year. Our effective tax rate was approximately 34.4% for the Year, which was higher than the statutory tax rate of 16.5%, primarily due to the non-deductible expense of Listing expenses of approximately HK$15.6 million. Excluding the abovementioned, the effective tax rate would be approximately 16.7% which was similar to the statutory tax rate.

Profit for the year

Our Group's net profit decreased from approximately HK$23.6 million for the year ended 31 March 2017 to approximately HK$9.7 million for the Year. Such decrease was mainly attributable to the effect of Listing expenses and the increase in administrative expenses as explained above.

Dividend

In October 2017, Double Gain declared and paid dividend for the year ended 31 March 2017 of approximately HK$18.4 million to offset against the amounts due from shareholders.

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

Liquidity and Financial Resources

The Group maintained a sound financial position during the Year. As at 31 March 2018, the Group had a bank balances and cash of approximately HK$69.0 million (2017: approximately HK$6.4 million). The total interest-bearing borrowings, including obligations under finance leases only, of the Group as at 31 March 2018 was approximately HK$2.2 million (2017: approximately HK$1.9 million), and the current ratio as at 31 March 2018 was approximately 2.1 (2017: approximately 1.7).

Gearing Ratio

The gearing ratio of the Group as at 31 March 2018 was approximately 1.8% (2017: approximately 4.3%), which remained low as the Group was not in need of any material debt financing during the Year. The gearing ratio is calculated by dividing the total debt which represents obligations under finance leases by total equity as at the end of the years multiplied by 100%.

Capital Structure

The shares of the Company were successfully listed on GEM of the Stock Exchange on 13 February 2018. There has been no change in the capital structure of the Company since then. The share capital of the Group only comprises of ordinary shares.

Commitment

The operating lease commitment of the Group was related to the lease of its office, workshops and warehouses. The Group's operating lease commitment amounted to approximately HK$0.3 million as at 31 March 2018 (2017: Nil).

The capital commitment of the Group was capital expenditure in respect of the acquisition of plant and equipment contracted for but not provided in the consolidated financial statements. As at 31 March 2018, the amount was approximately HK$0.8 million (2017: Nil).

Segment Information

Segment information is disclosed in note 6 of the notes to the consolidated financial statements.

Future Plans for Material Investments and Capital Assets

Save as disclosed in the section headed "Future plans and use of proceeds" of the Prospectus, the Group did not have any plans for material investments and capital assets.

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

Upon completion of the Reorganisation (as defined in the section headed "Report of the Directors" in this annual report), the Company became the holding company of the companies now comprising the Group. Details of the Reorganisation are set out in the paragraph headed "Reorganisation" in the section headed "History, Reorganisation and Group Structure" of the Prospectus.

Save as aforesaid, during the year ended 31 March 2018, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

Significant Investment

As at 31 March 2018 and 2017, the Group did not hold any significant investment.

Contingent Liabilities

As at 31 March 2018 and 2017, the Group did not have material contingent liabilities.

Exposure to Exchange Rate Fluctuation

The Group's revenue generating operations are mainly transacted in Hong Kong Dollars. The Directors consider that the impact of foreign exchange exposure to the Group is minimal.

Charge of Group's Assets

As at 31 March 2018, the Group did not charge any of Group's assets.

Employees and Remuneration Policies

As at 31 March 2018, the Group had a total of 144 employees (2017: 102 employees). The Group's gross staff costs for the year ended 31 March 2018 amounted to approximately HK$41.1 million (2017: HK$26.9 million). To ensure that the Group is able to attract and retain Directors and staff capable of attaining the best performance levels, remuneration packages are reviewed on a regular basis. In addition, discretionary bonus is offered to eligible employees by reference to the Group's results and individual performance. There was no forfeited contribution under Mandatory Provident Fund scheme during the year ended 31 March 2018.

The remuneration to members of senior management by band for year ended 31 March 2018 is set out below:

	No. of individual
HK$nil to HK$1,000,000	2
HK$1,000,000 to HK$1,500,000	1

Events After the Reporting Period

There are no material subsequent events undertaken by the Company or by the Group after 31 March 2018.

Comparison of Business Strategies and Actual Business Progress

An analysis comparing the business strategies as disclosed in the Prospectus with the Group's actual business progress for the period from the Listing Date to 31 March 2018 is set out below:

Business objectives	Progress
Continue to strengthen our market position in the industry and expand our market share in Hong Kong	The Group continues being invited to submit 2 tenders and provide 4 quotations
Further strengthening our manpower	The Group continues to expend our labour resources, recruited 11 staff

For details of the implementation of the abovementioned business strategies, please refer to section headed "Use of Proceeds" in this annual report.

Use of Proceeds

The final offer price for the Listing was HK$0.80 per share, and the actual net proceeds from the Listing were approximately HK$51.8 million, after deducting the listing-related expenses of approximately HK$22.6 million (of which, approximately HK$15.6 million and HK$7.0 million are recognised in the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of changes in equity, respectively). This amount was higher than the estimated net proceeds of approximately HK$44.1 million, which was based on a mid-point offer price of HK$0.70 per share, as disclosed in the Prospectus. In light of the difference between the actual and estimated amount of the net proceeds, the Group has adjusted the use of proceeds, applying all surplus proceed to obtain surety bonds, as shown in the Prospectus:

	Adjusted use of net proceeds HK$ million	Actual use of net proceeds up to 31 March 2018 HK$ million
The recruitment and retaining of additional staff	21.2	0.2
The surety bond	23.7	0.0
Purchase of machineries and motor vehicles	2.9	0.3
Working capital	4.0	4.0
Total	51.8	4.5

The net proceeds are designated for the purposes in accordance with disclosures in the Prospectus. Since our Listing Date was close to year end date, our recruitment of additional staff in progress was slower than our expectation.

The Company intends to continue to apply the net proceeds in accordance with the section headed "Future Plans and Use of Proceeds" of the Prospectus.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Tsang Chiu Kwan ("Mr. CK Tsang"), aged 55, was appointed as our Director on 4 July 2017 and appointed as Chairman of the Board and re-designated as executive Director on 27 July 2017. Mr. CK Tsang is also our Controlling Shareholder. He joined our Group in December 2004 and is responsible for the overall strategic planning and business development as well as executing the overall operation of our Group.

Mr. CK Tsang has completed a two year part-time technician programme and was awarded the certificate in electrical engineering from Kwai Chung Technical Institute (former name of the Hong Kong Institute of Vocational Education (Kwai Chung)) in July 1987. He completed the higher certificate programme on modern factory management at the Hong Kong Management Association in December 1994 and the diploma in business management programme jointly organised by the Hong Kong Polytechnic University and the Hong Kong Management Association in September 2000.

Mr. CK Tsang has over 15 years of experience in the construction industry. Prior to joining our Group, Mr. CK Tsang served as an engineer and was responsible for the equipment maintenance and production supervision in Motorola Semiconductors (HK) Limited from July 1988 to June 2001. Between May 2002 to March 2006, he served as a director in Gowin Engineering Co., Limited where he was responsible for the development and execution of business strategies.

Mr. Tsang Man Ping ("Mr. MP Tsang"), aged 45, was appointed as our Director on 4 July 2017 and appointed as the chief executive officer of our Group and re-designated as our executive Director on 27 July 2017. Mr. MP Tsang is also our Controlling Shareholder. He joined our Group in December 2004 and is responsible for the execution of day-to-day project management of our Group.

Mr. MP Tsang attended Yuen Long Merchants Association Secondary School. Mr. MP Tsang has over 22 years of experience in the construction industry. He was a sole proprietor of the unlimited company Shing Lee Engineering Company throughout the period from January 1996 to December 2004. Shing Lee Engineering Company was engaged in the provision of fitting out works and Mr. MP Tsang was responsible for the development and execution of business strategies. In 2004, Mr. MP Tsang co-founded Double Gain and subsequently ceased to carry out business through Shing Lee Engineering Company in around 2005 when it was dissolved while solvent.

Mr. Lee Alexander Patrick, aged 37, was appointed as our Director on 4 July 2017 and re-designated as our executive Director on 27 July 2017. He is responsible for the overall strategic planning and business development of our Group. Mr. Lee obtained his Bachelor of Arts degree in Economics and Music from Emory University, the United States in December 2007. Further, he is a member of The Hong Kong Institute of Directors since July 2017.

From May 2005 to March 2011, Mr. Lee worked in various institutions whereby he, inter alia, advised on business strategies in relation to acquisition or investment opportunities. From May 2005 to April 2008, Mr. Lee was a director of Trulink Limited, an advisory firm, where he was responsible for conducting analysis on investment opportunities and providing overall support to the firm's overall strategic advisory work. He subsequently joined the private banking department of J.P Morgan from April 2008 to December 2009 under the category of Professional Exempt in Private Banking. From January 2010 to November 2010, Mr. Lee was employed by TrendsFormation Capital Limited as business development manager and by Solar Trends Technology Limited (a subsidiary of TrendsFormation Capital Limited) for the period from November 2010 until March 2011 as director and business development manager where he was responsible for inter alia executing business strategies, projecting tendering and setting up regional teams in Hong Kong and Indonesia. For the period between April 2011 to May 2012, Mr. Lee worked for the group companies of Morgan Stanley, Hong Kong as an analyst in the international wealth management division in Hong Kong where he was responsible for expanding the PRC client base. Mr. Lee then worked in the capacity of vice president of the private banking department for Credit Suisse, Hong Kong for the period between August 2012 to January 2013. From February 2014 to June 2015, Mr. Lee worked for BOCI-Prudential Asset Management Limited as vice president of the quantitative strategy business unit of the company. He worked as an investment director during April 2016 to July 2017 and as a consultant since November 2017 for First Impression Limited, a consulting firm, where he was responsible for, inter alia, advising on investment structures and business development. Since June 2017, he is an independent non-executive director of SK Target Group Limited (a company listed on the Stock Exchange with stock code 8427), a company principally engaged in the manufacturing and sale of precast concrete telecommunication junction boxes and precast concrete electrical junction boxes in Malaysia.

Independent Non-executive Directors

Mr. So Chun Man, aged 43, was appointed as our independent non-executive Director on 23 January 2018. Mr. So obtained a Higher Certificate in Building Studies from Hong Kong Technical College in June 1998 and a Bachelor of Applied Science Construction Management and Economics from Curtin University of Technology, Australia in September 2001. He is a member of both the Australian Institute of Building and the Hong Kong Institute of Construction Managers since August 2005, an incorporate member of the Chartered Institute of Building United Kingdom since April 2007 and a member of the Chartered Association of Building Engineers since September 2015. Further, he was a Council Member of the Hong Kong General Building Contractor Association from 2015 to 2016. Since July 2016, he is the Vice Honorary Secretary of the Hong Kong General Building Contractor Association and the Honorary President of the Fire Safety Ambassador Honorary Presidents' Association of Fire Services Department.

Mr. So has over 26 years' experience in construction industry. From August 1991 to July 1997, Mr. So worked at WTP (Hong Kong) Limited with his last position as Assistant Quantity Surveyor. From October 1997 to March 2004, he worked at Chun Wo Construction & Engineering Co., Limited with his last position as Assistant Quantity Surveyor Manager. From April 2004 to May 2009 and from June 2009 to September 2010, he was a director of Fulluck Construction Engineering Limited and Joy Smart Construction Engineering Limited respectively. From March 2011 to March 2015, he worked as a project director for Yee Hop Engineering Co., Limited. From May 2015 to May 2017, he was a director for Rodney Construction & Engineering Co., Limited and he is currently the director of RS Construction Engineering Limited since October 2015.

Mr. Chen Yeung Tak, aged 33, was appointed as our independent non-executive Director on 23 January 2018. Mr. Chen obtained a Bachelor of Arts in Accountancy from The Hong Kong Polytechnic University in December 2006. Mr. Chen has been a member of the Hong Kong Institute of Certified Public Accountants since January 2011.

Mr. Chen has over 11 years of experience in auditing, accounting and financial management. Mr. Chen was employed, among others, by Fung, Yu & Co. CPA Limited from July 2006 to December 2010 with his last position as an assistant manager; Deloitte Touche Tohmatsu as a senior auditor from January 2011 to October 2012; and PYI Corporation Limited (a company listed on the Stock Exchange with stock code: 0498) from October 2012 to February 2015 with his last position as an accounting manager. Mr. Chen is currently the financial controller and company secretary of Sing On Holdings Limited (a company listed on the Stock Exchange with stock code: 1751), a company principally engaged in concrete demolition works in Hong Kong and Macau, and an independent non-executive Director of AV Promotions Holding Limited (a company listed on the Stock Exchange with stock code: 8419), which principally provides one-stop visual, lighting and audio solutions in the PRC, Hong Kong and Macau.

Ms. Li Amanda Ching Man, aged 42, was appointed as our independent non-executive Director on 23 January 2018. Ms. Li was granted a Bachelor of Commerce degree by the University of British Columbia in May 1998 and was admitted to the University of London Degree of Bachelor of Laws (long distance programme) in August 2001. She was conferred a Postgraduate Certificate in Laws by The University of Hong Kong in June 2003.

Ms. Li has over 12 years of experience as a legal practitioner. She was admitted as a solicitor of Hong Kong in November 2005. She worked as a trainee solicitor and an associate at Sidley Austin from September 2003 to August 2005, and September 2005 to June 2008 respectively, and as an associate at the corporate group of DLA Piper from June 2008 to November 2010. From February 2011 to March 2013, she worked as a manager at the investment products division of the Securities and Futures Commission. Ms. Li is currently a consultant at CFN Lawyers.

Senior Management

Mr. Tse Choi Lam, aged 45, is the project manager of our Group. He joined our Group in August 2011 as a site agent and was promoted to his current position in April 2014. He is responsible for the operation and management of the construction projects of our Group. He obtained the Certificate in Building Studies from Morrison Hill Technical Institute (former name of the Hong Kong Institute of Vocational Education (Morrison Hill)) in August 1995 and the Higher Certificate in Building Studies from Hong Kong Technical College in June 1997. He also completed various training courses including a construction safety supervisor course, a metal scaffold erecting and dismantling supervision training course and a highways department site audit inspection standards (safety & roadwork obligations) course at the Construction Industry Training Authority, and an occupational safety management course at the Occupational Safety and Health Council.

Mr. Tse has over 20 years experience in construction industry. Prior to joining our Group, he worked at Shui On Building Contractors Ltd. with last position as foreman from September 1994 to November 1997. He worked as a works supervisor I for Dennis Lau & Ng Chun Man Architects & Engineers (H.K) Limited from December 1997 to February 2001. He then joined Tai Fong Engineering Hong Kong Co., Ltd. from April 2001 to April 2002 and Wing Hong Contractors Ltd. from May 2002 to September 2002, both as a group representative. From March 2003 to June 2011, he worked for Chun Wo Construction & Engineering Co. Ltd. with last position as site agent.

Mr. Kwong Chun Ming Alex, aged 39, is the chief financial officer of our Group. He joined our Group in May 2017 and is responsible for supervising our Group's financial activities, budgeting and forecasting, as well as corporate secretarial practices and procedure of our Group. Mr. Kwong obtained his Bachelor of Arts in Accountancy from The Hong Kong Polytechnic University in November 2003. He became a member of the Hong Kong Institute of Certified Public Accountants in January 2008 and a fellow member of the Association of Chartered Certified Accountants in March 2012.

He has over 10 years of experience in accounting. Prior to joining our Group, Mr. Kwong worked at Deloitte Touche Tohmatsu from October 2004 to November 2011 with his last position as manager. From December 2011 to May 2017, he worked at Ernst & Young with his last position as senior manager.

Mr. Tse Man Kin, aged 37, is the quantity surveyor manager of our Group. He is responsible for tendering, cost control, procurement and leading the quantity surveying group of our Group. He obtained the Certificate in Building Studies and the Higher Certificate in Building Studies from the Hong Kong Institute of Vocational Education in July 2004 and July 2008 respectively. He obtained his Bachelor of Science in Civil Engineering from the Bulacan State University, Philippines in June 2012. He also completed various training courses including a construction safety officer course and an assistant safety officer evening course (and awarded the construction safety supervisor certificate) at the Construction Industry Training Authority.

Mr. Tse has over 15 years experience in construction industry. Prior to joining our Group, he worked as an quantity surveyor for Woon Lee Construction Co., Ltd. from October 2004 to April 2005. From April 2005 to March 2010, he joined our Group as a project coordinator. He worked for Ringtone Ltd. as a project coordinator from April 2010 to September 2011 and he re-joined our Group in October 2011 as a quantity surveyor and was promoted to his current position in April 2014.

Company Secretary

Mr. Kwong Chun Ming Alex, is the company secretary of our Group. For details of his qualifications and experience, please refer to paragraph headed "Senior management" in this section of the annual report.

Compliance Officer

Mr. CK Tsang was appointed is the compliance officer of our Company. For details of his qualification and experience, please refer to paragraph headed "Executive Directors" in this section of the annual report.

CORPORATE GOVERNANCE REPORT

Corporate Governance Practices

The Board recognises that transparency and accountability are important to the Company as a listed company. Since its Listing, the Company is committed in establishing and maintaining good corporate governance practices and procedures. The Directors believe that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture in return to the benefits of the Company's shareholders as a whole.

The Board has adopted and complied with the Corporate Governance Code (the "**CG Code**") as set out in Appendix 15 to the GEM Listing Rules. Upon the Listing Date and up to 31 March 2018 (the "**Reporting Period**"), the Board is of the opinion that the Company has complied with all the code provisions of the CG Code.

The Directors will continue reviewing the Company's corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements from time to time, and to meet the rising expectation on the Company.

Board of Directors

Composition of the board

The Board currently comprises:

Executive Directors

Mr. Tsang Chiu Kwan *(Chairman)*	(appointed as our Director on 4 July 2017 and appointed as Chairman of the Board and re-designated as our executive Director on 27 July 2017)
Mr. Tsang Man Ping *(Chief Executive Officer)*	(appointed as our Director on 4 July 2017 and appointed as the chief executive officer of our Group and re-designated as our executive Director on 27 July 2017)
Mr. Lee Alexander Patrick	(appointed as our Director on 4 July 2017 and re-designated as our executive Director on 27 July 2017)

Independent non-executive Directors

Mr. So Chun Man	(appointed as our independent non-executive Director on 23 January 2018)
Mr. Chen Yeung Tak	(appointed as our independent non-executive Director on 23 January 2018)
Ms. Li Amanda Ching Man	(appointed as our independent non-executive Director on 23 January 2018)

The biographical details of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" in this annual report.

Chairman and Chief Executive Officer

Mr. CK Tsang is the chairman of the Board. According to the code provision A.2.1 of the CG Code, the role of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established. Mr. CK Tsang currently assumes the role of chairman of the Board while Mr. MP Tsang assumes the role of chief executive officer. The Board considers that this structure could enhance efficiency in formulation and implementation of the Company's strategies.

In compliance with rules 5.05(1), (2) and 5.05A of the GEM Listing Rules, the Company has appointed three independent non-executive Directors and one of whom (Mr. Chen Yeung Tak) has appropriate professional qualifications, or accounting and related financial management expertise.

Responsibilities of the Board

The overall management of the Company's business is vested in the Board which assumes the responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All the Directors should make decisions objectively in the interests of the Company. The Board has the full support from the executive Directors and the senior management of the Company to discharge its responsibilities.

The day-to-day management, administration and operation of the Company are delegated to the executive Directors and the senior management of the Company. The delegated functions and work tasks are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by any of the executive Directors and the senior management. The Board also assumes the responsibilities of maintaining high standard of corporate governance, including, among others, developing and reviewing the Company's policies and practices on corporate governance, reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, and reviewing the Company's compliance with the CG Code. All Directors, including both the non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for efficient and effective delivery of the Board functions. The Board has also delegated various responsibilities to the board committees of the Company (the "Board Committees"). Further details are set out below in this annual report.

The Company has received annual confirmations from each of the independent non-executive Directors of his independence, and the Company considered each of them to be independent in accordance with rule 5.09 of the GEM Listing Rules.

Board Committees

The Board has established three Board Committees to oversee specific aspects of the Group's affairs and help it in the execution of its responsibilities. The Board Committees each have specific written terms of reference which clearly outline the committees' authority and duties, and require the Board Committees to report back on their decisions or recommendations to the Board. All Board Committees are provided with sufficient resources to discharge their duties, including access to management or professional advice if considered necessary.

Audit Committee

The Company has established the Audit Committee on 23 January 2018 with written terms of reference in compliance with paragraph C3 of the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Mr. Chen Yeung Tak, Mr. So Chun Man and Ms. Li Amanda Ching Man. Mr. Chen Yeung Tak has been appointed as the chairman of the Audit Committee, and is the independent non-executive Director with the appropriate professional qualifications.

The primary duties of the Audit Committee are to review and supervise the Group's financial reporting process, to nominate and monitor the Company's external auditors, and to oversee the risk management and internal control procedures of the Company.

The members of the Audit Committee should meet at least twice a year. The Audit Committee has held a meeting on 14 February 2018 to review and approve the announcements and report of unaudited consolidated third quarterly results of the Group for the nine months ended 31 December 2017.

Subsequent to the end of the Reporting Period and up to the date of this annual report, the first meeting of the Audit Committee was held on 22 June 2018, during which the Audit Committee has, among other things, reviewed the consolidated financial statements of the Group for the year ended 31 March 2018, including the accounting policies and practices adopted by the Group, as well as the risk management and internal control systems of the Group. The attendance records of the respective members of the Audit Committee to its meetings during the Reporting Period are set out below:

Name of member of the Audit Committee	Attendance/ number of meeting held
Mr. Chen Yeung Tak	1/1
Mr. So Chun Man	1/1
Ms. Li Amanda Ching Man	1/1

Remuneration Committee

The Company has established the Remuneration Committee on 23 January 2018 with written terms of reference in compliance with paragraph B1 of the CG Code. The Remuneration Committee has three members, namely Mr. So Chun Man, Mr. Chen Yeung Tak and Ms. Li Amanda Ching Man. Mr. So Chun Man has been appointed as the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee are to make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Company, and to ensure that none of the Directors determine their own remuneration.

The members of the Remuneration Committee should meet at least once a year. As the Company was listed on 13 February 2018, no remuneration committee meeting has been held during the Reporting Period.

Subsequent to the end of the Reporting Period and up to the date of this annual report, the first meeting of the Remuneration Committee was held on 22 June 2018 for, among other things, reviewing the remuneration packages for individual executive Directors and senior management and making recommendations to the Board.

The remuneration to members of senior management by band for year ended 31 March 2018 is set out below:

	No. of individual
HK$nil to HK$1,000,000	2
HK$1,000,000 to HK$1,500,000	1

Nomination Committee

The Company has established the Nomination Committee on 23 January 2018 with written terms of reference in compliance with paragraph A5 of the CG Code. The Nomination Committee consists of three members, namely Ms. Li Amanda Ching Man, Mr. So Chun Man and Mr. Chen Yeung Tak. Ms. Li Amanda Ching Man has been appointed as the chairman of the Nomination Committee.

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board annually, to identify individuals suitably qualified to become members of the Board, to assess the independence of the independent non-executive Directors, and to make recommendations to the Board on relevant matters relating to appointments of Directors.

The members of the Nomination Committee should meet at least once a year. As the Company was listed on 13 February 2018, no nomination committee meeting has been held during the Reporting Period.

Subsequent to the end of the Reporting Period and up to the date of this annual report, the first meeting of the Nomination Meeting was held on 22 June 2018, and has, among other things, reviewed the structure, size and composition of the Board and assessed the independence of the independent non-executive Directors.

Code of Conduct for Directors' Securities Transactions

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 set out in Rules 5.46 to 5.67 of the GEM Listing Rules (the "**Model Code**"). The Company had also made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the Model Code by the Directors since the Listing Date and up to the date of this annual report.

Pursuant to rule 5.66 of the Model Code, the Directors have also requested any employee of the Company or director or employee of subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he/she would be prohibited from dealing by the Model Code as if he/she were a Director.

Board Diversity Policy

The Company adopted a board diversity policy (the "**Board Diversity Policy**") from the Listing Date. A summary of this Board Diversity Policy, together with the measurable objectives set for implementing this Board Diversity Policy, and the progress made towards achieving those objectives are disclosed as below.

Summary of the Board Diversity Policy

The Company recognised and embraced the benefits of having a diverse Board to the quality of its performance. The Board Diversity Policy aims to set out the approach to achieve diversity on the Board. In designing the Board's composition, Board diversity has been considered from a number of measurable aspects including gender, age, ethnicity, knowledge and length of services. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regards for the benefits of diversity on the Board.

Measurable Objectives

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 services. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Implementation and Monitoring

The Nomination Committee reviewed the Board's composition under diversified perspectives, and monitored the implementation of the Board Diversity Policy annually.

The Nomination Committee of the Board has reviewed the Board Diversity Policy to ensure its effectiveness and considered that the Group achieved the Board Diversity Policy during the year ended 31 March 2018.

Board Meeting, General Meeting and Procedures

During the Reporting Period, 1 Board meeting was held. For the financial year commencing on 1 April 2018, the Board is scheduled to meet four times a year at approximately quarterly intervals with notice given to the Directors at least 14 days in advance. The attendance record of each Director at the Board meeting is set out in the table below:

	Number of attendance/ number of Board meetings
Executive Directors	
Mr. Tsang Chiu Kwan *(Chairman)*	1/1
Mr. Tsang Man Ping *(Chief Executive Officer)*	1/1
Mr. Lee Alexander Patrick	1/1
Independent non-executive Directors	
Mr. Chen Yeung Tak	1/1
Mr. So Chun Man	1/1
Ms. Li Amanda Ching Man	1/1

Corporate Governance Functions

No corporate governance committee has been established and the Board is responsible for performing the corporate governance functions such as developing and reviewing the Company's policies, practices on corporate governance, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, etc. The Board held meetings from time to time whenever necessary. At least 14 days' notice of regular Board meetings is given to all Directors and they can include matters for discussion in the agenda as they think fit. The agenda accompanying Board papers are sent to all the Directors at least 3 days before the date of every Board meeting in order to allow sufficient time for the Directors to review the documents.

Minutes of every Board meeting are circulated to all Directors for their perusal and comments prior to confirmation of the minutes. The Board also ensures that it is supplied in a timely manner with all necessary information in a form and of a quality appropriate to enable it to discharge its duties.

Every Board member has full access to the advice and services of the company secretary with a view to ensuring that Board procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

Appointment and Re-Election of Directors

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three years commencing from the Listing Date subject to renewal and termination by either party in accordance with the terms thereof and retirement and re-election provisions in accordance with the articles of association of the Company (the "**Articles**").

Under provision A.4.1 of the CG Code, the independent non-executive Directors should be appointed for a specific term subject to re-election. Each of the independent non-executive Directors has entered into an appointment letter with the Company for an initial term of three years commencing from the Listing Date subject to renewal and termination by either party in accordance with the terms thereof and retirement and re-election provisions in the Articles.

With the various experience of both the executive Directors and the independent non-executive Directors, the Board considers that the Directors have a balance of skills and experience for the business of the Group.

Article 108 of the Articles provides that at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation and that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

Save as disclosed in the section headed "Biographical Details of Directors and Senior Management" of this annual report, there is no financial, business, family or other material or relevant relationships among members of the Board and senior management.

Continuous Professional Development

To assist the Directors' continuous professional development, the Company recommends the Directors to attend relevant seminars to develop and refresh their knowledge and skills. The Directors also participate in continuous professional development programmes such as external seminars organised by qualified professionals, to develop and refresh their knowledge and skills in relation to their contribution to the Board. All the Directors understand the importance of continuous professional development and are committed to participate any suitable training to develop and refresh their knowledge and skills. The company secretary of the Company is responsible for maintaining and updating records for the Directors' training sessions.

Before the Listing, all the Directors participated in a training session arranged by a professional firm, and each Director was provided with relevant guidance materials with respect to the laws applicable to Directors, the roles and responsibilities of Directors and the Directors' duty to disclose their interest.

Directors' Responsibilities for the Financial Statements

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group that give a true and fair view of the state of affairs of the Group. The Directors aim to present a balanced and understandable assessment of the Group's position and prospects with timely publication of the consolidated financial statements of the Group. As at 31 March 2018, the Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt on the Group's ability to continue as a going concern.

The responsibility of the external auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the shareholders of the Company. The statements by external auditor, Deloitte Touche Tohmatsu, about their reporting responsibility on the consolidated financial statements of the Group are set out in the independent auditor's report in this annual report.

Internal Control and Risk Management

The Board has an overall responsibility for the establishment, maintenance and review of the Group's internal control system to safeguard shareholders' investments and the assets of the Group. The internal control system of the Group aims to facilitate effective and efficient operation which in turn minimises the risks to which the Group is exposed. The system can only provide reasonable but not absolute assurance against misstatement or losses.

The Group recognises that good risk management is essential for the long-term development on the Group's business. Management is responsible for establishing, implementing, reviewing and evaluating a sound and effective internal control system underpinning the risk management framework. All employees of the Group are committed to implement the risk management framework into the daily operation.

The Board has conducted regular reviews during the Year on the effectiveness of the internal control system covering all material controls in the financial, operational and compliance controls, various functions for risks management as well as physical and information systems security. The Board considered such internal control system effective and adequate. The Audit Committee reviews internal control issues identified by external auditor and the management team, and evaluates the adequacy and effectiveness of the Group's risk management and internal control systems for the Year. The Audit Committee in turn reports any material issues to the Board. The Group currently has no internal audit function and such review was performed by an external independent consultant engaged by the Group. The Board considers that it is more cost effective to engage an external independent consultant instead of recruiting a team of an internal audit staff to perform such annual review function.

The objectives of the risk management and internal control framework of the Group are to identify and manage the risk of the Group's with the acceptable safety levels and achieve the Group's strategic objectives. The Group has adopted a three-line risk management approach to identify, analysis, evaluation, mitigate and handle risks. At the first line of defence, department staff/frontline employees who must understand their roles and responsibilities are responsible for identifying, assessing and monitoring risks associated with transactions. The second line of defence is the Group's management that provides independent oversight of the risk management activities of the first line of defence. It ensures that risks are within the Group's risk capacity and that the control of the first line of defence is effective. As the final line of defence, the Audit Committee, with the advice from the external professional party and the regular internal control review conducted on an annual basis, the first and second lines of defence are ensured to have been performed effectively.

Auditors' Remuneration

The amount of fees charged by the external auditor generally depends on the scope and volume of the external auditor's work performed.

For the year ended 31 March 2018, the remuneration paid or payable to the auditor of the Company, in respect of their audit services and non-audit services for the Group was as follows:

Categories of Services	HK$'000
Audit	830
Non-audit (Note)	2,880
Total:	3,710

Note: Non-audit services mainly include services rendered for acting as reporting accountants.

Shareholders' Rights

As one of the measures to safeguard shareholders' interest and rights, separate resolutions can be proposed at shareholders' meetings on each substantial issue, including the election of individual directors, for shareholders' consideration and voting. All resolutions put forward at shareholders' meeting will be voted by poll pursuant to the GEM Listing Rules and the poll voting results will be posted on the website of the Stock Exchange and the Company's website after the relevant shareholders' meeting.

Procedures for Shareholders to Convene Extraordinary General Meeting

The following procedures for shareholders to convene an extraordinary general meeting are subject to the Articles (as amended from time to time), and the applicable legislation and regulation, in particular the GEM Listing Rules (as amended from time to time):

(a) any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company (the "**Eligible Shareholder(s)**") 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 the company secretary of the Company (the "**Company Secretary**"), to require an extraordinary general meeting ("**EGM**") to be called by the Board for the transaction of any business specified in such requisition;

(b) Eligible Shareholders who wish to convene an EGM must deposit a written requisition (the "**Requisition**") signed by the Eligible Shareholder(s) concerned to the head office and principal place of business of the Company in Hong Kong or Hong Kong branch share registrar and transfer office of the Company for the attention of the Board and/or the Company Secretary;

(c) the Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding, the reason(s) to convene an EGM and the details of the business(es) proposed to be transacted in the EGM, and must be signed by the Eligible Shareholder(s) concerned together with a deposit of a sum of money reasonable sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement submitted by the shareholders concerned in accordance with the statutory requirements to all the registered shareholders;

(d) the Requisition will be verified with Hong Kong branch share registrar and transfer office of the Company and upon their confirmation that the Requisition is proper and in order, the Board will convene an EGM by serving sufficient notice in accordance with the requirements under the Articles to all the registered Shareholders. On the contrary, if the Requisition has been verified as not in order or the Shareholders concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the Eligible Shareholder(s) concerned will be advised of this outcome and accordingly, the Board will not call for an EGM;

(e) if within 21 days of the deposit of the Requisition, the Board fails to proceed to convene such EGM, the Eligible Shareholder(s) himself/herself/themselves may do so, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

Procedures for Shareholders to Put Forward Proposals at Shareholders' Meetings

There are no provisions allowing shareholders to move new resolutions at the general meetings under the Companies Law (Revised) of Cayman Islands. However, pursuant to the Articles, shareholders who wish to move a resolution may by means of Requisition convene an EGM following the procedures set out above.

Procedures for Raising Enquiries

Shareholders should direct their questions about their shareholdings, share transfer, registration and payment of dividend to the Company's Hong Kong share registrar (details of which are set out in the section headed "Corporate Information" of this annual report).

Should the shareholders have any enquiries and concerns, they may send in written enquiries addressed to the head office and principal place of business of the Company in Hong Kong by post for the attention of the Board and/or the Company Secretary.

Shareholders are reminded to lodge their questions together with their detailed contact information for the prompt response from the Company if it deems appropriate.

Investors Relations

The Company has adopted a shareholders communication policy with the objective of providing the shareholders of the Company with information about the Company and enabling them to engage actively with the Company and exercise their rights as shareholders in an informed manner.

The Company has established a range of communication channels between itself and its shareholders, and investors. These include answering questions through the annual general meeting, the publication of annual, interim and quarterly reports, notices, announcements and circulars, the Company's website and meetings with investors and shareholders. News update of the Group's business development and operation are also available on the Company's website.

Non-Competition Undertakings by Controlling Shareholders

Each of the controlling shareholders of the Company has made an annual declaration to the Company that from the Listing Date to 31 March 2018, he/she/it and his/her/its associates have complied with the terms of non-competition undertakings ("**Non-Competition Undertakings**") given in favour of the Company which are contained in the Deed of Non-Competition Undertaking. Details of the Non-Competition Undertakings are set out in the section headed "Relationship with the Controlling Shareholders" of the Prospectus. The independent non-executive Directors have also reviewed the status of compliance by each of the controlling shareholders with the undertakings in the Non-Competition Undertakings and as far as the independent non-executive Directors can ascertain, there is no breach of any of the undertakings in the Non-Competition Undertakings.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

About This Report

Gain Plus Holdings Limited (the "**Company**" together with its subsidiaries, hereinafter referred to as the "**Group**") is pleased to present our first annual Environmental, Social and Governance Report (the "**Report**") to provide an overview of the Group's management of significant issues affecting the operation, including environmental, social and governance ("**ESG**") issues.

The Board has overall responsibility for the Group's ESG strategy and reporting. The Board is responsible for evaluating and determining the Group's ESG-related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place.

Reporting Period

The Report illustrates the Group's initiative and performance regarding the environmental and social aspects during the reporting period from 1 April 2017 to 31 March 2018 (the "**Reporting Period**").

Reporting Scope

This Report covers all subsidiaries of the Group in Hong Kong with core business that principally engaged in provision of building construction services and repair, maintenance, addition and alteration services ("**RMAA Services**"). The Group will continue in assessing the impacts of its business on the major ESG aspects and to include in the Report.

Reporting Basis

The Report is prepared with the ESG Reporting Guide set out by Appendix 20 of the GEM Listing Rules. The Group has complied with the disclosure requirements of the "comply or explain" provisions set out in the ESG Reporting Guide. In view of our first time disclosure of certain key performance indicators ("**KPIs**"), which is considered as material by the Group, during the Reporting Period, the Group will continue to optimize and improve the disclosure of KPIs. The Report is prepared and published in both English and Chinese. In the event of contradiction or inconsistency, the English version shall prevail.

Contact Information

The Group welcomes your feedback on the Report for our sustainability initiatives. Please contact us by email to main@doublegain.hk.

A. Environmental Aspects

Aspect A1: Emissions

To demonstrate the Group's commitment to sustainable development and compliance with laws and regulations relating to environmental protection, the Group endeavors to minimise the environmental impact of the business activities and maintain green operations and green office practices.

Our majority of business is providing RMAA Services include general upkeep, restoration and improvement of existing facilities and components of buildings and their surroundings. Our work performed in site for RMAA Services is relatively small scale with not many labour and machineries involved which generates limited and controllable emission and waste such as construction and demolition materials, dust, fumes, smokes, obnoxious gases and household wastes. Our Group's revenue also comprised with a certain portion for providing building construction services that primarily consist of building works and civil works for new buildings such as lift tower, soccer field and walkways. Generally, we delegate certain construction works to our subcontractors that are labour intensive or required specific skillset which in turn generated/consumed more waste and materials that have material environmental impact to our surrounding, such as piling, demolition, waterproofing, painting, installation of doors, windows, floor tiles and playground equipment. Thus, given the nature of our different type of services and subcontracting practice, the Group poses less negative impact to the environment than most typical construction industries.

The Group has been in strict compliance with the relevant laws and regulation in Hong Kong, including but not limited to Air Pollution Control Ordinance, Noise Control Ordinance, Water Pollution Control Ordinance, Wastes Disposal Ordinance and Public Health and Municipal Services Ordinance. In view of the above local laws and regulation, the Group has adopted measures and work procedures governing environment protection compliance that are required to be followed by our workers. Such measures and procedures concerning mainly air pollution and noise control include, amongst other things:

(i) dust suppression by use of water;

(ii) use of low-dust techniques and equipment as required by our customers;

(iii) inspection and maintenance of all equipment before use for compliance of permitted noise level; and

(iv) use of machineries that were environmentally friendly.

During the Reporting Period, there was no material breach of or non-compliance with the applicable laws and regulations related to environmental protection.

Regarding hazardous and non-hazardous wastes, solid wastes are generated at various stages of our operation, including metallic waste, timber, paper/cardboard packaging and chemical waste. The Group engages properly transportation of construction waste to destinated disposal area.

During the Reporting Period, the Group generated/consumed no significant hazardous waste, non-hazardous waste, water and packaging materials due to its business nature.

Major air pollutants emission from vehicles during the Reporting Period as follows:

Air Pollutant Emission	
Type of Air Pollutants	**Air Pollutant Emission (kg)**
Sulphur Dioxide	1.37
Nitrogen Oxides	568.62
Particulate Matter	50.96

During the Reporting Period, the greenhouse gas ("**GHG**") emission from the operation is set out below:

GHG Emission	
Type of GHG emissions	**Equivalent CO_2 emission (kg)**
Scope 1 Direct emissions	243,114.18
Scope 2 Indirect emission	46,024.74
Total	**289,138.92**
Intensity (kg/revenue HK$'000)	**0.55**

Note:

The calculation of the GHG gas is based on the "A Corporate Accounting and Reporting Standard" from The GHG Protocol.

Scope 1: Direct emission from vehicles that are owned by the Group

Scope 2: Indirect emissions from the generation of purchased electricity consumed by the Group

Scope 3 is not disclosed as it is an optional disclosure and the corresponding emission is not controlled by the Group

Aspect A2: Use of Resources

The Group places high priority on the efficient use of resources. The major resources used by the Group are electricity, water, and paper. The Group strives to improve the efficient use of natural resources, such as minimising waste/emissions and implementing effective recycling program. Practical measures are implemented as follows.

Electricity

Electricity saving measures are encouraged that electrical appliances are required to be set as energy saving mode where possible. For computers, the idle automatically mode is 20 minutes or less. The room temperature should be set in a range from 20°C to 26°C. Also, power supply should be switched off when they are not in use. Preference will be given to office equipment with relatively high energy efficiency.

Energy consumption by the Group during the Reporting Period is set out below:

Energy Consumption	
Type of energy	**Energy consumed (kWh)**
Unleaded Petrol	386,149.11
Diesel	442,665.27
Purchased electricity	85,231.00
Total	**914,045.38**
Energy intensity (kWh/revenue HK$'000)	**1.73**

Water

The impact of freshwater use is relatively insignificant for the Group. The Group did not encounter any problems in sourcing water that is fit for purpose. Water rate charges do not form a separate item in the rent or even in site, yet the Group encourages staff to reduce water wastage, for example, by not running water taps at all time.

Paper

Reduction in paper use indirectly reduces the overall GHG emission. The Group has been taking the following steps to reduce paper consumption:

- Reduce the use of paper by printing or photocopying on both sides of paper, where applicable.
- Encourage the employee to use suitable font size/shrinkage mode to minimise pages, if possible. Besides, electronic media is recommended for circulation/communication, to minimise using paper.

During the Reporting Period, the paper consumption was 1,300 kg.

Aspect A3: The Environment and Natural Resources

The Group raises staff's awareness on environmental issues through education and training and enlist employees' support in improving the Group's performance, promote environmental awareness amongst the customers, business partners and shareholders and support community activities in relation to environmental protection and sustainability and evaluate regularly and monitor past and present business activities impacting upon health, safety and environmental matters. With the integration of policies mentioned in sections "Emission" and "Use of Resource", the Group strives to minimise the impacts to the environment and natural resources.

B. Social Aspects

Aspect B1: Employment

The Group believes that a key to our success is our ability to recruit, retain, motivate and develop talented and experienced staff members. We endeavour to attract and retain appropriate and suitable personnel to serve our Group. Our group assesses the available human resources on a continuous basis and will determine whether additional personnel are required to cope with the business development of our Group. The Group's employment handbook sets out our standards for compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

The Group entered into separate labour contracts with each of our employees in accordance with the applicable labour laws of Hong Kong. We provide competitive and attractive remuneration package to reward and retain our employees. The package includes basic salary, bonus, allowance and Mandatory Provident Fund ("MPF"). The Group recruits employees from the open market through placing recruitment advertisement and referrals, to satisfy our demand of different types of talent. We believe that the above arrangement can maintain good relationship with our employee.

During the Reporting Period, there were no material non-compliance regarding employment brought against the Group or its employees.

Aspect B2: Health and Safety

The Group places emphasis on occupational health and work safety in providing RMAA Services and building construction services. In 2016, our Group has received the Bronze Award Recognizing Excellence in safety for safe subcontractor award 2016 by Lighthouse Construction Industry Charity. We have adopted an occupational health and safety system as required by relevant occupational health and safety laws, rules and regulations. Due to the inherent nature of works in construction sites which very often involves working at height and usage of mechanical equipment and machinery, construction workers are constantly subjected to risks of accidents or injuries:

(i) All members of our direct labour and our subcontractors' labour are required to wear required safety equipment, including safety helmet, which must also meet the safety standard, for entering construction site;

(ii) The performance of all equipment, devices and tools must be checked for safety before use;

(iii) All subcontractors must report safety incidents to us;

(iv) Our staff and our subcontractors' workers entering project sites are required to observe the occupational health and safety measures and our policy. Subcontractors must ensure their workers work safely and care for others;

(v) We reserve the right to expel worker who violates our safety policy from construction site; and

(vi) All workers are required to attend site safety briefing sessions and trainings before they commence work on-site. Topics of safety training typically cover safety procedures for performing different types of work.

Besides, safety supervisors are assigned to responsible for regularly visiting and inspecting the performance of our works. Insurance policies purchased can cover and protect all employees of main contractors and subcontractors of all tiers working in the relevant construction site, and works performed by them in the relevant construction site.

We have put in place an internal policy setting out the procedures for recording, handling and reporting all work-related accidents and injuries to the Commissioner of Labour. The key procedures are as follows:

(i) Upon occurrence of a work-related accident, it shall be reported to our on-site foreman and/or project manager. Details of the injury, including the date, time, location, causes, identity of the injured person, shall be gathered by our on-site foreman and/or project manager and shall be properly recorded by our administrative staff.

(ii) We shall submit notification of the accident to the Commissioner of Labour by filling in the prescribed form in accordance with Employees' Compensation Ordinance within 14 days after we become aware of the accident and the injury, or, in case of a fatal accident,within seven days.

(iii) All correspondences with the Labour Department shall be provided to the relevant customer and/or the relevant insurer.

During the Reporting Period, there are no work related injuries case. There were no non-compliance cases noted in relation to laws and regulations for health and safety.

Aspect B3: Development and Training

The Group recognises the importance of training for the development of our employees as well as our Group. We provide various types of trainings to our employees and sponsor our employees to attend training courses as mentioned in aspect "B2: Health and Safety" in this Report. We believe it is a win-win approach for achieving both employee and corporate goals as a whole.

Aspect B4: Labour Standards

The Group is fully aware that child labour and forced labour violate fundamental human rights and also pose threat to sustainable social and economic development. The Group strictly complies with the Employment Ordinance and other relevant labour laws and regulations in Hong Kong. The Group prohibits the use of child labour and forced labour. Employment contracts and other records, documenting all relevant details of the employees (including age) are maintained properly for verification by relevant statutory body upon request.

During the Reporting Period, the Group has complied with policies and relevant laws and regulations regarding prevention of child labour or forced labour.

Aspect B5: Supply Chain Management

The Group works closely with its customer, suppliers and subcontractors who are committed to high quality, environmental, health and safety standards. As stipulated in the section of subcontractors selection of our internal policy, the Group maintains a list of approved suppliers and subcontractors who have been assessed and approved by us, from which we select our suppliers and subcontractors. Our assessment for subcontractors may include (i) evaluating of subcontractors' recent performance; (ii) reviewing third-party assessments or certification held by our subcontractors; (iii) assessing whether our subcontractors has sufficient resources and skills to fulfil the specific requirements; (iv) reviewing their requisite licences and registrations; and (v) reviewing the quotation and/or subcontracting fee provided. The Group will from time to time review and update our internal list of approved subcontractors according to their performance assessment. During project implementation, project managers will meet with the engaged subcontractors and closely monitor their work progress and performance. The contracts entered into between our Group and our subcontractors provide that our subcontractors are required to observe all the requirements and provisions of our tender document. We select suppliers mainly based on: (i) quality of materials; (ii) timeliness of delivery; (iii) previous experience with the supplier; and (iv) reputation of the supplier. We update our pre-approval suppliers list according to their quality of materials supplied. Thus, we believe there are no significant environmental and social risks for our management decision on supply chain management.

Aspect B6: Product Responsibility

Quality control on projects

The Group is liable for the works carried out by us and our subcontractors. We ensure that each project is completed in accordance with the specifications set out for the project. Our project officer is responsible for supervising the overall daily activities including those executed by our subcontractor in accordance with the construction programme. In addition, our project manager will monitor the activities and project status and note for any issues arising from the execution of the project. Our project manager will timely inform our project directors on the project status and matters of concerns.

We have an experienced and professional management with extensive operational expertise and in-depth understanding of the RMAA Services and building construction services markets in Hong Kong, which allows us to be informed of market trends when formulating our market position and developing business strategies. Our project management teams have industry and technical knowledge in RMAA Services and building construction services, and our technical employees have the practical skills and experience. Our project management staff have relevant industry experience and possess relevant professional qualifications as required for the construction works. Some of our technical staff including quantity surveyors and foremen have been working with us for over eight years. We believe their project management experience and technical knowledge in RMAA Services and building construction services market would facilitate the efficient and timely implementation and management of our projects.

We believe the combination of our management's expertise and knowledge of the construction industry in Hong Kong, together with our qualified and experienced project management and technical staff have been and will continue to be our valuable assets, which will enable us to take up projects of various scale and building type and fulfil our customers' requirements.

For our quality control measure over our subcontractors, please refer to aspect "B5: Supply Chain Management" in this Report for further details.

During the Reporting Period, there are no disputes between our Group and our customers in respect of the quality of work performed by us or our subcontractors.

Data protection

Employees are generally required to execute a standard employment contract, which include a clause acknowledging that all inventions, trade secrets, works of authorship, developments and other process generated by them on behalf of the Group are the Group's property, assigning to the Group any ownership rights that they may have in those works, and requiring them to not disclose or use the Group's confidential information except for benefit of the Group as we may authorise.

During the Reporting Period, there were no cases of non-compliance against products and services related laws and regulations.

Aspect B7: Anti-Corruption

To ensure operation efficiency and employees' development in a fair and honest working environment, the Group has formulated whistleblowing policy and established guideline in employment handbook and internal policy to avoid suspected corruption and provided channel such as by letter, meeting, email or phone call for employees to report suspected corruption. If there are any suspected case related to corruption, employees are encouraged to report the related cases through the mentioned channels. All these practical actions not only win the trust of customers, but also enhance the sense of belonging and fair play among our employees.

The Group has been in strict compliance with law and regulation related to anti-corruption. During the Reporting Period, there was no legal case regarding corrupt practices brought against the Group or its employees.

Aspect B8: Community Investment

As a socially responsible company, the Group is committed to understanding the needs of the communities in which we operate. The Group strives to develop long-term relationship with our stakeholders and seek to make contributions to programmes that have a positive impact on community development.

During the Reporting Period, the Group had organized 2018 annual dinner to share the fruitful result of the Group with our customers, subcontractors, suppliers and employees in the amount of approximately HK$250,000.

REPORT OF THE DIRECTORS

The Board is pleased to present the first annual report together with the audited consolidated financial statements of the Group for the year ended 31 March 2018.

Corporate Reorganisation

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 4 July 2017. The shares of the Company were listed on GEM of the Stock Exchange since 13 February 2018.

Pursuant to the reorganisation of the Group in the preparation for the Listing (the "**Reorganisation**"), the Company became the holding company of the companies now comprising the Group on 23 January 2018. Details of the Reorganisation are set out in the paragraph headed "Reorganisation" in the section headed "History, Reorganisation and Group Structure" of the Prospectus.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in note 32 to the consolidated financial statements. The principal activity of the Group is the provision of building construction services and RMAA Services in Hong Kong.

Results and Dividends

The results of the Group for the year ended 31 March 2018 are set out in the consolidated statement of profit or loss and other comprehensive income on page 50 of this annual report.

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

Charitable Donations

During the year, no charitable donations was made by the Group (2017: Nil).

Plant and Equipment

Details of the movements in plant and equipment of the Group during the year are set out in note 14 to the consolidated financial statements.

Business Review

Detailed business review is set out in the section headed "Management Discussion and Analysis" in this annual report. Future development of the Company's business is set out in the sections headed "Management Discussion and Analysis" and "Chairman's Statement" of this annual report.

Compliance with Laws and Regulations

As far as the Board is aware, 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.

Principal Risk and Uncertainties

The Group believes that the risk management practices are important and use its best effort to ensure it is sufficient to mitigate the risks present in the Group's operations and financial position as efficiently and effectively as possible. We believe the more significant risks relating to our business are as follows:

— Our revenue is mainly derived from projects which are not recurrent in nature and there is no guarantee that our customers will provide us with new businesses or that we will be able to obtain new business after completion of our projects

— We are reliant on the availability of construction projects from the public and private sectors in Hong Kong

— Cancellation, suspension or delay in the commencement of public sector projects, which may be caused by factors such as political disagreements in relation to such projects, delay in approval of funding proposals due to political objections or legal actions by the affected members of the public, may adversely affect our financial position and results of operation

— Unsatisfactory performance by our subcontractors or unavailability of subcontractors may adversely affect our operation and profitability

An analysis of the Group's financial risk management (including credit risk and liquidity risk) objectives and policies are provided in note 28 to the consolidated financial statements. Other risks facing the Group are set out in the section headed "Risk Factors" of the Prospectus.

Key Performance Indicator

	As at/for the year ended 31 March	
	2018	2017
Gross profit margin(1)	**8.0%**	7.4%
Net profit margin before interest and tax(2)	**2.8%**	6.5%
Net profit margin(3)	**1.8%**	5.5%
Return on equity(4)	**7.9%**	53.0%
Return on assets(5)	**4.1%**	22.2%
Current ratio(6)	**2.1 times**	1.7 times
Gearing ratio(7)	**1.8%**	4.3%
Interest coverage(8)	**142.8 times**	369.3 times

Notes:

(1) The gross profit margin is calculated by dividing the gross profit by revenue for the respective year multiplied by 100%.

(2) The net profit margin before interest and tax is calculated by dividing the profit before interest and tax by revenue for the respective year multiplied by 100%.

(3) The net profit margin is calculated by dividing the profit and total comprehensive income by revenue for the respective year multiplied by 100%.

(4) The return on equity is calculated by dividing the profit and total comprehensive income for the respective year by total equity as at the end of the respective year/period multiplied by 100%.

(5) The return on assets is calculated by dividing the profit and total comprehensive income for the respective year by total assets as at the end of the respective year/period multiplied by 100%.

(6) The current ratio is calculated by dividing the total current assets by the total current liabilities as at the end of the respective year.

(7) The gearing ratio is calculated by dividing the total debt which represents obligations under finance leases by total equity as at the end of the respective year/period multiplied by 100%.

(8) The interest coverage is calculated by dividing the profit before interest and tax by finance costs incurred for the respective year.

Gross profit margin

Our Group's gross profit margin increased from approximately 7.4% for the year ended 31 March 2017 to approximately 8.0% for the year ended 31 March 2018. Such increase was mainly due to increase in gross profit margin of RMAA Services.

Net profit margin before interest and tax

Our Group's net profit margin before interest and tax decreased from approximately 6.5% for the year ended 31 March 2017 to approximately 2.8% for the year ended 31 March 2018 due to the listing expenses. Excluding the listing expenses of approximately HK$15.6 million the Group's net profit margin before interest and tax for the year ended 31 March 2018 would be approximately 5.8%, which was similar to that for the year ended 31 March 2017.

Net profit margin

For the year ended 31 March 2018, our Group's net profit margin was approximately 1.8%, which is due to the listing expenses. Excluding the listing expenses of approximately HK$15.6 million, the Group's net profit margin would be approximately 4.8%.

Return on equity

Our return on equity was approximately 7.9% and 53.0% for the year ended 31 March 2018 and 2017, respectively. This is mainly due to decrease in net profit and increase in total equity of approximately HK$78.6 million, or 176.2% from approximately HK$44.6 million as at 31 March 2017 to approximately HK$123.2 million, primarily due to the proceeds from issue of shares.

Return on assets

Our return on assets was approximately 22.2% for the year ended 31 March 2017 to approximately 4.1% for the year ended 31 March 2018. This is mainly due to (i) decrease in net profit due to increase in Listing expenses; and (ii) increase in total assets due to proceeds from issue of shares.

Current ratio

Our current ratio increased from approximately 1.7 times as at 31 March 2017 to approximately 2.1 times as at 31 March 2018. Such increase was primarily attributable to the increase in bank balances and cash of approximately HK$62.6 resulting from the proceeds from issue of shares.

Gearing ratio

Our gearing ratio was approximately 1.8% and approximately 4.3% as at 31 March 2018 and 2017, respectively. Such decrease was primarily attributable to the increase in equity, which is mainly due to proceeds from issue of shares.

Interest coverage

Our interest coverage was approximately 142.8 times and approximately 369.3 times for the years ended 31 March 2018 and 2017, respectively. Such decrease was mainly due to the decrease in our net profit before interest and tax.

Environmental Policies and Performance

Our Group has adopted measures and work procedures governing environment protection compliance that are required to be followed by our workers. Such measures and procedures concerning mainly air pollution and noise control include, amongst other things: (i) dust suppression by use of water; (ii) use of low-dust techniques and equipment as required by our customers; and (iii) inspection and maintenance of all equipment before use for compliance of permitted noise level.

Financial Summary

A summary of the published results and of the assets and liabilities of the Group is set out on page 90 of this annual report. The summary does not form part of the audited consolidated financial statements.

Share Capital

Details of the Company's share capital and movements during the year are set out in note 22 to the consolidated financial statements.

Pre-Emptive Rights

There are no provisions for pre-emptive or similar rights under the laws of Caymans Islands or the Articles which would oblige the Company to offer new shares on a pro-rata basis to the existing shareholders.

Purchase, Sale or Redemption of the Company's Listed Securities

The Directors confirm that since the Listing Date and up to the date of this annual report, there has been no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

Reserves

Details of movements in reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 52 and note 33 to the consolidated financial statements, respectively.

Distributable Reserves

Retained earnings of the Company may be available for distribution to ordinary shareholders provided that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid. The Company's reserves available for distribution to the shareholders at 31 March 2018 amounted to approximately HK$116,338,000.

Segment Information

An analysis of the Group's performance for the year by operating segment is set out in note 6 to the consolidated financial statements.

Relationship with Key Stakeholders

Customers

Our customers are substantially the main contractors of construction projects in Hong Kong. For the year ended 31 March 2018, the percentage of our total revenue attributable to our largest customer amounted to approximately 40.8%, while the percentage of our total revenue attributable to our five largest customers combined amounted to approximately 96.4%.

Suppliers

We generally place orders with our suppliers on a project-by-project basis and we do not enter into any long-term contract with our suppliers. For the year ended 31 March 2018, the percentage of the total cost of services attributable to our largest supplier amounted to approximately 0.8%, while the percentage of the total cost of services attributable to the five largest suppliers combined amounted to approximately 2.2%.

Subcontractors

We generally engaged our subcontractors on a project-by-project basis and we do not enter into any long-term contract with our subcontractors. For the year ended 31 March 2018, the percentage of the total cost of services attributable to our largest subcontractor amounted to approximately 9.4%, while the percentage of the total cost of services attributable to the five largest subcontractors combined amounted to approximately 24.6%.

Employees

Employees are regarded as important and valuable assets of the Group. Details of remuneration are set out in the section headed "Management Discussion and Analysis" in this annual report.

None of the Directors, their respective associates, or any shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the Company's share capital) had any significant beneficial interest in the major customers, suppliers and subcontractors disclosed above.

Directors

Since the Listing Date and up to the date of this annual report, the Board's composition is as follows:

Executive Directors

Mr. Tsang Chiu Kwan *(Chairman)*
Mr. Tsang Man Ping *(Chief Executive Officer)*
Mr. Lee Alexander Patrick

Independent non-executive Directors

Mr. Chen Yeung Tak
Mr. So Chun Man
Ms. Li Amanda Ching Man

Pursuant to article 108 of the Article, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation and that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

Pursuant to article 112 of the Article, any Director appointed by the Board to fill a causal vacancy shall hold office only until the first general meeting of the Company after his/her appointment and shall be subject to re-election at such meeting, and any Director appointed by the Board as an addition to the existing Board shall hold office only until the first following annual general meeting of the Company after his/her appointment and shall then be eligible for re-election.

Accordingly, all the Directors, will retire from office as Directors at the forthcoming annual general meeting to be held on Friday, 3 August 2018. All Directors are eligible and will offer themselves for re-election.

Biographical Details of Directors and Senior Management

Biographical details of the Directors and the senior management of the Group are set out on pages 9 to 12 of this annual report.

Directors' Service Contracts

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three years commencing from the Listing Date and subject to renewal and termination by either party in accordance with the terms thereof and retirement and re-election provisions in accordance with the Articles of the Company.

Each of the independent non-executive Directors has entered into an appointment letter with the Company for an initial term of three year commencing from the Listing Date subject to renewal and termination by either party in accordance with the terms thereof and retirement and re-election provisions in the Articles.

Save as disclosed above, none of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

Independence Confirmation

The Company has received confirmation from each of the independent non-executive Directors regarding his independence in accordance with Rule 5.09 of the GEM Listing Rules and therefore considers each of them to be independent.

Permitted Indemnity Provision

Pursuant to Articles of the Company, a permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the financial year. The Company has purchased the Directors' and Officers' Liability Insurance to provide protection against claims arising from the lawful discharge of duties by the Directors.

Emoluments of Directors, Chief Executive and the Five Highest Paid Individuals

Details of the emoluments of the Directors, chief executive and the five highest paid individuals of the Group are set out in note 12 to the consolidated financial statements.

Retirement Benefit Scheme

Details of the Group's retirement benefit scheme are set out in note 23 to the consolidated financial statements.

Directors' and Chief Executives' Interests in Shares, Underlying Shares and Debentures

As at 31 March 2018, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have taken under such provisions), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 and 5.67 of the GEM Listing Rules, were as follows:

(i) Long position in the Shares

Name of Directors	Nature of interest	Number and class of securities (Note 1)	Approximate percentage of shareholding
Mr. Tsang Chiu Kwan (Note 2)	Interest in a controlled corporation	104,625,000 ordinary Shares (L)	28.125%
Mr. Tsang Man Ping (Note 3)	Interest in a controlled corporation	104,625,000 ordinary Shares (L)	28.125%

Notes:

1. The letter (L) denotes the person's long interest in our Shares.

2. Mr. Tsang Chiu Kwan beneficially owns the entire issued share capital of Universe King and is deemed, or taken to be, interested in all the Shares held by Universe King for purposes of the SFO.

3. Mr. Tsang Man Ping beneficially owns the entire issued share capital of Great Star and is deemed, or taken to be, interested in all the Shares held by Great Star for purposes of the SFO.

(ii) Long position in the ordinary shares of associated corporation

Name of Directors	Name of associated corporation	Nature of interest	Number of Shares held	Percentage of interest
Mr. Tsang Chiu Kwan	Universe King	Beneficial Owner	1,000	100%
Mr. Tsang Man Ping	Great Star	Beneficial Owner	1,000	100%

Save as disclosed above and so far as is known to the Directors, as at 31 March 2018, none of the Directors nor chief executives of the Company had or was deemed to have any other interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 31 March 2018, so far as is known to the Directors, the following persons other than a Director or the chief executive of the Company had an interest or a short position in the Shares or the underlying Shares, which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, which were recorded in the register of the Company required to be kept under section 336 of the SFO, or, who were directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name of shareholders	Nature of interest	Number of Shares (Note 1)	Approximate percentage of shareholding
Mr. Tsang Chiu Kwan (Note 2)	Interest in a controlled corporation	104,625,000 Shares (L)	28.125%
Ms. Leung Wai Ling ("Ms. Leung") (Note 3)	Interest of spouse	104,625,000 Shares (L)	28.125%
Universe King	Beneficial owner	104,625,000 Shares (L)	28.125%
Mr. Tsang Man Ping (Note 4)	Interest in a controlled corporation	104,625,000 Shares (L)	28.125%
Ms. Wong Lin Fun ("Ms. Wong") (Note 5)	Interest of spouse	104,625,000 Shares (L)	28.125%
Great Star	Beneficial owner	104,625,000 Shares (L)	28.125%
Mr. Lai Wai Lam Ricky ("Mr. Lai") (Note 6)	Interest in a controlled corporation	62,775,000 Shares (L)	16.875%
Ms. Chu Siu Ping ("Ms. Chu") (Note 7)	Interest of spouse	62,775,000 Shares (L)	16.875%
Giant Winchain	Beneficial owner	62,775,000 Shares (L)	16.875%

Notes:

1 The letter (L) denotes the person's long interest in our Shares.

2 Mr. Tsang Chiu Kwan beneficially owns the entire issued share capital of Universe King and is deemed, or taken to be, interested in all the Shares held by Universe King for purposes of the SFO.

3 Ms. Leung is the spouse of Mr. Tsang Chiu Kwan and is deemed, or taken to be, interested in all the Shares held by Mr. Tsang Chiu Kwan for purposes of the SFO.

4 Mr. Tsang Man Ping beneficially owns the entire issued share capital of Great Star and is deemed, or taken to be, interested in all the Shares held by Great Star for purposes of the SFO.

5 Ms. Wong is the spouse of Mr. Tsang Man Ping and is deemed, or taken to be, interested in all the Shares held by Mr. Tsang Man Ping for purposes of the SFO.

6 Mr. Lai beneficially owns the entire issued share capital of Giant Winchain and is deemed, or taken to be, interested in all the Shares held by Giant Winchain for purposes of the SFO.

7 Ms. Chu is the spouse of Mr. Lai and is deemed, or taken to be, interested in all the Shares held by Mr. Lai for purposes of the SFO.

Save as disclosed above and so far as is known to the Directors, the Directors are not aware of any person who, as at 31 March 2018, had an interest or short position in the Shares or the underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, which were recorded in the register of the Company required to be kept under section 336 of the SFO, or, directly or indirectly, be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

Share Option Scheme

The share option scheme of the Company (the "**Share Option Scheme**") is a share incentive scheme prepared in accordance with Chapter 23 of the GEM Listing Rules. The Share Option Scheme was adopted on 23 January 2018 (the "**Adoption**"). As of the date of this annual report, no option has been granted, agreed to be granted, exercised, cancelled or lapsed under the Share Option Scheme.

The following is a summary of the principal terms of the Share Option Scheme but it does not form part of, nor was it intended to be part of the Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the Share Option Scheme:

(a) Purpose of the Share Option Scheme

The Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions that eligible participants have made or may make to our Group.

(b) Who may join

On and subject to the terms of the Share Option Scheme and the GEM Listing Rules, the Board shall be entitled to make an offer to any eligible participant as the Board may in its absolute discretion. An offer shall be deemed to have been accepted when our Company receives a remittance of HK$1.00 as consideration of the grant. The offer shall remain open for acceptance by the eligible participant for a period of not less than five business days from the date on which the offer is granted.

(c) Grant of Option

The Board shall not offer grant of an option after inside information has come to our Company's knowledge until such price sensitive information has been announced pursuant to the relevant requirements of the GEM Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (a) the date of our Board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of our Company's results for any year, halfyear, quarter-year period or any other interim period (whether or not required under the GEM Listing Rules), and (b) the deadline for our Company to publish an announcement of its results for any year, half-year, or quarter-year period under the GEM Listing Rules or any other interim period (whether or not required under the GEM Listing Rules), and ending on the date of the results announcement, no option may be granted. The period during which no option may be granted will cover any period of delay in the publication of a result announcement.

The total number of shares issued and to be issued upon exercise of the options granted to each eligible participant (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the shares of the Company (or the Subsidiary) in issue. Where any grant of further options to an eligible participant would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over above this limit, such further grant shall be subject to the requirements (a) approval of the Shareholders at general meeting, with such eligible participant and its associates abstaining from voting; (b) a circular in relation to the proposal for such further grant having been sent by the Company to the Shareholders with such information from time to time as required by the GEM Listing Rules; and the number and terms of the options to be granted to such proposed grantee shall be fixed before the Shareholders' approval mentioned in (a) above.

(d) Price of Shares

The exercise price for any Share subject to the Share Option Scheme will be a price determined by our Board and notified to each grantee and shall be the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant option, which must be a trading day; (ii) an amount equivalent to the average closing price of a share as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant of the relevant option; and (iii) the nominal value of a share on the date of grant.

For the purpose of calculating the exercise price, in the event that on the date of grant, our Company has been listed for less than five trading Days, the offer price of the Share shall be used as the closing price for any trading day falling within the period before the Listing Date.

(e) Maximum number of Shares

(i) The maximum number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other schemes must not in aggregate exceed 10% of the Shares in issue as at the Listing Date (the "**Scheme Mandate Limit**") unless approved by the Shareholders pursuant to the terms of the Share Option Scheme. Options lapsed in accordance with the terms of the Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit. On the basis of 372,000,000 Shares in issue on the Listing Date, the Scheme Mandate Limit will be equivalent to 37,200,000 Shares, representing 10% of the Shares in issue as at the Listing Date.

(ii) Subject to the terms of the Share Option Scheme, the Scheme Mandate Limit may be renewed by the shareholders in general meeting from time to time provided always that the Scheme Mandate Limit so renewed must not exceed 10% of the Shares in issue as at the date of such renewal by the Shareholders in general meeting. Upon such renewal, all options previously granted under the Share Option Scheme and any other share option schemes (including those exercised, outstanding, cancelled, lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of our Company) prior to the approval of such renewal shall not be counted for the purpose of calculating the Scheme Mandate Limit as renewed. In relation to the Shareholders' approval referred to in this paragraph (ii), a circular must be sent to our Shareholders containing such relevant information from time to time required by the GEM Listing Rules.

(iii) Subject to the terms of the Share Option Scheme, the Board may seek separate Shareholders' approval in general meeting to grant options beyond the Scheme Mandate Limit provided that the options in excess of the Scheme Mandate Limit are granted only to eligible participants specifically identified by our Company before such approval is sought. Our Company shall send a circular to our Shareholders containing such relevant information from time to time as required by the GEM Listing Rules.

(iv) Notwithstanding anything contrary to the terms of the Share Option Scheme, no options may be granted under the Share Option Scheme and any other schemes of our Company if the maximum number of Shares which may be issued under the Share Option Scheme and any other share option schemes involving the issue or grant of options or similar rights over Shares or other securities by the Company must not, in aggregate, exceeds 30% of the Shares in issue from time to time.

(f) Time of exercise of Option

An option may be exercised by the grantee in accordance with the terms of the Share Option Scheme at any time during the applicable option period, provided that, among others, the period within which the option must be exercised shall not be more than 10 years from the date of the grant of option. The exercise of an option may be subject to the achievement of performance target and/or any other conditions to be imposed by our Board on each grantee, which our Board may in its absolute discretion determine.

Directors' Interests in Transactions, Arrangements or Contracts

Apart from the contracts relating to the Reorganisation and save as disclosed in this annual report, no other transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest subsisted at the end of the year or at any time during the year.

Competing Interest

For the year ended 31 March 2018, the Directors were not aware of any business or interest of the Directors, the controlling shareholders, and their respective close associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

A deed of non-competition dated 23 January 2018 was entered into by the controlling shareholders in favour of the Company (for itself and as trustee for its subsidiaries), details of which are set out in the section headed "Relationship with Controlling Shareholders" of the Prospectus.

Interests of the Compliance Adviser

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Innovax Capital Limited ("**Innovax**") to be the compliance adviser. As at 31 March 2018, as notified by Innovax, except for the compliance adviser agreement entered into between the Company and Innovax dated 15 August 2017, neither Innovax nor any of its directors or employees or associates, has or may have, any interest in the securities of the Company or any member of the Group (including options or rights to subscribe for such securities).

Related Party Transactions

Details of the related party transactions entered into by the Group are set out in note 31 to the consolidated financial statements. Such related party transactions are continuing connected transactions exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Connected Transaction and Continuing Connected Transaction

During the year, the Group has not entered into any connected transactions or continuing connected transactions that are not exempted under the GEM Listing Rules. The Board confirms that the Company has complied with the applicable disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

Further details of these continuing connected transactions are set out in the section headed "Continuing Connected Transactions" in the Prospectus.

Management Contracts

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of any business of the Group were entered into or existed during the year ended 31 March 2018.

Sufficiency of Public Float

Since the Listing Date and up to the date of this annual report, based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital is held by the public.

Events After the Reporting Period

The Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2018 and up to the date of this annual report.

Auditor

The financial statements have been audited by Messers. Deloitte Touche Tohmatsu, Certified Public Accountants, who will retire and, being eligible, offered themselves for re-appointment as auditors of the Company at the forthcoming annual general meeting. A resolution for their re-appointment as the auditor of the Company will be proposed at the forthcoming annual general meeting.

Since the incorporation of the Company up to the date of this annual report, there has been no change in auditors of the Company.

Closure of Register of Members

In order to establish entitlements to attend and vote at the forthcoming annual general meeting to be held on Friday, 3 August 2018, the register of members of the Company will be closed from 30 July 2018 to 3 August 2018 (both days inclusive), during which period no transfer of the shares will be registered. Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 27 July 2018.

Corporate Governance

Details of the corporate governance practices adopted by the Company are set out on pages 13 to 22 of this annual report.

Review by Audit Committee

The audited consolidated financial statements of the Group for the year ended 31 March 2018 have been reviewed by the audit committee. The audit committee is of the opinion that the consolidated financial statements of the Group for the year ended 31 March 2018 comply with applicable financial reporting standards, GEM Listing Rules, and that adequate disclosures have been made.

On behalf of the Board

Tsang Chiu Kwan
Chairman and Executive Director

Hong Kong, 22 June 2018

INDEPENDENT AUDITOR'S REPORT

Deloitte. 德勤

TO THE SHAREHOLDERS OF GAIN PLUS HOLDINGS LIMITED
德益控股有限公司
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Gain Plus Holdings Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 50 to 89, which comprise the consolidated statement of financial position as at 31 March 2018, 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 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 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

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.

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.

Key audit matters	How our audit addressed the key audit matter
Impairment of trade and retention receivables	
We identified the impairment of trade and retention receivables as a key audit matter due to the estimation uncertainty inherent in the management assessment's on the impairment of trade and retention receivables as well as the significance of the balance to the consolidated financial statements as a whole. As disclosed in notes 4 and 15 to the consolidated financial statements, trade receivables and retention receivables of the Group carried at HK$52,676,000 and HK$20,444,000, which represents 22% and 9% of the Group's total assets, respectively, as at 31 March 2018.	Our procedures in relation to impairment of trade receivables and retention receivables included: • Making enquiry with the management on their assessment on the impairment of trade receivables, including understanding the customers' credit worthiness, their financial condition and past payment history and focusing on long-aged trade receivables and retention receivables for which no provision was made; • Evaluating the management's assessment on the impairment of trade receivables and retention receivables with significant balances past due but not impaired by examining the subsequent settlement from these individual customers on a sample basis, or for those individual customers without any subsequent settlement, analysing the Group's business relationship with them and their credit profile; and • Evaluating the accuracy of the aging report of trade receivables and retention receivables, by checking to the construction contracts for the payment terms, including the milestone events stipulated in the contracts or the actual progress of the work performed, on a sample basis.

Key audit matters	How our audit addressed the key audit matter
Recognition of revenue and costs from construction contracts and amounts due from/to customers for contract work	
We identified recognition of revenue and costs from construction contracts and amounts due from/to customers for contract work as a key audit matter because the Group recognised revenue from construction contracts under the percentage of completion method, and measured by reference to the value of work carried out to date to the total contract value including variations in contract work which involve the management's best estimates and judgments. As disclosed in notes 5 and 16 to the consolidated financial statements, the Group recognised contract revenue of HK$527,114,000 for the year ended 31 March 2018 and amounts due from/to customers for contract work of HK$73,602,000 and HK$35,971,000, respectively, as at 31 March 2018.	Our procedures in relation to recognition of revenue and costs from construction contracts and amounts due from/to customers for contract work included: • Agreeing the budget contract revenue to the construction contracts and discussing with the Group's management on their basis of estimation, including the variations and claims to evaluate the reasonableness of their estimated total budget contract revenue based on the size and complexity of the construction contracts, and inspecting the underlying contracts with the customers of contract works, the subcontractors, and the suppliers, on a sample basis; • Discussing with the Group's management to evaluate the reasonableness of their estimated construction costs, taking into account the profit margin of similar projects, the duration and the complexity of the projects, and checking to the quotations provided by the subcontractors and suppliers, on a sample basis; • Verifying the reasonableness of the contract revenue by checking to the latest payment certificates issued by the customers before year end date, on a sample basis; and • Checking calculation of stage of completion, on a sampling basis, and performing comparisons between the percentage of completion and the percentage of progress billing on construction contracts to identify and investigate any significant differences.

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 requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion 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.

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

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

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

We communicate with 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 Chung Chin Cheung.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
22 June 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
Revenue	5	527,114	430,524
Cost of services		(485,183)	(398,509)
Gross profit		41,931	32,015
Other income and gains	7	560	1,869
Administrative expenses		(12,023)	(5,816)
Listing expenses		(15,618)	—
Finance costs	8	(104)	(76)
Profit before taxation		14,746	27,992
Income tax expense	9	(5,068)	(4,366)
Profit and total comprehensive income for the year attributable to owners of the Company	10	9,678	23,626
Earnings per share	13		
Basic (HK cents)		3.33	11.29

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
Non-current assets			
Plant and equipment	14	2,379	1,725
Deposits for acquisition of plant and equipment		547	166
		2,926	1,891
Current assets			
Trade and other receivables	15	90,387	47,212
Amounts due from customers for contract work	16	73,602	32,290
Amounts due from shareholders	17	—	18,419
Bank balances and cash	18	69,017	6,412
		233,006	104,333
Current liabilities			
Trade and other payables	19	70,151	29,018
Amounts due to customers for contract work	16	35,971	26,866
Tax payable		4,214	3,732
Obligations under finance leases	20	959	699
		111,295	60,315
Net current assets		121,711	44,018
Total assets less current liabilities		124,637	45,909
Non-current liabilities			
Obligations under finance leases	20	1,263	1,213
Deferred tax liabilities	21	149	89
		1,412	1,302
Net assets		123,225	44,607
Capital and reserves			
Share capital	22	3,720	10
Reserves		119,505	44,597
Total equity		123,225	44,607

The consolidated financial statements on pages 50 to 89 were approved and authorised for issue by the board of directors on 22 June 2018 and are signed on its behalf by:

Tsang Chiu Kwan
Director

Tsang Man Ping
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2018

	Share capital HK$'000	Share premium HK$'000	Capital reserve HK$'000 (note a)	Other reserve HK$'000 (note b)	Retained earnings HK$'000	Total HK$'000
At 1 April 2016	10	—	—	(3,337)	32,271	28,944
Profit and total comprehensive income for the year	—	—	—	—	23,626	23,626
Dividends paid (note 11)	—	—	—	—	(7,963)	(7,963)
At 31 March 2017	10	—	—	(3,337)	47,934	44,607
Profit and total comprehensive income for the year	—	—	—	—	9,678	9,678
Issue of shares by Double Gain Engineering Limited ("Double Gain")	20,000	—	—	—	—	20,000
Issue of shares by Nation Max Holdings Limited ("Nation Max") to acquire controlling interest of Double Gain as part of the group reorganisation	(20,010)	68,893	(48,883)	—	—	—
Capitalisation issue (note 22(c))	2,790	(2,790)	—	—	—	—
Issue of new shares upon listing	930	73,470	—	—	—	74,400
Share issuance costs	—	(7,041)	—	—	—	(7,041)
Dividends paid (note 11)	—	—	—	—	(18,419)	(18,419)
At 31 March 2018	3,720	132,532	(48,883)	(3,337)	39,193	123,225

Notes:

(a) The capital reserve represents the difference between the nominal value of share capital of Nation Max and Double Gain upon insertion of Nation Max between Double Gain and its then shareholders as part of the Reorganisation (as defined in note 1).

(b) Other reserve represents the differences between the principal amount of amounts due from Mr. Tsang Chiu Kwan and Mr. Tsang Man Ping, both being the shareholders of the Company, and present value of estimated future cash flows discounted at the original effective interest rate, and the differences are recognised directly in equity as deemed distributions.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2018

	2018 HK$'000	2017 HK$'000
Operating activities		
Profit before taxation	14,746	27,992
Adjustments for:		
Depreciation	1,166	987
Imputed interest income on amounts due from shareholders	—	(1,438)
Interest expense	104	76
Gain on disposal of plant and equipment	(250)	(63)
Operating cash flows before movements in working capital	15,766	27,554
Increase in trade and other receivables	(43,175)	(20,512)
Increase in amounts due from customers for contract work	(41,312)	(7,538)
Increase in trade and other payables	41,033	11,097
Increase in amounts due to customers for contract work	9,105	9,636
Cash (used in) generated from operations	(18,583)	20,237
Income tax paid	(4,526)	(5,256)
Net cash (used in) from operating activities	(23,109)	14,981
Investing activities		
Repayment from shareholders	—	274
Advances to shareholders	—	(2,609)
Purchase of plant and equipment	(491)	(430)
Deposits paid for acquisition of plant and equipment	(381)	(40)
Proceeds from disposal of plant and equipment	305	70
Net cash used in investing activities	(567)	(2,735)
Financing activities		
Proceeds from issue of shares	74,400	—
Share issuance costs	(6,941)	—
Proceeds from issue of shares by a subsidiary	20,000	—
Dividend paid	—	(7,963)
Repayment of obligations under finance leases	(1,074)	(771)
Interest paid	(104)	(76)
Net cash from (used in) financing activities	86,281	(8,810)
Net increase in cash and cash equivalents	62,605	3,436
Cash and cash equivalents at the beginning of the year	6,412	2,976
Cash and cash equivalents at the end of the year	69,017	6,412

1. General, Group Reorganisation and Basis of Preparation and Presentation of Consolidated Financial Statements

Gain Plus Holdings Limited ("the Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 4 July 2017 and its shares have been listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with effect from 13 February 2018. The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" in the annual report.

The Company acts as an investment holding company and its subsidiaries are principally engaged in the provision of building construction services and repair, maintenance, addition and alteration services ("**RMAA Services**").

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

In preparation of the listing of the Company's shares on GEM of the Stock Exchange (the "**Listing**") and pursuant to the reorganisation ("**Reorganisation**") as set out in the section headed "History, Corporate Structure and Reorganisation" to the Company's prospectus dated 30 January 2018, the Reorganisation involved incorporation of and interspersing the Company, Nation Max Holdings Limited and other investment holding companies between Double Gain and the then shareholders. Upon the completion of the Reorganisation, the Company has become the holding company of the companies now comprising the Group on 23 January 2018. The Company and its subsidiaries (collectively referred as the "**Group**") resulting from the Reorganisation is regarded as a continuing entity.

The consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended 31 March 2018 and 2017 which include the results, changes in equity and cash flows of the companies now comprising the Group have been prepared as if the current group structure upon completion of the Reorganisation had been in existence since 1 April 2016, or since their respective dates of incorporation, where there is a shorter period. The consolidated statement of financial position of the Group as at 31 March 2017 has been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure had been in existence at those dates taking into account the respective dates of incorporation, where applicable.

2. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs")

The Group has adopted and consistently applied HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are effective for the Group's financial year beginning on 1 April 2017 for both current and prior years.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers and the related Amendments[1]
HKFRS 16	Leases[2]
HKFRS 17	Insurance Contracts[4]
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration[1]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[2]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[2]
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 19	Plan Amendment, Curtailment or Settlement[2]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[2]
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle[1]
Amendments to HKAS 40	Transfers of Investment Property[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle[2]

1 Effective for annual periods beginning on or after 1 January 2018.
2 Effective for annual periods beginning on or after 1 January 2019.
3 Effective for annual periods beginning on or after a date to be determined.
4 Effective for annual periods beginning on or after 1 January 2021.

HKFRS 9 Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are:

- all recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income. All other financial assets are measured at their fair value at subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") (Continued)

HKFRS 9 Financial Instruments (Continued)

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group's financial instruments and risk management policies as at 31 March 2018, the directors of the Company anticipate the following potential impact on initial application of HKFRS 9:

Classification and measurement:

Loans and receivables carried at amortised cost: these are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortised cost upon the application of HKFRS 9.

Impairment

In general, the directors of the Company anticipate that the application of the expected credit loss model of HKFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised cost and other items that are subject to the impairment provisions upon application of HKFRS 9 by the Group.

Based on the assessment by the directors of the Company, if the expected credit loss model were to be applied by the Group, it is not likely to have material impact on the results and financial position of the Group.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

2. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

Under HKFRS 15, an entity 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. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The Group has assessed that the contracts with customers fulfill the criteria for recognising revenue over time under HKFRS 15. Two methods can be used under HKFRS 15 to measure the Group's progress towards complete satisfaction of a performance obligation satisfied over time, including output method and input method. In measuring the work progress under HKFRS 15, the Group considers that an output method with reference to payment certificates issued by customers would faithfully depict the transfer of control of goods or services to customers for individual projects under HKFRS 15. So far as the measurement of progress for the Group's typical contracts is concerned, based on the existing business model of the Group as at 31 March 2018 and assessment performed, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the consolidated financial statements of the Group in the future. However, the directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures.

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 lease 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, amongst others. For the classification of cash flows, the Group currently presents finance lease payments as financing cash flows and operating lease payments as operating cash flows. Under the 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.

2. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") (Continued)

HKFRS 16 Leases (Continued)

Under HKAS 17, the Group has already recognised as asset and a related finance lease liability for the finance lease arrangement where a group entity is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, 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.

As at 31 March 2018, the Group has non-cancellable operating lease commitments of HK$300,000 as disclosed in note 25. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise 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 upon the application of HKFRS 16. The combination of straight-line depreciation of the right-of-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to the profit or loss in the initial years of the lease, and decreasing expenses during the latter part of the lease term, but there is no impact on the total expenses recognised over the lease term. The directors of the Company anticipate that the application of HKFRS 16 would not have significant impact on the financial position and performance of the Group comparing with HKAS 17 currently adopted by the Group.

In addition, the Group currently considers refundable rental deposits paid of HK$98,000 as rights 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 and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be included in the carrying amount of right-of-use assets.

Furthermore, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above.

Except for the above, the directors of the Company anticipate that the application of the other new or amendments to HKFRSs will have no material impact on the Group's consolidated financial statements in the future.

3. Significant Accounting Policies

The consolidated financial statements have been prepared on the historical cost basis and in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include 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.

Historical cost is generally based on the fair value of the consideration given in exchange of 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 the 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 the consolidated financial statements is determined on such 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 measurement 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.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiary. 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.

3. Significant Accounting Policies (Continued)

Basis of consolidation (Continued)

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 consolidated 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.

Where necessary, adjustments are made to the financial statements of subsidiary to bring its accounting policies into line with the Group's accounting policies.

All intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from construction contracts including provision of building construction services, repair, maintenance and addition and alteration services is recognised on the percentage of completion method. The Group's policy for recognition of revenue from construction is described in accounting policy for construction contracts below.

Handling income is recognised when services are provided.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Construction contracts

Where the outcome of a construction 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 the reporting period, measured by reference to the value of work carried to date as a percentage of total contract value. Variations in contract work are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses 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.

3. Significant Accounting Policies (Continued)

Construction contracts (Continued)

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 received before the related work is performed are included in the consolidated statement of financial position, as a liability, as advances received from customers. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under trade and other receivables.

Borrowing costs

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

Other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as obligations under finance leases.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Retirement benefit costs

Payments to defined contribution retirement benefits schemes are recognised as an expense when employees have rendered services entitling them to the contributions.

3. Significant Accounting Policies (Continued)

Taxation

Income tax expense represents the sum of the tax 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 items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liabilities for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Such deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business consolidation) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Plant and equipment

Plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of 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 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.

3. Significant Accounting Policies (Continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair values of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

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.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (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 debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. loans and receivables (including trade and other receivables, amounts due from shareholders 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).

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the 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 financial assets, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period or observable changes in national or local economic conditions that correlate with default on receivables.

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.

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. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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 loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount 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

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into 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 a group entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities (including trade and other payables) are subsequently measured at amortised cost using the effective interest method.

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash 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 liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity 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.

Impairment on tangible assets

At the end of the 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 asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where 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 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.

3. Significant Accounting Policies (Continued)

Impairment on tangible assets (Continued)

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4. Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate 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 key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Key Sources of Estimation Uncertainty (Continued)

Construction contracts

Revenue from construction contract is recognised under the percentage of completion method which requires estimation made by the management of the Group. Anticipated losses are fully provided on contracts when identified. The management of the Group estimates the contract costs and foreseeable losses of construction based on the budgets prepared for the contracts. Because of the nature of the activities undertaken in construction businesses, the management of the Group reviews and revises the estimates of contract costs in the budget prepared for each contract as the contract progresses. Where the contract revenue is less than expected or actual contract costs are more than expected, the gross profit may need to be adjusted downward or additional losses may need to be recognised. As at 31 March 2018, the carrying amounts of amounts due from customers for contract work and amounts due to customers for contract work are HK$73,602,000 and HK$35,971,000 (2017: HK$32,290,000 and HK$26,866,000), respectively.

Estimated impairment of trade and retention receivables

The management assesses the impairment for trade and retention receivables by understanding the customers' credit worthiness, their financial position and past payment history and examining the subsequent settlement from these individual customers.

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. The carrying amount of trade and retention receivables as at 31 March 2018 is HK$52,676,000 and HK$20,444,000 (2017: HK$36,738,000 and HK$4,553,000), respectively.

5. Revenue

Revenue represents the net amounts received and receivable for provision of building construction service and RMAA Services rendered by the Group to customers.

An analysis of the Group's revenue is as follows:

	2018 HK$'000	2017 HK$'000
Contract revenue from provision of building construction services	95,679	50,953
Contract revenue from provision of RMAA Services	431,435	379,571
	527,114	430,524

6. Segment Information

The Group focuses primarily on the provision of building construction services and RMAA Services in Hong Kong. The operation of the Group constitutes one single operating and reportable segment. The management of the Group, being the chief operating decision maker of the Group, review the revenue and operating results of the Group as a whole which is prepared based on the same accounting policies as set out in note 3 above to make decisions about resource allocation and performance assessment and accordingly no separate segment information is prepared other than entity-wide disclosure.

The Group's revenue from external customers was derived solely from its operations in Hong Kong during both years, and the non-current assets of the Group were all located in Hong Kong as at 31 March 2018 and 2017.

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group are as follows:

	2018 HK$'000	2017 HK$'000
Customer A	**215,269**	81,339
Customer B	**173,234**	236,267
Customer C	**66,541**	49,872

7. Other Income and Gains

	2018 HK$'000	2017 HK$'000
Gain on disposal of plant and equipment	**250**	63
Handling income	**307**	262
Imputed interest income on amounts due from shareholders	**—**	1,438
Others	**3**	106
	560	1,869

8. Finance Costs

	2018 HK$'000	2017 HK$'000
Interest on finance leases	104	76

9. Income Tax Expense

	2018 HK$'000	2017 HK$'000
The income tax expense comprises:		
Hong Kong Profits Tax:		
Current tax	5,019	4,308
Overprovision in prior year	(11)	—
	5,008	4,308
Deferred tax (note 21)	60	58
	5,068	4,366

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

9. Income Tax Expense (Continued)

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

	2018 HK$'000	2017 HK$'000
Profit before taxation	14,746	27,992
Tax at Hong Kong Profits Tax rate of 16.5%	2,433	4,619
Tax effect of expenses not deductible for tax purpose	2,674	2
Tax effect of deductible temporary differences not recognised	—	(10)
Tax effect of income not taxable for tax purpose	—	(238)
Overprovision in prior year	(11)	—
Others	(28)	(7)
Income tax expense for the year	5,068	4,366

10. Profit for the Year

	2018 HK$'000	2017 HK$'000
Profit for the year is arrived at after charging:		
Staff costs		
Gross staff costs (including directors' emoluments below)	41,071	26,866
Auditor's remuneration	830	200
Depreciation of plant and equipment	1,166	987
Directors' emoluments (see note 12)	3,470	1,420
Minimum lease payments in respect of office and warehouse	320	144

11. Dividends

Double Gain declared interim dividend for the year ended 31 March 2017 of HK$18,419,000 (2017: HK$7,963,000 for the year ended 31 March 2017) to Mr. Tsang Chiu Kwan and Mr. Tsang Man Ping, the then shareholders of Double Gain.

The rate of dividend and number of shares ranking for dividend are not presented as such information is not considered meaningful having regard to the purpose of the consolidated financial statements.

12. Directors' and Chief Executive's Emoluments and Employees' Emoluments

(a) Directors' emoluments and chief executive's emoluments

Details of the emoluments paid or payable by the Group, disclosed pursuant to the applicable GEM Listing Rules and the Hong Kong Companies Ordinance, were as follows:

	Year ended 31 March 2018				
Name of directors	Fees HK$'000	Salaries and other allowances HK$'000	Discretionary Bonus HK$'000	Retirement benefit scheme contributions HK$'000	Total HK$'000
Executive directors:					
Mr. Tsang Chiu Kwan[#]	–	840	500	22	1,362
Mr. Tsang Man Ping[#]	–	840	670	22	1,532
Mr. Lee Alexander Patrick[#]	–	250	225	8	483
Subtotal	–	1,930	1,395	52	3,377

The executive directors' emoluments shown above were for their services in connection with management of the affairs of the Company and the Group.

	Year ended 31 March 2018				
Name of directors	Fees HK$'000	Salaries and other allowances HK$'000	Discretionary Bonus HK$'000	Retirement benefit scheme contributions HK$'000	Total HK$'000
Independent non-executive directors:					
Mr. So Chun Man*	31	–	–	–	31
Mr. Chen Yeung Tak*	31	–	–	–	31
Ms. Li Amanda Ching Man*	31	–	–	–	31
Subtotal	93	–	–	–	93
Total	93	1,930	1,395	52	3,470

The independent directors' emoluments shown above were for their services as directors of the Company.

Mr. Tsang Chiu Kwan, Mr. Tsang Man Ping and Mr. Lee Alexander Patrick were appointed as an executive director of the Company on 27 July 2017. Mr. Tsang Man Ping was also the chief executive officer of the Company.

* Mr. So Chun Man, Mr. Chen Yeung Tak and Ms. Li Amanda Ching Man were appointed as independent non-executive directors of the Company on 23 January 2018.

12. Directors' and Chief Executive's Emoluments and Employees' Emoluments (Continued)

(a) Directors' emoluments and chief executive's emoluments (Continued)

Name of directors	Year ended 31 March 2017 Fees HK$'000	Salaries and other allowances HK$'000	Discretionary Bonus HK$'000	Retirement benefit scheme contributions HK$'000	Total HK$'000
Mr. Tsang Chiu Kwan	—	700	—	10	710
Mr. Tsang Man Ping	—	700	—	10	710
	—	1,400	—	20	1,420

The bonus was discretionary as determined with reference to performance and market trends.

(b) Employees' emoluments

The five highest paid individuals of the Group during the year ended 31 March 2018 include two (2017: two) directors, details of whose emoluments are set out above. Details of the three (2017: three) highest paid individuals for the year ended 31 March 2018 are as follows:

	2018 **HK$'000**	2017 HK$'000
Salaries and other allowances	**1,391**	1,224
Discretionary Bonus	**1,081**	225
Retirement benefit scheme contributions	**49**	34
	2,521	1,483

12. Directors' and Chief Executive's Emoluments and Employees' Emoluments (Continued)

(b) Employees' emoluments (Continued)

The emoluments of the highest paid employees were within the following bands:

	2018 No. of individuals	2017 No. of individuals
Nil to HK$1,000,000	2	3
HK$1,000,001 to HK$1,500,000	1	—

During both years, no emoluments were paid by the Group to any of the directors or chief executive or five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

13. Earnings Per Share

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	2018 HK$'000	2017 HK$'000
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	9,678	23,626

	2018 '000	2017 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share (note)	290,975	209,250

Note: The weighted average number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that the capitalisation issue (details as set out in note 22) had been effective on 1 April 2016.

Diluted earnings per share are not presented as there were no potential ordinary shares in issue during both years.

14. Plant and Equipment

	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST				
At 1 April 2016	—	141	4,095	4,236
Additions	—	430	1,233	1,663
Disposals	—	—	(730)	(730)
At 31 March 2017	—	571	4,598	5,169
Additions	185	126	1,564	1,875
Disposals	—	(67)	(502)	(569)
At 31 March 2018	185	630	5,660	6,475
DEPRECIATION				
At 1 April 2016	—	54	3,126	3,180
Provided for the year	—	104	883	987
Eliminated on disposals	—	—	(723)	(723)
At 31 March 2017	—	158	3,286	3,444
Provided for the year	87	116	963	1,166
Eliminated on disposals	—	(40)	(474)	(514)
At 31 March 2018	87	234	3,775	4,096
CARRYING VALUES				
At 31 March 2018	98	396	1,885	2,379
At 31 March 2017	—	413	1,312	1,725

14. Plant and Equipment (Continued)

Depreciation is provided to write off the cost of items of plant and equipment over their estimated useful lives and after taking into account of their estimated residual values, using the straight-line method, at the following rates per annum:

Leasehold improvements	50% or the term of the lease, whichever is shorter
Furniture, fixtures and equipment	20%
Motor vehicles	30%

As at 31 March 2018, motor vehicles with carrying amounts of HK$1,720,000 (2017: HK$1,272,000) are under finance leases arrangement (note 20).

15. Trade and Other Receivables

	2018 HK$'000	2017 HK$'000
Trade receivables	52,676	36,738
Retention receivables	20,444	4,553
Prepayments to subcontractors	16,652	5,375
Other receivables and prepayment	615	546
Total trade and other receivables	90,387	47,212

Trade receivables

Trade receivables represent amounts receivable for works certified after deduction of retention money.

The Group allows a credit period of 30 days to its customers. The extension of credit period to customers may be granted on a discretionary basis by considering the credit worthiness, the customers' financial condition and payment history with the Group. The following is an aged analysis of trade receivables presented based on dates of works certified at the end of the reporting period, net of allowance for doubtful debts.

	2018 HK$'000	2017 HK$'000
1–30 days	21,295	29,471
31–60 days	23,798	5,514
61–90 days	—	267
Over 90 days	7,583	1,486
	52,676	36,738

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customers. Recoverability of the trade receivables from existing customers is reviewed by the Group regularly.

15. Trade and Other Receivables (Continued)

Trade receivables (Continued)

As at 31 March 2018, included in the Group's trade receivable balances are receivables with aggregate carrying amount of HK$31,381,000 (2017: HK$7,267,000), which is past due at the end of the reporting period for which the Group has not provided for impairment loss as these balances are either subsequently settled or there has not been a significant change in credit quality and the amounts were still considered recoverable. Accordingly, the directors of the Company believe that no impairment loss was required. The Group does not hold any collateral over these balances.

Aging of trade receivables which are past due but not impaired:

	2018 HK$'000	2017 HK$'000
Overdue		
1–30 days	23,798	5,514
31–60 days	—	267
Over 90 days	7,583	1,486
	31,381	7,267

Retention receivables

Retention receivables represent the retention money withheld from the amounts receivable for work certified. The due date of retention receivables is ranging from 3 months to 2 years from the date of the completion of respective project. Retention receivables are unsecured, interest-free and recoverable at the end of the defective liability period of respective contract.

The following is an aged analysis of retention receivables, based on invoice date of respective project, at the end of the reporting period.

	2018 HK$'000	2017 HK$'000
Within one year	19,054	2,646
After one year	1,390	1,907
	20,444	4,553

In determining the recoverability of trade and retention receivables, the Group considers any change in credit quality of the trade and retention receivables from the date credit was initially granted up to the end of the reporting period.

16. Amounts Due from (to) Customers for Contract Work

	2018 HK$'000	2017 HK$'000
Contracts in progress at the end of the reporting period:		
Contract costs incurred plus recognised profits less recognised losses	1,361,206	888,028
Less: Progress billings	(1,323,575)	(882,604)
	37,631	5,424
Analysed for reporting purposes as:		
Amounts due from customers for contract work	73,602	32,290
Amounts due to customers for contract work	(35,971)	(26,866)
	37,631	5,424

As at 31 March 2018, retention receivables held by customers for contract work amounting to HK$20,444,000 (2017: HK$4,553,000), were set out in note 15. Advances received from customers at 31 March 2018 are HK$28,639,000 (2017: HK$4,494,000), were set out in trade and other payables in note 19.

17. Amounts Due from Shareholders

	Principal amounts At 31 March		At 1 April	Maximum amount outstanding during the year ended 31 March	
	2018	2017	2016	**2018**	2017
	HK$'000	HK$'000	HK$'000	**HK$'000**	HK$'000
— Mr. Tsang Chiu Kwan (note)	**–**	9,149	8,043	**9,149**	9,348
— Mr. Tsang Man Ping (note)	**–**	9,270	8,041	**9,270**	9,292
	–	18,419	16,084		
Carrying value analysed for reporting purposes: Current assets	**–**	18,419			

The balances are non-trade in nature, unsecured, interest-free and repayable on demand.

Note: Amounts due from shareholders represented advances provided by the Group to Mr. Tsang Chiu Kwan and Mr. Tsang Man Ping. The amounts were discounted using an effective interest rate of 10% per annum and the imputed interest income recognised in profit or loss for the year ended 31 March 2017 was HK$1,438,000 (2018: nil). In the opinion of the directors of the Company, the amounts due from shareholders as at 31 March 2017 will be settled within twelve months, accordingly, the amount was classified as current assets. These advances were settled in October 2017 by offsetting with the dividends of the same amount distributed to Mr. Tsang Chiu Kwan and Mr. Tsang Man Ping (note 11).

18. Bank Balances and Cash

Bank balances and cash comprises cash on hand and bank balances. As at 31 March 2018, bank balances carry interest at prevailing market interest rates which were ranging from 0.01% to 0.03% (2017: 0.01% to 0.03%) per annum.

19. Trade and Other Payables

Trade and other payables at the end of the reporting period comprise amounts outstanding for trade purposes and daily operating costs. The average credit period on trade purchase is 30 to 60 days.

	2018 HK$'000	2017 HK$'000
Trade payables	30,598	14,986
Retention payables	4,471	6,596
Advances received from customers	28,639	4,494
Accrued listing expenses/shares issue expenses	1,881	—
Accruals and other payables	4,562	2,942
Total trade and other payables	70,151	29,018

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

	2018 HK$'000	2017 HK$'000
1–30 days	20,030	8,575
31–60 days	4,333	1,737
61–90 days	2,139	389
Over 90 days	4,096	4,285
	30,598	14,986

Retention payables represent the retention money withheld from the amounts payable for work performed by the subcontractors. 50% of the retention money is normally due upon completion of respective project and the remaining 50% portion is due upon the end of the defect liability period of individual contracts, ranging from 3 months to 1 year from the date of the completion of respective project. The amount is unsecured, interest-free and repayable at the end of the defective liability period of respective contract. As at 31 March 2018, all the retention payables were aged within one year (2017: aged within one year).

20. Obligations under Finance Leases

	2018 HK$'000	2017 HK$'000
Analysed for reporting purposes as:		
Current liabilities	959	699
Non-current liabilities	1,263	1,213
	2,222	1,912

The Group's leased its motor vehicles under finance leases. The average lease term is 4.6 (2017: 4.0) years. Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 1.75% to 2.50% (2017: 1.75% to 4.20%) per annum.

	Minimum lease payments At 31 March		Present value of minimum lease payments At 31 March	
	2018 HK$'000	2017 HK$'000	2018 HK$'000	2017 HK$'000
Obligations under finance leases payable				
Within one year	1,018	759	959	699
Within a period of more than one year but not more than two years	638	762	607	735
Within a period of more than two years but not more than five years	670	494	656	478
	2,326	2,015	2,222	1,912
Less: Future finance charges	(104)	(103)	N/A	N/A
Present value of lease obligations	2,222	1,912		
Less: Amount due for settlement with 12 months (shown under current liabilities)			(959)	(699)
Amount due for settlement after 12 months			1,263	1,213

21. Deferred Taxation

The followings are the deferred tax liabilities recognised by the Group and movements thereon during the reporting period:

	Accelerated tax depreciation HK$'000
At 1 April 2016	31
Charged to profit or loss (note 9)	58
At 31 March 2017	89
Charged to profit or loss (note 9)	60
At 31 March 2018	149

22. Share Capital

The share capital as at 31 March 2017 represented the share capital of Double Gain.

Details of the changes in the Company's share capital during the period from 4 July 2017 (date of incorporation) to 31 March 2018 are as follows:

	Number of shares	Amount HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 4 July 2017 (date of incorporation) (note a)	39,000,000	390
Increase in authorised share capital (note b)	741,000,000	7,410
At 31 March 2018	780,000,000	7,800
Issued and fully paid:		
At 4 July 2017 (date of incorporation) (note a)	1	—
Issue of shares (note a)	10,999	—
Issue of shares pursuant to the capitalisation issue (note c)	278,989,000	2,790
Issue of shares pursuant to the placing (note d)	65,100,000	651
Issue of shares pursuant to the public offer (note d)	27,900,000	279
At 31 March 2018	372,000,000	3,720

22. Share Capital (Continued)

The new shares issued rank pari passu in all respects with existing shares.

Notes:

(a) On 4 July 2017, the Company was incorporated in the Cayman Islands as an exempted company with limited liability with an initial authorised share capital of HK$390,000 divided into 39,000,000 shares of HK$0.01 each, of which one share was allotted and issued as fully paid to an initial subscriber (who is an independent third party) at par. During the year ended 31 March 2018, 10,999 shares were allotted and issued as fully paid.

(b) Pursuant to the written resolutions of the shareholders passed on 23 January 2018, the authorised share capital of the Company was increased from HK$390,000 to HK$7,800,000 by the creation of a further 741,000,000 shares of HK$0.01 each.

(c) On 13 February 2018, the Company capitalised the sum of HK$2,790,000 standing to the credit of the share premium account of the Company and applied the amount towards paying up in full 279,000,000 shares of nominal value of HK$0.01 each for allotment to the shareholders whose names appear on the register of members of the Company immediately before the listing of the shares of the Company on the Stock Exchange.

(d) On 13 February 2018, the Company allotted and issued 65,100,000 and 27,900,000 new shares of par value of HK$0.01 each, at HK$0.8 per share credited as fully paid, pursuant to the placing and public offer, respectively.

23. Retirement Benefit Plans

The Group participates in a Mandatory Provident Fund Scheme (the "MPF Scheme") for its employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the MPF Scheme.

The retirement benefit scheme contributions arising from the MPF Scheme charged to profit or loss for the year ended 31 March 2018 is HK$1,561,000 (2017: HK$1,066,000), which represent contributions payable to the funds by the Group at rates specified in the rules of the scheme.

24. Share Option Scheme

The Company's share option scheme was adopted pursuant to a resolution passed on 23 January 2018 for the primary purpose of providing incentives to directors and eligible employees. Under the scheme, the directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to outside third parties for settlement in respect of goods or services provided to the Company. Details of the share option scheme are disclosed in the Directors' Report of this annual report.

During the year ended 31 March 2018, the Group did not granted any share option under the share option scheme of the Company.

25. Operating Leases

The Group had future aggregate minimum lease payables under non-cancellable operating leases in respect of an office as follows:

	2018 HK$'000	2017 HK$'000
Within one year	293	—
After one year but within five years	7	—
	300	—

Operating lease payments represent rentals payable by the Group for certain office premises, workshops and warehouses. Leases are negotiated for terms of two years.

26. Capital Commitments

	2018 HK$'000	2017 HK$'000
Capital expenditure in respect of the acquisition of plant and equipment contracted for but not provided in the consolidated financial statements	778	—

27. 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 the shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of cash and cash equivalents and equity comprising issued share capital and reserves.

The management of the Group reviews the capital structure on a continuous basis. As part of this review, the management of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through payment of dividends, issue of new shares as well as issue of new debts or redemption of existing debts.

28. Financial Instruments

Categories of financial instruments

	2018 HK$'000	2017 HK$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	142,137	66,122
Financial liabilities		
Amortised cost	35,069	21,582

Financial risk management objectives and policies

The Group's financial instruments include trade and other receivables, amounts due from shareholders, bank balances and cash and trade and other payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include credit risk and liquidity risk. 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.

Credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade receivable and other receivable at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

The policy of allowances for doubtful debts of the Group is based on the evaluation and estimation of collectability and ageing analysis of the outstanding debts. Specific allowance is only made for receivables that are unlikely to be collected and is recognised on the difference between the estimated future cash flows expected to receive discounted using the original effective interest rate and the carrying value. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required. The management closely monitors the subsequent settlement of the counterparties. In this regard, the directors of the Company consider that the credit risk is significantly reduced.

The Group is exposed to concentration of credit risk as at 31 March 2018 on trade and retention receivables from the Group's three major customers amounting to HK$56,530,000 (2017: HK$28,915,000) and accounted for 77% (2017: 70%) of the Group's total trade and retention receivables. In the opinion of the management of the Group, the major customers of the Group are certain reputable organisations in the market with good settlement history. The management of the Group considers that the credit risk is limited in this regard.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

28. Financial Instruments (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management of the Group believes that the Group will have sufficient working capital for its future operational requirement.

The following tables detail 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. The maturity dates for non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interests and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from contracted interest rate curve at the end of the reporting period.

	Weighted average interest rate	On demand or less than 1 year	1–5 years	Total undiscounted cash flows	Carrying amount
	%	HK$'000	HK$'000	HK$'000	HK$'000
At 31 March 2018					
Non-derivative financial liabilities					
Trade and retention payables	**—**	**35,069**	**—**	**35,069**	**35,069**
Obligations under finance leases	**1.89**	**1,018**	**1,308**	**2,326**	**2,222**
		36,087	**1,308**	**37,395**	**37,291**
At 31 March 2017					
Non-derivative financial liabilities					
Trade and retention payables	—	21,582	—	21,582	21,582
Obligations under finance leases	3.27	759	1,256	2,015	1,912
		22,341	1,256	23,597	23,494

Fair value

The fair values of financial assets and financial liabilities recorded at amortised cost are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The 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.

29. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the Group's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows from financing activities.

	Obligation under finance leases HK$'000	Dividend payable HK$'000	Accrued shares issue expenses HK$'000	Total HK$'000
At 1 April 2016	1,450	—	—	1,450
Acquisition	1,233	—	—	1,233
Interest accrued	76	—	—	76
Dividend declared	—	7,963	—	7,963
Financing cash flows	(847)	(7,963)	—	(8,810)
At 31 March 2017	1,912	—	—	1,912
Acquisition	1,384	—	—	1,384
Interest accrued	104	—	—	104
Share issuance costs	—	—	7,041	7,041
Financing cash flows	(1,178)	—	(6,941)	(8,119)
At 31 March 2018	2,222	—	100	2,322

30. Major Non-Cash Transactions

During the year ended 31 March 2018, the Group entered into a finance lease arrangement in respect of a motor vehicle with a value of approximately HK$1,384,000 (2017: HK$1,233,000) at the inception of lease. In addition, during the year ended 31 March 2018, the Company declared dividends amounting to HK$18,419,000 (2017: nil) which is settled by offsetting the amounts due from shareholders in the same amount.

31. Related Party Transactions

Other than the transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with related parties during the year:

(i) Transactions

	2018 HK$'000	2017 HK$'000
Purchases of materials from:		
Victor Link Trading Limited (note)	14	196
Speed Well Building Material (note)	–	1,226

Note: The Group's related party transactions were carried out in accordance with the terms and conditions mutually agreed by the contracting parties. Mr. Tsang Chiu Kwan and Mr. Tsang Man Ping are the common directors and ultimate controlling parties of Victor Link Trading Limited and were partners of Speed Well Building Material until April 2017 when Speed Well Building Material was dissolved and ceased to be the Group's related party.

The directors of the Company, Mr. Tsang Chiu Kwan and Mr. Tsang Man Ping, provided personal guarantees in favour of certain customers of the Group, which are the main contractors, in respect of certain building construction services and RMAA Services projects of the Group with an aggregate contract sum of HK$1,041.6 million as at 31 March 2017. The personal guarantees served as securities for the due performance and observance of the Group's obligations under the contracts and Mr. Tsang Chiu Kwan and Mr. Tsang Man Ping agreed to indemnify the relevant customers for any loss or damage suffered as a result of our Group's default under the contracts. All personal guarantees were released before December 2017.

A director of the Company, Mr. Tsang Man Ping, entered into a tenancy agreement with landlord in respect of a premises that was used by the Group as an office and storage of goods. The rental expenses incurred by the Group during the year ended 31 March 2018 is HK$36,000 (2017: HK$144,000). The tenancy agreement was terminated in June 2017.

(ii) Balances

Details of the balances with related parties are set out in the consolidated statement of financial position and note 17.

(iii) Compensation of key management personnel

The remuneration of the directors of the Company and the other members of key management are disclosed in note 12.

32. Particular of Subsidiaries

At 31 March 2018, the Company has direct and indirect equity interests in the following subsidiaries:

Name of subsidiary	Place of incorporation/ operation	Kind of legal entity	Issued and fully paid capital	Equity interest attributable to the Company as at 31 March 2018	2017	Principal activities
Directly held						
Nation Max	BVI/Hong Kong	Limited liability company	US$10,000	100%	N/A	Investment holding
Indirectly held						
Double Gain	Hong Kong	Limited liability company	HK$20,010,000	100%	100%	Provision of building construction services and RMAA Services

None of the subsidiaries had issued any debt securities at the end of the year.

33. Statement of Financial Position and Reserves of the Company

Information about the statement of financial position of the Company at the end of the reporting period includes:

	2018 HK$'000
Non-current asset	
Investment in a subsidiary	68,893
Current assets	
Other receivables	75
Amounts due from subsidiaries	1,355
Bank balances and cash	51,833
	53,263
Current liability	
Other payables	2,098
Net assets	120,058
Capital and reserves	
Share capital	3,720
Reserves	116,338
Total equity	120,058

33. Statement of Financial Position and Reserves of the Company (Continued)

Movement of the reserves of the Company is as follows:

	Share premium HK$'000	Accumulated losses HK$'000	Total HK$'000
At 4 July 2017 (date of incorporation)	—	—	—
Arising from group reorganisation	68,893	—	68,893
Capitalisation issue	(2,790)	—	(2,790)
Issue of new shares upon listing	73,470	—	73,470
Share issuance costs	(7,041)	—	(7,041)
Loss and total comprehensive expense for the period	—	(16,194)	(16,194)
At 31 March 2018	132,532	(16,194)	116,338

FINANCIAL SUMMARY

Results

	For the year ended 31 March		
	2018	2017	2016
	HK$'000	HK$'000	HK$'000
Revenue	**527,114**	430,524	255,997
Profit for the year attributable to owners of the Company	**9,678**	27,992	13,509

Assets and Liabilities

	At 31 March		
	2018	2017	2016
	HK$'000	HK$'000	HK$'000
Total assets	**235,932**	106,224	70,256
Total liabilities	**(112,707)**	(61,617)	(41,312)
Total equity	**123,225**	44,607	28,944

The results for the two years ended 31 March 2017 have been prepared on a combined basis to indicate the results of the Group as if the Group structure, as the time when the Company's shares were listed on the Stock Exchange, had been in existence throughout the years concerned. The figures for the two years ended 31 March 2017 have been extracted from the Company Prospectus dated 30 January 2018. No financial statements of the Group for the two years ended 31 March 2014 and 2015 have been published.