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(incorporated in the Cayman Islands with limited liability)

(Stock code: 2663)

## ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2023

<b>FINANCIAL HIGHLIGHTS</b>	<b>Year ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
	<i>HK\$ million</i>	<i>HK\$ million</i>
Revenue	<b>568.5</b>	494.2
Gross profit	<b>100.8</b>	60.7
Gross profit margin	<b>17.7%</b>	12.3%
Profit for the year	<b>37.1</b>	11.5
Less: Government grants	<b>2.1</b>	–
Profit for the year on a normalised basis	<b>35.0</b>	11.5
Net profit margin on a normalised basis	<b>6.2%</b>	2.3%
	<b>As at 31 March</b>	
	<b>2023</b>	<b>2022</b>
	<i>HK\$ million</i>	<i>HK\$ million</i>
Total assets	<b>498.0</b>	402.1
Total equity	<b>263.8</b>	247.4
Gearing ratio	<b>20.8%</b>	6.6%

The board (the “Board”) of directors (the “Directors”) of KPa-BM Holdings Limited (the “Company”) is pleased to announce the annual results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2023, together with the comparative figures for the year ended 31 March 2022, as follows:

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Notes</i>	<b>Year ended 31 March</b>	
		<b>2023</b>	2022
		<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Revenue	5	<b>568,490</b>	494,170
Cost of revenue		<b>(467,723)</b>	(433,457)
Gross profit		<b>100,767</b>	60,713
Other income	6	<b>3,701</b>	1,277
Fair value loss on investment property		<b>(138)</b>	(246)
Loss on disposal of investment properties		–	(388)
Provision of loss allowance on trade receivables		<b>(577)</b>	(539)
Provision of loss allowance on retention receivables		<b>(791)</b>	(493)
Provision of loss allowance on contract assets		<b>(920)</b>	(169)
Marketing and distribution expenses		<b>(1,996)</b>	(2,435)
Administrative and other operating expenses		<b>(52,626)</b>	(41,936)
Finance costs		<b>(2,119)</b>	(1,164)
Profit before income tax	7	<b>45,301</b>	14,620
Income tax expense	8	<b>(8,154)</b>	(3,115)
Profit for the year		<b>37,147</b>	11,505
<b>Other comprehensive income for the year</b>			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising from translation of foreign operations		<b>(1,176)</b>	635
<b>Other comprehensive income for the year</b>		<b>(1,176)</b>	635
<b>Total comprehensive income for the year</b>		<b>35,971</b>	12,140
		<b><i>HK cents</i></b>	<i>HK cents</i>
<b>Earnings per share</b>			
Basic and diluted earnings per share	10	<b>6.28</b>	1.92

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		<b>As at 31 March</b>	
		<b>2023</b>	<b>2022</b>
<i>Notes</i>		<b>HK\$'000</b>	<b>HK\$'000</b>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
	Property, plant and equipment	<b>13,588</b>	18,665
	Investment property	<b>4,434</b>	4,941
	Goodwill	<b>601</b>	601
	Deposits	<b>1,787</b>	1,798
<i>11</i>	Deferred tax assets	<b>139</b>	1,125
		<u><b>20,549</b></u>	<u>27,130</u>
<b>Current assets</b>			
	Inventories	<b>17,705</b>	18,231
	Contract assets	<b>113,403</b>	90,733
	Trade and other receivables, deposits and prepayments	<b>220,664</b>	157,518
<i>11</i>	Tax recoverable	<b>712</b>	3,114
	Fixed term deposit	<b>10,125</b>	–
	Cash and bank balances	<b>114,818</b>	105,400
		<u><b>477,427</b></u>	<u>374,996</u>
<b>Current liabilities</b>			
	Contract liabilities	<b>55,513</b>	27,836
	Trade and other payables	<b>122,239</b>	110,506
<i>12</i>	Lease liabilities	<b>5,489</b>	7,520
<i>13</i>	Tax payable	<b>1,608</b>	100
<i>14</i>	Bank borrowings	<b>45,867</b>	2,539
		<u><b>230,716</b></u>	<u>148,501</u>
	<b>Net current assets</b>	<u><b>246,711</b></u>	<u>226,495</u>
	<b>Total assets less current liabilities</b>	<u><b>267,260</b></u>	<u>253,625</u>

		<b>As at 31 March</b>	
		<b>2023</b>	2022
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Non-current liabilities</b>			
Lease liabilities	13	<b>3,410</b>	6,161
Deferred tax liabilities		<b>58</b>	99
		<u><b>3,468</b></u>	<u>6,260</u>
<b>Net assets</b>		<u><b>263,792</b></u>	<u>247,365</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	16	<b>5,569</b>	6,000
Reserves		<b>258,223</b>	241,365
		<u><b>263,792</b></u>	<u>247,365</u>
<b>Total equity</b>		<u><u><b>263,792</b></u></u>	<u><u>247,365</u></u>

## NOTES

### 1. GENERAL INFORMATION

The Company was incorporated as an exempted company in the Cayman Islands with limited liability on 15 May 2015. The shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business is located at 27/F, The Octagon, 6 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong.

The Group, comprising the Company and its subsidiaries, is principally engaged in (i) provision of structural engineering works; (ii) supply and installation of building material products; and (iii) trading of building material products.

The Company’s parent is Success Wing Investments Limited (“Success Wing”), a company incorporated in the British Virgin Islands (“BVI”). In the opinion of the directors, Success Wing is also the ultimate parent of the Company.

The consolidated financial statements for the year ended 31 March 2023 were approved and authorised for issue by the directors on 21 June 2023.

### 2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as “HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the provisions of the Hong Kong Companies Ordinance which concern the preparation of financial statements. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

These consolidated financial statements have been prepared under the historical cost basis except for investment properties, which are measured at fair value.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is same as the functional currency of the Company and its major subsidiaries.

### 3. ADOPTION OF NEW OR REVISED HKFRSs

#### (a) Adoption of revised HKFRSs – effective on 1 April 2022

In the current year, the Group has applied for the first time the following amendments and interpretations to the standards issued by the HKICPA, which are potentially relevant to and effective for the Group's financial statements for the annual period beginning on 1 April 2022.

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Annual Improvements to HKFRSs 2018-2020	Amendments to HKFRS 9 Financial Instruments and Amendments to Illustrative Examples accompanying HKFRS 16 Leases

The adoption of these revised HKFRSs did not have any significant impact on the Group's accounting policies or financial results and financial position.

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

The following new or 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:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to HK Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>2</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>
Amendments to HKAS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>

<sup>1</sup> *Effective for annual periods beginning on or after 1 January 2023*

<sup>2</sup> *Effective for annual periods beginning on or after 1 January 2024*

The directors of the Company anticipate that all of the relevant pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The directors are currently assessing the possible effect of these new or revised standards on the Group's results and financial position in the first year of application. They consider that these new or revised HKFRSs that have been issued but are not yet effective are unlikely to have material impact on the Group's results and financial position upon application.

#### 4. SEGMENT INFORMATION

##### (a) Operating segment information

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker, i.e. executive directors of the Company who make strategic decisions.

The Group has three reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- |   |   |  |
|---|---|--|
| Structural Engineering Works                          | – | This segment mainly engages in provision of structural engineering works for the public and private sectors in Hong Kong and the Group mainly acts as a subcontractor. |
| Supply and Installation of Building Material Products | – | This segment engages in supply of building material products with installation services provided in Hong Kong.   |
| Trading of Building Material Products                 | – | This segment mainly engages in sales of building material products to third-party customers in Hong Kong.  |

Revenue and costs/expenses are allocated to the operating segments with reference to sales generated by those segments and the costs/expenses incurred by those segments. Corporate income and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit or loss that is used by the chief operating decision-maker for assessment of segment performance.

Segment assets include all assets with the exception of tax assets and corporate assets, including cash and bank balances, investment properties and other assets that are not directly attributable to the business activities of the operating segments as these assets are managed on a group basis.

Information of the operating segments of the Group reported to the chief operating decision-maker for the purposes of resources allocation and performance assessment does not include liabilities. Accordingly, no information of segment liabilities is presented.

***Segment results, segment assets and other segment information***

Information regarding the Group's reportable segments including the reportable segment revenue, segment profit, segment assets, reconciliations to revenue, profit before income tax and total assets and other segment information are as follows:

	<b>Structural Engineering Works HK\$'000</b>	<b>Supply and Installation of Building Material Products HK\$'000</b>	<b>Trading of Building Material Products HK\$'000</b>	<b>Total HK\$'000</b>
<b>Year ended 31 March 2023</b>				
<b>Segment revenue</b>				
Sales to external customers	521,065	42,587	4,838	568,490
Intersegment sales	–	122	1,539	1,661
	<u>521,065</u>	<u>42,709</u>	<u>6,377</u>	<u>570,151</u>
Elimination of intersegment sales				<u>(1,661)</u>
				<u>568,490</u>
<b>Segment profit</b>	<u>80,161</u>	<u>14,114</u>	<u>2,253</u>	<u>96,528</u>
Corporate and unallocated income				3,701
Fair value loss on investment property				(138)
Corporate and unallocated expenses				
– Marketing and distribution expenses				(325)
– Administrative and other operating expenses*				(52,346)
– Finance costs				<u>(2,119)</u>
Profit before income tax				<u>45,301</u>



	Structural Engineering Works <i>HK\$'000</i>	Supply and Installation of Building Material Products <i>HK\$'000</i>	Trading of Building Material Products <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Year ended 31 March 2022</b>				
<b>Segment revenue</b>				
Sales to external customers	466,637	21,588	5,945	494,170
Intersegment sales	–	4	3,462	3,466
	<u>466,637</u>	<u>21,592</u>	<u>9,407</u>	497,636
Elimination of intersegment sales				<u>(3,466)</u>
				<u>494,170</u>
<b>Segment profit</b>	<u>47,098</u>	<u>7,672</u>	<u>3,369</u>	58,139
Corporate and unallocated income				1,277
Fair value loss on investment property				(246)
Loss on disposal of investment properties				(388)
Corporate and unallocated expenses				
– Marketing and distribution expenses				(1,613)
– Administrative and other operating expenses*				(41,385)
– Finance costs				<u>(1,164)</u>
Profit before income tax				<u>14,620</u>

\* Administrative and other operating expenses mainly comprise employee costs, depreciation of right-of-use assets and property, plant and equipment and legal and professional fees

	<b>Structural Engineering Works <i>HK\$'000</i></b>	<b>Supply and Installation of Building Material Products <i>HK\$'000</i></b>	<b>Trading of Building Material Products <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
<b>As at 31 March 2023</b>				
<b>Segment assets</b>	<b>342,856</b>	<b>17,867</b>	<b>1,655</b>	<b>362,378</b>
Property, plant and equipment				185
Investment property				4,434
Tax assets				851
Fixed term deposit				10,125
Cash and bank balances				114,818
Other corporate assets				5,185
Total consolidated assets				<b>497,976</b>

	<b>Structural Engineering Works <i>HK\$'000</i></b>	<b>Supply and Installation of Building Material Products <i>HK\$'000</i></b>	<b>Trading of Building Material Products <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
<b>As at 31 March 2022</b>				
<b>Segment assets</b>	<b>272,565</b>	<b>7,869</b>	<b>2,159</b>	<b>282,593</b>
Property, plant and equipment				296
Investment property				4,941
Tax assets				4,239
Cash and bank balances				105,400
Other corporate assets				4,657
Total consolidated assets				<b>402,126</b>

	Structural Engineering Works HK\$'000	Supply and Installation of Building Material Products HK\$'000	Trading of Building Material Products HK\$'000	Corporate/ Unallocated HK\$'000	Total HK\$'000
<b>Year ended 31 March 2023</b>					
<b>Other information</b>					
Interest income	-	-	-	718	718
Interest expense	-	-	-	2,119	2,119
Depreciation	8,635	16	2	111	8,764
Write down of inventories	-	2	93	-	95
Impairment loss on trade receivables	492	85	-	-	577
Impairment loss on retention receivables	770	21	-	-	791
Impairment loss on contract assets	904	16	-	-	920
Additions to specified non-current assets <sup>#</sup>	<u>3,189</u>	<u>-</u>	<u>-</u>	<u>982</u>	<u>4,171</u>

	Structural Engineering Works HK\$'000	Supply and Installation of Building Material Products HK\$'000	Trading of Building Material Products HK\$'000	Corporate/ Unallocated HK\$'000	Total HK\$'000
<b>Year ended 31 March 2022</b>					
<b>Other information</b>					
Interest income	-	-	-	53	53
Interest expense	-	-	-	1,164	1,164
Depreciation	9,891	11	5	111	10,018
Write down/(up) of inventories	-	2	(7)	-	(5)
Impairment loss on trade receivables	502	37	-	-	539
Impairment loss on retention receivables	483	10	-	-	493
Impairment loss on contract assets	150	19	-	-	169
Additions to specified non-current assets <sup>#</sup>	<u>9,543</u>	<u>-</u>	<u>-</u>	<u>1,296</u>	<u>10,839</u>

<sup>#</sup> *Specific non-current assets represent non-current assets other than deferred tax assets and deposits.*

**(b) Geographical segment information**

The Company is an investment holding company and the principal place of the Group's operations are in Hong Kong. Accordingly, management determines that the Group is domiciled in Hong Kong.

The following table provides analysis of the Group's revenue from external customers, determined based on location of the customers:

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Hong Kong	<b>568,490</b>	494,010
The People's Republic of China (other than Hong Kong) (the "PRC")	–	160
	<u><b>568,490</b></u>	<u>494,170</u>

An analysis of the Group's specified non-current assets, excluding deferred tax assets and deposits, by geographical locations, determined based on physical location of the assets is as follows:

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Hong Kong	<b>9,526</b>	12,916
The PRC	<b>9,097</b>	11,291
	<u><b>18,623</b></u>	<u>24,207</u>

**(c) Information about major customers**

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Customer A	<b>290,331</b>	74,275
Customer B	<b>102,233</b>	227,181
	<u><b>102,233</b></u>	<u>227,181</u>

Revenue from Customer A for the years ended 31 March 2023 and 2022 was generated for the Structural Engineering Works segment whereas revenue from Customer B for the years ended 31 March 2023 and 2022 was generated for the Structural Engineering Works and Supply and Installation of Building Material Products segments.

## 5. REVENUE

The Group is principally engaged in (i) provision of structural engineering works; (ii) supply and installation of building material products; and (iii) trading of building material products. Revenue derived from these principal activities comprises the following:

	<b>2023</b>	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Revenue from contracts with customers</b>		
Revenue recognised over time:		
– Structural engineering works	<b>521,065</b>	466,637
– Supply and installation of building material products	<b>42,587</b>	21,588
Revenue recognised at a point in time:		
– Trading of building material products	<b>4,838</b>	5,945
	<b>568,490</b>	494,170

Revenue expected to be recognised in the future arising from the provision of construction works, which represents the aggregate amount of the consideration the Group is entitled allocated to the remaining performance obligations under the Group's contracts of construction works existed at the end of the reporting period, is summarised as follows:

	<b>2023</b>	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
– Structural engineering works	<b>1,081,517</b>	1,095,519
– Supply and installation of building material products	<b>62,509</b>	39,073
	<b>1,144,026</b>	1,134,592

The Group will recognise the expected revenue arising from its existing contracts of construction work in future as the project work is progressed, which is expected to occur over the next 1 to 27 months (2022: 1 to 36 months).

The Group has applied the practical expedient to its sales contracts for trading of building material products and therefore the above information does not include revenue that the Group will be entitled to when it satisfies the remaining performance obligation under the contracts for trading of building material products that had an original expected duration of one year or less.

## 6. OTHER INCOME

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Bank interest income	718	53
Rental income	180	475
Government grants ( <i>note</i> )	2,140	–
Gain on disposal of property, plant and equipment	–	148
Write-back of trade payables	457	437
Others	206	164
	<u>3,701</u>	<u>1,277</u>

*Note:*

For the year ended 31 March 2023, government grants included subsidies of HK\$2,064,000 obtained from the Employment Support Scheme (“ESS”) under the Anti-epidemic Fund which is launched by the Hong Kong SAR Government for supporting the payroll of the Group’s employees (2022: nil). Under the ESS, the Group had to commit to spend these grants on payroll expenses, and not reduce employee head count below prescribed levels for a specified period of time.

The remaining amount of HK\$76,000 mainly represented the subsidy obtained from the PRC government which aims to relief the impact of outbreak of COVID-19 for Small-Medium size enterprises (2022: nil). The Group does not have other unfulfilled obligations relating to these programs.

## 7. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting) the following:

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Auditor's remuneration	<b>740</b>	690
Cost of inventories recognised as expense		
– Carrying amount of inventories consumed	<b>178,127</b>	109,685
– Provision/(Reversal) of allowance for inventories (note (a))	<b>95</b>	(10)
– Write-off of inventories	<b>–</b>	5
	<b>178,222</b>	109,680
Depreciation charge:		
Right-of-use assets included in property, plant and equipment under the following categories:		
– Other properties leased for own use	<b>6,800</b>	7,101
– Motor vehicles	<b>215</b>	510
Other property, plant and equipment	<b>1,749</b>	2,407
	<b>8,764</b>	10,018
Employee costs (including Directors' emoluments)		
– Salaries, allowances and other benefits	<b>68,625</b>	63,022
– Contribution to defined contribution retirement plans (note (b))	<b>4,512</b>	3,100
	<b>73,137</b>	66,122
Exchange loss, net*	<b>8,489</b>	802
Short-term leases expenses	<b>807</b>	812

Notes:

- (a) The reversal of allowance for inventories arising from an increase in net realisable value when certain inventories were sold subsequently.
- (b) For the year ended 31 March 2023, no forfeited contribution in respect of the defined contribution retirement plans were utilised by the Group to reduce the contribution payable to the plans (2022: nil). As at 31 March 2023, no forfeited contribution under these plans is available to reduce future contribution (2022: nil).

\* Included in "Administrative and other operating expense"

## 8. INCOME TAX EXPENSE

The amount of income tax expense in the consolidated statement of comprehensive income represents:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current tax for the year		
– Hong Kong Profits Tax	6,270	4,782
– Other regions of the PRC – Enterprise Income Tax (“EIT”)	980	–
Over-provision in respect of prior years	<u>(48)</u>	<u>(6)</u>
	7,202	4,776
Deferred tax	<u>952</u>	<u>(1,661)</u>
	<u><u>8,154</u></u>	<u><u>3,115</u></u>

Hong Kong Profits Tax is calculated at 16.5% (2022: 16.5%) on the estimated assessable profits for the year.

The Group is subject to Hong Kong Profits Tax under the two-tiered profits tax rates regime. For the years ended 31 March 2023 and 2022, the first HK\$2 million of profits of qualifying entities will be taxed at 8.25% whereas profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered tax rates regime will continue to be taxed at a flat rate of 16.5% on their estimated assessable profits.

For the years ended 31 March 2023 and 2022, the Group’s PRC subsidiaries were eligible to be classified as small enterprise by the local bureau and the corresponding assessable profits are taxed at progressive rate. The first Renminbi (“RMB”)1,000,000 assessable profit is taxed at 2.5% (2022: 5%) and assessable profit above RMB1,000,000 but less than RMB3,000,000 is taxed at 5% (2022: 10%). EIT arising from other regions of the PRC is calculated at 25% on the estimated assessable profits.



## 9. DIVIDENDS

### (a) Dividends payable to owners of the Company attributable to the year

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Proposed final dividend	<u>16,708</u>	<u>9,000</u>

*Note:*

The final dividend in respect of the financial year ended 31 March 2023 of HK3.0 cents (2022: HK1.5 cents) per ordinary share, amounting to HK\$16,707,900 (2022: HK\$9,000,000) have been proposed by the directors of the Company and are subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

Those dividends declared subsequent to 31 March 2023 have not been recognised as a liability as at 31 March 2023.

### (b) Dividends payable to owners of the Company attributable to the previous financial year, approved and paid during the year

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Dividends in respect of previous financial year, approved and paid during the year of HK1.5 cents (2022: HK5.5 cents) per ordinary share	<u>9,000</u>	<u>33,000</u>

## 10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the following data:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Earnings</b>		
Profit for the year attributable to owners of the Company	<u>37,147</u>	<u>11,505</u>
	2023 <i>'000</i>	2022 <i>'000</i>
<b>Weighted average number of ordinary shares in issue</b>		
Weighted average number of ordinary shares in issue during the year	<u>591,386</u>	<u>600,000</u>

Diluted earnings per share are same as the basic earnings per share as there are no dilutive potential ordinary shares in existence during the year or in prior year.

## 11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables	97,150	54,910
Less: loss allowance	<u>(1,641)</u>	<u>(1,064)</u>
Trade receivables, net ( <i>note (a)</i> )	<u>95,509</u>	<u>53,846</u>
Retention receivables	104,270	84,599
Less: loss allowance	<u>(2,863)</u>	<u>(2,072)</u>
Retention receivables, net ( <i>note (b)</i> )	<u>101,407</u>	<u>82,527</u>
Other receivables	9,723	8,560
Deposits	2,326	2,258
Prepayments	<u>13,486</u>	<u>12,125</u>
	<u>25,535</u>	<u>22,943</u>
Less: non-current portion-deposits	<u>(1,787)</u>	<u>(1,798)</u>
Current portion	<u><u>220,664</u></u>	<u><u>157,518</u></u>

*Notes:*

(a) Trade receivables

The Group normally allows a credit period of 30 and 60 days to its customers for provision of construction works and trading of building material products respectively.

The ageing analysis of the trade receivables (net of loss allowance), based on invoice date, as at the end of the reporting period is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0 – 30 days	41,661	27,748
31 – 60 days	35,052	10,585
61 – 90 days	1,167	143
Over 90 days	<u>17,629</u>	<u>15,370</u>
	<u><u>95,509</u></u>	<u><u>53,846</u></u>

The movements in the loss allowance for impairment on trade receivables are as follows:

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
At the beginning of the reporting period	<b>1,064</b>	618
Provision of impairment loss	<b>577</b>	539
Amount written off during the year	<u>–</u>	<u>(93)</u>
At the end of the reporting period	<b><u>1,641</u></b>	<b><u>1,064</u></b>

(b) Retention receivables

The Group generally provides retention period of 1 to 2 years and normally retention monies represent 5% to 10% of the contract sum. Retention receivables are part of the consideration arising from structural engineering contracts and sizable supply and installation of building material products contracts that are retained by the customers and are payable to the Group upon completion of the retention period of the relevant contract or in accordance with the terms specified in the relevant contract. Retention monies are intended to protect the customers from the Group failing to complete its obligations under the contracts rather than to provide financing to the customers. Retention receivables are in nature as contract assets.

The terms and conditions in relation to the release of retention monies vary from contract to contract, which may be subject to practical completion of contracts, expiry of defect liability period and rectification of defects to the satisfaction of customers (i.e. at the expiry of the defect liability period that is at a point at which the Group has unconditional right to invoice to the customers). Upon release of retention monies by the customers, retention receivables will be reclassified to “Trade receivables”. For other small-scale supply and installation of building material products contracts, the Group normally issues bill to the customers for payment along when the services are rendered.

The movements in the loss allowance for impairment on retention receivables are as follows:

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
At the beginning of the reporting period	<b>2,072</b>	1,615
Provision of impairment loss	<b>791</b>	493
Amount written off during the year	<u>–</u>	<u>(36)</u>
At the end of the reporting period	<b><u>2,863</u></b>	<b><u>2,072</u></b>

The retention receivables as of the end of the reporting period are to be settled, based on the terms and conditions in relation to the release of the retention monies by customers and taking into account the status of rectification work, as follows:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
On demand or within one year	<b>5,425</b>	16,356
After one year	<b>95,982</b>	66,171
	<u><b>101,407</b></u>	<u>82,527</u>

## 12. TRADE AND OTHER PAYABLES

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade payables ( <i>note (a)</i> )	<b>68,950</b>	67,170
Retention payables ( <i>note (b)</i> )	<b>39,603</b>	33,984
Accrued staff costs	<b>9,522</b>	4,766
Other payables and accruals	<b>4,164</b>	4,586
	<u><b>122,239</b></u>	<u>110,506</u>

*Notes:*

- (a) For trade payables, the credit period granted by suppliers and contractors is normally 30 to 60 days.

The ageing analysis of trade payables, based on invoice date, as at the end of the reporting period is as follows:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0 – 30 days	<b>43,131</b>	37,653
31 – 60 days	<b>18,913</b>	19,180
61 – 90 days	<b>803</b>	4,681
Over 90 days	<b>6,103</b>	5,656
	<u><b>68,950</b></u>	<u>67,170</u>

- (b) Based on the terms and conditions agreed in relation to the release of retention monies to subcontractors and taking into account the status of rectification work, the retention payables as at the end of the reporting period are to be settled as follows:

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
On demand or within one year	<b>35,568</b>	29,786
After one year	<b>4,035</b>	4,198
	<b>39,603</b>	33,984

### 13. LEASES

The Group leases office premises, factories, warehouse, quarters and motor vehicles for use in its operation. The periodic rent is fixed over the lease term, and the leases are negotiated for an initial period of two to ten years (2022: two to ten years).

The movements of the lease liabilities are as follows:

	<b>Other properties</b>	<b>Motor vehicles</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 April 2021	10,906	758	11,664
Additions	9,543	–	9,543
Finance costs	468	20	488
Lease payments	(7,823)	(469)	(8,292)
Exchange adjustment	278	–	278
Balance at 31 March 2022 and 1 April 2022	13,372	309	13,681
Additions	3,189	–	3,189
Finance costs	338	5	343
Lease payments	(7,704)	(300)	(8,004)
Exchange adjustment	(310)	–	(310)
Balance at 31 March 2023	<b>8,885</b>	<b>14</b>	<b>8,899</b>

Future lease payments are due as follows:

	<b>Minimum lease payments</b> <i>HK\$'000</i>	<b>Interest</b> <i>HK\$'000</i>	<b>Present value of minimum lease payments</b> <i>HK\$'000</i>
<b>As at 31 March 2023</b>			
Not later than one year	5,678	(189)	5,489
Later than one year but no later than two years	2,532	(65)	2,467
Later than two years but no later than five years	984	(41)	943
	<u>9,194</u>	<u>(295)</u>	<u>8,899</u>
	<u><u>9,194</u></u>	<u><u>(295)</u></u>	<u><u>8,899</u></u>
<b>As at 31 March 2022</b>			
Not later than one year	7,838	(318)	7,520
Later than one year but no later than two years	4,516	(87)	4,429
Later than two years but no later than five years	1,740	(8)	1,732
	<u>14,094</u>	<u>(413)</u>	<u>13,681</u>
	<u><u>14,094</u></u>	<u><u>(413)</u></u>	<u><u>13,681</u></u>

The present value of future lease payments are analysed as follows:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current liabilities	5,489	7,520
Non-current liabilities	3,410	6,161
	<u>8,899</u>	<u>13,681</u>
	<u><u>8,899</u></u>	<u><u>13,681</u></u>

#### 14. BANK BORROWING

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Bank borrowings repayable within one year	<b>45,867</b>	2,539

The bank borrowings, including trade financing, are interest bearing at the bank's prime rate or the bank's prime rate adjusted by certain basis points per annum. The interest rate of the Group's bank borrowings as at 31 March 2023 granted under banking facilities ranged from 2.2% to 8.9% (2022: 5.0%) per annum. The bank borrowings are subject to repayment on demand clause.

As at 31 March 2023 and 2022, the banking facilities granted to the Group were secured by the corporate guarantee provided by the Company.

#### 15. GUARANTEE

The Group provided guarantee in respect of the surety bonds issued in favour of the customers of the Group's certain construction contracts. The Group has unconditionally and irrevocably agreed to indemnify the bank as issuers of the bonds for claims and losses they may incur in respect of the bonds. Details of these guarantees at the end of the reporting period are as follows:

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Value of the surety bond issued in favour of a customer	<b>7,276</b>	7,276

As assessed by the directors, it is not probable that the bank would claim the Group for losses in respect of the guarantee contract as it is unlikely that the Group is unable to fulfill the performance requirements of the relevant contract. Accordingly, no provision for the Group's obligations under the guarantee has been made.

## 16. SHARE CAPITAL

Ordinary shares	Par value <i>HK\$</i>	Number of shares	Amount <i>HK\$'000</i>
<b>Authorised:</b>			
At the beginning and the end of the reporting period	0.01	2,000,000,000	20,000
<b>Issued and fully paid:</b>			
At 1 April 2021, 31 March 2022 and 1 April 2022	0.01	600,000,000	6,000
Cancellation of shares repurchased ( <i>note</i> )	0.01	(43,070,000)	(431)
At 31 March 2023	0.01	556,930,000	5,569

*Note:*

On 18 January 2023, the Company repurchased 43,070,000 ordinary shares from a member of key management with consideration of approximately HK\$0.245 per share, totally approximately HK\$10,544,000. All those ordinary shares were immediately cancelled once repurchased by the Company. Upon cancellation of the 43,070,000 repurchased shares, the number of shares of the Company was reduced from 600,000,000 to 556,930,000. Of the repurchase cost of HK\$10,544,000, an amount of HK\$431,000, representing the par value of the cancelled shares was deducted from share capital whereas the remaining amount of HK\$10,113,000 was deducted from share premium.



## MANAGEMENT DISCUSSION AND ANALYSIS

The Board is pleased to present the annual results of the Group for the year ended 31 March 2023 (the “Year” or “FY2023”), together with the comparative figures for the corresponding year ended 31 March 2022 (the “Previous Year” or “FY2022”).

### Business Activities

The Group is principally engaged in (i) provision of structural engineering works with a focus on design and build projects in Hong Kong; (ii) supply of building material products together with installation services of such products in Hong Kong; and (iii) trading of building material products predominately in Hong Kong. There has been no significant change in the business operations of the Group. During the Year, the Group recognised revenue from rendering structural engineering works and supply and installation of building material products as well as trading of building material products.

### Business Review

During the Year, the Group recorded a revenue of approximately HK\$568.5 million, representing an increase of approximately HK\$74.3 million or 15.0% from the Previous Year. The increase in revenue was mainly due to the COVID-19 outbreak and disease control measures gradually subsided during the Year and the progress of key projects resumed to normal. The following table sets forth the major projects undertaken by the Group during the Year.

<b>Major projects undertaken by the Group during the Year</b>	<b>Revenue recognised during the Year</b> <i>HK\$ million</i>	<b>Status as at 31 March 2023</b>	<b>Expected completion date</b>
Design, Supply and Fixing of Roof Cladding Works for Certain Sports Facilities in Kowloon City	259.5	Ongoing	Expected completion in Q2 2024
Structural Steel and Roof Work in Lamma Island Unit 12	56.9	Ongoing	Substantially completed
Main Plaza Canopy & Western Bridge Canopy for Certain Sports Facilities in Kowloon City	30.8	Ongoing	Expected completion in Q2 2024
Renovation of Guestroom and Corridor at a hotel in Tsim Sha Tsui	26.9	Ongoing	Substantially completed
Design, Supply & Installation of Dome Roof Cladding for Commercial Development near Airport	24.7	Ongoing	Substantially completed

## Future Prospects

The Group's outstanding contracts on hand as at 31 March 2023 grew to HK\$1,144 million, including the following projects with estimated outstanding contract sum of over HK\$50 million each as at 31 March 2023:

<b>Projects with outstanding contract sum of over HK\$50 million as at 31 March 2023</b>	<b>Status as at 31 March 2023</b>	<b>Expected completion date</b>
Glass Box and Footbridge Upgrading Works Contract for a Commercial Building in Central	Ongoing	Q4 2023
Noise Barrier Project in Anderson Road	Ongoing	Q1 2024
Design, Supply and Fixing of Roof Cladding Works for Certain Sports Facilities in Kowloon City	Ongoing	Q2 2024
Main Plaza Canopy & Western Bridge Canopy for Certain Sports Facilities in Kowloon City	Ongoing	Q2 2024
Noise Barrier Project in Fanling North Development Area	Ongoing	Q2 2024
Tower Facade for Proposed Office Redevelopment for a Commercial Building in Central	Ongoing	Q2 2024

The construction market has been growing steadily due to the strong demands for residential units and commercial building and also the Hong Kong Government's implementation of long-term policies on housing supply and infrastructural development. As the Group's track record, reputation and technical capability and capacity grew over the years, we have been able to tap into a market segment of higher entry threshold and secure larger scale projects from public service operators, governmental bodies, and private developers.

With the impacts of COVID-19 outbreak receding, the Hong Kong government had rolled out a series of business forums and promotional campaign to attract spotlight back to Hong Kong as a financial service centre and destination for business and leisure travelers. Furthermore, the Lantau Tomorrow Vision and Northern Metropolis development plans will propel Hong Kong's integration into the Greater Bay Area development blueprint of the PRC state government strategy and will bring about large amount of construction activities, including roadways and building structures. Accordingly, we expect that there will be a steady flow of business opportunities in the market which the Group operates in the coming years.

## Financial Highlights

	Year ended 31 March		Percentage
	2023	2022	change
	<i>HK\$'000</i>	<i>HK\$'000</i>	Increase/ (Decrease)
Revenue	<b>568,490</b>	494,170	15.0%
Cost of revenue	<b>467,723</b>	433,457	7.9%
Gross profit	<b>100,767</b>	60,713	66.0%
Profit before income tax	<b>45,301</b>	14,620	209.9%
Net profit	<b>37,147</b>	11,505	222.9%
Profit before income tax (excluded non-recurring income)	<b>43,161</b>	14,620	195.2%
Net profit (excluded non-recurring income)	<b>35,007</b>	11,505	204.3%
Earnings per share ( <i>HK cents</i> )	<b>6.28</b>	1.92	227.1%

	As at 31 March		Percentage
	2023	2022	change
	<i>HK\$'000</i>	<i>HK\$'000</i>	Increase/ (Decrease)
Current assets	<b>477,427</b>	374,996	27.3%
Current liabilities	<b>230,716</b>	148,501	55.4%
Total assets	<b>497,976</b>	402,126	23.8%
Total equity	<b>263,792</b>	247,365	6.6%

	Year ended 31 March	
	2023	2022
Key Performance Indices		
Gross profit margin	<b>17.7%</b>	<b>12.3%</b>
Net profit margin	<b>6.5%</b>	<b>2.3%</b>
Return on equity	<b>14.1%</b>	<b>4.7%</b>
Return on total assets	<b>7.5%</b>	<b>2.9%</b>

	As at 31 March	
	2023	2022
Current ratio ( <i>times</i> )	<b>2.1</b>	2.5
Gearing ratio (%)	<b>20.8</b>	6.6

## **Financial Review**

### ***Revenue***

The Group recorded revenue of approximately HK\$568.5 million for the Year, representing an increase of approximately HK\$74.3 million or 15.0% as compared to that of the Previous Year. Such increase was mainly attributable to the COVID-19 outbreak and disease control measures gradually subsided during the Year and the progress of certain key projects resumed to normal.

### ***Cost of Revenue and Gross Profit***

The Group's cost of revenue mainly comprised material and processing charges and subcontracting charges. The Group's cost of revenue for the Year amounted to approximately HK\$467.7 million, representing an increase of approximately 7.9% as compared to that of approximately HK\$433.5 million for the Previous Year.

The Group recorded gross profit of approximately HK\$100.8 million for the Year, representing an increase of approximately 66.0% as compared to that of approximately HK\$60.7 million for the Previous Year, and the gross profit margin improved to approximately 17.7% for the Year as compared to 12.3% for the Previous Year. The improvement in gross profit margin was a result of (i) the COVID-19 outbreak and disease control measures gradually subsided during the Year and progress of projects resumed to normal, as opposed to extra labour and plant costs incurred for idling time from interrupted work programme at some construction sites in the Previous Year; and (ii) a decrease in material prices during the Year, while there was an abrupt increase in material prices in the Previous Year owing to disruption in supply chain.

### ***Other Income***

The Group recorded other income of approximately HK\$3.7 million for the Year, which mainly comprised government grants of approximately HK\$2.1 million, bank interest income of approximately HK\$0.7 million and a write-back of trade payables of approximately HK\$0.5 million, whereas other income for the Previous Year mainly comprised rental income of approximately HK\$0.5 million and a write-back of trade payables of approximately HK\$0.4 million.

### ***Administrative and Other Operating Expenses***

The Group's administrative and other operating expenses for the Year were approximately HK\$52.6 million, representing an increase of approximately HK\$10.7 million from approximately HK\$41.9 million for the Previous Year. Such increase was mainly due to increase in exchange loss of HK\$7.7 million arising from depreciation of Renminbi and increase in Directors' remuneration of approximately HK\$3.0 million as a result of enhancement in discretionary bonus to the Directors as an incentive of improved revenue and profit of the Group.

### ***Finance Costs***

For the Year, the Group's finance costs were approximately HK\$2.1 million (FY2022: HK\$1.2 million), representing an increase of approximately HK\$0.9 million or 75.0%, which was mainly due to more bank borrowings were drawdown during the Year and increase in interest rate of bank borrowings.

### ***Income Tax Expense***

The Group incurred income tax expense of approximately HK\$8.2 million and HK\$3.1 million for the Year and the Previous Year, respectively, representing effective tax rate of approximately 18.1% and 21.3%, respectively. The lower effective tax rate for the Year was because the government grants for the Year were not taxable.

### ***Profit for the Year***

As a result of the increase in gross profit and the government grants and offsetting the effect of increased administrative and other operating expenses as mentioned above, the Group's profit for the Year increased from approximately HK\$11.5 million for the Previous Year to approximately HK\$37.1 million for the Year, representing an increase of approximately HK\$25.6 million or 222.9%.

### ***Dividend***

On 21 June 2023, the Board recommended a final dividend of HK3.0 cents (FY2022: HK1.5 cents) per share, totalling HK\$16.7 million for the Year (FY2022: HK\$9.0 million) which are subject to the approval of shareholders at the forthcoming annual general meeting of the Company. The recommendation of dividends depend on the accumulated reserves, liquidity condition, expected cash flows and working capital needs of the Group.

## **Liquidity, Financial Resources and Capital Structure**

	<b>As at 31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current assets	<b>477,427</b>	374,996
Current liabilities	<b>230,716</b>	148,501
Current ratio ( <i>times</i> )	<b>2.1</b>	2.5

The Group generally meets its working capital requirements by cash flows generated from its operations and short term borrowings. During the Year, the Group generated net cash inflow from operating activities of approximately HK\$4.7 million, together with the availability of short term bank loans, the Group has been financially sound in its daily operations throughout the Year.

During the Year, the Group financed its operations by its internal resources and banking facilities. As at 31 March 2023, the Group had net current assets of approximately HK\$246.7 million (31 March 2022: HK\$226.5 million). The Group's current ratio as at 31 March 2023 was approximately 2.1 times (31 March 2022: 2.5 times).

As at 31 March 2023, the Group had a total cash and bank balances and fixed term deposit of approximately HK\$114.8 million and HK\$10.1 million respectively (31 March 2022: HK\$105.4 million and nil), mainly denominated in HK\$.

As at 31 March 2023, the Group had a total available banking facilities of approximately HK\$245.0 million, of which HK\$199.1 million was unutilised and available for use.

There has been no change in capital structure, except for the repurchase of 43,070,000 ordinary shares, of the Company during the Year. As at 31 March 2023, the equity attributable to owners of the Company amounted to approximately HK\$263.8 million (31 March 2022: HK\$247.4 million).

### ***Gearing Ratio***

The gearing ratio is calculated as total debts to equity. Total debts include lease liabilities and bank borrowings of the Group. Equity represents the total equity of the Group.

The Group is able to generate net cash from operating activities of approximately HK\$4.7 million for the Year. The gearing ratio of the Group as at 31 March 2023 was 20.8% (31 March 2022: approximately 6.6%). The increase in gearing ratio was because more bank borrowings and trade financing were drawn down during the Year.

### ***Foreign Currency Exposure and Treasury Policy***

Operations of the Group are mainly conducted in HK\$, United States dollars ("US\$"), British Pound ("GBP"), Euro ("EUR") and Renminbi ("RMB"). It is the Group's treasury policy to manage its foreign currency exposure whenever its financial impact is material to the Group and will closely monitor its foreign exchange position. During the Year, the Group did not engage in any hedging activities.

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

### ***Pledge of Assets***

As at 31 March 2023, the Group have bank borrowings of approximately HK\$45.9 million (31 March 2022: HK\$2.5 million) and banking facilities are unsecured as at 31 March 2023 (31 March 2022: nil).

As at 31 March 2023, the Group did not have any pledged deposit (31 March 2022: nil).

### ***Significant Investments***

Other than the investment in its subsidiaries, the Group did not hold any significant investments during the Year.

### ***Material Acquisitions and Disposals***

The Group did not acquire nor dispose of any subsidiaries or fixed assets during the Year.

### ***Contingent Liabilities***

As at 31 March 2023, the Group did not have any significant contingent liabilities.

### ***Employees and Remuneration Policies***

As at 31 March 2023, the Group had 198 staff (31 March 2022: 164). The total employee benefit expenses for the Year (including Directors' emoluments, salaries to staff and other staff benefits included provident fund contributions, medical insurance coverage and other staff benefits) were approximately HK\$73.1 million (FY2022: HK\$66.1 million). The Group determines the salaries of its employees mainly based on each employee's qualifications, relevant experience, position and seniority. The Group conducts annual review on salary increment, discretionary bonuses and promotions based on the performance of each employee. During the Year, the Group has not experienced any significant problems with its employees due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff. The Group maintains a good relationship with its employees.

### **Purchase, Sale or Redemption of the Company's Listed Shares**

During Year, the Company repurchased 43,070,000 ordinary shares off the public market from one of its controlling shareholder at an aggregate consideration of approximately HK\$10.5 million. The Directors are of the view that the share repurchase is beneficial to the Company and its shareholders. Details of the share repurchase are as follows:

<b>Date</b>	<b>Number of ordinary shares</b>	<b>Highest price paid per share HK\$</b>	<b>Lowest price paid per share HK\$</b>	<b>Aggregate consideration HK\$</b>
18 January 2023	43,070,000	0.2448	0.2448	10,543,536

All the repurchased shares had been cancelled as at 31 March 2023.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed shares of the Company during the Year.

### **Model Code for Securities Transactions by Directors**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules as the code of conduct for dealing in securities of the Company by the Directors (the “Model Code”). Upon specific enquiries made, each of the Directors confirmed he/she has complied with the Model Code throughout the Year.

### **Corporate Governance and Compliance with the Corporate Governance Code**

The Group is committed to uphold high standards of corporate governance. The Board considers that enhanced public accountability and corporate governance are beneficial to the healthy growth of the Group, improving customer and supplier confidence and safeguarding the interests of the shareholders of the Company.

The Company has adopted the code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Listing Rules (the “CG Code”) and has complied with the CG Code throughout the Year.

### **EVENT AFTER THE YEAR**

No event has occurred after 31 March 2023 and up to the date of this announcement which would have a material effect on the Group.

### **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available and within the knowledge of the Directors, at least 25% of the Company’s issued share capital were held by the public as at the date of this announcement.

### **SIGNIFICANT CHANGES IN CONSTITUTIONAL DOCUMENTS**

During the Year, shareholders of the Company have by special resolution passed at the Company’s annual general meeting held on 9 September 2022 adopted an amended and restated memorandum and articles of association (“2022 M&A”). The key changes incorporated in the 2022 M&A included amendments for conforming with the core shareholder protection standards as required by the appendix 3 to the Listing Rules which took effect on 1 January 2022, and other housekeeping and consistency amendments.

### **MANAGEMENT CONTRACTS**

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



## **FINAL DIVIDEND**

The Board has proposed to declare a final dividend of HK3.0 cents (FY2022: HK1.5 cents) per share, amounting to HK\$16.7 million for the Year (FY2022: HK\$9.0 million) to the shareholders of the Company whose name appear on the register of members of the Company on 4 September 2023. Subject to the approval of shareholders at the forthcoming annual general meeting of the Company, the proposed final dividend is expected to be paid on or around 20 September 2023. No interim dividend was recommended for the Year (FY2022: Nil). The recommendation of dividends depend on the accumulated reserves, liquidity condition, expected cashflows and working capital needs of the Group.

## **CLOSURE OF REGISTER OF MEMBERS**

In order to determine the entitlement to attend the annual general meeting to be held on 23 August 2023 (Wednesday) (the “AGM”), the register of members of the Company will be closed from 18 August 2023 (Friday) to 23 August 2023 (Wednesday) (both days inclusive), during which period no transfer of the shares of the Company can be registered. In order to qualify for attending the AGM, all transfer of the shares of the Company accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre 16 Harcourt Road, Hong Kong for registration by not later than 4:30 p.m. on 17 August 2023 (Thursday).

In order to determine the entitlement to the final dividends for the year ended 31 March 2023, the register of members of the Company will be closed from 31 August 2023 (Thursday) to 4 September 2023 (Monday) (both days inclusive), during which period no transfer of the shares of the Company can be registered. In order to qualify for the final dividends for the year ended 31 March 2023, all transfer of the shares of the Company accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre 16 Harcourt Road, Hong Kong for registration by not later than 4:30 p.m. on 30 August 2023 (Wednesday).

## **AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS AND THIS ANNUAL RESULTS ANNOUNCEMENT**

The audit committee of the Company (the “Audit Committee”) has reviewed this annual results announcement and the consolidated financial statements for the year ended 31 March 2023.

The Audit Committee comprises three independent non-executive Directors and is chaired by Ms. Lai Pik Chi, Peggy, who has appropriate professional qualifications and experience as required by Rule 3.10(2) of the Listing Rules.

The figures in respect of the Group’s consolidated statement of financial position and consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2023 as set out in this 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 and consequently no assurance has been expressed by BDO Limited on this announcement.

## **PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT**

This annual results announcement is published on the websites of the Stock Exchange and the Company, and the annual report of the Company for the Year containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board  
**KPa-BM Holdings Limited**  
**Yip Pak Hung**  
*Chairman and Executive Director*

Hong Kong, 21 June 2023

*As at the date of this announcement, the executive Directors are Mr. Yip Pak Hung (chairman of the Board) and Mr. Wai Yat Kin; and the independent non-executive Directors are Ms. Lai Pik Chi Peggy, Mr. Lam Chi Wai, Peter and Dr. Yeung Kit Ming.*

\* *For identification purpose only*