

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

## **Silver Tide Holdings Limited**

### **銀濤控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1943)**

## **ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2022**

The board (the “**Board**”) of directors (the “**Directors**”) of Silver Tide Holdings Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2022, together with comparative figures for the previous year as follows:

### **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the year ended 31 March*

	<i>Notes</i>	<b>2022</b> <b>HK\$'000</b>	2021 HK\$'000
Revenue	6	<b>340,084</b>	437,177
Cost of services		<b>(360,927)</b>	(419,556)
Gross (loss)/profit		<b>(20,843)</b>	17,621
Other income and gains	6	<b>3,052</b>	15,799
Administrative and other operating expenses		<b>(18,065)</b>	(18,259)
Other losses		<b>(3,200)</b>	–
Finance costs	7	<b>(163)</b>	(248)
(Loss)/profit before income tax	8	<b>(39,219)</b>	14,913
Income tax credit/(expense)	9	<b>5,375</b>	(786)
<b>(LOSS)/PROFIT AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR</b>		<b><u>(33,844)</u></b>	<b><u>14,127</u></b>
(Loss)/profit and total comprehensive income/(loss) attributable to owners of the parent		<b><u>(33,844)</u></b>	<b><u>14,127</u></b>
<b>(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted	11	<b><u>HK(3.4) cents</u></b>	<b><u>HK1.4 cents</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 March*

	<i>Notes</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	<i>12</i>	<b>20,005</b>	26,750
Trading right		<b>500</b>	–
Prepayments, other receivables and other assets		<b>210</b>	4,210
Deferred tax assets		<b>5,045</b>	–
Statutory deposits		<b>205</b>	–
		<hr/>	<hr/>
Total non-current assets		<b>25,965</b>	30,960
<b>CURRENT ASSETS</b>			
Contract assets	<i>13</i>	<b>109,205</b>	144,710
Trade receivables	<i>14</i>	<b>24,761</b>	27,917
Amount due from the ultimate holding company		<b>298</b>	31
Amount due from a related party		<b>124</b>	–
Prepayments, other receivables and other assets		<b>11,209</b>	15,663
Financial assets at fair value through profit or loss (“FVTPL”)		<b>35,213</b>	–
Trust bank balances held on behalf of customers		<b>44,676</b>	–
Cash and cash equivalents		<b>30,973</b>	77,270
Tax recoverable		<b>300</b>	368
		<hr/>	<hr/>
Total current assets		<b>256,759</b>	265,959
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>15</i>	<b>61,229</b>	42,412
Other payables and accruals		<b>4,728</b>	4,949
Lease liabilities		<b>2,451</b>	1,975
		<hr/>	<hr/>
Total current liabilities		<b>68,408</b>	49,336
<b>NET CURRENT ASSETS</b>		<hr/> <b>188,351</b> <hr/>	<hr/> 216,623 <hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<hr/> <b>214,316</b> <hr/>	<hr/> 247,583 <hr/>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		<b>3,174</b>	2,267
Deferred tax liabilities		<b>–</b>	330
		<hr/>	<hr/>
Total non-current liabilities		<b>3,174</b>	2,597
<b>NET ASSETS</b>		<hr/> <b>211,142</b> <hr/>	<hr/> 244,986 <hr/>
<b>EQUITY</b>			
Equity attributable to owners of the parent			
Share capital	<i>16</i>	<b>10,000</b>	10,000
Reserves		<b>201,142</b>	234,986
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<hr/> <b>211,142</b> <hr/>	<hr/> 244,986 <hr/>

## NOTES

### 1. CORPORATE AND GROUP INFORMATION

Silver Tide Holdings Limited (the “**Company**”) is an exempted company incorporated in the Cayman Islands on 24 July 2018 with limited liability. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of operations of the Company is located at Room A–B, 14F, Skyline Tower, No.18 Tong Mi Road, Mongkok, Hong Kong.

The principal activity of the Company is investment holding. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in (i) providing construction services, including traditional formwork using timber and plywood, system formwork using aluminium and steel, and ancillary works such as concrete works and reinforcement works for the public and private sectors in Hong Kong and (ii) securities dealing and broking.

In the opinion of the directors, the immediate holding company and the ultimate holding company of the Company is Silver Tide Enterprises Limited (“**Silver Tide Enterprises**”), which is incorporated in the British Virgin Islands (“**BVI**”).

#### Information about subsidiaries

Particulars of the Company’s subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Forest Honour Limited	BVI	US\$1	100	–	Investment holding
Hop Fat Yuk Ying Engineering Limited	Hong Kong	HK\$2,000,000	–	100	Construction services
Titan Hwaks Limited	BVI	US\$1	100	–	Investment holding
Sun Range International Limited	BVI	US\$1	100	–	Not yet commenced business
Yellow River Securities Limited	Hong Kong	HK\$11,000,000	–	100	Securities dealing and broking

### 2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the applicable disclosure required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These financial statements have been prepared under the historical cost convention and are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand (“HK\$’000”) except when otherwise indicated.

#### **Basis for consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2022. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

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

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

### 4. ISSUED BUT NOT YET EFFECTIVE HKFRSs

The Group has not applied the following new and revised HKFRSs that have been issued and potentially relevant to the Group but are not yet effective, in these financial statements.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and HK Interpretation 5 (2020), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>3</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>3</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>3</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>3</sup>
Amendments to HKAS 16	Proceeds before Intended Use <sup>1</sup>
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>1</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Annual Improvements to HKFRSs 2018-2020 Cycle	Amendment to HKFRS 1 <sup>1</sup>
Annual Improvements to HKFRSs 2018-2020 Cycle	Amendment to HKFRS 9, Financial Instruments <sup>1</sup>
Annual Improvements to HKFRSs 2018-2020 Cycle	Amendment to illustrative examples accompanying HKFRS 16, Lease <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2022.

<sup>2</sup> Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual periods beginning on or after 1 January 2022.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>4</sup> The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

**Amendments to HKAS 1, Classification of Liabilities as Current or Non-current and HK Interpretation 5 (2020), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause**

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and explain that rights are in existence if covenants are complied with at the end of the reporting period. The amendments also introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

HK Int 5 (2020) was revised as a consequence of the Amendments to HKAS 1. The revision to HK Int 5 (2020) updates the wordings in the interpretation to align with the Amendments to HKAS 1 with no change in conclusion and do not change the existing requirements.

The directors of the Company do not anticipate that the application of the amendments and revision in the future will have an impact on the consolidated financial statements.

**Amendments to HKAS 1 and HKFRS Practice Statement 2, Disclosures of Accounting Policies**

The amendments to HKAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to HKFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

**Amendments to HKAS 8, Definition of Accounting Estimates**

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

**Amendments to HKAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

The amendments clarify whether the initial recognition exemption applies to certain transactions that often result in both an asset and a liability being recognised simultaneously. Such instances might include the initial recognition of leases from the perspective of a lessee or asset retirement obligations (AROs)/decommissioning liabilities.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

### **Amendments to HKAS 16, Proceeds before Intended Use**

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the proceeds from selling such items, and the cost of producing those items, are recognised in profit or loss.

The directors of the Company are currently assessing the impact that the application of the amendments will have on the Group's consolidated financial statements. The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

### **Amendments to HKAS 37, Onerous Contracts – Cost of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (e.g. direct labour and materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The directors of the Company are currently assessing the impact that the application of the amendments will have on the Group's consolidated financial statements. The directors of the Company anticipate that the application of the amendments will likely have an impact on the Group's accounting policies in respect of the determination of when contracts are onerous, and the measurement of provision for onerous contracts recognised.

### **Amendments to HKFRS 3, Reference to the Conceptual Framework**

The amendments update HKFRS 3 so that it refers to the revised Conceptual Framework for Financial Reporting 2018 instead of the version issued in 2010. The amendments add to HKFRS 3 a requirement that, for obligations within the scope of HKAS 37, an acquirer applies HKAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of HK (IFRIC) Interpretation 21, Levies, the acquirer applies HK (IFRIC) Interpretation 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

### **Amendments to HKFRS 10 and HKAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments clarify with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. When the transaction with an associate or joint venture that is accounted for using the equity method, any gains or losses resulting from the loss of control of a subsidiary that does not contain a business are recognised in the profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, any gains or losses resulting from the re-measurement of retained interest in any former subsidiary (that has become an associate or a joint venture) to fair value are recognised in the profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The directors of the Company anticipate that the application of these amendments may have an impact on the consolidated financial statements in future periods should such transaction arise.

### **Annual Improvements to HKFRSs 2018-2020 Cycle, Amendment to HKFRS 1, Financial Instruments**

The annual improvements permit a subsidiary that applies paragraph D16(a) of HKFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to HKFRSs.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

### **Annual Improvements to HKFRSs 2018-2020 Cycle, Amendment to HKFRS 9, Financial Instruments**

The annual improvements amend a number of standards, including HKFRS 9, Financial Instruments, which clarify the fees included in the '10 per cent' test in paragraph B3.3.6 of HKFRS 9 in assessing whether to derecognise a financial liability, explaining that only fees paid or received between the entity and the lender, including fees paid or received by either the entity or the lender on other's behalf are included.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

### **Annual Improvements to HKFRSs 2018-2020 Cycle, Amendment to illustrative examples accompanying HKFRS 16, Leases**

The annual improvements amend a number of standards, including HKFRS 16, Leases, which amend Illustrative Example 13 to remove the illustration of reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

## 5. OPERATING SEGMENT INFORMATION

The information reported to the directors of the Group, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance contain discrete operating segment financial information and the directors review the financial results of these components' performance. During the year ended 31 March 2022, the Group diversified its business to dealing and broking service. The Group has identified two (year ended 31 March 2021: one) reportable segments. The Group's reportable segments are i) Construction services and ii) Dealing and broking. The segments are managed separately as each business offers different services and requires different business strategies.

### (a) Segment revenue and results

#### For the year ended 31 March 2022

	Construction service <i>HK\$'000</i>	Dealing and broking <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue to external customers	<u>339,378</u>	<u>706</u>	<u>–</u>	<u>340,084</u>
Loss before income tax expenses	<u>(33,226)</u>	<u>(856)</u>	<u>(5,137)</u>	<u>(39,219)</u>

#### For the year ended 31 March 2021

	Construction service <i>HK\$'000</i>	Dealing and broking <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue to external customers	<u>437,177</u>	<u>–</u>	<u>–</u>	<u>437,177</u>
Profit/(loss) before income tax expenses	<u>15,969</u>	<u>–</u>	<u>(1,056)</u>	<u>14,913</u>

**(b) Segment assets and liabilities**

The following is an analysis of the Group's assets and liabilities by reportable segment:

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Assets		
Construction services	<b>188,322</b>	228,112
Dealing and broking	<b>55,965</b>	–
Segment assets	<b>244,287</b>	228,112
Unallocated	<b>38,437</b>	68,807
Total assets	<b>282,724</b>	296,919
	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Liabilities		
Construction services	<b>25,419</b>	51,409
Dealing and broking	<b>46,032</b>	–
Segment liabilities	<b>71,451</b>	51,409
Unallocated	<b>131</b>	524
Total liabilities	<b>71,582</b>	51,933

(c) **Other segment information included in segment profit or segment assets**

**For the year ended 31 March 2022**

	Construction service <i>HK\$'000</i>	Dealing and broking <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Interest income	(14)	–	(271)	(285)
Government grants	(561)	–	–	(561)
Finance costs	160	–	3	163
Income tax credit	(5,375)	–	–	(5,375)
Depreciation of property, plant and equipment	10,614	27	–	10,641
Depreciation of right-of-use assets	2,428	–	–	2,428
Additions to property, plant and equipment	2,804	53	–	2,857
Additions to right-of-use assets	7,414	–	–	7,414
Unrealised loss arising from change in fair value of financial assets at FVTPL	–	–	1,831	1,831
Realised loss arising from financial assets at FVTPL	–	–	1,246	1,246
Gain on disposal of property, plant and equipment	6	–	–	6

**For the year ended 31 March 2021**

	Construction service <i>HK\$'000</i>	Dealing and broking <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Interest income	(15)	–	(638)	(653)
Government grants	(12,777)	–	–	(12,777)
Finance costs	248	–	–	248
Income tax expenses	786	–	–	786
Depreciation of property, plant and equipment	13,592	–	–	13,592
Depreciation of right-of-use assets	2,662	–	–	2,662
Additions to property, plant and equipment	20,097	–	–	20,097
Additions to right-of-use assets	2,605	–	–	2,605

### **Geographical information**

No geographical information is presented as the Group's revenue was solely derived from customers and operations based in Hong Kong and the non-current assets of the Group were all located in Hong Kong.

### **Information about major customers**

Revenue from each major customer which accounted for 10% or more of the Group's revenue for the year is set out below:

	<b>2022</b>	2021
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Customer I	<b>163,068</b>	279,847
Customer II	*	58,331
Customer III	<b>136,106</b>	37,368
Customer IV	*	44,124
	<b>=====</b>	<b>=====</b>

Except for the aforesaid, no revenue from other single external customer accounted for 10% or more of the Group's revenue.

\* Less than 10% of the Group's revenue

## 6. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold or services rendered and earned by the Group. All the Group's revenue (other than interest income) is derived from contracts with customers under HKFRS 15. The geographical regions of the sales to external customers are based on the locations where the services are rendered. All the Group's services are rendered in Hong Kong.

An analysis of revenue, other income and gains is as follows:

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
<b>Revenue</b>		
Construction services		
Private sector	<b>315,487</b>	367,051
Public sector	<b>23,891</b>	70,126
	<b>339,378</b>	437,177
Dealing and broking services		
Brokerage commission	<b>617</b>	–
Interest income	<b>89</b>	–
	<b>706</b>	–
	<b>340,084</b>	437,177
<b>Other income and gains</b>		
Bank interest income	<b>285</b>	653
Rental income	<b>706</b>	600
Government grants	<b>561</b>	12,777
Exchange gains, net	<b>701</b>	1,769
Gain on disposal of items of property, plant and equipment	<b>6</b>	–
Others	<b>793</b>	–
	<b>3,052</b>	15,799

## Performance obligations for contracts with customers

### *Construction services*

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days from the date of issuance of payment certificate. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

### *Dealings in securities*

The Group provides dealing and broking services for securities. Commission income is recognised at a point in time on the execution date of the trades at a certain percentage of the transaction value of the trades executed.

Unsatisfied performance obligations related to construction contracts:

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Amount expected to be recognised as revenue:		
Within one year	<b>389,027</b>	295,078
After one year	<b>174,547</b>	57,518
	<b>563,574</b>	352,596

The amount of transaction prices allocated to the remaining performance obligations which are expected to be recognised after one year relate to construction services, of which the performance obligations are to be satisfied within two years. All the other amount of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amount disclosed above do not include variable consideration which is constrained.

## 7. FINANCE COSTS

An analysis of finance costs is as follows:

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest on bank loans and overdrafts	<b>3</b>	97
Interest on lease liabilities	<b>160</b>	151
	<b>163</b>	248

## 8. (LOSS)/PROFIT BEFORE INCOME TAX

The Group's (loss)/profit before income tax is arrived at after charging/(crediting):

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Costs of inventories recognised as expenses*	57,987	73,378
Contract costs	360,691	419,556
Provision for contract works*	–	779
Depreciation of owned assets	10,641	13,592
Depreciation of right-of-use assets	2,428	2,662
Total depreciation*	<u>13,069</u>	<u>16,254</u>
Expenses related to short-term leases*	3,384	9,693
Auditors' remuneration	1,250	1,000
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages and salaries*	13,914	12,608
Pension scheme contributions*	477	475
	<u>14,391</u>	<u>13,083</u>
Gain on termination of lease	(118)	(55)
Written-off of items of property, plant and equipment*	351	2
Unrealised loss arising from change in fair value of financial assets at FVTPL	1,831	–
Realised loss arising from financial assets at FVTPL	1,246	–
Government grants**	(561)	(12,777)
	<u><u>          </u></u>	<u><u>          </u></u>

\* During the year, costs of inventories recognised as expenses of HK\$57,987,000 (2021: HK\$73,378,000), wages and salaries of HK\$6,050,000 (2021: HK\$6,734,000), pension scheme contributions of HK\$257,000 (2021: HK\$301,000), provision for contract works of Nil (2021: HK\$779,000), depreciation of HK\$12,133,000 (2021: HK\$15,004,000), expenses related to short-term leases of HK\$2,671,000 (2021: HK\$9,419,000) and written-off of items of property, plant and equipment of HK\$351,000 (2021: HK\$2,000) are included in contract costs disclosed above.

\*\* Grants have been received from the Construction Industry Council, an institution established by the Government of the Hong Kong Special Administrative Region, for strengthening hygienic control measures, providing on-the-job training for graduate engineers and trainees and the Government subsidies under Employee Support Scheme for the Covid-19 pandemic. There were no unfulfilled conditions or contingencies relating to these grants.

## 9. INCOME TAX

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for a subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2018/2019. The first HK\$2 million of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Current – Hong Kong		
Charge for the year	–	–
Deferred tax	<u>(5,375)</u>	<u>786</u>
Total tax (credit)/charge for the year	<u><u>(5,375)</u></u>	<u><u>786</u></u>

A reconciliation of the tax (credit)/expense applicable to (loss)/profit before income tax at the statutory rate for the jurisdiction in which the Group's major subsidiary is domiciled to the tax (credit)/expense at the effective tax rate is as follows:

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
(Loss)/profit before income tax	<u>(39,219)</u>	<u>14,913</u>
Tax at the statutory tax rate	(6,471)	2,461
Income not subject to tax	(163)	(2,420)
Expenses not deductible for tax purpose	<u>1,259</u>	<u>745</u>
Tax (credit)/charge at the Group's effective rate	<u><u>(5,375)</u></u>	<u><u>786</u></u>

## 10. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the years ended 31 March 2022 and 2021, nor has any dividend been proposed since the end of the reporting period.

**11. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT**

The calculation of basic and diluted (loss)/earnings per share is based on:

	<b>2022</b>	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/profit attributable to ordinary equity holders of the Company for the purpose of calculating (loss)/earnings per share	<u><b>(33,844)</b></u>	<u>14,127</u>
	<b>Number of shares</b>	
	<b>2022</b>	2021
	<i>'000</i>	<i>'000</i>
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	<u><b>1,000,000</b></u>	<u>1,000,000</u>

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 March 2022 and 2021.

## 12. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 March 2022, the Group acquired property, plant and equipment with a cost of HK\$2,804,000 (2021: 20,097,000) and acquired property, plant and equipment with a net book value of HK\$53,000 through business combinations, and recognised additions to right-of-use assets of HK\$7,414,000 (2021: 2,605,000).

## 13. CONTRACT ASSETS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Contract assets		
Unbilled revenue	30,075	60,050
Retention receivables	79,130	84,660
	<u>109,205</u>	<u>144,710</u>

### Movements in contract assets:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
At the beginning of the year	144,710	107,310
Addition in contract assets	36,261	73,747
Transfer to trade receivables	<u>(71,766)</u>	<u>(36,347)</u>
At the end of the year	<u>109,205</u>	<u>144,710</u>

Unbilled revenue included in contract assets represents the Group's right to receive consideration for work completed and not yet billed because the rights are conditional upon the quality and quantity check by the customers on the construction work completed by the Group and the work is pending for the certification by the customers. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed construction work from the customers.

Retention receivables included in contract assets represent the Group's right to consideration for work performed but not yet collectible because the rights are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. The contract assets are transferred to trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the construction work performed by the Group.

The decrease in contract assets as at 31 March 2022 was the result of the decrease in the provision of construction services during this year.

Among the above contract assets, HK\$51,493,000 as at 31 March 2022 (2021: HK\$45,126,000) are expected to be recovered after twelve months from the end of the reporting period.

## 14. TRADE RECEIVABLES

	<i>Notes</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Construction service	<i>(a)</i>	<b>23,359</b>	27,917
Arising from securities of cash customers	<i>(b)</i>	<b>1,402</b>	–
		<b>24,761</b>	27,917

### *Notes:*

- (a) The amount represented receivables for contract works. Management generally submit interim payment applications to customers on a monthly basis containing a statement setting out management's estimation of the valuation of the works completed in the preceding month. Upon receiving the interim payment application, the architect or the consultant of the customer will verify such valuation of works completed and issue an interim payment certificate within 30 days. Within 30 days after the issuance of the interim payment certificate, the customer will make payment to the Group based on the certified amount stipulated in such certificate, deducting any retention money in accordance with the contract. Trade receivables are non-interest-bearing.
- (b) Amounts due from cash customers for securities brokerage is required to be settled on the settlement dates of their respective transactions (normally one to two business days after the respective trade dates). After the settlement dates, it bears interest at commercial rates (normally ranging from 8.375% to 14% per annum) and the Group is entitled to sell the securities held in their accounts and use the sales proceeds to discharge their obligations to the Group when the customers failed to deposit the amount after settlement date.

An ageing analysis of trade receivables based on the invoice date or progress payment certificate date is as follows:

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 30 days	<b>22,530</b>	23,755
31 to 60 days	<b>1,526</b>	596
61 to 90 days	<b>1</b>	–
Over 90 days	<b>704</b>	3,566
	<b>24,761</b>	27,917

## 15. TRADE PAYABLES

	<i>Notes</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Construction service		<b>15,319</b>	42,412
Arising from securities of cash customers	<i>(a)</i>	<b>44,676</b>	–
Arising from securities of HKSCC	<i>(a)</i>	<b>1,234</b>	–
		<u><b>61,229</b></u>	<u>42,412</u>

*Note:*

- (a) Trade payables arising from securities broking business are repayable on demand subsequent to settlement date (normally one to two business days after the respective trade dates).

An ageing analysis of trade payables as at the end of the reporting period, based on the invoice date or the progress payment certificate date, is as follows:

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 30 days	<b>61,002</b>	42,196
31 to 60 days	<b>227</b>	208
61 to 90 days	–	1
Over 90 days	–	7
	<u><b>61,229</b></u>	<u>42,412</u>

Trade payables are non-interest-bearing. The payment terms of trade payables from construction service are stipulated in the relevant contracts with credit periods of 30 days in general.

## 16. SHARE CAPITAL

Details of the share capital of the Company are as follows:

	<b>Number of ordinary shares of HK\$0.01 each</b>	<b>Nominal value of ordinary shares <i>HK\$'000</i></b>
<b>Authorised:</b>		
At 31 March 2021, 1 April 2021 and 31 March 2022	<u>2,000,000,000</u>	<u>20,000</u>
	<b>Number of shares in issue</b>	<b>Amount <i>HK\$'000</i></b>
<b>Issued and fully paid:</b>		
At 31 March 2021, 1 April 2021 and 31 March 2022	<u>1,000,000,000</u>	<u>10,000</u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **FINANCIAL HIGHLIGHTS**

- Revenue was approximately HK\$340.1 million for FY2021/22, representing a decrease of approximately 22.2% as compared with the revenue of approximately HK\$437.2 million for FY2020/21.
- Gross loss was approximately HK\$20.8 million for FY2021/22, representing a decrease of approximately 218.2% as compared with the same for FY2020/21.
- Loss attributable to owners of the parent was approximately HK\$33.8 million for FY2021/22, whereas profit attributable to owners of the parent was approximately HK\$14.1 million for FY2020/21.
- Basic loss per share was approximately HK\$3.4 cents for FY2021/22, and basic earnings per share was approximately HK1.4 cents for FY2020/21.
- The Board does not recommend the payment of any final dividend for the FY2021/22.

### **BUSINESS REVIEW**

The Group is principally engaged in the provision of formwork works services to both the public and private sectors in the construction industry in Hong Kong. The formwork business undertaken by our Group mainly include (i) traditional formwork using timber and plywood; and (ii) system formwork using aluminium and steel. The Group started its formwork works since 1998 and has more than 23 years of experience in the provision of its services in Hong Kong. In August 2021, the Group diversified the business to dealing and broking service in Hong Kong. Our revenue decreased by HK\$97.1 million from approximately HK\$437.2 million for FY2020/21 to approximately HK\$340.1 for FY2021/22.

The gross loss of approximately HK\$20.8 million reported for FY2021/22 was lower than the gross profit of approximately HK\$17.6 million for FY2020/21 primarily due to the increase in unexpected additional subcontracting costs incurred to deal with unexpected delay of work progress and changes to the on-site arrangements. In addition, the disruption in supply of materials coming from the People's Republic of China resulted in delay in site progress and increase in cost due to the prolonged need for maintaining the required site workforce resulted by the ongoing 2019 novel coronavirus (COVID-19).

## **BUSINESS PROSPECT**

During the year, the Group was principally engaged in the provision of formwork work services in Hong Kong. The Directors are of the view that the general outlook of the formwork industry and the business environment in which the Group operates remains difficult and challenging due to the uncertainties of construction industry in Hong Kong brought by the outbreak of COVID-19. Since January 2020, the outbreak of COVID-19 has had drastic effect on the Hong Kong economy and construction industry in terms of cash flows, operational efficiencies and completion progress of certain projects, including supply chain disruptions, workforce shortages due to illness and preventative quarantines and work stoppages due to measures imposed by the customers. Considering such challenges and competition, the Group will take appropriate measures to improve operating efficiency and a prudent approach in tendering projects in order to lessen any adverse impacts on the Group.

Having said that, the Directors believe that the increase in land supply in the medium to long term and the continuous effort in developing land resources (as supported by the Government's 2020 Policy Address) offers emerging opportunities of business development of the Group. The Directors are confident that the Group is well-positioned to grasp such emerging opportunities by taking up new projects in coming year.

As at 31 March 2022, the Group had 11 projects on hand that have been awarded to us but not completed, and the original contract value of such projects amounted to approximately HK\$957.8 million.

On top of the above, the Group has been exploring other business opportunities in dealing and broking services in Hong Kong to enhance our future development and to strengthen the revenue bases of the Group. The Directors expect that diversification of our business will provide a better return to the Shareholders.

## **FINANCIAL REVIEW**

### **Analysis of key items of results of operations**

#### ***Revenue***

Our revenue was approximately HK\$340.1 million for FY2021/22, representing a decrease of approximately 22.2% as compared with the revenue of approximately HK\$437.2 million for FY2020/21.

### ***Gross profit and gross profit margin***

Our gross profit and gross profit margin for FY2020/21 and FY2021/22 respectively were as follows:

	<b>FY2021/22</b>	FY2020/21
Revenue (HK\$'000)	<b>340,084</b>	437,177
Gross (loss)/profit (HK\$'000)	<b>(20,843)</b>	17,621
Gross (loss)/profit margin	<b>(6.1%)</b>	4.0%

The Group's gross loss was approximately HK\$20.8 million reported for FY 2021/22. The gross loss was mainly due to (i) a decrease in revenue due to competitive project pricing arising from intense market competition and the delay of certification of the Group's certain work done by the relevant main contractors as the relevant main contractors require additional time for certification of work done involved in several variation orders of the relevant projects undertaken by the Group at Tai Wai and Taikoo Place; (ii) unexpected additional subcontracting costs incurred of certain projects undertaken by the Group during FY2021/22 to deal with unexpected delay of work progress and changes to the on-site arrangements; and (iii) the disruption in supply of materials coming from the People's Republic of China, which resulted in delay in site progress and increase in cost due to the prolonged need for maintaining the required site workforce.

### ***Other income and gains***

Other income and gains decreased by approximately HK\$12.7 million from approximately HK\$15.8 million for FY2020/21 to approximately HK\$3.1 million for FY2021/22, representing a decrease of approximately 80.7%. Such decrease was mainly attributable to the decrease in government subsidies from approximately HK\$12.8 million for FY2020/21 to approximately HK\$0.6 million for FY2021/22.

### ***Administrative expenses***

Administrative expenses was relatively stable from approximately HK\$18.3 million for FY2020/21 to approximately HK\$18.1 million for FY2021/22.

### ***Finance costs***

Finance costs was relatively stable from approximately HK\$0.2 million for FY2020/21 to approximately HK\$0.2 million for FY2021/22.

### ***Income tax***

For FY2021/22, the Group's income tax credit amounted to approximately HK\$5.375 million, as compared with approximately HK\$0.8 million of income tax expense amount for FY2020/21. Such change was mainly due to the increase in assessable loss of the Group during FY2021/22.

### ***Profit/(Loss) attributable to owners of the parent***

As a result of the foregoing, the loss attributable to owners of the parent amounted to approximately HK\$33.8 million for FY2021/22 as compared to the profit attributable to owners of the parent of approximately HK\$14.1 million for FY2020/21. The Group recorded net loss from operation for FY2021/22 of approximately HK\$33.8 million, which was primarily attributable to substantial cost of sales the Group incurred for certain projects during FY2021/22 incurred to deal with unexpected delay of work progress and changes to the on-site arrangements and the delay of certification of the Group's certain work done by the relevant main contractor as the work done involved several variation orders which the main contractor require additional time for certification.

### ***Final dividend***

The Board has resolved not to recommend the declaration of any final dividend for FY2021/22 (FY2020/21: nil).

### ***Liquidity and financial resources***

Our primary uses of capital are to satisfy our working capital needs and to fund our construction projects. We financed our working capital primarily from (i) cash generated from operating activities, which primarily comprised cash payments we received from our revenue from the provision of formwork works and other construction works (ii) bank borrowings and (iii) proceeds from issuance of stock. In managing our liquidity, our management monitors and maintains a reasonable level of cash and cash equivalents which are deemed adequate by our management to finance our operations and to mitigate the impacts of fluctuations in cash flows. We rely on cash and cash equivalents on hand and the cash generated from operating activities as the main sources of liquidity. As at 31 March 2022, the cash and cash equivalents, net current assets and total assets less current liabilities were approximately HK\$31.0 million (as at 31 March 2021: approximately HK\$77.3 million), approximately HK\$188.4 million (as at 31 March 2021: approximately HK\$216.6 million) and approximately HK\$214.3 million (as at 31 March 2021: approximately HK\$247.6 million), respectively.

### ***Contingent liabilities***

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

### ***Capital commitments***

As at 31 March 2022, the Group had capital commitments of approximately HK\$4.7 million (as at 31 March 2021: approximately HK\$2.0 million) contracted but not provided for the acquisition of property, plant and equipment.

### ***Funding and treasury policy***

The Group maintains a prudent funding and treasury policy. Surplus funds are maintained in the form of cash deposits with licensed banks. 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.

### ***Foreign currency risk***

The Group has no significant exposure to foreign currency risk because almost all of the Group's transactions are denominated in Hong Kong dollars. The management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should and when appropriate.

### ***Gearing ratio***

As at 31 March 2022, the Group's gearing ratio was nil (as at 31 March 2021: nil), representing total bank and other borrowings as a percentage of total equity.

### ***Segment information***

Save as disclosed in note 5 to the consolidated financial statements in this announcement, the Group's business was regarded as two operating segments after the Group diversified the business to dealing and broking service and the Group had no geographical segment information presented as at 31 March 2022 and 2021.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

During the reporting year, the Group did not have any material acquisitions or disposals of subsidiaries or associated companies.

## **SIGNIFICANT INVESTMENT HELD**

During the reporting year, the Group had no significant investment held.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

During the reporting year, the Group does not have other plans for material investments and capital assets.

## EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2022, the Group employed 42 employees in Hong Kong (31 March 2021: 45 employees). The remuneration package that our Group offers to employees includes salary, bonuses and other cash subsidies. In general, our Group determines employee salaries based on each employee's qualifications, position and seniority. As required by Hong Kong laws, we have enrolled all of our full-time staff in the Mandatory Provident Fund Scheme. We intend to maintain our remuneration package competitive in order to attract and retain talented labour, and we regularly carry out staff evaluation to assess their performance.

## USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The Share have been listed and traded on the Main Board of the Stock Exchange since 28 June 2019. The net proceeds from the Listing amounted to approximately HK\$86.8 million as disclosed in the "Announcement of Offer Price and Allocation Results" dated 27 June 2019 and the section headed "Future Plans and Use of Proceed" in the Prospectus.

The utilisation of net proceeds raised by the Group from the Listing Date up to 31 March 2022 is as below.

<b>Business strategies as stated in the Prospectus</b>	<b>Planned use of net proceeds as stated in the Prospectus</b>	<b>Actual use of net proceeds up to 31 March 2021</b>	<b>Unutilised balance up to 31 March 2021</b>	<b>Expected timeframe for remaining unused net proceeds</b>
	<i>%</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Financing the startup costs for projects commencing from the calendar year 2019	89.9	78.0	78.0	–
Purchasing metal scaffold equipment and related expenses	10.1	8.8	8.8	–
<b>Total</b>	<b>100</b>	<b>86.8</b>	<b>86.8</b>	<b>– (Note)</b>

*Note:* The amount of net proceeds of approximately HK\$86.8 million was fully utilised as at 31 March 2022.

## **COMPETITION AND CONFLICT OF INTERESTS**

During the year ended 31 March 2022, none of the Directors nor the controlling shareholders of the Company and their respective associates (as defined under Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong (the “**Listing Rules**”)) had any interests in a business, apart from the business of the Group, which competes or may compete with the business of the Group or has any other conflict of interest with the Group which would be required to be disclosed under Rule 8.10 of the Listing Rules.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the Directors. The Company has also set guidelines, at least as strict as the Model Code, on transactions of the Company’s securities for relevant employees (as defined in the Listing Rules).

Having made specific enquiry with all the Directors, all the Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code during FY2021/22 and up to the date of this announcement.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that the Company complies with the minimum public float of 25% as required under the Listing Rules, was held by the public at all times from the Listing date and up to the date of this announcement.

## **CORPORATE GOVERNANCE PRACTICE**

The Company and the Board are devoted to achieve and maintain high standards of corporate governance, as the Board believes that good and effective corporate governance practices are fundamental to obtain and maintain the trust and safeguarding interest of the shareholders and other stakeholders of the Company. The Company has adopted the principles and code provisions set out in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 of the Listing Rules.

To the best knowledge of the Board, except for the deviation from the code provision C.2.1 of the CG Code, the Company has complied with the code provisions in the CG Code throughout FY2021/22 and up to the date of this announcement.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. However, having considered (i) the nature and extent of the Group's operations; (ii) Mr. Ip Chi Ming's in-depth knowledge and experience in the construction industry and familiarity with the operations of the Group; (iii) that all major decisions are made in consultation with members of the Board and relevant Board committees; and (iv) that there are three independent non-executive Directors on the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers and authorities between the Board and the management of the Company and that it is in the best interest of the Group to have Mr. Ip Chi Ming taking up both roles. As such, the roles of the chairman and chief executive officer of our Group are not being separated pursuant to code provision C.2.1 of the CG Code.

## **AUDIT COMMITTEE**

The Audit Committee of the Company was established on 8 June 2019. The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code. The Audit Committee consists of three members, and all of the members are our independent non-executive Directors namely Mr. Pau Chi Hoi, Mr. Shum Hau Tak (resigned on 30 April 2021) and Mr. Tang Chi Wang (appointed on 30 April 2021) together with Mr. Law Chi Hung, who is the chairman of the Audit Committee, possesses the appropriate accounting or related financial management expertise.

The primary duties of the Audit Committee are to review, supervise, and assist our Board in providing an independent view of, our financial reporting processes, and internal control and risk management systems, as well as to oversee the audit process, review our annual and interim financial statements, provide advice and comments to the Board on matters related to corporate governance, and perform other duties and responsibilities as assigned by our Board from time to time.

The Audit Committee has approved and reviewed with the management of the Group the accounting principles and policies adopted by the Group, and the consolidated financial information of the Group and the annual results announcement of the Company for FY2021/22.

During FY2021/22, the Audit Committee held two meetings. The members of Audit Committee reviewed and discussed with the external auditors of the Company on the Group's audited consolidated financial statements for FY2020/21 and the unaudited interim consolidated financial statements for the six months ended 30 September 2021. They were of the opinion that these statements had complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures had been made. Additional meeting may also be held by the Audit Committee from time to time to discuss special projects or other issues which it considers necessary. The external auditors of the Group may request a meeting of the Audit Committee to be convened if they consider that is necessary.

## **SCOPE OF WORK OF BDO LIMITED (“BDO”)**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit and loss and other comprehensive income, and the related notes thereto for the year ended 31 March 2022 as set out in this announcement have been agreed by BDO to the amounts set out in the Group’s Audited consolidated financial statements for the year. The work performed by BDO 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 on this announcement.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during FY2021/22.

## **SHARE OPTION SCHEME**

The Company operates a share option scheme (the “**Scheme**”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operation. Eligible participants of the Scheme include the Company’s directors, full-time or part-time employees of the Group, consultant, adviser, substantial shareholder, distributor, contractor, supplier, agent, customer, business partner and service provider of the Group. The Scheme became effective on 8 June 2019 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised shares in respect of which options may be granted under the Scheme is such a number of shares representing 10% of the issued share capital of the Company as at the Listing Date, i.e. 100,000,000 shares. The 10% limit may be refreshed at any time by approval of the shareholders in the general meeting. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

Share options granted to directors, chief executive or substantial shareholders of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company’s shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders’ approval in advance in a general meeting.

The offer of a grant of share options must be accepted within 7 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors and ends on a date which is not later than 10 years from the date of offer of the share options.

The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) the closing price of the shares of the Company as stated in the Stock Exchange daily quotations sheet on the date of grant of the share options; (ii) the average closing prices of the shares of the Company as stated in the Stock Exchange daily quotations sheet for the five business days immediately preceding the date of the offer; and (iii) the nominal value of the shares of the Company.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

No option has been granted from the date of adoption of the Scheme up to the date of approval of these consolidated financial statements.

#### **CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING**

The annual general meeting of the Company (the “AGM”) is scheduled to be held on Friday, 26 August 2022 (the “2022 AGM”). For determining the entitlement to attend and vote at the 2022 AGM, the register of members of the Company will be closed from Tuesday, 23 August 2022 to Friday, 26 August 2022 (both days inclusive) during which period no share transfer will be registered. In order to be eligible to attend and vote at the 2022 AGM, all transfers forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Boardroom Share Registrars (HK) Limited at Room 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong, for registration no later than 4:30 p.m. on Monday, 22 August 2022.

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

This announcement will be published on the respective websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.silvertide.hk](http://www.silvertide.hk)). The annual report for the year ended 31 March 2022 containing all the information required by the Listing Rules will be published on the websites of the Company and the Hong Kong Exchanges and Clearing Limited and despatched to the Shareholders in due course.

#### **EVENTS AFTER THE REPORTING PERIOD**

The COVID-19 epidemic and the subsequent quarantine measures imposed by the Hong Kong government had no material impact on the Group's operation.

The Directors are monitoring the situation and will continue to assess and react actively to the impact of the COVID-19 epidemic on the Group's operations, financial position and financial performance accordingly.

## **APPRECIATION**

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our management and staff members for their commitment and contribution, and to all our Shareholders, customers, subcontractors, suppliers and business partners for their endless support, and to the growth of the Group.

By order of the Board  
**Silver Tide Holdings Limited**  
**Ip Chi Ming**  
*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 27 June 2022

*As at the date of this announcement, the Board of the Company comprises Mr. Ip Chi Ming (Chairman and Chief Executive Officer), Mr. Wong Kin Wah and Ms. Hui Nok Yi as executive Directors, and Mr. Tang Chi Wang, Mr. Pau Chi Hoi and Mr. Law Chi Hung as independent non-executive Directors.*