CLEAR LIFT HOLDINGS LIMITED
焯陞企業控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1341)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2016

FINANCIAL HIGHLIGHTS

- Revenue was approximately HK$277.3 million for the year ended 31 March 2016, representing a decrease of approximately 24.8% as compared with the same for the year ended 31 March 2015.
- Gross profit was approximately HK$31.8 million for the year ended 31 March 2016, representing a decrease of approximately 49.2% as compared with the same for the year ended 31 March 2015.
- Gross profit margin decreased from approximately 16.9% for the year ended 31 March 2015 to approximately 11.5% for the year ended 31 March 2016.
- Loss attributable to the owners of the Company was approximately HK$11.2 million for the year ended 31 March 2016, against the profit attributable to the owners of the Company of approximately HK$24.3 million for the year ended 31 March 2015.
- Basic loss per share was approximately HK1.3 cents for the year ended 31 March 2016, against the basic earnings per share of approximately HK2.9 cents for the year ended 31 March 2015.
- The Board does not recommend the payment of any final dividend for the year ended 31 March 2016.
- As at 31 March 2016, the Group's current ratio was approximately 1.6 times (2015: 1.3 times).
- As at 31 March 2016, the Group's cash and bank balances amounted to approximately HK$96.3 million (2015: HK$57.7 million) and the Group had bank borrowings and finance lease payables in total of approximately HK$97.4 million (2015: HK$156.4 million).

The board (the "**Board**") of directors (the "**Directors**") of Clear Lift Holdings Limited (the "**Company**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2016 (the "**Year**") together with the comparative figures for corresponding year ended 31 March 2015 (the "**Previous Year**"). These information should be read in conjunction with the prospectus of the Company dated 30 November 2015 (the "**Prospectus**"). Capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus unless otherwise stated.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2016

	Notes	**2016** *HK$'000*	2015 *HK$'000*
Revenue	*5*	**277,275**	368,942
Cost of sales and services rendered		**(245,518)**	(306,422)
Gross profit		**31,757**	62,520
Other income and gains	*6*	**4,505**	6,239
Loss on foreign currency forward contracts		–	(527)
Listing expenses		**(10,539)**	(8,352)
Administrative expenses		**(32,220)**	(21,707)
Finance costs	*7*	**(5,486)**	(6,837)
(Loss)/profit before income tax	*8*	**(11,983)**	31,336
Income tax	*9*	**738**	(6,972)
(Loss)/profit and total comprehensive income for the year		**(11,245)**	24,364
Attributable to:			
Owners of the Company		**(11,240)**	24,324
Non-controlling interests		**(5)**	40
		(11,245)	24,364
(Loss)/earnings per share (HK cents) – basic and diluted	*11*	**(1.3)**	2.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	Notes	**2016**	2015
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment	*12*	**214,409**	234,384
Finance lease receivables		**5,191**	9,420
Deferred tax assets		**2,032**	–
		221,632	243,804
Current assets			
Inventories		**1,415**	887
Trade receivables	*13*	**55,690**	71,783
Prepayments, deposits and other receivables		**6,634**	12,926
Finance lease receivables		**4,228**	4,010
Amounts due from related companies		**3**	10,502
Amount due from a shareholder		**–**	57,980
Amount due from a director		**–**	1,125
Pledged bank deposits		**4,578**	4,550
Cash and cash equivalents		**91,715**	53,152
Current tax recoverable		**4,890**	3,411
		169,153	220,326
Current liabilities			
Trade payables	*14*	**6,238**	18,765
Accruals, deposits received and other payables		**12,263**	15,099
Amounts due to related companies		**–**	3,965
Amount due to a director		**565**	–
Borrowings		**46,426**	81,884
Finance lease payables		**38,165**	42,989
Current tax liabilities		**59**	739
		103,716	163,441
Net current assets		**65,437**	56,885
Total assets less current liabilities		**287,069**	300,689

	Notes	**2016**	2015
		HK$'000	*HK$'000*
Non-current liabilities			
Finance lease payables		**12,831**	31,554
Deferred tax liabilities		**30,397**	30,694
		43,228	62,248
Net assets		**243,841**	238,441
Equity			
Share capital	*15*	**10,000**	1,000
Reserves		**233,598**	237,193
Equity attributable to owners of the Company		**243,598**	238,193
Non-controlling interests		**243**	248
Total equity		**243,841**	238,441

NOTES

1. GENERAL

Clear Lift Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 24 September 2014, as an exempted company with limited liability under the Companies Law (2004 revision) Chapter 22 of the Cayman Islands and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 10 December 2015 (the "**Listing Date**"). The address of its registered office is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108 Cayman Islands and its principal place of business in Hong Kong is 1/F., Block Front, 438 Nathan Road, Yau Ma Tei, Kowloon.

The Company is an investment holding company and the Group is principally engaged in rental of construction machinery, trading of construction machinery and spare parts, and provision of machinery transportation services mainly in Hong Kong (the "**Listing Business**").

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSS")

(a) Adoption of new/revised HKFRSs – effective 1 April 2015

HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle
Amendments to HKAS 19 (2011)	Defined Benefit Plans: Employee Contributions

The adoption of these amendments has no material impact on the Group's financial statements.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements have been issued, but are not yet effective and have not been early adopted by the Group.

HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle[1]
Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
HKFRS 9 (2014)	Financial Instruments[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[1]
HKFRS 15	Revenue from Contracts with Customers[2]
HKFRS 16	Leases[3]

[1] Effective for annual periods beginning on or after 1 January 2016
[2] Effective for annual periods beginning on or after 1 January 2018
[3] Effective for annual periods beginning on or after 1 January 2019

Amendments to HKAS 1 – Disclosure Initiative

The amendments are designed to encourage entities to use judgement in the application of HKAS 1 when considering the layout and content of their financial statements.

An entity's share of other comprehensive income from equity accounted interests in associates and joint ventures will be split between those items that will and will not be reclassified to profit or loss, and presented in aggregate as a single line item within those two groups.

Amendments to HKAS 16 and HKAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit the use of a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that amortisation based on revenue is not appropriate for intangible assets. This presumption can be rebutted if either the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

HKFRS 9 (2014) – Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("FVTPL").

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 – Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from preparing consolidated financial statements for an intermediate parent entity is available to a subsidiary of an investment entity (including investment entities that account for their subsidiaries at fair value rather than consolidating them). An investment entity parent will consolidate a subsidiary only when the subsidiary is not itself an investment entity and the subsidiary's main purpose is to provide services that relate to the investment entity's investment activities. A non-investment entity applying the equity method to an associate or joint venture that is an investment entity may retain the fair value measurements that associate or joint venture used for its subsidiaries. An investment entity that prepares financial statements in which all its subsidiaries are measured at fair value through profit or loss should provide the disclosures related to investment entities as required by HKFRS 12.

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework 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 and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5 steps 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 each performance obligation
Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

HKFRS 16 – Leases

HKFRS 16 supersedes HKAS 17 Leases, HK(IFRSC) – Int 4 Determining whether an Arrangement contains a lease, HK(SIC) – Int 15 Operating Lease – Incentives and HK(SIC) – Int 27 Evaluating Substance of Transactions involving the Legal Form of a Lease.

HKFRS 16 eliminates the classification by a lessee of leases as either operating or finance. Instead all leases are treated in a similar way to finance leases in accordance with HKAS 17. Under HKFRS 16, leases are recorded on the statement of financial position by recognising a liability for the present value of its obligation to make future lease payments with an assets (comprised of the amount of the lease liability plus certain other amounts) either being disclosed separately in the statement of financial position (within right-of-use assets) or together with property, plant and equipment. The most significant effect of the new requirements will be an increase in recognised lease assets and financial liabilities.

HKFRS 16 contains options which do not require a lessee to recognise assets and liabilities for (a) short term leases (i.e. leases of 12 months or less, including the effect of any extension options) and (b) leases of low-value assets (for example, a lease of a personal computer). HKFRS 16 clarifies that a lessee separates lease components and service components of a contract, and applies the lease accounting requirements only to the lease components.

The Group has already commenced an assessment of the impact of adopting the above standards and amendments to existing standards to the Group. The Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group's accounting policies and financial statements.

(c) New Hong Kong Companies Ordinance provisions relating to the preparation of financial statements

The provisions of the new Hong Kong Companies Ordinance, Cap. 622, in relation to the preparation of financial statements apply to the Company in this financial year.

The disclosure requirements set out in the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") regarding annual financial statements have been amended with reference to the new Hong Kong Companies Ordinance, Cap. 622. Accordingly, the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 March 2016 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 March 2015 are presented or disclosed in the consolidated financial statements based on the new requirements.

3. GROUP REORGANISATION AND BASIS OF PRESENTATION AND PREPARATION

(a) Group reorganisation

Pursuant to a group reorganisation (the "**Group Reorganisation**") carried out by the Group to in preparation for the listing of shares of the Company on the Main Board of the Stock Exchange, the Company became the holding company of the subsidiaries now comprising the Group on 20 October 2015. Details of the Group Reorganisation are as set out in the section headed "History, Development and Reorganisation" to the Prospectus.

(b) Basis of presentation

The Group Reorganisation involved the combination of a number of entities engaged in the Listing Business that were under common control before and after the Group Reorganisation. The Group is therefore regarded as a continuing entity resulting from the Group Reorganisation, as there has been a continuation of the risks and benefits to the ultimate controlling parties that existed prior to the Group Reorganisation.

Accordingly, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the years ended 31 March 2016 and 2015 have been prepared using the principles of merger accounting as if the current group structure had been in existence throughout those years, or since their respective dates of incorporation or establishment of the combining companies, or since the date when the combining companies first came under the common control, whichever was shorter. The consolidated statement of financial position of the Group as at 31 March 2015 has been prepared to present the assets and liabilities of the companies now comprising the Group at that date, as if the current group structure had been in existence as at that date. The assets and liabilities of the Group were combined using their carrying values. All significant intra-group transactions and balances have been eliminated on consolidation.

(c) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations (hereinafter collectively referred to as the "**HKFRSs**") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements included applicable disclosures required by the Listing Rules.

4. SEGMENT INFORMATION

The Group's chief operating decision maker, for the purpose of resources allocation and performance assessment, has identified the following reportable operating segments:

- Trading of construction machinery and spare parts
- Rental of construction machinery
- Provision of transportation services

Each of these operating segments is managed separately as each of them requires different business strategies.

The segment information provided to the executive directors for the reportable segments during the Year is as follows:

Segment revenue and results

	Trading of construction machinery and spare parts	**Rental of construction machinery**	**Provision of transportation services**	**Inter-segment elimination**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 March 2016					
Revenue (from external customers)					
Reportable segment revenue	**153,668**	**121,299**	**2,308**	**–**	**277,275**
Reportable segment profit/(loss)	**14,472**	**(5,630)**	**(8)**	**–**	**8,834**
Other reportable segment information:					
Finance lease interest income	**596**	**–**	**–**	**–**	**596**
Interest expenses	**(337)**	**(2,456)**	**(85)**	**–**	**(2,878)**
Impairment of trade receivables	**–**	**(4,115)**	**–**	**–**	**(4,115)**
Depreciation of property, plant and equipment	**(2)**	**(35,861)**	**(476)**	**–**	**(36,339)**
Gain on disposal and write-off of property, plant and equipment, net	**–**	**–**	**427**	**–**	**427**
Income tax	**(2,549)**	**1,585**	**7**	**–**	**(957)**

	Trading of construction machinery and spare parts	Rental of construction machinery	Provision of transportation services	Inter-segment elimination	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 March 2015					
Revenue (from external customers)					
Reportable segment revenue	191,425	174,749	2,768	–	368,942
Reportable segment profit	26,755	18,595	112	–	45,462
Other reportable segment information:					
Finance lease interest income	628	–	–	–	628
Interest expenses	(450)	(3,736)	(21)	–	(4,207)
Depreciation of property, plant and equipment	(2)	(35,159)	(221)	–	(35,382)
(Loss)/gain on disposal and write-off of property, plant and equipment, net	–	(62)	173	–	111
Income tax	(4,290)	(3,640)	5	–	(7,925)

The revenue from external parties reported to the Group's senior management is measured in a manner consistent with that in the combined statement of comprehensive income.

Reconciliations of operating segment profit or loss are provided as follows:

	2016	2015
	HK$'000	*HK$'000*
Reportable segment profit	**8,834**	45,462
Interest income from bank deposits	**35**	3
Gain on disposal of an investment property	**–**	1,999
Listing expenses	**(10,539)**	(8,352)
Unallocated corporate expenses *(Note)*	**(7,705)**	(5,146)
Unallocated finance costs	**(2,608)**	(2,630)
(Loss)/profit before income tax	**(11,983)**	31,336

Note: Unallocated corporate expenses mainly include salaries and professional fees for Hong Kong head office.

Since all of the Group's revenue was generated in Hong Kong and all of the Group's identifiable assets and liabilities were located in Hong Kong, no geographical information is presented.

The Group's customer base is diversified and includes only the following customer with whom transactions have exceeded 10% of the Group's revenue. During the Year, revenue derived from this customer is as follows:

	2016	2015
	HK$'000	*HK$'000*
Customer A	**34,797**	–*

* less than 10% of the Group's revenue

Segment assets and liabilities

Information reported to directors of the Company for the purposes of resources allocation and performance assessment does not include any assets and liabilities. Accordingly, no segment assets and liabilities are presented.

5. REVENUE

Revenue from the Group's principal activities during the Year is as follows:

	2016	2015
	HK$'000	*HK$'000*
Sale of machinery and spare parts	**144,370**	176,958
Sale of rental machinery	**9,298**	14,467
Rental income from leasing of machinery	**87,442**	111,406
Rental income from sub-leasing of machinery	**29,121**	57,432
Transportation service income	**2,308**	2,768
Other service income	**4,736**	5,911
	277,275	368,942

6. OTHER INCOME AND GAINS

	2016	2015
	HK$'000	*HK$'000*
Interest income from bank deposits	**35**	3
Finance lease interest income	**596**	628
Gain on disposal and write-off of property, plant and equipment, net	**427**	111
Gain on disposal of an investment property	**–**	1,999
Rental income from leasing a warehouse property and a motor vehicle	**1,628**	1,122
Government allowance for retirement of motor vehicles	**669**	1,181
Net exchange gain	**553**	667
Others	**597**	528
	4,505	6,239

7. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Interest on bank loans	**2,810**	2,902
Finance lease interest	**2,676**	3,928
Interest on bank overdrafts	**–**	7
	5,486	6,837

8. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax is arrived at after charging/(crediting):

	2016	2015
	HK$'000	*HK$'000*
Auditor's remuneration	**750**	235
Listing expenses	**10,539**	8,352
Cost of inventories recognised as an expense	**124,824**	161,361
Impairment of trade receivables	**4,115**	–
Depreciation of property, plant and equipment included in:		
– Cost of sales and services rendered	**35,713**	35,114
– Administrative expenses	**2,184**	1,648
Depreciation of an investment property	**–**	8
Employee costs		
– Wages, salaries and other benefits	**55,205**	55,021
– Contribution to defined contribution pension plans	**1,708**	1,730
Net rental income from leasing of machinery	**(11,439)**	(29,281)
Net rental loss/(income) from sub-leasing of machinery	**128**	(813)
Minimum lease payments under operating leases		
– Land and buildings	**2,945**	3,691
– Machinery held for rental	**19,534**	38,233

9. INCOME TAX

The Group is subject to income tax on profits arising in or derived from Hong Kong, being its principal place of business. The income tax in the consolidated statement of comprehensive income during the Year represents:

	2016	2015
	HK$'000	*HK$'000*
Current income tax		
Charge for the year	**(2,369)**	(4,930)
Over/(under)-provision in respect of prior years	**778**	(100)
	(1,591)	(5,030)
Deferred tax	**2,329**	(1,942)
Income tax	**738**	(6,972)

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any taxation under the jurisdictions of the Cayman Islands.

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits during the reporting period.

10. DIVIDEND

	2016	2015
	HK$'000	*HK$'000*
Interim dividends	**62,000**	15,000

No dividend has been paid by the Company during the Year, nor has been proposed since the end of the reporting period (2015: Nil). The interim dividends for the current and prior years represented those declared and paid by Chim Kee Machinery Co., Limited and Chim Kee Company Limited to their then shareholders prior to the completion of the Group Reorganisation.

11. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to the ordinary equity holders of the Group is based on the following data:

	2016	2015
	HK$'000	*HK$'000*
(Loss)/earnings for the purpose of basic (loss)/earnings per share	**(11,240)**	24,324
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share *(Note)*	**884,737**	833,256

Note: The weighted average of 833,256,000 ordinary shares derived for the calculation of basic earnings per share for the year ended 31 March 2015 represents the number of ordinary shares of the Company in issue immediately after the Group Reorganisation, assuming that 833,256,000 ordinary shares were in issue pursuant to the Group Reorganisation throughout the year ended 31 March 2015.

The weighted average of 884,737,000 ordinary shares derived for calculation of basic loss per share for the year ended 31 March 2016, includes the weighted average of 166,744,000 ordinary shares issued upon the placing, in addition to the aforementioned 833,256,000 ordinary shares.

There were no potential ordinary shares in issue for the years ended 31 March 2016 and 2015. Accordingly, the diluted (loss)/earnings per share presented is the same as basic (loss)/earnings per share.

12. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 March 2016, the Group acquired fixed assets of approximately HK$27.6 million (2015: HK$49.1 million), reclassified fixed assets to inventories of approximately HK$9.7 million (2015: HK$27.1 million) and disposals of fixed assets of approximately HK$18,000 (2015: HK$0.2 million).

13. TRADE RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Trade receivables, gross	**71,904**	83,882
Less: Provision for impairment	**(16,214)**	(12,099)
Trade receivables, net	**55,690**	71,783

The credit period ranges from approximately 0 to 90 days.

(a) Ageing analysis

An ageing analysis of the Group's trade receivables as at the end of each reporting period, net of impairment, and based on invoice date, is as follows:

	2016	2015
	HK$'000	*HK$'000*
Within 1 month	**14,660**	24,966
More than 1 month but not more than 3 months	**19,517**	29,589
More than 3 months but not more than 6 months	**11,216**	3,090
More than 6 months but not more than a year	**5,596**	11,255
More than a year	**4,701**	2,883
	55,690	71,783

(b) Impairment of trade receivables

At the end of each reporting period, the Group reviews receivables for evidence of impairment on both an individual and collective basis. Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly. The movement in the allowance for impairment of trade receivables during each reporting period is as follows:

	2016	2015
	HK$'000	*HK$'000*
At beginning of the year	**12,099**	12,099
Impairment losses recognised	**4,115**	–
At end of the year	**16,214**	12,099

As at 31 March 2016 and 2015, the Group had determined approximately HK$16.2 million and HK$12.1 million of trade receivables as individually impaired respectively. Based on this assessment, approximately HK$4.1 million of impairment loss was provided for the year ended 31 March 2016 (2015: Nil). The impaired trade receivables are due from customers that were in default and in dispute with the Group.

The Group did not hold any collateral as security or other credit enhancements over the impaired trade receivables.

An ageing analysis of the Group's trade receivables as at the end of each reporting period that are not impaired is as follows:

	As at 31 March	
	2016	2015
	HK$'000	*HK$'000*
Neither past due nor impaired	**14,662**	27,417
Not more than 3 months past due	**24,587**	27,711
3 to 6 months past due	**8,051**	4,250
More than 6 months but less than 12 months past due	**3,954**	9,748
Over a year due	**4,436**	2,657
	55,690	71,783

Trade receivables that were neither past due nor impaired relate to certain customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired relate to customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

14. TRADE PAYABLES

	2016	2015
	HK$'000	*HK$'000*
Trade payables	**6,238**	18,765

The credit period ranges from approximately 0 to 45 days.

An ageing analysis of the Group's trade payables as at the end of each reporting period, based on invoice date, is as follows:

	2016	2015
	HK$'000	*HK$'000*
Within 1 month	**2,958**	10,769
More than 1 month but not more than 2 months	**2,013**	3,443
More than 2 months but not more than 6 months	**822**	944
More than 6 months but not more than a year	**–**	997
Over a year	**445**	2,612
	6,238	18,765

15. SHARE CAPITAL

	Number of shares	**Amount**
		HK$'000
Authorised:		
Ordinary shares of HK$0.01 each		
At date of incorporation, 31 March 2015 and 1 April 2015	38,000,000	380
Increase in authorised share capital on 23 October 2015 *(Note (a))*	1,522,000,000	15,220
At 31 March 2016	1,560,000,000	15,600
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
At the date of incorporation	1	–
Issue of shares upon the Group Reorganisation *(Note (c))*	37,999,999	380
Capitalisation issue of shares *(Note (d))*	795,256,000	7,953
Issue of shares under public offer and placing *(Note (e))*	166,744,000	1,667
At 31 March 2016	1,000,000,000	10,000

Notes:

(a) The Company was incorporated in the Cayman Islands on 24 September 2014 with an authorised share capital of HK$380,000 divided into 38,000,000 ordinary shares of HK$0.01 each. On the same date, one ordinary share of HK$0.01 was issued to Tang J F T Company Limited at nil consideration. On 23 October 2015, the shareholders resolved to increase the authorised share capital of the Company from HK$380,000 to HK$15,600,000 by the creation of an additional 1,522,000,000 shares.

(b) The share capital of the Group as at 31 March 2015 represented the aggregate amount of the share capital of the subsidiaries and was transferred to merger reserve upon the Group Reorganisation.

(c) Pursuant to written resolutions passed on 23 October 2015, the Directors were authorised to capitalise a sum of approximately HK$380,000 from the amount standing to the credit of the share premium account of the Company and applied such amount to pay up in full at par of 37,999,999 ordinary shares of the Company (the "Allotment") to be allotted and issued to Tang J F T Company Limited.

(d) Pursuant to written resolutions passed on 23 October 2015, the Directors were authorised to capitalise a sum of approximately HK$7,953,000 from the amount standing to the credit of the share premium account of the Company and applied such amount to pay up in full at par of 795,256,000 ordinary shares of the Company ("Capitalisation Issue").

(e) Under the public offer and placing took place during the Year, 166,744,000 new ordinary shares of HK$0.01 each were issued at a price of HK$0.48 per share for a total cash consideration (before share issuance expenses) of approximately HK$80,037,000.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

Our Group is principally engaged in the construction machinery business, serving primarily the construction sector in Hong Kong. We offer a comprehensive range of services including: (i) rental of construction machinery, such as crawler cranes, aerial platforms and foundation equipment; (ii) trading of new or used construction machinery and parts; and (iii) transportation services.

The construction industry in Hong Kong has grown significantly in past few years due to the substantial increase in demand for construction works performed by contractors at construction sites in Hong Kong. The total gross output value of construction works, the total investment value in construction projects and the public expenditure on infrastructure in Hong Kong all recorded a significant growth in past few years. The government of Hong Kong has increased its infrastructure investment in order to achieve the objective of promoting economic growth through infrastructural development in Hong Kong, including Ten Major Infrastructure Projects and Operation Building Bright and Revitalising Historic Building. Further development of the Hong Kong International Airport, including the construction of the third runway has also been approved.

However, the delay in the approval for funding applications for some development plans and public works, such as the North East New Territories New Development Areas Project, affected the expenditure on government projects to be granted during the Year, as well as the commencement of the relevant projects operated by the construction work companies. Any delay in government funding approval process may adversely affect the expenditure on government projects which may affect the construction companies. It thus created pressure on the construction industry as well as the construction machinery rental and trading industry.

From the perspective of lessee, one of the major benefits of construction machinery rental is effective risk control. Arrangements can be adjusted to the user's unique market conditions, cash flow expectations, equipment needs, and tax situation. Such rental also allows the lessee to defer the risk of losses caused by obsolescence inherent in the purchase of heavy equipment. Furthermore, it frees up the lessee's capital for investment in other ventures that would normally be consumed by the hefty down payment and debt burden usually required by purchase agreements. On the other hand, the recent growth of trading of construction machinery and parts had also been promising because of the launch of the series of infrastructure projects outlined by the Hong Kong government which continued to fuel the market demand. As a result of the promising future and sufficiently high capital, more contractors were willing to buy construction machinery as an investment.

BUSINESS REVIEW

Regarding to our rental of construction machinery, we principally offer crawler cranes of different sizes, other mobile cranes, aerial platforms and foundation equipment as our rental fleet. For crawler cranes, the mix in our rental fleet ranges from 2.9-tonne mini crawler cranes to 450-tonne massive crawler cranes. We also carry a range of different types of construction machinery including other mobile cranes, aerial platforms and foundation equipment. We source these construction machinery mainly through the manufacturers of construction machinery located in developed countries in Western Europe and in Northern Asia as well as traders of used construction machinery around the world.

We are also engaged in trading of new construction machinery and parts, and used construction machinery. To accommodate different customers' needs, we offer a wide range of construction machinery to customers for sale including crawler cranes with lifting capacity of up to 450 tonnes, aerial platforms and foundation equipment. We have entered into dealership arrangements with construction machinery manufacturers in Europe, Japan and Korea. Customers who need to purchase construction machinery from those brands may place order to us. To satisfy customers' need, we also sell spare parts to our customers for their maintenance purpose or upon request.

In addition to rental and trading of construction machinery, we offer transportation services to our customers. Our transportation services include local container delivery, site construction delivery and heavy machinery transport. According to customers' requests, we arrange and provide these services with our range of transportation vehicles and equipment including 44-tonne heavy load trucks, 8-tonne to 25-tonne crane lorries, 20-feet to 40-feet trailers, and below 38-tonne trucks.

During the Year, the breakdown of revenue of our overall business operations by business segments is shown as follow:

	For the year ended	
	31 March	31 March
	2016	2015
	HK$'000	*HK$'000*
Rental of construction machinery	**121,299**	174,749
Trading of construction machinery and parts	**153,668**	191,425
Transportation services	**2,308**	2,768
	277,275	368,942

We have generated revenue of approximately HK$121.3 million from rental of construction machinery for the Year, which was a decrease of HK$53.5 million, or 30.6% as compared with the Previous Year. Such decrease was mainly due to the decrease in number of crawler cranes rented due to the delay in commencement of several public projects and public-related projects (the "**Delayed Projects**").

In 2012, a customer commenced litigation against Chim Kee Machinery Co., Ltd. (the "**Subsidiary**"), one of the subsidiary of the Group (the "**Legal Proceeding**") for alleged breach of rental contract. On 24 March 2016, the Court of First Instance found for the Subsidiary and the customer was ordered to compensate the Subsidiary for unpaid hire. On 26 April 2016, the customer lodged an appeal to the Court of Appeal. At the date of this announcement, the final outcomes of the Appeal are not yet concluded. The Group has sought legal advice on the merits of the claim.

Based on the aforesaid legal advice, after considering the evidence and the background facts in relation to the Legal Proceeding, this customer's allegations and assertions are not cogent and convincing and therefore, the Group will likely to succeed in the Legal Proceeding. Accordingly, no provision for claim in respect of such litigation was made by the Group. For details of the Legal Proceeding, please refer to the Prospectus.

Further announcement(s) will be made by the Company if there is any significant updates to the Legal Proceeding as and when appropriate.

RENTAL FLEET

We have maintained over 200 construction machines in our rental fleet during the Year. The construction machinery we carry as part of our rental fleet includes crawler cranes and other mobile cranes, aerial platforms and foundation equipment. Details of construction machinery carried by us available for our rental operations are summarised as follows:

	As at	
	31 March 2016	31 March 2015
	Number in fleet	*Number in fleet*
Crawler cranes and other mobile cranes	**82**	80
Aerial platforms	**74**	78
Foundation equipment	**52**	77
	208	235

In order to maintain younger fleet of construction machinery with wider variety of models, our Group has replaced and will replace, from time to time, our construction machinery. Our Directors will continue to monitor and review our operation and needs, our expansion plan of our rental fleet and the capital requirements of our Group regularly. We will consider to reschedule such expansion according to our operation and needs, the preference of our target customers and market conditions if necessary. We will also revise the timing and financing arrangement for the purchase of additional and replacement of existing construction machinery if, amongst others, the market condition has been changed.

RISKS AND UNCERTAINTIES

There are certain risks and uncertainties involved in the operations of our Group which are summarised as below:

- The demand for our construction machinery would be adversely affected by the delay in commencement of previous public and public-related projects which is led by: (i) toppling of funding proposals for public works due to lawmakers' filibustering and protests by affected residents; (ii) technical and legal challenges; and (iii) cooperation problems amongst different government authorities;

- Our Group's business performance is dependent on the general market condition and the level of public expenditure on general infrastructure in Hong Kong;

- Our engagements with our customers are project based. There is no guarantee that our existing customers will engage us again in future construction projects among our competitors;

- If we fail to retain our senior management team or fail to maintain a skilled labour force, our operations and future profits may be adversely affected;

- We engage third parties to carry out some of the tasks in our operations cycle such as maintenance, delivery for construction machinery to customers' construction sites and assembly/disassembly of our construction machinery at customers' construction sites. The sub-standard or delayed performance of these third parties may adversely affect our Group's reputation; and

- Our trading operations are dependent on the quality and supply of the major suppliers of our Group.

FINANCIAL REVIEW

REVENUE

Our total revenue decreased by approximately HK$91.6 million, or 24.8%, from approximately HK$368.9 million for the Previous Year to approximately HK$277.3 million for the Year. Such decrease was mainly attributable to the decrease in revenue generated from rental of construction machinery.

Rental of construction machinery

Our revenue from construction machinery rental segment decreased by approximately HK$53.4 million, or 30.6%, from approximately HK$174.7 million for the Previous Year to approximately HK$121.3 million for the Year. Such decrease was mainly attributable to the delay in the commencement of new projects as a result of delay in funding approval by the Hong Kong Government for certain development plans.

Trading of construction machinery and parts

Our revenue from trading of construction machinery and parts decreased by approximately HK$37.7 million, or 19.7%, from approximately HK$191.4 million for the Previous Year to approximately HK$153.7 million for the Year. Such decrease was mainly attributable to the decrease in trading volume of construction machinery due to the delay in commencement of several public projects and public-related projects which reduced the demand of construction machinery in the industry.

Transportation services

Our revenue from transportation services decreased by approximately HK$0.5 million, or 16.6%, from approximately HK$2.8 million for the Previous Year to approximately HK$2.3 million for the Year. Such decrease was mainly attributable to the decrease in operation scale due to the retirement of certain transportation fleet which is eligible for ex-gratia payment under the Hong Kong government policy of phasing out pre-Euro IV diesel commercial vehicles.

GROSS PROFIT AND GROSS PROFIT MARGIN

Our gross profit decreased by approximately HK$30.7 million, or 49.2%, from approximately HK$62.5 million for the Previous Year to approximately HK$31.8 million for the Year, while our gross profit margin decreased from approximately 16.9% for the Previous Year to approximately 11.5% for the Year. The decrease in gross profit and gross profit margin was due to the decline in gross profit contributed from rental of construction machinery.

Rental of construction machinery

Our gross profit of construction machinery rental services decreased by approximately HK$20.3 million, or 62.9%, from approximately HK$32.3 million for the Previous Year to approximately HK$12.0 million for the Year. In addition, our gross profit margin of construction machinery rental services decreased from approximately 18.5% for the Previous Year to approximately 9.9% for the Year.

The decrease in gross profit margin of construction machinery rental services was mainly attributable to the combined effect of (i) the decrease in revenue from rental of construction machinery from rental fleet and (ii) costs such as depreciation, repair and maintenance, and insurance for the Year remained at similar level as the Previous Year in order to maintain the construction machinery fleet size.

Trading of construction machinery and parts

Our gross profit of trading of construction machinery and parts segment decreased by approximately HK$10.1 million, or 33.8%, from approximately HK$29.8 million for the Previous Year to approximately HK$19.7 million for the Year. In addition, our gross profit margin for trading of construction machinery and parts decreased from approximately 15.6% for the Previous Year to approximately 12.8% for the Year.

The decrease in gross profit margin for trading of construction machinery and parts was mainly attributable to the decrease in trading volume of used machinery, which normally has higher gross profit margin than trading of new machinery.

Transportation services

Our gross profit of transportation services segment decreased by approximately HK$0.3 million, or 91.6%, from approximately HK$0.4 million for the Previous Year to approximately HK$31,000 for the Year. In addition, our gross profit margin of transportation services segment decreased from approximately 13.4% for the Previous Year to approximately 1.4% for the Year.

The decrease in gross profit margin of transportation services segment was mainly attributable to the combined effect of (i) the decrease in revenue from transportation services; and (ii) costs such as staff costs, license fee and insurance for the Year remained at similar level as the Previous Year in order to maintain the transportation fleet size for operation.

OTHER INCOME AND GAINS

Our other income and gains decreased by approximately HK$1.7 million, or 27.8%, from approximately HK$6.2 million for the Previous Year to approximately HK$4.5 million for the Year. The decrease in other income and gains was mainly attributable to the one-off gain on disposal of investment property of approximately HK$2.0 million for the Previous Year.

ADMINISTRATIVE EXPENSES

Our administrative expenses increased by approximately HK$10.5 million, or 48.4%, from approximately HK$21.7 million for the Previous Year to approximately HK$32.2 million for the Year. The increase in administrative expenses was mainly attributable to (i) the impairment of trade receivables of approximately HK$4.1 million, (ii) the legal fee incurred from the Legal Proceeding and (iii) the increase in professional fee since the Company listed on the Listing Date.

FINANCE COSTS

Our finance cost decreased by approximately HK$1.3 million, or 19.8%, from approximately HK$6.8 million for the Previous Year to approximately HK$5.5 million for the Year. The decrease in finance costs was mainly attributable to the decrease in bank borrowings and finance lease payables.

NET (LOSS)/PROFIT

Our Group's net loss for the Year was approximately HK$11.2 million. The loss was mainly due to the decrease in our revenue and increase of Listing expenses and professional fees. Excluding the Listing expenses, our Group's net loss for the Year would be approximately HK$0.7 million (2015: net profit of HK$32.7 million) and the net loss margin would be approximately 0.3% (2015: net profit margin of 8.9%).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Our Group had a solid financial position and continued to maintain a steady cash inflow from operating activities. During the Year, our Group's primary sources of funding included cash generated from operating activities, the credit facilities provided by our Group's principal banks in Hong Kong.

As at 31 March 2016, our Group had cash and cash equivalents and pledged bank deposits of approximately HK$91.7 million (2015: HK$53.2 million) and HK$4.6 million (2015: HK$4.6 million) respectively. The increase in cash and cash equivalents was mainly due to the issue of new shares upon listing of the Company's shares on the Stock Exchange on the Listing Date.

As at 31 March 2016, our Group had total assets of approximately HK$390.8 million (2015: HK$464.1 million), net current assets of approximately HK$65.4 million (2015: HK$56.9 million) and equity of approximately HK$243.8 million (2015: HK$238.4 million).

Our Group continued to maintain a healthy liquidity position. As at 31 March 2016, our Group's current assets and current liabilities were approximately HK$169.2 million (2015: HK$220.3 million) and HK$103.7 million (2015: HK$163.4 million) respectively. Our Group's current ratio increased to approximately 1.6 times as at 31 March 2016 (2015: 1.3 times).

Management believes that our Group's current cash and cash equivalents, together with available credit facilities and expected cash flow from operations, will be sufficient to satisfy its current operational requirements.

GEARING RATIO AND INDEBTEDNESS

Gearing ratio is calculated by dividing total debts (including bank borrowings, finance lease payables, amounts due to related companies and amount due to a director) with total equity and was approximately 40.2% (2015: 67.3%). The decrease was mainly due to the decrease in bank borrowings and finance lease payables.

As at 31 March 2016, our bank borrowings and finance lease payables amounted to approximately HK$97.4 million (2015: HK$156.4 million) which will be repayable within five years from the end of the reporting period.

CHARGES ON GROUP ASSETS

As at 31 March 2016, our bank borrowings and finance lease payables were secured by (1) leasehold land and building with net carrying amount of approximately HK$0.6 million (2015: HK$0.7 million); (2) bank deposits of approximately HK$4.6 million (2015: HK$4.6 million); and (3) machinery and motor vehicles with net carrying amount of approximately HK$160.3 million (2015: HK$181.4 million).

CAPITAL EXPENDITURE

The total capital expenditure incurred for the Year was approximately HK$27.6 million (2015: HK$49.1 million), which was mainly used in purchase of machinery for our rental business.

INTEREST RATE RISK

Our Group's pledged bank deposits and finance lease receivables bear fixed interest rates. Our Group's cash at bank balances bear floating interest rates. Our Group also has bank borrowings and finance lease payables which bear interests at fixed and floating interest rates. Exposure to interest rate risk exists on those balances subject to floating interest rate when there are unexpected adverse interest rate movements. Our Group's policy is to manage its interest rate risk, working within an agreed framework, to ensure that there are no unduly exposures to significant interest rate movements and rates are approximately fixed when necessary.

CURRENCY RISK

Our Group mainly operates in Hong Kong with most of the transactions denominated and settled in HK$, Japanese Yen ("**JPY**") and Euro Dollar ("**EURO**"). Our Group's exposure to foreign currency risk primarily arises from certain financial instruments including trade receivables, cash and cash equivalents, trade payables, deposits received and finance lease payables which are denominated in JPY, EURO and United Stated Dollar ("**US$**"). Our Group has not adopted any hedging strategy in the long run but management continuously monitors the foreign exchange risk exposure and might enter into foreign exchange forward contract on a case-by-case basis. Our Group has not used any hedging contracts to engage in speculative activities.

CREDIT RISK AND LIQUIDITY RISK

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

CAPITAL COMMITMENTS

Our capital commitments consist primarily of purchase of construction machinery for rental purpose. As at 31 March 2016, our capital commitments of property, plant and equipment contracted for but not provided amounted to approximately HK$10.9 million (2015: HK$0.1 million).

CONTINGENT LIABILITIES

As at 31 March 2016, our Group provided corporate guarantees amounting to approximately HK$4.2 million (2015: HK$6.1 million) to the banks in respect of finance lease obligations of certain third party customers. Under the guarantees, our Group would be liable to pay the banks if the banks are unable to recover the amounts under these finance leases. As at 31 March 2016, no provision for our Group's obligation under the guarantee contracts has been made as the Directors considered that it was not probable that the repayment of the finance lease obligation would be in default.

EVENTS AFTER THE REPORTING PERIOD

Change of Company Secretary and an Authorised Representative

Mr. Chan Man Kay resigned from his role as the company secretary and an authorised representative of the Company with effect from 18 April 2016. Mr. Ng Ki Man was appointed as the company secretary and an authorised representative of the Company with effect from 18 April 2016.

Change of Compliance Adviser

The Company and RHB Capital Hong Kong Limited ("**RHB Capital**") have mutually agreed to terminate the compliance adviser agreement dated 8 June 2015 entered into between the Company and RHB Capital, with effect from 30 June 2016 (the "**Termination**") due to commercial reasons. Subsequent to the Termination, Frontpage Capital Limited will be appointed as the new compliance adviser to the Company as required pursuant to Rule 3A.27 of the Listing Rules with effect from 1 July 2016. For further details, please refer to the announcement of the Company dated 29 June 2016.

Save as disclosed above, there are no significant events subsequent to 31 March 2016 which would materially affect our Group's operating and financial performance as of the date of the consolidated financial statements.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2016, our Group had 134 staff (2015: 130). The total staff costs incurred by our Group for the Year were approximately HK$56.9 million (2015: HK$56.8 million).

We generally recruit our employees from the open market or by referral and enter into employment contracts with our employees. We offer attractive remuneration packages to our employees. In addition to salaries, our employees would be entitled to bonuses subject to company and employees' performance. We provide a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for our eligible employees in Hong Kong.

Our operations staff consists of experienced machinery operators and other mechanics. While such employees are highly demanded in the market, we manage to maintain a relatively stable workforce by continuous recruitment from the market or through referrals. New employees are required to attend induction courses to ensure that they are equipped with the necessary skills and knowledge to perform their duties. In order to promote overall efficiency, we also offer technical trainings to our existing employees on the operation of more advanced construction machinery. Selected operation staff are chosen to attend external trainings which are conducted by the manufacturers to acquire up-to-date technical skills and knowledge on the products we rent and sell out to our customers.

PROPOSED FINAL DIVIDEND

The Board does not recommend the payment of final dividend to shareholders of the Company for the Year.

USE OF NET PROCEEDS FROM LISTING

The Company's shares have been listed on the Main Board of the Stock Exchange since 10 December 2015. The receipt of proceeds, net of Listing expenses (including underwriting fee), including both recognised in the consolidated statement of comprehensive income and deducted from the share premium ("net proceeds") from the Company's listing were approximately HK$59.8 million. As at 31 March 2016, the net proceeds had been utilised as follows:

Use of net proceeds	Net proceeds from the share offer	Actual utilisation up to 31 March 2016	Unutilised amounts as at 31 March 2016
	HK$ million	*HK$ million*	*HK$ million*
Acquisition of machinery	39.0	13.9	25.1
Recruitment of operations staff	11.3	0.9	10.4
System development	3.5	–	3.5
Working capital	6.0	1.5	4.5
	59.8	16.3	43.5

The unutilised amounts of the net proceeds will be applied in the manner consistent with that mentioned in the Prospectus. The unutilised net proceeds had been deposited into licensed bank in Hong Kong.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities since the Listing Date.

PROSPECTS

Our Group remains cautious of the macroeconomic dynamics in Hong Kong. Our Group believes growth opportunities exist in the long run due to the rapid infrastructure development in Hong Kong.

The public expenditure on infrastructure in Hong Kong is expected to increase steadily, with a growth rate of approximately 8% each year. The growth is mainly due to the on-going Shatin to Central Link and South Island Line projects and "Ten Major Infrastructure Projects" that start in the coming years or enter the next stages, which will therefore continue to create a great demand for construction machinery in Hong Kong.

All of the Delayed Projects were public or public related projects of our Group that cover major infrastructure and public facilities in Hong Kong and it is very unlikely that those projects would be terminated or delayed infinitely. Our Directors consider that, given the active and positive approach taken by the government and the actual fundings approved for public works projects in the legislative session, more rental income will be recognised for the years ending 31 March 2017 and 2018.

We believe that we possess business strengths and competitive advantages that set us apart from our rivals and enable us to continue to grow and enhance our profitability. Such strengths and competitive advantages include (1) well established reputation and long operation history in the construction machinery rental service industry; (2) experienced and dedicated management team; (3) possession of over 200 construction machines and equipment for rental; and (4) long term relationships with major customers.

In view of the above, there are positive prospects for our Group and it is expected that our business and revenue will continue to grow steadily in the foreseeable future.

ANNUAL GENERAL MEETING

The notice of the 2016 annual general meeting (the "AGM") will be published in the Company's website and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

CORPORATE GOVERNANCE PRACTICES

The Company and the Board are devoted to achieve and maintain the highest standards of corporate governance as the Board believes that effective corporate governance practices are fundamental to enhancing the shareholder value and safeguarding interest of the shareholders and other stakeholders. Accordingly, the Company has adopted sound corporate governance principles that emphasize a quality Board, effective internal control, stringent disclosure practices and transparency and accountability to all stakeholders.

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules. The Company has fully complied with the CG Code from the Listing Date to 31 March 2016.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code (the "Code") as the code of conduct of the Company regarding Directors' transactions of the listed securities of the Company. The Company has made specific enquiry to all Directors, and all Directors have confirmed that they had complied with the Model Code and its code of conduct during the period from the Listing Date to 31 March 2016.

The Group commits to continuously improving its corporate governance practices by periodic review to ensure that the Group continues to meet the requirements of the Code.

AUDIT COMMITTEE

The Company has established the Audit Committee on 23 October 2015 with written terms of reference in compliance with paragraphs C.3 of the Code. The primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process and internal control system of our Group. The Audit Committee comprises three members, namely Mr. Kwong Ping Man, Mr. Chu Wai Wa Fangus and Ms. Pang Yuen Shan Christina. Mr. Kwong Ping Man is the chairman of the Audit Committee.

The Audit Committee has reviewed with the management of the Company and the Group's auditor, BDO Limited, the accounting principles and policies adopted by the Group, and discussed the financial information of the Group and the annual results announcement of the Company for the year.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position as at 31 March 2016, and the consolidated statement of comprehensive income for the year then ended and the related notes thereto as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement will be published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chimkeegroup.com.hk). The annual report for the Year containing all the information required by the Listing Rules will be published on the websites of the Company and the Stock Exchange and despatched to the shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlements to attend and voting at the AGM, the register of members of the Company will be closed from Friday, 26 August 2016 to Tuesday, 30 August 2016, both days inclusive, during which period no transfer of Shares will be registered. All transfers of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 25 August 2016.

APPRECIATION

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as its shareholders, business partners and other professional parties for their support throughout the Year.

By order of the Board
Clear Lift Holdings Limited
Tang Yiu Chi James
Chairman and Executive Director

Hong Kong, 29 June 2016

As at the date of this announcement, the Board comprises Mr. Tang Yiu Chi James and Mr. Kwok Ho as executive Directors; and Mr. Kwong Ping Man, Mr. Chu Wai Wa Fangus and Ms. Pang Yuen Shan Christina as independent non-executive Directors.