DCB Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8040)

Annual Report 2020/21

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Corporate Information

EXECUTIVE DIRECTORS
Mr. Cheng Tsang Wai (鄭曾偉) *(Chairman)*
Mr. Cheng Tsang Fu Dennis (鄭曾富)
(Chief Executive Officer)
Ms. Liu Lee Lee Lily (廖莉莉)

INDEPENDENT NON-EXECUTIVE DIRECTORS
Mr. Cheung Kwok Keung (張國強)
Mr. Chak Chi Man (翟志文)
Mr. Chu Wai Wa Fangus (朱偉華)

AUDIT COMMITTEE
Mr. Cheung Kwok Keung (張國強) *(Chairman)*
Mr. Chak Chi Man (翟志文)
Mr. Chu Wai Wa Fangus (朱偉華)

REMUNERATION COMMITTEE
Mr. Chak Chi Man (翟志文) *(Chairman)*
Ms. Liu Lee Lee Lily (廖莉莉)
Mr. Chu Wai Wa Fangus (朱偉華)
Mr. Cheung Kwok Keung (張國強)

NOMINATION COMMITTEE
Mr. Cheng Tsang Wai (鄭曾偉) *(Chairman)*
Mr. Chu Wai Wa Fangus (朱偉華)
Mr. Cheung Kwok Keung (張國強)
Mr. Chak Chi Man (翟志文)

COMPANY SECRETARY
Mr. Au Hok Man Jefferson (歐學文)

AUTHORISED REPRESENTATIVES
Ms. Liu Lee Lee Lily (廖莉莉)
Mr. Au Hok Man Jefferson (歐學文)

COMPLIANCE OFFICER
Ms. Liu Lee Lee Lily (廖莉莉)

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STOCK CODE
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CEO's Statement

Dear Shareholders,

On behalf of the Board of Directors (the "Board") of DCB Holdings Limited (the "Company"), I am delighted to present this annual report of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2021 (the "Year" or "2021") to the shareholders of the Company.

PROSPECTS AND CHALLENGES

In the year of 2020 to 2021, various industries in Hong Kong have recorded a slow recovery from the impact of the COVID-19 pandemic. People in Hong Kong, that are known to be adaptive and persistent, have learned the way to continue with their lives as before. Many companies have adopted a series of health and safety measures so to cope with the ongoing situation.

In order to minimize the risk of any outbreak of pandemic at our construction sites, which will force our project to be put on hold, the Group has also implemented new health and safety measures. Not only we require our project team and workers to take COVID tests regularly, we also maintain a strict policy of admitting new workers or suppliers to site. This has created a safe working environment for all our staff and subcontractors, and also to demonstrate to our clients that we are providing the best service and quality control both during the construction process and to our end products.

RESULTS

During the Year, the Group's revenue decreased by approximately 4.3% to approximately HK$224.9 million from approximately HK$235.0 million for the year ended 31 March 2020 (the "Previous Year" or "2020"). The decrease was mainly attributable to a decrease in revenue from renovation works and partially offset by an increase in revenue from fitting-out works. The Group's gross profit increased by approximately HK$0.2 million or 2.7% from approximately HK$8.9 million for the Previous Year to approximately HK$9.1 million for the Year, which was primarily attributable to a better cost control on fitting-out works.

The Group recorded a profit and total comprehensive income of approximately HK$2.6 million for the Year, as compared to that of a loss and total comprehensive expense of approximately HK$5.0 million for the Previous Year. This was mainly due to an increase in other income and a decrease in administrative expenses for the Year.

LOOKING AHEAD

Our Group has recorded a profit this year, after slowly recovering from the loss in previous year. This has also partly attributed to the effective health and safety measures that was implemented. We are also anticipating that the private luxury housing market is picking up in this coming year and both the Group and our colleagues are more than prepared to take on future challenges. In recent months, we are also gradually expanding our project teams so that our manpower is sufficient to take on more important projects and the Group believe that it will be an amazing year ahead.

A NOTE OF APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my gratitude to our shareholders, clients, business partners, bankers, sub-contractors and suppliers for their continued confidence and support. I would also like to extend my sincere appreciation to the management and staff for their commitment and contribution throughout the year.

Cheng Tsang Fu Dennis
Executive Director and Chief Executive Officer

Hong Kong, 24 June 2021

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged in the provision of fitting-out and renovation services in the private sector in Hong Kong. The Group's clientele comprises (i) property developers, some of which are (or whose holding companies are) listed on the Stock Exchange; (ii) main contractors or direct contractors of the fitting-out and renovation projects; and (iii) owners or tenants of properties.

The Group's fitting-out and renovation services mainly include provision of fitting-out and renovation solutions for different types of premises in the private sector, including residential apartments and residential dwellings, show flats, clubhouses, sales office, public area in residential and commercial buildings, offices, shopping malls and shops in Hong Kong.

As the project manager and principal coordinator, the Group is responsible for the overall implementation of projects that include planning, coordinating, monitoring and supervising the project from the commencement of service to the delivery of certificate of completion, and follow up on rectification of defects during the defect liability period, among other things.

During the Year, the Group was awarded a total of 2 projects (2020: 6 projects) each with contract sum over HK$10 million, which comprised 1 fitting-out project and 1 renovation project (2020: 3 fitting-out projects and 3 renovation projects) with a total contract sum of approximately HK$118.1 million (2020: HK$174.4 million) and contributed a revenue of approximately HK$16.0 million for the Year (2020: HK$68.9 million).

Looking forward, the Group will continue to focus on the development of the sector of large-size and high-end fitting-out and renovation works.

FINANCIAL REVIEW

Revenue

The Group's revenue is principally generated from provision of fitting-out and renovation services to its customers.

The following table shows our revenue by operating segment during the years ended 31 March 2021 and 2020:

	For the year ended 31 March			
	2021		2020	
	HK$'000	**%**	HK$'000	%
Fitting-out work	**170,881**	**76.0**	90,797	38.6
Renovation work	**53,994**	**24.0**	144,194	61.4
	224,875	**100.0**	234,991	100.0

For the Year under review, the Group's revenue was approximately HK$224.9 million, representing a decrease of approximately 4.3% as compared to the revenue of approximately HK$235.0 million for the Previous Year. Such decrease was mainly attributable to a decrease in revenue from renovation works of approximately HK$90.2 million, or approximately 62.6%, and partially offset by an increase in revenue from fitting-out works of approximately HK$80.1 million, or approximately 88.2%, for the Year.

The increase in revenue from fitting-out works was mainly driven by revenue contributed by several large-scaled fitting-out projects located in Deep Water Bay, Mid-levels East, Jardine's Lockout, Mid-levels and Repulse Bay contributed an aggregate revenue of approximately HK$138.0 million for the Year.

The decrease in revenue from renovation works was mainly due to several large scaled projects located in The Peak and Deep Water Bay were carried out in last financial year and as such the aggregate revenue contributed from these large scaled projects decreased from approximately HK$120.0 million for the Previous Year to approximately HK$19.1 million for the Year.

Management Discussion and Analysis

Cost of Services and Gross Profit

The Group's cost of services mainly comprised subcontracting costs, material costs and direct staff costs; the decrease in cost of services was generally in line with the decrease in revenue for the Year.

The following table shows our gross profit and gross profit margin by operating segment during the years ended 31 March 2021 and 2020:

	For the year ended 31 March			
	2021		2020	
	Gross Profit HK$'000	**Gross Profit Margin %**	Gross Profit/ (Loss) HK$'000	Gross Profit Margin %
Fitting-out work	**4,016**	**2.4**	(3,108)	-3.4
Renovation work	**5,132**	**9.5**	12,018	8.3
	9,148	**4.1**	8,910	3.8

The overall gross profit increased by approximately HK$0.2 million or 2.7% from approximately HK$8.9 million for the Previous year to approximately HK$9.1 million for the Year, which was primarily attributable to an increase in gross profit of fitting-out work from gross loss of approximately HK$3.1 million for the Previous year to gross profit of approximately HK$4.0 million for the Year; and partially offset by a decrease in gross profit of renovation work from approximately HK$12.0 million for the Previous year to approximately HK$5.1 million for the Year.

The increase in gross profit of the fitting-out work was mainly due to a better cost control on fitting-out projects for the Year while there was cost overrun for certain large-scaled fitting out projects in the Previous Year. The decreased in gross profit of the renovation work was mainly attributable to a decrease in revenue from renovation works.

Other income and gains

The Group's other income and gains increased by approximately HK$5.1 million from approximately HK$3.3 million for the Previous Year to approximately HK$8.4 million for the Year. Such increase was primarily due to an increase in Government subsidies under the Employment Support Scheme of approximately HK$3.6 million for the Year and an increase in consultancy fee income of approximately HK$1.7 million for the Year.

Administrative Expenses

The Group's administrative expenses amounted to approximately HK$14.8 million and HK$16.7 million for the years ended 31 March 2021 and 2020 respectively, representing a decrease of approximately 11.4%. Such decrease was primarily due to the decrease in staff costs for the Year by HK$2.1 million.

Income Tax Expense

Income tax expense of the Group for the Year was approximately nil (2020: HK$0.1 million). No provision for Hong Kong Profits Tax for the Year has been made as the Group has sufficient tax losses brought forward which are available for set off against estimated assessable profits for the Year.

Profit/(Loss) and Other Comprehensive Income/(Expense) for the Year

As a result of aforesaid, the Group records a profit and other comprehensive income of approximately HK$2.6 million for the Year, as compare to that of a loss and other comprehensive expense of approximately HK$5.0 million for the Previous Year.

Borrowing Facilities

As at 31 March 2021, the Group has obtained credit facilities from banks up to a maximum amount of approximately HK$81.9 million (2020: HK$73.4 million), which include, but are not limited to, revolving loan, overdraft and bank guarantee. There was no outstanding bank loan as at 31 March 2021 (2020: Nil). As at 31 March 2021, the total value of guarantees under surety bonds issued in favour of the Group's customers amounted to approximately HK$14.5 million (2020: HK$31.5 million).

LIQUIDITY AND FINANCIAL RESOURCES

The Group practiced prudent financial management and maintained a strong and sound financial position during the year ended 31 March 2021. As at 31 March 2021, the Group had bank balances and cash of approximately HK$47.1 million (2020: HK$31.5 million). The increase in bank balances and cash was mainly due to the net cash generated from operating activities of approximately HK$19.2 million and partially offset by (i) the increase in pledged deposits of approximately HK$1.1 million; (ii) the repayment of lease liabilities of approximately HK$2.4 million; and (iii) dividend payment of approximately HK$2.4 million for the Year. As at 31 March 2021, the Group's bank balances and cash, except a small aggregate amount of approximately HK$299,000 (2020: HK$228,000) in foreign currencies including Renminbi and United States dollars, were held in Hong Kong dollars. The current ratio improved from approximately 3.0 time as at 31 March 2020 to 3.3 time as at 31 March 2021. The Group has no borrowing as at 31 March 2020 and 2021 and hence no applicable gearing ratio at the end of the Year. With available bank balances and cash and bank credit facilities, the Group has sufficient liquidity to satisfy its funding requirements.

Management Discussion and Analysis

CAPITAL STRUCTURE

As at 31 March 2020 and 2021, the Company's issued share capital was HK$3,200,000 and the number of its issued ordinary shares was 320,000,000 of HK$0.01 each.

SEGMENT INFORMATION

Segmental information is presented for the Group as disclosed in note 6 to the consolidated financial statements.

FOREIGN EXCHANGE EXPOSURE AND TREASURY POLICY

The Group's core business operation is in Hong Kong and its assets are principally in Hong Kong. Hence, the Group is not exposed to significant foreign exchange risk as the majority of its business transactions are denominated in Hong Kong dollars (being the functional currency of the Group) and there were only insignificant balances of financial assets that were denominated in foreign currency as at 31 March 2021.

The Group does not have a foreign currency hedging policy. The Group will continue to monitor its foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

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 2021, the Group had bank deposits amounted to approximately HK$10.1 million (2020: HK$11.1 million) which were pledged to secure banking facilities granted to the Group.

SURETY BOND AND CONTINGENT LIABILITY

Certain customers of construction contracts undertaken by the Group require a group entity to issue guarantees for performance of contract works in the form of surety bonds.

At the end of the reporting period, the Group had outstanding performance bonds as follows:

	2021 **HK$'000**	2020 HK$'000
Issued by banks	**14,517**	31,475

CAPITAL COMMITMENTS

As at 31 March 2020 and 2021, the Group did not have any significant capital commitments.

FUTURE PLANS FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

The Group did not have any other plans for material investment and capital assets as at 31 March 2021.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended 31 March 2021.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2021, the Group employed a total of 65 employees (2020: 67 employees). The staff costs, including directors' emoluments, of the Group were approximately HK$33.8 million for the year ended 31 March 2021 (2020: approximately HK$39.0 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. In addition to a basic salary, year-end discretionary bonuses were offered to those staff with outstanding performance. The Group operates a defined contribution mandatory provident fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all of its employees in Hong Kong in accordance with the rules of the MPF Scheme.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

Up to the date of this announcement, there was no significant event relevant to the business or financial performance of the Group that come to the attention of the Directors after the year ended 31 March 2021.

Biographical Details of the Directors of the Company and Senior Management

EXECUTIVE DIRECTORS

Mr. Cheng Tsang Wai ("Mr. Dick Cheng"), aged 65, is one of the founders and controlling shareholders of the Group and has been a director of DCB Company Limited ("DCB"), a wholly owned subsidiary of the Company, since June 2008. Mr. Dick Cheng is primarily responsible for the overall corporate strategies of the Group. He is also the chairman of the nomination committee of the Company. Mr. Dick Cheng has over 29 years of experience in corporate management. From May 1990 to September 1993, Mr. Dick Cheng was employed as a director of Laws International Group Limited (formerly known as Laws Fashion Knitters Limited) a company which carries on the business of garments retail. In June 1993, he was appointed as a director of Vicka Limited, a company engages in the business of garments manufacturing, and had been serving the same position till May 2010. Mr. Dick Cheng is the brother of Mr. Dennis Cheng and Mr. Richard Cheng, brother-in-law to Ms. Liu and uncle of Mr. Boris Cheng.

Mr. Cheng Tsang Fu Dennis ("Mr. Dennis Cheng"), aged 62, is one of the founders and controlling shareholders of the Group and has been a director of DCB since June 2008. He was appointed as our chief executive officer and redesignated as an executive Director on 29 May 2017. Mr. Dennis Cheng is primarily responsible for the day-to-day management, business development and overseeing the operations of the Group. Mr. Dennis Cheng has over 29 years of experience in the fitting-out and renovation industry. From March 1980 to December 1988, Mr. Dennis Cheng worked as a project manager at J. T. J. Design (International) Limited, a design and contracting services company. He worked as a deputy general manager for Wah Hay Limited, a company engaged in the provision of design and contracting services, starting from 1988. He was subsequently appointed as a director of Sena Limited in September 1991. He had been serving as a director of Palrina Limited, a contracting firm, from September 1989 to April 2017. Mr. Dennis Cheng is the brother of Mr. Dick Cheng and Mr. Richard Cheng, spouse of Ms. Liu and father of Mr. Boris Cheng.

Ms. Liu Lee Lee Lily ("Ms. Liu"), aged 60, is one of the founders and controlling shareholders of the Group and has been a director of DCB since June 2008. She was appointed as a Director of the Company on 8 March 2017. She was redesignated as an executive Director and appointed as our compliance officer on 29 May 2017. She is mainly responsible for overseeing the human resources and administrative matters of the Group. She is also a member of the remuneration committee of the Company. Ms. Liu has over 32 years of experience in administration and human resources management. She was employed by Jenson International Development Limited, a company which carries on the business of trading of computers and commodities, during the period from September 1985 to December 1993, last served as an administrative manager. She had been serving as a director of Palrina Limited, a contracting firm, from September 1989 to April 2017. Ms. Liu is spouse of Mr. Dennis Cheng, mother of Mr. Boris Cheng and sister-in-law of Mr. Dick Cheng and Mr. Richard Cheng.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cheung Kwok Keung ("Mr. Cheung"), aged 54, has been appointed as an independent non-executive Director of the Company on 19 January 2018. He is the chairman of the audit committee and a member of the remuneration and nomination committee of the Company.

Mr. Cheung obtained a professional diploma in accountancy from The Hong Kong Polytechnic (currently known as The Hong Kong Polytechnic University) in November 1988. He was admitted as fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Society of Accountants (currently known as the Hong Kong Institute of Certified Public Accountants) in September 1998 and July 1993, respectively. He has since 1993 been involved in works of audit, accounting and/or financial management.

He is currently the chief financial officer and the company secretary of Lee & Man Paper Manufacturing Limited, a company listed on Main Board of the Stock Exchange (stock code: 2314). He is also an independent non-executive director of China Aoyuan Property Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 3883).

Mr. Chak Chi Man ("Mr. Chak"), aged 55, has been appointed as an independent non-executive Director of the Company on 19 January 2018. He is the chairman of the remuneration committee and member of the audit and nomination committee of the Company.

Mr. Chak obtained a bachelor's degree in social sciences from the University of Hong Kong in November 1987 and a master of science degree in finance from the City University of Hong Kong in December 1996. Mr. Chak has over 31 years of experience in the banking and finance sector in Hong Kong.

He has been a director of Charterwood Assets Limited, an investment holding company, since November 2009. He is also a director of Gravity Capital Partners Company Limited, a company incorporated in Hong Kong, and a responsible officer of Avanta Investment Management Limited, a SFC licensed investment advisory and asset management company in Hong Kong.

Mr. Chu Wai Wa Fangus ("Mr. Chu"), aged 54, has been appointed as our independent non-executive Director on 19 January 2018. He is also a member of the audit, remuneration and nomination committee of the Company. Mr. Chu obtained a bachelor of arts degree in accountancy from The City University of Hong Kong (formerly known as the City Polytechnic of Hong Kong) in December 1994 and received a master of science degree in global business from The Chinese University of Hong Kong in October 2005.

Mr. Chu has over 23 years of experience in corporate management. In August 1997, Mr. Chu is a director of Excellent Management Limited, an integrated solutions and software company offering technology and consulting services to travel companies in Hong Kong and Asia-Pacific region.

He is a certified public accountant of the Hong Kong Institute of Certified Public Accountants.

SENIOR MANAGEMENT

Mr. Cheng Tsang Hin ("Mr. Richard Cheng"), aged 74, joined the Group in May 2010 as the financial controller. Mr. Richard Cheng obtained his diploma in accounting from Hong Kong Baptist College in December 1974. Since July 1982 till present, he has been serving as a director of Libercon Industries Limited, a company which engages in the trading of toys, sundry goods and kitchenware. He was also the financial controller of Libercon Industries Limited between July 1982 to March 2010. Mr. Richard Cheng is the brother of Mr. Dick Cheng and Mr. Dennis Cheng, brother-in-law of Ms. Liu and uncle of Mr. Boris Cheng.

Mr. Cheung Kim Man ("Mr. Man Cheung"), aged 59, is a project director and joined the Group in June 2009. Mr. Man Cheung has over 27 years of experience in interior design and project management. Since June 2009, Mr. Man Cheung has been with the Group as a senior project manager/project director responsible for project management of the Group's fitting-out and renovation projects. Mr. Man Cheung worked between October 1991 and September 1994 at Simon Jackson & Associates Limited in the capacity of a senior interior designer. Subsequently, he was employed by RDL Asia Limited and Plyco Limited, handling design work. Since June 2009, Mr. Man Cheung has been with the Group as a senior project manager/project director responsible for project management of the Group's fitting-out and renovation projects.

Mr. Lee King Yin ("Mr. Lee"), aged 44, joined the Group as a contract manager in January 2017. Mr. Lee graduated from The Hong Kong Polytechnic University with a bachelor of science degree in construction economics and management in December 1999 and received a master of science degree in construction law and dispute resolution from The Hong Kong Polytechnic University in September 2019. He is a member of The Hong Kong Institute of Surveyors. Mr. Lee has over 16 years of experience in quantity surveying and project management. He started his career as a project coordinator at B.F. Construction Company Limited in July 1999 and held the same position until September 2002. He later worked in the quantity surveying field for various companies between October 2002 and December 2016, including Yan Lee Construction Company Limited, China Resources Construction Company Limited, Faith Harvest Engineering & Contracting Limited, Legend Interiors Limited, Chinachem Group, a leading property developer in Hong Kong and as a sole proprietor at Kingsley Consultancy Company, a company engaged in the provision of quantity surveying services.

Mr. Au Hok Man Jefferson ("Mr. Au"), aged 40, was appointed as the Group's company secretary and assistant financial controller on 29 May 2017 and is responsible for the Group's secretarial works.

Mr. Au obtained his honours diploma in accounting from Hong Kong Shue Yan University (formerly known as Hong Kong Shue Yan College) in July 2004. Mr. Au has over 16 years of accounting and audit experience. From 2004 to 2008 he worked as an accountant at Union Alpha C.P.A. Limited. From April 2008 to April 2010, he worked as a senior accountant in Chu and Chu. He was employed by Clement C. W. Chan & Co between September 2010 and March 2014 with his last position as an audit supervisor. In August 2014, he joined JWMG CPA Limited ("JWMG") as a finance manager, where he was responsible for audit and assurance engagement, and was promoted to the position of director in May 2015.

He is a member of the Hong Kong Institute of Certified Public Accountants and an associate of the Association of Chartered Certified Accountants.

Mr. Cheng Pok Man ("Mr. Boris Cheng"), aged 29, joined the Group in October 2016 as a project coordinator and then promoted to a Deputy General Manager in March 2021. In September 2013, Mr. Boris Cheng received from the University of California, Los Angeles in the United States of America, a bachelor of arts degree majoring in political science. Prior to joining the Group, he was employed by AIA International Limited from January 2015 to September 2016, with his last position as an associate in the agency business development department. He started his career at Hong Kong General Chamber of Commerce as public relations & programs trainee and was later promoted to the position of public relations & programs officer in January 2014. Mr. Boris Cheng is the son of Mr. Dennis Cheng and Ms. Liu and nephew of Mr. Dick Cheng and Mr. Richard Cheng.

Report of Directors

The directors of the Company (the "Directors") are pleased to present their annual report together with the audited consolidated financial statements of the Group for the year ended 31 March 2021 (the "Consolidated Financial Statements").

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in note 31 to the Consolidated Financial Statements. The Group is principally engaged in the provision of fitting-out and renovation services.

BUSINESS REVIEW

The business review of the Group for the Year together the future business development are set out in the section headed "Management Discussion and Analysis" on pages 6 to 11 of this annual report. This discussion form part of the report of directors.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group commits to the long term sustainability of the environment and communities which it operates. Acting in an environmentally responsible manner, the Group endeavours to adopt effective measures to achieve efficient use of resources, energy saving and waste reduction.

A more detailed discussion on the environmental policies and performance of the Company can be found in the "Environmental, Social and Governance Report" section.

COMPLIANCE WITH LAWS AND REGULATIONS

Sufficient resources and training have been allocated and provided to ensure the on-going compliance with applicable laws and regulations. During the Year, the Directors are not aware of any incidence of non-compliance with the relevant laws and regulations that have a significant impact on the Group's business where the Group is operating.

RELATIONSHIP WITH KEY PARTIES

The success of the Group also depends on the support from key parties which comprise customers, suppliers includes sub-contractors, employees and shareholders.

Customers

The Group's principal customers comprises (i) property developers; (ii) main contractors or direct contractors of the fitting-out and renovation projects; and (iii) owners or tenants of properties. The Group has built a good reputation in the fitting-out and renovation industry for quality services which has been one of our strengths to maintain customer loyalty. In addition to recurring customers, the Group had obtained new customers from recurring customers or business contacts of our Directors.

Suppliers

Our suppliers are broadly categorised as sub-contractors and material suppliers. Good relationship with suppliers constitutes one of the essential elements of the Group's success. To achieve positive business growth, the Group maintains close relationship with its suppliers in order that its projects can be completed with high efficiency and quality so as to further enhance our reputation in the market.

Employees

The Group focuses on the talents of our employees as our most valuable asset and provides a harmonious and professional working environment with flexibility for their creativity to fulfil the fitting-out and renovation projects. The key objective of our human resource management is to recognise and reward performing staff by providing competitive remuneration packages and implementing an effective performance appraisal system with appropriate incentives, and promotion opportunity. The Group also organise social gathering activities for its employees to join as to promote work life balance and to enhance team spirit.

Shareholders

The principal goal of the Group is to maximize the return to the shareholders of the Company. The Group will focus on our core business for achieving sustainable profit growth and rewarding the shareholders with dividend payouts taking into account the business development needs and financial health of the Group.

Report of Directors

PRINCIPAL RISKS AND UNCERTAINTIES

The business operations and results of the Group may be affected by various factors, some of which are external causes and some are inherent to the business. The Directors are aware that the Group is exposed to various risks and the principal risks and uncertainties are summarised below:

- We rely on several major customers who do not have long-term commitments with us;
- Our fitting-out and renovation projects are not on a recurring basis and are dependent on us winning tenders and quotations;
- We rely on our Board members, senior management team and project management staff in our business operation and their relationship with our customers;
- We rely on our sub-contractors to complete our projects and their implementation of safety measures or procedures and compliance of relevant laws and regulations;
- We rely on our sub-contractors to complete certain projects and are subject to risk arising from the non-compliance, late performance or poor performance by such sub-contractors. Also, there is no assurance that these sub-contractors will be able to continue to provide services to us at fees acceptable to us;
- We may incur costs overrun which are not recoverable from our customers due to failure to accurately estimate time and control costs;
- Shortage in skilled workers and increase in labour costs could increase our operational cost and affect our profitability; and
- There is no guarantee that we will receive progress payment on time or retention money on time or in full.

SEGMENTAL INFORMATION

The Group's segment information and revenue for the year ended 31 March 2021 are set out in note 6 to the Consolidated Financial Statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2021 and the state of affairs of the Company and of the Group as at that date are set out in the Consolidated Financial Statements on pages 61 to 108.

On 24 June 2021, the Board resolved to declare a final dividend of HK$3,520,000 (HK1.1 cents per ordinary share) for the year ended 31 March 2021 (2020: HK0.75 cents per ordinary share), to the Company's shareholders whose names appear on the register of members of the Company on Wednesday, 11 August 2021. The payment of the proposed final dividend is subject to approval by shareholders at the annual general meeting for the financial year of 2021. This proposed dividend is not reflected as dividend payable in the Consolidated Financial Statements.

FIVE YEARS FINANCIAL SUMMARY

A summary of the published results, assets and liabilities of the Group for the last five financial years is set out on page 108. This summary does not form part of the Consolidated Financial Statements.

SHARE CAPITAL

The Company did not issue any shares during the Year.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Year or subsisted at the end of the Year.

PRE-EMPTIVE RIGHTS

There is no provision for the pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the Year.

DISTRIBUTABLE RESERVES

As at 31 March 2021, the Company's reserves available for distribution, calculated in accordance with the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately HK$26.7 million (2020: HK$26.5 million).

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the Year attributable to the Group's major suppliers and customers are as follows:

	For the year ended 31 March	
	2021	2020
Purchases		
• the largest supplier	**10%**	10%
• five largest suppliers in aggregate	**34%**	30%
Sales		
• the largest customer	**21%**	32%
• five largest customers in aggregate	**66%**	72%

To the best knowledge of the Directors, neither the Directors, their close associates, nor any shareholders, who owned more than 5% of the Company's issued share capital, had any beneficial interest in any of the Group's five largest customers or suppliers during the Year.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors of the Company who held office during the Year and as at the date of this report were:

Executive Directors

Mr. Cheng Tsang Wai *(Chairman)*
Mr. Cheng Tsang Fu Dennis *(Chief Executive Officer)*
Ms. Liu Lee Lee Lily

Independent non-executive Directors

Mr. Cheung Kwok Keung
Mr. Chak Chi Man
Mr. Chu Wai Wa Fangus

Each of the executive Directors has entered into a service agreement with the Company. The terms and conditions of each of such service agreements are similar in all material aspects. Each service agreement is for an initial term of three years with effect from the Listing Date and shall continue thereafter unless and until it is terminated by the Company or the Director giving to the other not less than three months' prior notice in writing.

Each of our independent non-executive Directors has entered into a letter of appointment with the Company on 19 January 2018. Each letter of appointment is for an initial term of one year commencing on the date of the letter of appointment and shall continue thereafter unless terminated by either party giving at least one month's notice in writing.

In accordance with the Article 84(1) of the Company's Articles of Association, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three year.

Accordingly, Mr. Chak Chi Man and Mr. Chu Wai Wa Fangus, being the Directors of the Company, shall retire from office at the forthcoming annual general meeting to be held on 2 August 2021 (the "AGM"). All of the retired directors, being eligible, offer themselves for re-election, at the AGM.

None of the Director who are proposed for re-election at the AGM has an unexpired service contract/letter of appointment with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Each of the independent non-executive Directors has made an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company is of the view that all independent non-executive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and senior management of the Group are disclosed in the section headed "Biographical Details of the Directors of the Company and Senior Management" on pages 12 to 15 of this annual report.

CHANGES OF DIRECTORS' INFORMATION UNDER RULE 17.50A(1) OF THE GEM LISTING RULES

The Company is not aware of any other change in the directors' information which are required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules since the date of the Prospectus.

MANAGEMENT CONTRACTS

Save for the service contract, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

PERMITTED INDEMNITY PROVISIONS

Pursuant to Article 164 of the Articles of Association of the Company, the Directors, Secretary and other officers and every auditor for the time being of the Company and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them, and every one of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.

Such provision was in force during the Year.

DIRECTORS' REMUNERATION

The Directors' fees are subject to shareholders' approval at annual general meeting. Other emoluments are determined by the Board of the Company with reference to the recommendations by remuneration committee of the Company, directors' duties, responsibilities and performance and the results of the Group. The remuneration of Directors (including executive Directors and independent non-executive Directors) on named basics are set out in note 11 to the Consolidated Financial Statements.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

No transactions, arrangements or contracts that is significant in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had, directly or indirectly, a material interest subsisted at the end of the Year or at any time during the Year.

CONTROLLING SHAREHOLDERS' INTEREST IN CONTRACT OF SIGNIFICANCE

Save as disclosed in the section headed "Management Contracts" and note 29 to the Consolidated Financial Statements, there is no contract of significance between the Company, or any of its subsidiaries, and a controlling shareholders or any of its subsidiaries.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken in the normal course of business are set out in note 29 to the Consolidated Financial Statements. None of them are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the GEM Listing Rules. The Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

SHARE OPTION SCHEME

The Company has conditionally adopted the share option scheme ("Share Option Scheme"), which was approved by written resolutions passed by its Shareholders on 19 January 2018 and became unconditional on 14 February 2018. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

The Share Option Scheme is valid and effective for a period of 10 years from 14 February 2018, after which no further options will be granted or offered.

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not, in the absence of Shareholders' approval, in aggregate exceed 10% of the aggregate number of Shares in issue on the Listing Date.

Report of Directors

As at the date of this annual report, the total number of Share available for issue under the Share Option Scheme is 32,000,000 Shares, representing 10% of the issued share capital of the Company. No options may be granted to any eligible participant of the Share Option Scheme such that the total number of Shares issued and to be issued upon exercise of the options granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of the Company's issued share capital for the time being.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as determined by the Board and not exceeding ten years from the date of grant under the Share Option Scheme (the "Option Period"). After the expiration of the Option Period, no further options shall be offered or granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects. Options granted during the life of the Share Option Scheme shall continue to be exercisable in accordance with their terms of grant after the end of the ten-year period.

There is no general requirement on the minimum period for which an option must be held or the performance targets which must be achieved before an option can be exercised under the terms of the Share Option Scheme. Eligible participants of the Share Option Scheme are required to pay the Company HK$1 upon acceptance of the grant within seven days after the offer date.

The subscription price shall be determined by our Board in its absolute discretion but in any event shall not be less than the highest of:

(i) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date on which the option is granted, which date must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the date on which the option is granted; and (iii) the nominal value of the Shares.

As at 31 March 2021, there was no option outstanding, granted, cancelled, exercised or lapsed.

Apart from the aforesaid Share Option Schemes, at no time during the year ended 31 March 2021 was the Company or any associated corporation a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age 18, had any right to subscribe for the shares in, or debentures of, the Company, or had exercise any such rights.

DIRECTORS AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 31 March 2021, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long position in the ordinary shares and underlying shares of the Company

Name	Capacity/Nature of interest	Interests in Shares	Approximate percentage shareholding
Mr. Cheng Tsang Wai	Interest in controlled corporation(1)	214,400,000	67%
Mr. Cheng Tsang Fu Dennis	Interest in controlled corporation(1)/ interest of spouse(2)	214,400,000	67%
Ms. Liu Lee Lee Lily	Interest in controlled corporation(1)/ interest of spouse(2)	214,400,000	67%

Notes:

1. The entire issued share capital of Advance Goal is legally and beneficially owned as to 55%, 35% and 10% by Mr. Cheng Tsang Wai, Mr. Cheng Tsang Fu Dennis and Ms. Liu Lee Lee Lily, respectively. Mr. Cheng Tsang Wai, Mr. Cheng Tsang Fu Dennis and Ms. Liu Lee Lee Lily are parties acting in concert. Accordingly, Mr. Cheng Tsang Wai, Mr. Cheng Tsang Fu Dennis and Ms. Liu Lee Lee Lily are deemed to be collectively interested in 214,400,000 Shares held by Advance Goal by virtue of the SFO.

2. Each of Mr. Cheng Tsang Fu Dennis and Ms. Liu Lee Lee Lily is spouse to each other. Therefore, Mr. Cheng Tsang Fu Dennis is deemed to be interested in Shares held by Ms. Liu Lee Lee Lily, and vice versa, pursuant to the SFO.

Saved as disclosed above, as at 31 March 2021, none of the Directors and chief executives of the Company had any other interests or short positions in any shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 to Rule 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed under the section "Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or Its Associated Corporations" above, at no time during the Year was the Company or any of its subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 31 March 2021, other than the Directors or chief executives of the Company whose interests or short positions are disclosed under the paragraph headed "Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or Its Associated Corporations" above, the following person has an interest or short position in the shares or underlying shares of the Company which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, and who were expected, directly or indirectly, to be interested in 5% or more of the issued shares of the Company are listed as follows:

Long position in the ordinary shares and underlying shares of the Company

Name of shareholder	Capacity/Nature of interest	Number of ordinary shares held	Approximate percentage shareholding
Advance Goal[(1)]	Beneficial owner	214,400,000	67%
Ms. Chow Siu Shan Juliana[(2)]	Interest of spouse	214,400,000	67%
Active Achievor Limited	Beneficial owner	19,200,000	6%
Ms. Cheng Fat Ning Lenda[(3)]	Interest in controlled corporation	19,200,000	6%

Notes:

1. The entire issued share capital of Advance Goal is legally and beneficially owned as to 55%, 35% and 10% by Mr. Cheng Tsang Wai, Mr. Cheng Tsang Fu Dennis and Ms. Liu Lee Lee Lily, respectively. Mr. Cheng Tsang Wai, Mr. Cheng Tsang Fu Dennis and Ms. Liu Lee Lee Lily are parties acting in concert. Accordingly, Mr. Cheng Tsang Wai, Mr. Cheng Tsang Fu Dennis, Ms. Liu Lee Lee Lily are deemed to be collectively interested in 214,400,000 Shares held by Advance Goal by virtue of the SFO.

2. Ms. Chow Siu Shan Juliana is the spouse of Mr. Cheng Tsang Wai. Under the SFO, Ms. Chow Siu Shan Juliana is deemed to be interested in the 214,400,000 Shares owned by Mr. Cheng Tsang Wai through Advance Goal.

3. Active Achievor Limited is wholly-owned by Ms. Cheng Fat Ning Lenda. Accordingly, Ms. Cheng Fat Ning Lenda is deemed to be interested in all of the Shares held by Active Achievor Limited.

Saved as disclosed above, as at 31 March 2021, the Directors were not aware of any other person (other than the Directors or chief executives as disclosed in the paragraph headed "Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or Its Associated Corporations" above) who had, or deemed to have, interests or short positions in the shares, underlying shares or debentures of the Company which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the issued shares of the Company.

COMPETITION AND CONFLICT OF INTERESTS

Each of the controlling shareholders (as defined under the GEM Listing Rules) of the Company entered into a deed of non-competition dated 19 January 2018 in favour of the Company (the "Deed of Non-competition"). Details of the Deed of Non-competition are set out in the section headed "Relationship with our Controlling Shareholders" in the Prospectus.

During the Year, none of the directors, the management shareholders or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete, either directly or indirectly, with the business of the Group or has any other conflict of interests with the Group.

The Company has received the confirmation from the controlling shareholders in respect of their compliance with the terms of the Deed of Non-competition for the Year. The independent non-executive Directors had reviewed and confirmed that, having made such reasonable enquiries with the controlling shareholders and reviewed such documents as they considered appropriate, nothing has come to their attention that causes them to believe that the terms of the Deed of Non-competition had not been complied with by the controlling shareholders during the year and the Deed of Non-competition has been enforced by the Company in accordance with its terms for the Year.

Report of Directors

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors of the Company as at the latest practicable date prior to the issue of this report, the Company has maintained the prescribed public float under the GEM Listing Rules of at least 25% of the Company's total number of issued shares which was held by the public.

CORPORATE GOVERNANCE REPORT

Details of the Group's corporate governance practices can be found in the Corporate Governance Report contained on pages 30 to 45 in this annual report.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 28 July 2021 to Monday, 2 August 2021 (both days inclusive), during which period no transfer of shares will be registered. In order to attend and vote at the AGM, all transfer of shares accompanied by the relevant share certificates and transfer forms must be lodged for registration with the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited (the "Hong Kong Share Registrar"), at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 27 July 2021.

The register of members of the Company will be closed from Monday, 9 August 2021 to Wednesday, 11 August 2021 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the final dividend, all transfer of shares accompanied by the relevant share certificates and transfer forms must be lodged for registration with the Hong Kong Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 6 August 2021.

TAXATION OF HOLDERS OF SHARES

Hong Kong

The purchase, sale and transfer of shares registered in the Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller (or transferee and transferor) is 0.1% of the consideration or, if greater, the fair value of the shares being bought/ sold or transferred (rounded up to the nearest HK$'000). In addition, a fixed duty of HK$5.00 is currently payable on an instrument of transfer of shares. Profits from dealings in the share arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

Cayman Islands

Under the present Cayman Islands laws, transfers and other dispositions of shares in the Company are exempt from Cayman Islands stamp duty.

Consultation with professional advisers

Intending holders and investors of the Company's shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications (including tax relief) of subscribing for, purchasing, holding, disposing of or dealing in shares. It is emphasised that none of the Company or its Directors or officers will accept any responsibility for any tax effect on, or liabilities of, holders of shares in the Company resulting from their subscription for, purchase, holding, disposal of or dealing in such shares.

AUDITOR

The Consolidated Financial Statements have been audited by Messrs. CCTH CPA Limited, who will retire and, being eligible, offer themselves for re-appointment. A resolution to re-appoint CCTH CPA Limited is to be proposed at the AGM.

By order of the Board
DCB Holdings Limited
CHENG Tsang Fu Dennis
Chief Executive Officer and Executive Director

Hong Kong, 24 June 2021

Corporate Governance Report

CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES

The Board and the management of the Company are committed to the maintenance of good corporate governance, practices and procedures. The Company believes that good corporate governance provides a solid foundation for the Group to manage business risks and is also one of the key factors leading to the success of the Company so as to balance the interests of shareholders, customers and employees. The Board is devoted to ongoing enhancements and review of the efficiency and effectiveness of such principles and practices to ensure that all of them are in line with corporate governance best practices.

During the Year, the Board considers that the Company has complied with all the corporate governance codes (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules.

THE BOARD OF DIRECTORS

Composition and Responsibilities

Throughout the Year, the Board comprises six Directors. As at the date of this annual report, there are three executive Directors and three independent non-executive Directors of the Company. The composition of the Board is as follows:

Executive Directors

Mr. Cheng Tsang Wai *(Chairman)*
Mr. Cheng Tsang Fu Dennis *(Chief Executive Officer)*
Ms. Liu Lee Lee Lily

Independent non-executive Directors

Mr. Cheung Kwok Keung
Mr. Chak Chi Man
Mr. Chu Wai Wa Fangus

During the Year and up to the date of this annual report, there was no change in the composition of the Board.

The biographical details and responsibilities of the Directors as well as the senior management are set out in the section "Biographical Details of the Directors of the Company and Senior Management" on pages 12 to 15. The updated list of Directors and their role and function are published at the GEM website and the Company's website at www.dcb.com.hk.

Save as disclosed in the section headed "Biographical Details of the Directors of the Company and Senior Management" to this annual report, the Directors have no other financial, business, family or other material/relevant relationships with each other.

The Board is accountable to shareholders for the Company's performance and activities. While the Board is primarily overseeing and managing the Company's affairs, the Chairman of the Board help the Board to provide the Company with effective leadership and ensure the continuing effectiveness of the management team and the high standards of probity within the Company. The executive Directors constituting the senior management of the Company are delegated with responsibilities in the day-to- day management of the Company and make operational and business decisions within the control of and delegation framework of the Company. The independent non-executive Directors contribute valuable views and proposals for the Board's deliberation and decisions.

The Company has throughout the Year met the requirements of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one of them possessing appropriate accounting professional qualifications. At all times during the year, the independent non-executive Directors represent at least one-third of the Board.

Prior to their respective appointment, each of the independent non-executive Directors has submitted a written statement to the Stock Exchange confirming their independence and has undertaken to inform the Stock Exchange as soon as practicable if there is any subsequent change of circumstances which may affect their independence. The Company has also received a written confirmation from each of the independent non-executive Directors in respect of their independence for the year. The Board considers that all independent non-executive Directors are being considered to be independent by reference to the factors stated in the GEM Listing Rules throughout the year.

The roles of the Chairman and the Chief Executive Officer of the Company are separated. Mr. Cheng Tsang Wai is the Chairman of the Board. The primary role of the Chairman is to help the Board to provide the Company with effective leadership and ensure the continuing effectiveness of the management team and the high standards of probity within the Company. Mr. Cheng Tsang Fu Dennis is the Chief Executive Officer of the Company. He is involved with customer development, new business initiatives and overall project management for the Group's customers.

Other matters reserved for the Board include consideration of dividend policy, approval of major investments, maintenance of an adequate system of internal controls and review of the corporate governance practices of the Group. Daily operations and administration are delegated to management teams.

PROCEDURE FOR SEEKING INDEPENDENT PROFESSIONAL ADVICE BY DIRECTORS

The Company has agreed to provide separate independent professional advice and sufficient resources to Directors and all Board Committees to assist them to discharge their duties in compliance with the GEM Listing Rules and CG Code. The Company will consider to develop written procedures to enable Directors and members of all Board Committees, upon reasonable request, to seek and be provided with independent professional advice in appropriate circumstances, at the Company's expense.

BOARD MEETINGS

The Board is scheduled to meet regularly at least four times a year at approximately quarterly intervals, to discuss the overall strategy as well as the operational and financial performance of the Company. Other Board meetings will be held when necessary. Such Board meetings involve the active participation, either in person or through other electronic means of communication, of a majority of Directors. The Directors make every effort to contribute to the formulation of policy, decision-making and the development of the Group's business.

During the Year, five Board meetings were held. Apart from the meetings of the Board, remuneration committee and audit committee, written approval from Board committees had also been obtained by written resolutions on a number of matters.

DIRECTORS' ATTENDANCE AT BOARD/BOARD COMMITTEE/GENERAL MEETINGS

Here below are details of all Directors' attendance at the board meeting, board committee meetings and general meeting held during the year ended 31 March 2021:

	Board Meeting	Audit Committee	Nomination Committee	Remuneration Committee	General Meeting
Executive Directors					
Cheng Tsang Wai	5/5	N/A	1/1	N/A	1/1
Cheng Tsang Fu Dennis	5/5	N/A	N/A	N/A	1/1
Liu Lee Lee Lily	5/5	N/A	N/A	1/1	1/1
Independent non-executive Directors					
Cheung Kwok Keung	5/5	4/4	1/1	1/1	1/1
Chak Chi Man	5/5	4/4	1/1	1/1	1/1
Chu Wai Wa Fangus	5/5	4/4	1/1	1/1	1/1

At the annual general meeting, the chairman of the Board as well as chairmen of the nomination committee, remuneration committee and audit committee or, in their absence, other members of the respective committees shall attend to answer questions from shareholders at the annual general meeting.

Appropriate notices are given to all Directors in advance for attending regular and other board or board committee meetings. Meeting agendas and other relevant information are provided to the Directors in advance of board or board committee meetings. All Directors are consulted to include additional matters in the agenda for such meetings.

Directors have access to the advice and services of the Company Secretary with a view to ensuring that board procedures, and all applicable rules and regulations, are followed.

Both draft and final versions of the minutes will be sent to all Directors for their comment and records. Minutes of board and board committee meetings are kept by the Company Secretary and such minutes are open for inspection at any reasonable time on reasonable prior notice by any Director.

All directors are also entitled to have access to board papers and related materials. These papers and related materials are in a form and quality sufficient to enable the board to make informed decisions on matters placed before it. Queries raised by directors shall receive a prompt and full response by the management.

APPOINTMENT, RE-ELECTION AND REMOVAL

Each of our executive Directors has entered into a service agreement with the Company. The terms and conditions of each of such service agreements are similar in all material aspects. Each service agreement is for an initial term of three years with effect from the Listing Date and shall continue thereafter unless and until it is terminated by the Company or the Director giving to the other not less than three months' prior notice in writing.

Each of our independent non-executive Directors has entered into a letter of appointment with the Company on 19 January 2018. Each letter of appointment is for an initial term of one year commencing on the date of the letter of appointment and shall continue thereafter unless terminated by either party giving at least one month's notice in writing.

In accordance with the articles of association of the Company, at each annual general meeting one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Such retiring Directors shall be eligible for re-election at the annual general meeting.

Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of shareholders after their appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Corporate Governance Report

CONFIRMATION OF INDEPENDENCE

Each of the independent non-executive Directors has made an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company is of the view that all independent non-executive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines throughout the year.

CODE OF CONDUCT REGARDING DIRECTOR'S SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.46 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company during the Year.

INDUCTION AND CONTINUOUS PROFESSIONAL TRAININGS OF DIRECTORS

Each newly appointed Director has received formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the GEM Listing Rules and relevant statutory requirements.

The Directors understand the need to continue developing and refreshing their knowledge and skills for making contributions to the Company. The Company provides regular updates, changes and developments relating to the Group's business and the legislative and regulatory requirements to the Directors.

The Directors have complied with the requirement of the code provision A.6.5 of the CG Code on Directors' training. All Directors have participated in continuous professional development to develop and refresh their knowledge and skills and has kept a record of training that they received for the year ended 31 March 2021.

BOARD COMMITTEES

Audit Committee

The Company established the audit committee on 19 January 2018 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and the CG Code as set out in Appendix 15 to the GEM Listing Rules. The terms of reference setting out the audit committee's authority, duties and responsibilities are available on both the GEM website and the Company's website. The primary duties of the audit committee are mainly to make recommendation to the Board on the appointment and removal of external auditor; review financial statements and material advice in respect of financial reporting; and oversee risk management and internal control procedures of the Company.

The composition of the audit committee during the year and up to the date of this report is as follows:

Independent non-executive Directors
Mr. Cheung Kwok Keung *(Chairman)*
Mr. Chak Chi Man
Mr. Chu Wai Wa Fangus

The Audit Committee has reviewed this annual report, including the audited consolidated results of the Group for the year ended 31 March 2021.

None of the members of the audit committee is a former partner of the Company's existing auditing firm. Mr. Cheung Kwok Keung, who has appropriate professional qualifications and experience in accounting, was appointed as the Chairman of the Audit Committee.

During the year ended 31 March 2021, the Audit Committee has reviewed the Group's unaudited results for the three months ended 30 June 2020, six months ended 30 September 2020 and nine months ended 31 December 2020 and annual audited results for the financial year ended 31 March 2020 and also reviewed the system of internal control of the Group in accordance with code provision C.2.1 of the CG Code. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and adequate disclosures have been made and is of the view that the system of internal control of the Group is sufficient to safeguard the interests of the Group after gradually reorganised the existing daily operations. The Audit Committee has closely monitored and supervised the internal control procedures of the Group.

During the year ended 31 March 2021, the Audit Committee held 4 meetings for, inter alia, reviewing the Group's quarterly, interim and annual results, the financial reporting and compliance procedures, reviewing and approving internal control review report and considering the re-election of auditor of the Company. Details of the attendance of the members of the audit committee in the said meetings are set out under the sub-heading "Directors' Attendance at Board/Board Committee/General Meetings" above.

Remuneration Committee
The Company established the remuneration committee with written terms of reference in compliance with the CG Code as set out in Appendix 15 to the GEM Listing Rules. The terms of reference setting out the Remuneration Committee's authority, duties and responsibilities are available on both the GEM website and the Company's website. The primary duties of the remuneration committee are to make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group; review performance-based remuneration; make recommendations to the Board on the remuneration packages of all Directors and senior management of the Group; and ensure none of the Directors determine their own remuneration. The remuneration committee has adopted the operation model where it performs an advisory role to the Board, with the Board retaining the final authority to approve the remuneration packages of individual executive Directors and senior management.

The composition of the remuneration committee during the year ended 31 March 2021 and up to the date of this report is as follows:

Executive Director
Ms. Liu Lee Lee Lily

Independent non-executive Directors
Mr. Chak Chi Man *(Chairman)*
Mr. Cheung Kwok Keung
Mr. Chu Wai Wa Fangus

For the year ended 31 March 2021, the remuneration of Directors was determined by their experience, responsibility, workload and the time devoted to the Group. Executive Directors and employees also participate in bonus arrangements determined in accordance with the performance of the Group and the individual's performance.

During the year ended 31 March 2021, the Remuneration Committee held 1 meeting for, inter alia, reviewing and approving the remuneration packages of the existing Directors. Details of the attendance of the members of the remuneration committee in the said meeting are set out under the sub-heading "Directors' Attendance at Board/Board Committee/General Meetings" above.

Nomination Committee

The Company established the nomination committee with written terms of reference in compliance with the CG Code as set out in Appendix 15 to the GEM Listing Rules. The terms of reference setting out the nomination committee's authority, duties and responsibilities are available on both the GEM website and the Company's website. The primary duties of the nomination committee are to review the structure, size and composition of the Board on regular basis; identify individuals suitably qualified to become Board members; assess the independence of independent non-executive Directors; and make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors; and succession planning for Directors, in particular, the chairman of the Board and the chief executive officer of the Company.

The composition of the nomination committee is as follows:

Executive Director
Mr. Cheng Tsang Wai *(Chairman)*

Independent non-executive Directors
Mr. Cheung Kwok Keung
Mr. Chak Chi Man
Mr. Chu Wai Wa Fangus

Where vacancies on the Board exist, the nomination committee will carry out the selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, including the independence status in the case of an independent non-executive Director, the Company's needs and other relevant statutory requirements and regulations.

During the year ended 31 March 2021, the Nomination Committee held 1 meeting for, inter alia, considering the retirement and re-election of the Directors at the annual general meeting and to assess, review and make recommendations on the structure, size, diversity and composition of the Board. Details of the attendance of the members of the nomination committee in the said meeting are set out under the subheading "Directors' Attendance at Board/Board Committee/General Meetings" above.

NOMINATION POLICY

The Board has adopted a nomination policy which sets out the criteria and process in the nomination and appointment of Directors. Below are the nomination procedures and the process and criteria adopted by the Nomination Committee to select and recommend candidates for directorship.

Selection Criteria

The Nomination Committee shall consider the following criteria in evaluating and selecting candidates for directorships:

- character and integrity;
- qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy that are relevant to the Company's business and corporate strategy;
- any measurable objectives adopted for achieving diversity on the Board;
- requirement for the Board to have independent directors in accordance with the GEM Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the GEM Listing Rules;
- any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity;
- willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company; and
- any other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of Directors and succession planning.

NOMINATION PROCESS

The Board has the relevant procedures for Directors' nomination which are pursuant to the Listing Rules and the Company's bye-laws as detailed below.

(a) Appointment of New Director

(i) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

(ii) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).

(iii) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.

(iv) For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendation to shareholders in respect of the proposed election of director at the general meeting.

(b) Re-election of Director at General Meeting

(i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring director and the level of participation and performance on the Board.

(ii) The Nomination Committee and/or the Board should also review and determine whether the retiring director continues to meet the criteria as set out above.

(iii) The Nomination Committee and/or the Board should then make recommendation to shareholders in respect of the proposed re-election of director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as director at the general meeting, the relevant information of the candidate will be disclosed in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the GEM Listing Rules and/or applicable laws and regulations.

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy which sets out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service.

All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

The Nomination Committee will review the board diversity policy from time to time to ensure its continued effectiveness.

CORPORATE GOVERNANCE FUNCTION

All members of the Board are responsible for performing the corporate governance functions. The terms of reference of corporate governance functions was adopted by the Board at the Board meeting held on 19 January 2018 and is in compliance with paragraph D.3.1 of the CG Code as set out in Appendix 15 to the GEM Listing Rules. The Board will review the policy of the corporate governance and the corporate governance report of the Company annually.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Emolument Policy

The remuneration policy of the Group is to ensure the fairness and competitiveness of total remuneration. The emoluments of executive Directors are determined based on the skills, knowledge, individual performance as well as contributions, the scope of responsibility and accountability of such Directors, taking into consideration the Company's performance and prevailing market conditions. The remuneration policy of independent non-executive Directors is to ensure that they are adequately compensated for their efforts and time dedicated to the Company's affairs including their participation in respective Board committees. Their emoluments are determined with reference to their skills, experience, knowledge, duties and market trends.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board acknowledges its responsibility for the preparation of the Consolidated Financial Statements for the year ended 31 March 2021 which give a true and fair view of the state of affairs of the Group in accordance with the statutory requirements and accounting standards and other financial disclosure requirement under the GEM Listing Rules. The financial results of the Group are announced in a timely manner in accordance with statutory and/or regulatory requirements.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement by auditor about their reporting responsibilities is set out in the independent auditor's report on pages 55 to 60 of this report.

External Auditor's Remuneration

During the year ended 31 March 2021, the fees of the external auditor of the Company in respect of audit and non-audit services provided to the Group were as follows:

Service rendered	**2021** **HK$'000**	2020 HK$'000
Audit services	**500**	500

The audit committee has expressed its views to the Board that the level of fees of the Company's external auditor for annual audit services is reasonable. There has been no major disagreement between the auditor and the management of the Company during the Year.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

Responsibility of the Board

The Board is committed to the maintenance of good corporate governance, practices and procedures, and implements an effective risk management and internal control systems of the Group. However, such systems are designed to manage rather than eliminate risk of failure to achieve business objective, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Our Risk Management and Internal Control Framework

Risk Management and Risk Assessment

The Board has the overall responsibilities of the risk management and internal controls systems of the Group. With the support from the Audit Committee, the Board monitors the Group's risk exposures, oversees the actions of management and monitors the overall effectiveness of the risk management system on an ongoing basis.

Management is responsible for setting the appropriate tone from the top, performing risk assessments, and owning the design, implementation and maintenance of internal controls. Essential to the Group's risk management and internal control systems are policies and procedures that are documented and communicated to employees.

To provide sound and effective risk management, the Group has established a risk management system which includes the following key features:

- An organisational structure for different responsible parties with defined authority, responsibilities and risk management roles;
- The Board sets forth the proper risk management culture and risk appetite for the Group, evaluates and determines the level of risk that the Group should take and monitor regularly;
- A Risk Management Policy has been established to provide a framework, which includes a risk assessment process, for the identification, analysis, evaluation, treatment, monitoring and reporting of the Group's key risks to support the achievement of the organisation's overall strategic objectives.

Risk assessment has been performed by management to evaluate the nature and extent of the risks to which the Group is willing to take in achieving its strategic objectives. During the risk assessment process, the Group has identified a number of key risks that may impact the Group's strategic objectives and to respond to the changes in the business and external environment. These risks are prioritised according to the likelihood of their occurrence and the significance of their impact on the business of the Group. Remedial measures are developed to manage these risks to an acceptable level. The results of risk assessment is reported to and discussed with the Board.

Internal Audit Functions

The Group has maintained internal control policies to provide sufficient guidelines for the management staff and employees of the Company to work efficiently under a standardised work procedure. The internal control policies cover various operating processes from risk assessment, financial reporting, cost management, pricing for projects, staff recruitment and training to IT system. The internal control system is generally overseen by the executive Directors and senior management. During the year ended 31 March 2021, the Group has engaged an independent external consulting firm as the Group's internal control consultant (the "Consultant") to carry out the internal audit functions by reviewing the effectiveness of the Group's internal control measures. In the opinion of the Consultant, the Group has established effective internal control measures to ensure that the operations of the Group will be in full compliance with the applicable laws and regulations in Hong Kong.

The Board is committed to implementing an effective and sound internal control system to safeguard the interest of Shareholders and the Group's assets and the internal control systems will be reviewed annually.

Review of Risk Management and Internal Control Systems

Through the Audit Committee, the Board has conducted an annual review of the effectiveness of the risk management and internal control systems of the Group and considered the risk management and internal control systems effective and adequate. The review covers all material controls, including financial, operational and compliance controls, and risk management functions. The scope and quality of ongoing monitoring of risks and the internal control systems have been assessed. No significant areas of concern that may affect the Group to achieve strategic goals have been identified.

The Board has also reviewed and is satisfied with the adequacy of resources, qualifications and experience of staff of the Group's accounting, and financial reporting functions, and their training programmes and budget.

INSIDE INFORMATION

The Group has adopted and implemented its own disclosure policy aiming to provide a general guide to the directors and senior management of the Company in handling of confidential information and/or monitoring of information disclosure pursuant to applicable laws and regulations in compliance with the Listing Rules and Securities and Futures Ordinance ("SFO").

The disclosure policy provides the procedures and internal controls for the handling and dissemination of inside information by publication of the announcement to the websites of the Stock Exchange and the Company on a timely basis to enable the public, namely shareholders, institutional investors, potential investors and other stakeholders of the Company to access the latest information of the Group, unless such information fall within the safe harbours with the SFO. Briefing and training on the implementation of the disclosure policy have been provided to Directors, officers and senior management of the Group. The Board emphasizes that only the authorised representatives registered in the Stock Exchange are authorised to speak on behalf of the Company.

DELEGATION BY THE BOARD

While at all times the Board retains full responsibility for guiding and monitoring the Company in discharging its duties, certain responsibilities are delegated to various board committees which have been established by the Board to deal with different aspects of the Company's affairs. Unless otherwise specified in their respective written terms of reference as approved by the Board, these board committees are governed by the Company's articles of association as well as the Board's policies and practices (in so far as the same are not in conflict with the provisions contained in the articles of association).

With the establishment of the Audit Committee, Remuneration Committee and Nomination Committee, the independent non-executive Directors will be able to effectively devote their time to perform the duties required by the respective board committees.

The Board has also delegated the responsibility of implementing its strategies and the day-to-day operation to the management of the Company under the leadership of the executive Directors. Clear guidance has been made as to the matters that should be reserved to the Board for its decision which include matters on, inter alia, capital, finance and financial reporting, internal controls, communication with shareholders, Board membership, delegation of authority and corporate governance.

NON-COMPETITION UNDERTAKING FROM CONTROLLING SHAREHOLDERS

The controlling shareholders (as defined in the GEM Listing Rules) of the Company gave a non-competition undertaking in favour of the Company and confirm that they and their associates have not breached the terms of the undertaking contained in the Non-competition Deed during the year. The Board comprising all the independent non-executive Directors, based on the written confirmation provided by the controlling shareholder, is of the view that the controlling shareholder has been in compliance with the non-competition undertaking in favour of the Company for the year.

SENIOR MANAGEMENT'S REMUNERATION

Senior management's remuneration payment of the Group for the year ended 31 March 2021 falls within the following bands:

	Number of individuals
Nil to HK$2,000,000	**4**
HK$2,000,001 to HK$4,000,000	**1**

COMPANY SECRETARY

The Company appointed Mr. Au Hok Man Jefferson ("Mr. Au") as its company secretary and assistant financial controller on 29 May 2017. The biographical details of Mr. Au are set out under the section headed "Biographical Details of Directors and Senior Management" of this annual report. During the Year, Mr. Au, undertook over 15 hours' professional training to update his skill and knowledge in compliance with the CG Code.

CHANGES IN CONSTITUTIONAL DOCUMENTS

Pursuant to Rule 17.102 of the GEM Listing Rules, the Company has published on the websites of the Company and the Stock Exchange its Memorandum and Articles of Association. During the Year, there has been no changes in the constitutional documents of the Company.

SHAREHOLDERS' RIGHTS

The Way by Which Shareholders Can Convene Extraordinary General Meeting ("EGM")/Put Forward Proposal

According to Article 58 of the Articles of Association of the Company, any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Article 85 of the Articles of Association provides that no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the registration office provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

Accordingly, if a member of the Company wishes to propose a person other than a Director for election as a Director at the Company's general meeting ("Proposal"), he/she should lodge a written notice setting out the Proposal and his/her contact details to the head office and principal place of business of the Company.

The relevant procedures are set out in the circular to the shareholders which is sent together with this annual report and the Company's website at www.dcb.com.hk.

The Procedures for Sending Enquiries to the Board

Shareholders may send their enquiries and concerns in writing to the Board/company secretary by addressing them to the Company at our principal place of business in Hong Kong or by email through the Company's website.

DIVIDEND POLICY

The Company has adopted a dividend policy that, in recommending or declaring dividends, the Company shall maintain adequate and sufficient cash reserves for meeting its working capital requirements and future growth as well as its shareholder value. The Board has the full discretion to declare and distribute dividends to the Shareholders, and any final dividend for a financial year will be subject to Shareholders' approval. In proposing any dividend payout, the Board shall also take into account, among other things, the Group's financial results, financial position, cash flow situation, business conditions and strategies, expected future operations and earnings, capital requirements and expenditure plans, interests of Shareholders, any restrictions on payment of dividends and any other factors the Board may consider relevant. Any payment of the dividend by the Company is also subject to any restrictions under the Articles of the Association of the Company and all applicable laws and regulations.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company endeavors to maintain effective communications with the shareholders and potential investors of the Company.

Save as mentioned under the sub-heading "The Procedures for Sending Enquiries to the Board" above, in order to provide more relevant information to our shareholders, the Company has published all corporate information about the Group on its website at www.dcb.com.hk. It is a channel of the Company to communicate with the shareholders and potential investors with our latest corporate development. All our corporate communications, such as statutory announcement, circular and financial reports are available on the website for easy access by the shareholders and potential investors. In addition, the Company meets its shareholders at the annual general meeting so as to promote the development of the Company through mutual and efficient communications.

The forthcoming annual general meeting of the Company is scheduled to be held on Monday, 2 August 2021. At the annual general meeting, the chairman of the Board as well as chairman of the nomination committee, remuneration committee and audit committee or, in their absence, other members of the respective committees shall attend to answer questions from shareholders at the annual general meeting. The representatives of the external auditor shall also present and available to answer questions at the meeting.

The notice of annual general meeting and the necessary information on issues to be considered in the annual general meeting will be set out in the circular to be dispatched to the shareholders of the Company in due course.

Shareholders should direct their questions about their shareholdings, share transfer, registration and payment of dividend to the Company's branch share registrar in Hong Kong, details of which are as follows:

Address:	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
Email:	is-enquiries@hk.tricorglobal.com
Telephone no.:	(852) 2980 1333
Fax no.:	(852) 2810 8185

Shareholders are encouraged to communicate with the Company for requesting publicly available information and any enquiries in relation to the Group:

Attention:	The Board of Directors/Company Secretary
Address:	Room D, 12/F, Lucky Factory Building, 63-65 Hung To Road, Kwun Tong, Kowloon, Hong Kong
Email:	info@dcb.com.hk
Telephone no.:	(852) 2199 7866

Environmental, Social and Governance Report

GENERAL

The Group is pleased to present the Environmental, Social and Governance Report (the "ESG Report") to express the Group's efforts towards sustainable practices and development. The Group's ESG Report has been set out in accordance with the standards as set out by the Stock Exchange in its ESG Reporting Guide under Appendix 20 to the Listing Rules. Information relating to the corporate governance practices of the Group has been set out in the Corporate Governance Report on pages 30 to 45 of this report.

Given that the Company is an investment holding company, the content of this ESG Report are concerned primarily with the operations of DCB Company Limited, the only operating wholly-owned subsidiary of the Company, which is engaged in provision of fitting out and renovation services in the private sector in Hong Kong.

The Group believes that environmental protection, low carbon footprint, resource conservation and sustainable development are the key trends in society. In order to follow the key trends and pursue a successful and sustainable business model, the Group recognises the importance of integrating ESG aspects into its risk management system and has taken corresponding measures in its daily operation and governance perspective.

REPORTING PERIOD

The ESG Report specifics the environmental, social and governance activities, issues and measures being taken during the year ended 31 March 2021, the same as the annual reporting period of the Group.

STAKEHOLDER ENGAGEMENT

Throughout the course of business, we have ongoing communication with our stakeholders through various channels. These include, but are not limited to, physical meetings, emails, telephone and other communication means in order to gauge their views relating to the Group's businesses and environmental, social and governance issues. The Group's key stakeholders, including but not limited to directors, employees, shareholders, customers, suppliers and subcontractors, government bodies and communities. In formulating operational strategies and environmental, social and governance measures, the Group takes into account the stakeholders' expectations and strives to improve its performance through process reengineering, communication and policy enhancement etc. so as to create greater value for our stakeholders.

MATERIALITY ASSESSMENT

The management and employees who are responsible for the key functions of the Group have involved in preparing this report, reviewing business operation, identifying key environmental, social and governance issues and assessing the importance of these issues to our businesses and stakeholders. A questionnaire was compiled to collect information on material environmental, social and governance issues from relevant departments and business units within the Group.

The following table summarises the Group's significant environmental, social and governance issues as set out in this report:

The ESG Reporting Guide	Material ESG aspects of the Group	Page
A. Environment		
A1. Emissions	Emissions	P. 48
	Greenhouse Gas Emission	P. 48
A2. Use of Resources	Energy Consumption	P. 50
A3. The Environment and Natural Resources	Impact Management	P. 51
B. Society		
B1. Employment	Human Resources Policies	P. 51
B2. Health and Safety	Occupational Health and Safety	P. 52
B3. Development and Training	Staff Development and Training	P. 53
B4. Labor Standards	Prevention of Child or Forced Labor	P. 53
B5. Supply Chain Management	Environmental and Social Risk Management of Supply Chain	P. 53
B6. Product Responsibility	Quality and Safety of Services	P. 54
B7. Anti-Corruption	Prevention of Bribery and Fraud	P. 54
B8. Community Investment	Contributions to Society	P. 54

During the year ended 31 March 2021, the Group confirmed that appropriate and effective management policies and internal control systems for environmental, social and governance issues are in place and the information disclosed in this ESG Report meets the requirements of ESG Reporting Guide.

CONTACT US

Comments and suggestions are welcome from our stakeholders. You may provide comments on ESG report or towards our performance in respect of sustainable development.

A. ENVIRONMENT

A1. Emissions

General Disclosure and Key Performance Indicators ("KPI")

The Group's core business, which mainly involves the provision of fitting-out and renovation services for the private sector in Hong Kong, relies on digital communication and technology using electronic devices and does not involve any manufacturing or production process in the course of business. Therefore, during the year ended 31 March 2021, the Group and its offices did not generate significant amount of emissions, water pollutants and wastes during business operation, except for greenhouse gas ("GHG") emissions.

The main source of emissions was the indirect GHG emissions from electricity consumption in the workplaces. We have taken energy saving initiatives such as applying optimal temperature setting for office air conditioning; using energy efficient products; switching off the lights for unoccupied zones and turning off idle electronics etc.

GHG emissions

Use of electricity in offices and petrol for vehicles were the main sources of GHG emissions. During the year ended 31 March 2021, the Group's total GHG emissions amounted to approximately 88.8 tonnes (2020: 87.6 tonnes) and the total GHG emissions per employee was 1.4 tonnes/employee (2020: 1.3 tonnes/employee). A summary of the Group's GHG emissions is shown below:

GHG Performance Summary

GHG Scope	**2021** Tonnes	**2021** Intensity – Tonnes per employee	2020 Tonnes	2020 Intensity – Tonnes per employee
Direct GHG emission (Scope 1)				
– petrol consumption	**36.7**	**0.6**	35.6	0.5
Indirect GHG emission (Scope 2)				
– electricity consumption	**52.1**	**0.8**	46.2	0.7
Other indirect GHG emission (Scope 3)				
– business air travel	**—**	**—**	5.8	0.1
Total GHG emission	**88.8**	**1.4**	87.6	1.3

The Group has incorporated green initiatives in the staff handbook to raise their environmental awareness. We also promote best practices for environmental management by displaying notices and posters around the offices.

The Group has complied with relevant environmental laws and regulations in Hong Kong. During the year ended 31 March 2021, the Group was not aware of any material non-compliance with laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that would have a significant impact on the Group. We have established clear and effective lines of communication with our subcontractors to ensure compliance with environmental laws and regulations. Non-compliance or violation may result in immediate remedies or penalties.

In addition to the General Disclosure in Aspect A1, we have also fulfilled our disclosure obligation of the Environmental KPIs, which is summarised below:

“Comply or explain” Provisions

KPI A1.1	The types of emissions and respective emissions data.	Disclosed
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity.	Disclosed
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Not applicable
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Not applicable
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Disclosed
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Not applicable

A2. Use of Resources

General Disclosure and KPI

Energy Consumption

Due to the business nature of the Group, the level of energy, electricity and water consumption is relatively low, especially water consumption is very minimal. As aforementioned, the Group has formulated policies and procedures relating to the environmental management, including energy management. Electricity consumption and petrol consumption account for a substantial part of the Group's carbon emission.

During the year ended 31 March 2021, the Group's consumption in petrol and electricity is shown below:

	2021			2020		
Energy Type	**Quantity**	**Unit**	**Intensity – Unit per employee**	Quantity	Unit	Intensity – Unit per employee
Petrol	**13,564**	**litre**	**208.7**	13,149	litre	196.3
Electricity	**82,749**	**kWh**	**1,273.1**	73,344	kWh	1,094.7

On top of the measures of mitigating the energy consumption mentioned in previous section, the Group strives to utilize telephone or video conference to minimize face-to-face meeting so as to reduce unnecessary business trips and thus petrol consumption in traveling. The Group encourages resources saving in daily office operation and proactively fosters a low-carbon corporate culture, which further increases our employees' awareness in energy conservation.

Water consumption and use of packaging materials

During the year ended 31 March 2021, the Group does not consume significant amount of water in its business activities. Nevertheless, we have been promoting water conservation by posting water-saving messages in office pantries and washrooms to raise our employees' awareness in environmental protection.

We do not produce packaging for physical products for sale and therefore this disclosure obligation is not applicable to the Group.

In addition to the General Disclosure stated in Aspect A2, we have also fulfilled our disclosure obligation of the KPIs, which is summarised as follows:

"Comply or explain" Provisions

KPI A2.1	Direct and/or indirect energy consumption by type and intensity.	Disclosed
KPI A2.2	Water consumption in total and intensity.	Not applicable
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Disclosed
KPI A2.4	Description on whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Issues in sourcing water – not applicable; Remaining – disclosed
KPI A2.5	Total packaging material used for finished products.	Not applicable

A3. The Environment and Natural Resources

The Group's business has little impact on the environment and natural resources. The Group's subcontractors carry out most of the works indoor where pollutants are concealed, which can help minimise the potential air quality impact. The Group will carry out continuous monitoring and step up control measures to reduce environmental impact caused by our business operation.

B. SOCIAL

B1. Employment

General disclosure

Employees are the Group's most valuable assets and the success of the business depends on the Group's workforce. During the year ended 31 March 2021, the Group has fully complied with the statutory requirements in Hong Kong, including the Companies Ordinance, Employment Ordinance, the Minimum Wages Ordinance, the Personal Data Privacy Ordinance and other relevant rules and regulations.

The Group's staff handbook contains policies in regards to recruitment, promotion, discipline, working hours, leave, equal opportunity and anti-discrimination etc. The human resources department is responsible for ensuring all employees have fully understood the contents of the handbook. We will also update the policies periodically. The Group strive to provide a competitive remuneration package to its staff and in addition to salary and double pay, the Group also provide discretionary bonus, training allowance and overseas company trip.

We are committed to safeguarding the rights and interests of the staff. The management regularly reviews employee remuneration and benefits policies in reference to the market standard. Remuneration and benefits are adjusted annually in accordance with the employees' individual performance, contribution and market conditions. Discretionary bonus will be granted to reward employees for their outstanding performances.

As at 31 March 2021, we employed 65 employees in Hong Kong. Our employee profile is illustrated as follows:

NUMBER OF EMPLOYEES BY GENDER	
Male	48
Female	17
Total	65

NUMBER OF EMPLOYEES BY AGE	
Below 30	15
30–50	33
Above 50	17
Total	65

NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE	
Permanent staff	65
Part-time/Contract staff	0
Total	65

Employee turnover rate is around 4.9% for the year ended 31 March 2021.

During the year ended 31 March 2021, the Group was not aware of any material non-compliance with laws and regulations relating to employment and labour practices.

B2. Health and Safety

General disclosure

The Group attaches the utmost importance to workplace safety. We have hired a safety officer to conduct regular trainings to our staff and subcontractors. A workplace safety policy has also been developed and everyone at the workplace are required to abide to. The safety officer and the project manager are required to ensure that everyone at the workplace has followed the policies.

During the year ended 31 March 2021, the Group has complied with the legislative requirements in Hong Kong, including the Occupational Safety and Health Ordinance.

During the year ended 31 March 2021, the Group was not aware of any non-compliance with the health and safety laws and regulations, and there were no employee deaths due to work. During the year ended 31 March 2021, a total of 161 workdays were lost due to employee work injuries.

B3. Development and Training

General disclosure

The Group recognises the importance of staff training and development, which is vital to maintain and enhance the knowledge and skills needed to deliver professional services to our customers.

In addition to the aforesaid safety trainings, we also provide continuous skills training for staff. The Group has a policy to sponsor staff to attend academic or vocational courses so as to support their professional growth.

The Group will continually evaluate staff training needs and offer appropriate and relevant training to employees that will help equip them with the skill set and technical know-how necessary to discharge their duties.

B4. Labour Standards

General disclosure

The Group prohibits the employment of child or forced labour. Our rigorous recruitment and verification procedures, which includes checking candidates' identity documents, has effectively screened out the underage applicants. There are regular reviews and inspections to ensure the absence of child or forced labour in the workplace.

The Group has complied with the Employment of Children Regulations (Chapter 57B of the Laws of Hong Kong) under the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) on the Employment of Adolescents under the Age of 16 and their Legal Rights and Interests and Provisions on the Prohibition of Child Labor in Hong Kong.

During the year ended 31 March 2021, the Group complied with all the laws and regulations relating to the prevention of child labor or forced labor. The Group was not aware of any material non-compliance with laws and regulations relating to employment and labour practices.

B5. Supply Chain Management

General disclosure

The Group believes that sourcing and selection of suitable suppliers play an important part in ensuring the provision of quality services to customers and has established policy in the selection of suppliers. In order to strengthen the selection of suppliers, the Group welcomes qualified, competent and high-quality suppliers to join.

The Group uses evaluation forms to review the suitability of new suppliers and the continual performance of the existing suppliers. The scope of evaluation covers aspects such as quality of work, price, reliability, social and environmental awareness etc.. Our supplier review also assess their performance in occupational health and safety, employee rights protection, environmental protection and corporate social responsibility. The assessment results will be used as a benchmark for the continuation or termination of cooperation.

B6. Product Responsibility

General disclosure

The Group attaches great importance to service quality and safety and we have in place project quality and safety inspection policies. Our communication with customers confirms their requirements and expectation prior to commencement of works, and effectively coordinates various aspects of projects to ensure satisfactory delivery of service.

During the year ended 31 March 2021, the Group was not aware of any non-compliance with relevant laws and regulations related to health and safety, advertising, labelling and privacy matter relating to the services provided.

B7. Anti-Corruption

General disclosure

Our staff handbook and relevant policies stipulate that our staff cannot solicit or accept any advantage or bribes from any business associates. Our staff are also required to declare any potential conflict of interest that they may face when engaging customers, suppliers and subcontractors. Employees, in carrying out their duties, should always act in the best interest of the Group.

When conflict of interest arises, the employee concerned is obliged to report it to the management in a timely manner. The Group encourages the reporting of misconduct, fraud and corruption, and has adopted a whistle-blowing policy so that employees can confidentially report unethical and illegal behaviours to the management and Company Secretary.

During the year ended 31 March 2021, the Group was not aware of any non-compliance with relevant laws and regulations relating to bribery, extortion, fraud and money laundering.

B8. Community Investment

General disclosure

The Group strives to become a responsible and caring corporation and maintains positive interaction and relationships with the community to support its long-term development.

The Group encourages employees to contribute their time and expertise to philanthropic and volunteer activities to benefit our society. Our employees can also take the opportunity to understand more about social and environmental issues while at the same time help enhance the corporate image of the Group.

The Group will consider from time to time to make donations to charities and participating in community projects.

CCTH CPA LIMITED
中正天恆會計師有限公司

TO THE SHAREHOLDERS OF DCB HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of DCB Holdings Limited (the "Company") and its subsidiaries ("the Group") set out on pages 55 to 107, which comprise the consolidated statement of financial position as at 31 March 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS (continued)

Key audit matter	How the matter was addressed in our audit

Recognition of contract revenue, contract assets and contract liabilities
Refer to notes 6 and 18 to the consolidated financial statements

We identified the recognition of contract revenue, contract assets and contract liabilities as a key audit matter due to the significance of these balances to the consolidated financial statements as a whole together with management judgements and estimation involved in the determination of the outcome and the percentage of completion of each of the fitting-out and renovation work.

As at 31 March 2021, the Group recorded contract assets of HK$55,106,000 and contract liabilities of HK$26,886,000. The Group has recognised revenue and cost of services amounted to HK$224,875,000 and HK$215,727,000 respectively for the year ended 31 March 2021.

The Group recognises contract revenue and profit of a fitting-out and/or renovation work and contract assets and contract liabilities according to the management's estimation of the total outcome of the project as well as the percentage of completion of contract works which is measured based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs. As such, the actual outcome of the contract in terms of its total costs may be different from the estimation and this will have material financial impact on the consolidated financial statements.

Our procedures in relation to the recognition of revenue and cost from fitting-out and renovation works and related contract assets and contract liabilities included:

- Evaluating the estimation of revenue and profit recognised on fitting-out and renovation work on a sample basis, by:
  - agreeing the contract sum, variation orders and budgeted costs to respective signed contracts, correspondence with customers and approved budgets;
  - understanding from the management about how the approved budgets were prepared and the respective stage of completion was determined; and
  - challenging the reasonableness of key judgments inherent in budgets (such as sub-contracting charges, costs of materials, staff costs, etc.) with reference to the actual costs of completed projects that were similar in scale and nature.
- Assessing the reliability of the approved budgets by comparing the actual outcome against the management's estimation of completed contracts on a sample basis; and
- Checking the accuracy of the contract assets and contract liabilities by agreeing the amount of progress billings to billings issued to customers and agreeing the amount of contract costs incurred to related invoices, fee notes and other relevant documents, on a sample basis.

Key audit matter	How the matter was addressed in our audit

Impairment loss of trade and other receivables and contract assets
Refer to notes 5, 17 and 18 to the consolidated financial statements

We identified the impairment assessment of trade and other receivables and contract assets as a key audit matter due to the significance of the balances to the consolidated financial statements as a whole and degree of estimations made by the management of the Group.

As disclosed in note 5 to the consolidated financial statements, the management assesses the expected credit loss ("ECL") of trade and other receivables and contract assets based on the historical default rates, past-due status and financial capability of the individual debtors taking into consideration of forward-looking information.

As disclosed in notes 17 and 18 to the consolidated financial statements, trade and other receivables and contract assets of the Group carried at HK$10,242,000 and HK$55,106,000, respectively, which represents 8.2% and 44.0% of the Group's total assets, respectively.

Our procedures in relation to the impairment assessment of trade and other receivables and contract assets included:

- Understanding key internal controls on how management assess the ECL of trade and other receivables and contract assets;
- Obtaining aged analysis of trade receivables and testing the accuracy of information used by management by comparing individual items in the analysis with relevant supporting documents, on a sample basis;
- Evaluating the reasonableness of management assessment on ECL by reviewing historical repayment records of relevant debtors and forward-looking information management has taken into account; and
- Discussing with project managers for their evaluation of the impact of disputes with customers and unforeseen delay of construction projects, if any, on the credit risk of trade receivables and contract assets and checking to relevant correspondences and documents to assess the reasonableness of project managers' evaluation.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence of the Company, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

CCTH CPA Limited
Certified Public Accountants
Hong Kong, 24 June 2021
Ng Kam Fai
Practising certificate number P06573

Unit 1510–1517, 15/F., Tower 2, Kowloon Commerce Centre,
No. 51 Kwai Cheong Road, Kwai Chung,
New Territories, Hong Kong

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2021

	Notes	2021 HK$'000	2020 HK$'000
Revenue	6	**224,875**	234,991
Cost of services		**(215,727)**	(226,081)
Gross profit		**9,148**	8,910
Other income and gains	7	**8,376**	3,282
Administrative expenses		**(14,834)**	(16,742)
Finance costs	8	**(132)**	(253)
Profit/(loss) before tax	9	**2,558**	(4,803)
Income tax expense	10	**—**	(148)
Profit/(loss) and other comprehensive income/(expense) for the year attributable to the owners of the Company		**2,558**	(4,951)

	Notes	2021 HK cents	2020 HK cents
Earnings/(loss) per share attributable to owners of the Company			
Basic	14	**0.80**	(1.55)

Consolidated Statement of Financial Position

At 31 March 2021

	Notes	2021 HK$'000	2020 HK$'000
Non-current assets			
Plant and equipment	15	**417**	592
Right-of-use assets	16	**2,279**	1,377
		2,696	1,969
Current assets			
Trade and other receivables	17	**10,242**	14,231
Contract assets	18	**55,106**	70,353
Income tax recoverable		**—**	2,396
Pledged bank deposits	19	**10,076**	11,133
Bank balances and cash	19	**47,050**	31,532
		122,474	129,645
Current liabilities			
Trade and other payables	20	**7,740**	10,125
Contract liabilities	18	**26,886**	32,024
Lease liabilities	21	**2,021**	897
		36,647	43,046
Net current assets		**85,827**	86,599
Total assets less current liabilities		**88,523**	88,568
Non-current liabilities			
Lease liabilities	21	**291**	494
Other non-current liabilities	22	**258**	258
		549	752
Net assets		**87,974**	87,816
Capital and reserves			
Share capital	23	**3,200**	3,200
Reserves		**84,774**	84,616
Total equity		**87,974**	87,816

The consolidated financial statements on pages 61 to 107 were approved and authorised for issue by the board of directors on 24 June 2021 and are signed on its behalf by:

Cheng Tsang Fu, Dennis
DIRECTOR

Liu Lee Lee, Lily
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 March 2021

	Share capital HK$'000	Share premium HK$'000	Capital reserve (Note) HK$'000	Retained profits HK$'000	Total HK$'000
At 1 April 2019	3,200	48,097	10,010	35,300	96,607
Loss and other comprehensive expense for the year	—	—	—	(4,951)	(4,951)
Dividend recognised as distribution (note 13)	—	—	—	(3,840)	(3,840)
At 31 March 2020	**3,200**	**48,097**	**10,010**	**26,509**	**87,816**
Profit and other comprehensive income for the year	**—**	**—**	**—**	**2,558**	**2,558**
Dividend recognised as distribution (note 13)	**—**	**—**	**—**	**(2,400)**	**(2,400)**
At 31 March 2021	**3,200**	**48,097**	**10,010**	**26,667**	**87,974**

Note: The amount arose from the group reorganisation in relation to the allotments and issue of ordinary shares of the Company during the year ended 31 March 2018.

Consolidated Statement of Cash Flows

For the year ended 31 March 2021

	Notes	2021 HK$'000	2020 HK$'000
OPERATING ACTIVITIES			
Profit (loss) before tax		**2,558**	(4,803)
Adjustments for:			
Impairment loss on trade and other receivables		**238**	—
Impairment loss on contract assets		**491**	—
Finance costs		**132**	253
Depreciation of plant and equipment		**228**	396
Depreciation of right-of-use assets		**2,250**	2,104
Gain on disposal of plant and equipment		**—**	(76)
Interest income		**(38)**	(136)
Operating cash flows before movements in working capital		**5,859**	(2,262)
Decrease/(increase) in trade and other receivables		**3,751**	(6,598)
Decrease in contract assets		**14,756**	50,172
Decrease in trade and other payables		**(2,385)**	(24,535)
(Decrease)/increase in contract liabilities		**(5,138)**	5,485
Cash generated from operations		**16,843**	22,262
Income tax refunded/(paid)		**2,396**	(1,233)
NET CASH GENERATED FROM OPERATING ACTIVITIES		**19,239**	21,029
INVESTING ACTIVITIES			
Interest received		**38**	136
Proceeds from disposal of plant and equipment		**—**	300
Purchase of plant and equipment		**(53)**	(365)
Decrease/(increase) in pledged bank deposits		**1,057**	(5,133)
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES		**1,042**	(5,062)
FINANCING ACTIVITIES			
New bank loans raised	28	**—**	16,628
Repayments of borrowings	28	**—**	(16,628)
Repayments of lease liabilities	28	**(2,363)**	(2,163)
Interest paid	28	**—**	(154)
Dividend paid	28	**(2,400)**	(3,840)
NET CASH USED IN FINANCING ACTIVITIES		**(4,763)**	(6,157)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**15,518**	9,810
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**31,532**	21,722
CASH AND CASH EQUIVALENTS AT END OF YEAR represented by bank balances and cash		**47,050**	31,532

1. GENERAL

DCB Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability on 8 March 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 14 February 2018. The Company's registered office is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1–1111, Cayman Islands. The principal place of business of the Group, comprising the Company and its subsidiaries, is located at Room D, 12/F., Lucky Factory Building, 63–65 Hung To Road, Kwun Tong, Kowloon, Hong Kong. The directors consider the ultimate holding company to be the Company's parent company, Advance Goal Group Limited ("Advance Goal"), a private company incorporated in the British Virgin Islands ("BVI"), of which the Company's directors, Mr. Cheng Tsang Wai ("Mr. Dick Cheng"), Mr. Cheng Tsang Fu Dennis ("Mr. Dennis Cheng") and Ms. Liu Lee Lee ("Ms. Lily Liu"), are shareholders.

The Company is an investment holding company. The Company's operating subsidiary is principally engaged in the provision of fitting-out and renovation services.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company, and all values are rounded to the nearest thousand except when otherwise indicated.

2. BASIS OF PREPARATION

Statement of compliance

The consolidated 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"). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("Listing Rules") and by the Hong Kong Companies Ordinance.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

In the preparation of the consolidated financial statements for the year ended 31 March 2021, the Group has applied, for the first time, the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments issued by the HKICPA:

Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendments to HKFRS 3	Definition of a business
Amendments to HKAS 1 and HKAS 8	Definition of material

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

New standards and interpretations not yet adopted

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

HKFRS 17	Insurance Contracts and the related Amendments[1]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[1]
Amendments to HKFRS 3	Reference to the Conceptual Framework[2]
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before intended use[2]
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020[2]
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2[3]
Amendment to HKFRS 16	Covid-19-Related Rent Concessions[4]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]

1 Effective for annual periods beginning on or after 1 January 2023
2 Effective for annual periods beginning on or after 1 January 2022
3 Effective for annual periods beginning on or after 1 January 2021
4 Effective for annual periods beginning on or after 1 June 2020
5 Effective for annual periods beginning on or after a date to be determined

The directors of the Company anticipate that the application of all the new and amendments to HKFRSs not yet effective for the current year will have no material impact on the consolidated financial statements in the foreseeable future.

4. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains controls until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

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

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents goods or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue from contracts with customers (continued)

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or service.

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis, except for the allocation of discounts and variable consideration.

The stand-alone selling price of the distinct goods or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell promised goods or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

Output method

The progress towards completion satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Contract assets/contract liabilities

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use Assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

The Group as a lessee (continued)

Right-of-use Assets (continued)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

When the Group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and are initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments includes:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period in which the event or condition that triggers the payment occurs.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments change due to changes in market rental rates following a market rent review in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit/loss differs from 'profit/loss before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

Current and deferred tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Plant and equipment

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

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

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Provisions

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets

(i) *Classification*

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses on change in fair value will either be recorded in profit or loss or other comprehensive income. For investments in equity investments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

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

(ii) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) *Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are recorded in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

(iii) Measurement (continued)

Debt instruments (continued)

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are recognised in the consolidated statement of profit or loss and are included in "other losses". Interest income from these financial assets is included in finance income or other income using the effective interest method.

Equity investments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to recognise fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Where the Group elected to present equity investments at fair value through profit or loss, changes in the fair value of financial assets are recognised in the consolidated statement of profit or loss and other comprehensive income and are included in other income and gains.

(iv) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 27 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities

(i) Initial recognition and measurement

The Group's financial liabilities are classified as financial liabilities at amortised cost, which include trade and other payables and lease liabilities.

These financial liabilities are recognised initially at fair value, net of directly attributable transaction costs.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities (continued)

(ii) Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs.

(iii) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the consolidated statement of profit or loss and other comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Revenue recognition of construction work

The Group recognises contract revenue and profit of a construction contract (fitting-out and/or renovation works) according to the management's estimation of the total outcome of the project as well as the percentage of completion of construction works. Estimated construction revenue is determined with reference to the terms of the relevant contracts. Contract costs which mainly comprise sub-contracting charges and costs of materials are estimated by the management on the basis of quotations from time to time provided by the major contractors/suppliers/vendors involved and the experience of the management. Notwithstanding that the management reviews and revises the estimates of both contract revenue and costs for the construction contract as the contract progresses, the actual outcome of the contract in terms of its total revenue and costs may be higher or lower than the estimates and this will affect the revenue and profit recognised.

Revenue from fitting out works and renovation works recognised for the current year amounted to HK$170,881,000 (2020: HK$90,797,000) and HK$53,994,000 (2020: HK$144,194,000) respectively. As at 31 March 2021, the carrying amount of contract assets amounted to approximately HK$55,106,000 (2020: HK$70,353,000). As at that date, the carrying amount of contract liabilities amounted to approximately HK$26,886,000 (2020: HK$32,024,000). Details regarding the contract assets and contract liabilities are set out in note 18.

Impairment of trade and other receivables and contract assets

The Group applies the lifetime expected credit loss provision basis, the simplified approach, to provide for expected credit loss in respect of trade receivables. The provision rates are based on groupings of various debtors that have similar credit risk characteristics and the Group's historical default rates (taking into consideration forward-looking information that is receivable and supportable available without undue costs or effort). At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables with significant balances and credit impaired are assessed for expected credit loss individually. The provision for expected credit loss is sensitive to changes in estimates.

The Group applies the lifetime expected credit loss basis to provide for expected credit loss in respect of other receivables and contract assets. The provision rates are determined with reference to the expected credit rating of the debtors and their respective default rates (taking into consideration forward-looking information that is receivable and supportable available without undue costs or effort). At every reporting date, the default rates are reassessed and changes in the forward-looking information are considered. The provision for expected credit loss is sensitive to changes in estimates.

As at 31 March 2021, the carrying amounts of trade receivables, other receivables and contract assets of the Group are approximately HK$7,369,000 (2020: HK$12,227,000) (note 17), HK$1,491,000 (2020: HK$959,000) (note 17), and HK$55,106,000 (2020: HK$70,353,000) (note 18) respectively.

6. REVENUE AND SEGMENT INFORMATION

Information reported to the executive directors of the Company, who are also the chief operating decision maker ("CODM") and the directors of the operating subsidiary, for the purposes of resource allocation and performance assessment.

6. REVENUE AND SEGMENT INFORMATION (continued)

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

a) Fitting-out work — refers to works conducted on new buildings.

b) Renovation work — refers to works carried out on existing buildings that involve upgrades and/or makeovers and/or demolition of existing works.

Segment revenue and results

The Group provides fitting-out and renovation services to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhance an asset that the customer controls as the asset is created or enhanced. Revenue is recognised for these services based on the completion of the contract using input method. The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the year ended 31 March 2021

	Fitting-out work HK$'000	**Renovation work HK$'000**	**Total HK$'000**
Segment revenue	**170,881**	**53,994**	**224,875**
Segment profit	**4,016**	**5,132**	**9,148**
Consultancy fee income			**4,720**
Government subsidies			**3,602**
Other unallocated income			**54**
Unallocated expenses			**(14,966)**
Profit before tax			**2,558**

For the year ended 31 March 2020

	Fitting-out work HK$'000	Renovation work HK$'000	Total HK$'000
Segment revenue	90,797	144,194	234,991
Segment (loss)/profit	(3,108)	12,018	8,910
Consultancy fee income			3,054
Government subsidies			—
Other unallocated income			228
Unallocated expenses			(16,995)
Loss before tax			(4,803)

6. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

Segment revenue represents revenue from external customers. There were no inter-segment sales for the year ended 31 March 2021 (2020: Nil).

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. Segment profit represents the profit earned by each segment without allocation of other income and gains, administrative expenses and finance costs. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

No analysis of segment assets or segment liabilities is presented as such information is not regularly provided to the CODM and is not used for the purposes of resource allocation and performance assessment.

Other segment information

For the year ended 31 March 2021	**Fitting-out work HK$'000**	**Renovation work HK$'000**	**Total HK$'000**
Capital expenditure allocated to segments	—	—	—
Unallocated capital expenditure			**3,205**
Total capital expenditure			**3,205**
Depreciation allocated to segments	—	—	—
Unallocated depreciation			**2,478**
Total depreciation			**2,478**
Impairment loss allocated to segments			
Trade and other receivables	**103**	**105**	**208**
Contract assets	**112**	**379**	**491**
Unallocated impairment loss on other receivables			**30**
Total impairment losses			**729**

6. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

Other segment information (continued)

For the year ended 31 March 2020	Fitting-out work HK$'000	Renovation work HK$'000	Total HK$'000
Capital expenditure allocated to segments	—	—	—
Unallocated capital expenditure			1,257
Total capital expenditure			1,257
Depreciation allocated to segments	—	—	—
Unallocated depreciation			2,500
Total depreciation			2,500
Impairment loss allocated to segments			
Trade and other receivables	—	—	—
Contract assets	—	—	—
Total impairment losses			—

Geographical information

The Group's revenue was derived from operations in Hong Kong and all of the Group's non-current assets are located in Hong Kong.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	Operating segment	**2021 HK$'000**	2020 HK$'000
Customer A	Renovation work	**N/A[1]**	47,165
Customer B	Renovation work	**N/A[1]**	73,971
Customer C	Fitting-out work	**47,520**	N/A[2]
Customer D	Fitting-out work	**42,650**	N/A[2]
Customer E	Fitting-out work	**26,418**	N/A[2]

[1] The corresponding revenue did not contribute over 10% of the total revenue of the Group for the year ended 31 March 2021.

[2] The corresponding revenue did not contribute over 10% of the total revenue of the Group for the year ended 31 March 2020.

7. OTHER INCOME AND GAINS

	Notes	2021 HK$'000	2020 HK$'000
Bank interest income		**38**	136
Consultancy fee income	(i)	**4,720**	3,054
Gain on disposal of plant and equipment		**—**	76
Government subsidies under the Employment Support Scheme	(ii)	**3,602**	—
Sundry income		**16**	16
		8,376	3,282

Notes:

(i) The consultancy fee income is recognised over time using the output method.

(ii) Government subsidies amounted to HK$3,602,000 (2020: Nil) were received by a subsidiary from the Employment Support Scheme under Anti-Epidemic Fund in Hong Kong. There were no unfulfilled conditions or contingencies relating to these subsidies.

8. FINANCE COSTS

	2021 HK$'000	2020 HK$'000
Interest on		
Bank borrowings	**—**	154
Lease liabilities	**132**	99
	132	253

9. PROFIT/(LOSS) BEFORE TAX

	2021 HK$'000	2020 HK$'000
Profit/(loss) before tax has been arrived after charging:		
Directors' emoluments (note 11)		
Fees	**216**	216
Salaries, allowances and other benefits	**4,250**	3,904
Discretionary bonus	**980**	2,050
Retirement benefit scheme contributions	**54**	54
	5,500	6,224
Other staff costs		
Salaries, allowances and other benefits	**26,213**	27,000
Discretionary bonus	**1,171**	4,742
Retirement benefit scheme contributions	**943**	1,054
	28,327	32,796
Total staff costs	**33,827**	39,020
Less: amount included in cost of services	**(25,116)**	(28,221)
Amounts included in administrative expenses	**8,711**	10,799
Auditor's remuneration	**500**	500
Depreciation of plant and equipment (note 15)	**228**	396
Depreciation of right-of-use assets (note 16)	**2,250**	2,104
Impairment loss on trade and other receivables (note 17)	**238**	—
Impairment loss on contract assets (note 18)	**491**	—

10. INCOME TAX EXPENSE

	2021 **HK$'000**	2020 HK$'000
Hong Kong Profits Tax		
Provision for the year	—	—
Underprovision in prior years	—	148
Income tax expense	—	148

No provision for Hong Kong Profits Tax for the current year has been made as the Group has sufficient tax losses brought forward which are available for set off against the Group's estimated assessable profits for the year. No provision for Hong Kong Profits Tax for the prior year has been made as the Group has no assessable profit for that year.

At the end of the reporting period, the Group has unused tax losses of approximately HK$3,857,000 (2020: HK$4,627,000) available for offsetting against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

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

	2021 **HK$'000**	2020 HK$'000
Profit/(loss) before tax	**2,558**	(4,803)
Tax at Hong Kong Profits Tax rate of 16.5% (2020: 16.5%)	**422**	(792)
Tax effect of expenses not deductible for tax purpose	**282**	20
Tax effect of income not taxable for tax purpose	**(601)**	(16)
Tax effect of temporary difference not recognised	**25**	26
Tax effect of tax loss not recognised	—	762
Utilisation of tax losses previously not recognised	**(128)**	—
Underprovision in prior years	—	148
Income tax expense for the year	—	148

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Details of the emoluments paid or payable to the directors of the Company for their services rendered to the entities, comprising the Group, are as follows:

	Fees HK$'000	Salaries, allowances and other benefits HK$'000	Discretionary bonus HK$'000 (Note below)	Retirement benefit scheme contributions HK$'000	Total HK$'000
2021					
Executive directors					
Mr. Dick Cheng	—	964	100	18	1,082
Mr. Dennis Cheng	—	1,809	800	18	2,627
Ms. Lily Liu	—	1,477	80	18	1,575
Independent non-executive directors					
Mr. Chu Wai Wa Fangus	72	—	—	—	72
Mr. Cheung Kwok Keung	72	—	—	—	72
Mr. Chak Chi Man	72	—	—	—	72
	216	4,250	980	54	5,500

	Fees HK$'000	Salaries, allowances and other benefits HK$'000	Discretionary bonus HK$'000 (Note below)	Retirement benefit scheme contributions HK$'000	Total HK$'000
2020					
Executive directors					
Mr. Dick Cheng	—	838	150	18	1,006
Mr. Dennis Cheng	—	1,676	1,700	18	3,394
Ms. Lily Liu	—	1,390	200	18	1,608
Independent non-executive directors					
Mr. Chu Wai Wa Fangus	72	—	—	—	72
Mr. Cheung Kwok Keung	72	—	—	—	72
Mr. Chak Chi Man	72	—	—	—	72
	216	3,904	2,050	54	6,224

Note: Discretionary bonus was determined with reference to the Group's operating results and individual performance of the executive directors of the Company.

12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included three directors (2020: two directors), details of whose remuneration are set out in note 11 above. Details of the remuneration for the year of the remaining two (2020: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2021 **HK$'000**	2020 HK$'000
Salaries, allowances and benefits	**1,821**	2,586
Discretionary bonus	**280**	950
Retirement benefit scheme contributions	**18**	36
	2,119	3,572

The number of the highest paid employees who are not the directors of the Company whose emoluments fell within the following bands is as follows:

	2021	2020
Nil to HK$1,000,000	**—**	—
HK$1,000,001 to HK$1,500,000	**2**	3
	2	3

During the year ended 31 March 2021, no emoluments were paid by the Group to any of the directors of the Company or the five highest paid individuals (including directors) as an inducement to join or upon joining the Group or as compensation for loss of office (2020: Nil). None of the directors of the Company nor the five highest paid individuals waived any emoluments during the year ended 31 March 2021 (2020: Nil).

13. DIVIDENDS

	2021 **HK$'000**	2020 HK$'000
Dividends recognised as distribution		
Final dividend at HK0.75 cent per share for the year ended 31 March 2020 (2020: HK1.2 cents per share for the year ended 31 March 2019)	**2,400**	3,840

During the year ended 31 March 2021, the final dividend of HK0.75 cent per share in respect of the year ended 31 March 2020 (2020: HK1.2 cents per share for the year ended 31 March 2019) was approved by the shareholders in the annual general meeting and the total final dividend of HK$2,400,000 (2020: HK$3,840,000) was paid by the Company.

No interim dividend for the year ended 31 March 2021 was declared by the Company (2020: Nil).

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2021 of HK1.1 cents (2020: HK0.75 cent) per ordinary share has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

14. EARNINGS/(LOSS) PER SHARE

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

	2021 **HK$'000**	2020 HK$'000
Earnings/(loss) for the purpose of basic earnings/(loss) per share		
Profit (loss) for the year attributable to the owners of the Company	**2,558**	(4,951)

	2021 **'000**	2020 '000
Number of ordinary shares for the purpose of basic earnings/(loss) per share	**320,000**	320,000

No diluted earnings/(loss) per share is presented for the years ended 31 March 2021 and 2020 as there were no potential ordinary shares in issue for both of these years.

15. PLANT AND EQUIPMENT

	Furniture and equipment HK$'000	Decoration HK$'000	Motor vehicles HK$'000	Total HK$'000
COST				
At 1 April 2019	357	60	1,939	2,356
Additions	128	237	—	365
Disposals	—	(60)	(696)	(756)
At 31 March 2020 and 1 April 2020	**485**	**237**	**1,243**	**1,965**
Additions	**53**	**—**	**—**	**53**
At 31 March 2021	**538**	**237**	**1,243**	**2,018**
DEPRECIATION				
At 1 April 2019	166	21	1,322	1,509
Provided for the year	116	42	238	396
Eliminated on disposals	—	(22)	(510)	(532)
At 31 March 2020 and 1 April 2020	**282**	**41**	**1,050**	**1,373**
Provided for the year	**115**	**47**	**66**	**228**
At 31 March 2021	**397**	**88**	**1,116**	**1,601**
CARRYING AMOUNT				
At 31 March 2021	**141**	**149**	**127**	**417**
At 31 March 2020	203	196	193	592

The above items of plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Furniture and equipment	30%
Decoration	20%
Motor vehicles	20%

16. RIGHT-OF-USE ASSETS

	Leased properties HK$'000
Cost	
At 1 April 2019	2,589
Additions	892
At 31 March 2020 and 1 April 2020	3,481
Additions	3,152
Derecognised upon termination of lease	(1,824)
At 31 March 2021	4,809
Accumulated depreciation	
At 1 April 2019	—
Charge for the year	2,104
At 31 March 2020 and 1 April 2020	2,104
Charge for the year	2,250
Derecognised upon termination of lease	(1,824)
At 31 March 2021	2,530
Carrying amount	
At 31 March 2021	2,279
At 31 March 2020	1,377

The right-of-use assets represent the Group's rights to use certain leased properties as office and staff quarter for its operations under operating lease arrangement over the lease terms, which ranged from one to two years (2020: one to four years).

16. RIGHT-OF-USE ASSETS (continued)

Expenses have been charged to the consolidated statement profit or loss and other comprehensive income as follows:

	2021 HK$'000	2020 HK$'000
Depreciation of right-of-use assets	**2,250**	2,104
Interest on lease liabilities	**132**	99
Rental expense relating to short-term leases	**—**	59

The total cash outflow for leases for the year ended 31 March 2021 is HK$2,363,000 (2020: HK$2,222,000), of which HK$Nil (2020: HK$59,000) and HK$2,363,000 (2020: HK$2,163,000) are included in operating activities and financing activities respectively.

17. TRADE AND OTHER RECEIVABLES

	2021 HK$'000	2020 HK$'000
Trade receivables, gross	**7,577**	12,227
Less: Impairment loss recognised	**(208)**	—
Trade receivables, less impairment losses	**7,369**	12,227
Other receivables, gross	**1,521**	959
Less: Impairment loss recognised	**(30)**	—
Other receivables, less impairment losses	**1,491**	959
Deposits and prepayments	**1,382**	1,045
Total trade and other receivables	**10,242**	14,231

The Group does not allow any credit period to its customers.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed periodically. The majority of the Group's trade receivables that are neither past due nor impaired have good credit quality with reference to respective settlement history. The Group does not hold any collateral over these balances.

17. TRADE AND OTHER RECEIVABLES (continued)

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

The Group's trade receivables as at 31 March 2021 with the aggregate carrying amount of HK$7,369,000 (2020: HK$12,227,000) were past due at the reporting date. The Group does not hold any collateral over these balances. Trade receivables are non-interest bearing.

Ageing of trade receivables which are past due based on invoice date but not impaired:

	2021 **HK$'000**	2020 HK$'000
Overdue		
0 to 30 days	**4,835**	6,907
31 to 61 days	**56**	3,179
61 to 90 days	**2,368**	1,993
Over 90 days	**110**	148
	7,369	12,227

An impairment assessment for trade receivables was performed at the reporting date based on expected credit loss provisioning methodology with reference to historical experience and forward-looking information, details of which are set out in note 27(b).

Movements in the provision for impairment loss of trade receivables are as follows:

	2021 **HK$'000**	2020 HK$'000
At beginning of the year	**—**	—
Impairment loss recognised	**208**	—
At end of the year	**208**	—

Other receivables at 31 March 2021 mainly represent advance to a third party amounted to HK$1,520,000. The advance is unsecured, interest free and repayable on demand.

Other receivables as at 31 March 2020 mainly represent receivable for consultancy services rendered by the Group amounted to HK$958,000. This receivable was reclassified and included in contract assets during the current year.

17. TRADE AND OTHER RECEIVABLES (continued)

The Group applies the lifetime expected credit loss basis to provide for expected credit loss in respect of other receivables. The provision rates are determined with reference to the expected credit rating of the debtors and their respective default rates (taking into consideration forward-looking information that is receivable and supportable available without undue costs or effort). At every reporting date, the default rates are reassessed and changes in the forward-looking information are considered.

Movements in the provision for impairment loss of other receivables are as follows:

	2021 **HK$'000**	2020 HK$'000
At beginning of the year	**—**	—
Impairment loss recognised	**30**	—
At end of the year	**30**	—

The expected credit loss rates for the Group's trade receivables and other receivables are 2.7% (2020: Nil) and 2.0% (2020: Nil) respectively.

18. CONTRACT ASSETS/CONTRACT LIABILITIES

Contract assets

	2021 **HK$'000**	2020 HK$'000
Fitting-out work	**27,157**	36,759
Renovation work	**28,440**	33,594
	55,597	70,353
Less: Impairment loss recognised	**(491)**	—
	55,106	70,353

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance. The contract assets are classified to trade receivables when the rights become unconditional.

The Group's contracts include payment schedules which require stage payments over the contract period once certain specified milestones are reached.

18. CONTRACT ASSETS/CONTRACT LIABILITIES (continued)

Contract assets (continued)

Included in contracts assets at 31 March 2021 are retention money held by customers for contract work amounted to a total of HK$26,575,000 (2020: HK$25,490,000), of which HK$9,571,000 (2020: HK$7,344,000) was expected to be recovered or settled in more than twelve months from the end of the reporting period. The customers of the Group normally hold retention money of typically 5% to 10% of each interim payment, to the maximum of 5% of the total contract amount. 50% of the retention money is usually released after the issue of the certificate of practical completion and the remaining portion is usually released upon the issue of certificate of making good defects after the expiry of the defect liability period which is typically 12 months or for certain projects 24 months.

Retention money is unsecured, interest free and expected to be realised within the Group's normal operating cycle.

The Group applies the lifetime expected credit loss basis to provide for expected credit loss in respect of contract assets. The provision rates are determined with reference to the expected credit rating of the debtors and their respective default rates (taking into consideration forward-looking information that is receivable and supportable available without undue costs or effort). At every reporting date, the default rates are reassessed and changes in the forward-looking information are considered.

The expected credit loss rate for the Group's contract assets is 0.9% (2020: Nil) for contract assets.

At 31 March 2021 and 2020, the credit loss allowance was estimated to be HK$491,000 (2020: Nil).

Contract liabilities

	2021 **HK$'000**	2020 HK$'000
Fitting-out work	**21,957**	21,152
Renovation work	**4,929**	10,872
	26,886	32,024

The Group requires certain customers to provide upfront deposits of 20% of the total contract sum as part of its credit risk management policies. When the Group receives a deposit before the contract work commences, this will give rise to contract liabilities at the start of a contract until the revenue recognised on the relevant contract exceeds the amount of the deposits.

18. CONTRACT ASSETS/CONTRACT LIABILITIES (continued)

Contract liabilities (continued)

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities:

	2021 **HK$'000**	2020 HK$'000
Expected to be recognised within one year	**38,124**	20,976
Expected to be recognised after one year	**71,498**	139,536
	109,622	160,512

For all other contracts with an original expected duration of one year or less or are billed based on time incurred, as permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

19. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

	2021 **HK$'000**	2020 HK$'000
Pledged bank deposits (Note a)	**10,076**	11,133
Bank balances and cash classified as cash and cash equivalents in the consolidated statement of cash flows (Note b)	**47,050**	31,532

Notes:

(a) Bank deposits of the Group of HK$10,076,000 (2020: HK$11,133,000) have been pledged to bank for general banking facilities granted to the Group.

(b) The bank balances at 31 March 2021 (including the pledged bank deposits) carried interest at prevailing market rate of 0.01% to 0.25% per annum (2020: 0.01% to 2.10% per annum).

20. TRADE AND OTHER PAYABLES

	2021 HK$'000	2020 HK$'000
Trade payables	**4,203**	6,465
Accruals	**3,537**	3,660
	7,740	10,125

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

	2021 HK$'000	2020 HK$'000
1–30 days	**3,728**	1,574
31–60 days	**5**	1,028
61–90 days	**7**	359
Over 90 days	**463**	3,504
	4,203	6,465

21. LEASE LIABILITIES

	2021 HK$'000	2020 HK$'000
Lease liabilities payable		
Within one year	**2,021**	897
Within a period of more than one year but not more than two years	**291**	494
	2,312	1,391
Less: Amount due for settlement within one year included in current liabilities	**(2,021)**	(897)
Amount due for settlement after one year shown under non-current liabilities	**291**	494

21. LEASE LIABILITIES (continued)

As at the end of the reporting period, the future minimum lease payments of the net minimum lease payments are as follows:

	2021 HK$'000	2020 HK$'000
Within one year	**2,075**	940
Over one year but not more than two years	**293**	506
Total lease payments	**2,368**	1,446
Less: Finance charge	**(56)**	(55)
Total lease obligations	**2,312**	1,391

22. OTHER NON-CURRENT LIABILITIES

	2021 HK$'000	2020 HK$'000
Provision for long service payments	**258**	258

23. SHARE CAPITAL

Ordinary shares of HK$0.01 each	**Number of shares**	**Amount** HK$'000
Authorised:		
At 1 April 2019, 31 March 2020 and 31 March 2021	10,000,000,000	100,000
Issued and fully paid:		
At 1 April 2019, 31 March 2020 and 31 March 2021	320,000,000	3,200

24. RETIREMENT BENEFIT PLANS

The Group participates in the Mandatory Provident Fund Scheme (the "MPF Scheme") for its qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of an independent trustee. The Group contributes at the lower of HK$1,500 or 5% of relevant payroll costs to the MPF Scheme, which contribution is matched by the employee.

The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

Contribution paid or payable to the above scheme by the Group for the year ended 31 March 2021 amounted to HK$997,000 (2020: HK$1,108,000) which was charged to profit or loss in respect of the year.

25. SURETY BOND AND CONTINGENT LIABILITY

Certain customers of fitting-out work and renovation work undertaken by the Group require a group entity to issue guarantees for performance of contract works in the form of surety bonds.

At the end of the reporting period, the Group had outstanding guarantees for performance bonds issued to customers as follows:

	2021 **HK$'000**	2020 HK$'000
Performance bonds issued by banks	**14,517**	31,475

26. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity balance. The Group's overall strategy remained unchanged from prior year.

The capital structure of the Group consists of the Group's equity, comprising issued share capital and reserves.

The directors of the Company review the capital structure from time to time. As a part of this review, the directors of the Company consider the cost of capital and the risks associated with share capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debts or the redemption of existing debts, if any.

27. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	2021 HK$'000	2020 HK$'000
Financial assets		
— Trade and other receivables	**8,860**	13,186
— Cash and cash equivalents	**57,126**	42,665
	65,986	55,851
Financial liabilities		
— Trade and other payables	**4,203**	6,465
— Lease liabilities	**2,312**	1,391
	6,515	7,856

b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, bank balances and cash, trade and other payables and lease liabilities. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include interest rate risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances (see note 19 for details). The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances.

As at 31 March 2021 and 2020, if interest rates at that date had been 50 basis points lower or higher with all other variables held constant, there would be no significant change to profit/(loss) after tax for the year.

27. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk

The Group is exposed to credit risk and the Group's maximum exposure to credit risk in relation to financial assets is derived from its trade and other receivables, contract assets and deposits at banks.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition, having considered available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating;
- external credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor/customer;
- significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customer in the Group and changes in the operating results of the customer.

(i) *Trade receivables and contract assets arising from contracts with customers*

The Group applies the simplified approach to provide for expected credit losses for trade receivables prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

The Group did not specify a credit term in their agreements with the customers as the payment from the customers was based on a monthly progress payment as specified in the tender documents. Once the work completed had been verified by the customer, the Group typically received payment within 45 days of presentation of an invoice. Management of the Group conduct regular reviews on customers' payment history, length of relationship and outstanding payment (if any) and assesses whether provisions for trade receivables are required.

As at 31 March 2021 and 2020, the Group has assessed that the expected credit losses for trade receivables was estimated to be HK$208,000 (2020: Nil) which is based on lifetime expected credit loss provision basis with reference to the past default history of customers. Most of the customers are well-known developers or builders as well as majority shareholders of listed companies which the Group expects there are very low credit risk of them.

27. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk (continued)

(i) Trade receivables and contract assets arising from contracts with customers (continued)

For contract assets, management made periodic collective assessments as well as individual assessment on the recoverability of contract assets based on lifetime expected credit loss basis with reference to the expected credit rating of the debtors and their respective default rates. As at 31 March 2021 and 2020, the Group has assessed that the expected losses for contract assets was estimated to be HK$491,000 (2020: Nil).

The assessment of the expected credit losses also incorporated forward looking information.

The credit quality of the debtors is assessed based on their financial position, past experience and other factors. The Group has policies in place to ensure credit terms are granted to reliable debtors. As at 31 March 2021, the Group had a concentration of credit risk as 67% (2020: 46%) of the total trade receivables was due from the Group's two largest debtors. However, the Group concludes that the default risk in relation to the two largest debtors should be low as they have good reputation and financially sound. The Group's historical experience in collection of receivables falls within recorded allowance and the directors do not expect any major impairment on trade receivables, and receivables from other counterparties.

(ii) Other receivables

As at 31 March 2021 and 2020, the Group has assessed that the expected losses for the recoverability of other receivables was HK$30,000 (2020: Nil) based on the lifetime expected credit loss basis with reference to the expected credit rating of the debtors and their respective default rates according to periodic collective assessments as well as individual assessment.

The assessment of the expected credit losses also incorporated forward looking information.

(iii) Cash at bank and bank deposits

The table below shows the details of bank deposit balances maintained at the end of the reporting period:

	Rating	**2021 HK$'000**	2020 HK$'000
Pledged bank deposits	Aa3	**10,076**	11,133
Bank balances	Aa3 to A3	**47,050**	31,532

The rating represents long-term credit rating provided by Moody's, an internationally recognised credit rating agency. A rating within the "A" category is judged to be upper-medium grade and are subject to low credit risk under the rating regime of Moody's. Accordingly, management of the Group considers that the credit risk on the bank deposits and bank balances is limited as there are no default history of the banks in the past.

27. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturities at the end of each reporting period for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from prevailing interest rate at the end of the reporting period.

Liquidity tables

	Weighted average effective interest rate %	Payable on demand or less than one year HK$'000	Payable after one year but within five year HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
At 31 March 2021					
Non-derivative financial liabilities					
Trade payables	**—**	**4,203**	**—**	**4,203**	**4,203**
Lease liabilities	**4.4%**	**2,075**	**293**	**2,368**	**2,312**
		6,278	**293**	**6,571**	**6,515**
At 31 March 2020					
Non-derivative financial liabilities					
Trade payables	—	6,465	—	6,465	6,465
Lease liabilities	4.7%	940	506	1,446	1,391
		7,405	506	7,911	7,856

27. FINANCIAL INSTRUMENTS (continued)

c. Fair value measurements of financial instruments

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

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities measured at amortised cost and recorded in the consolidated financial statements approximate their fair values.

28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Accrued interests included in trade and other payables HK$'000	Dividend payable HK$'000	Lease liabilities HK$'000	Borrowings HK$'000	Total HK$'000
At 1 April 2019	—	—	2,570	—	2,570
Financing cash inflows	—	—	—	16,628	16,628
Financing cash outflows	(154)	(3,840)	(2,163)	(16,628)	(22,785)
Non-cash changes					
Finance costs recognised	154	—	99	—	253
New leases entered during the year	—	—	885	—	885
Dividend recognised as distribution	—	3,840	—	—	3,840
At 31 March 2020	—	—	1,391	—	1,391
At 1 April 2020	**—**	**—**	**1,391**	**—**	**1,391**
Financing cash inflows	**—**	**—**	**—**	**—**	**—**
Financing cash outflows	**—**	**(2,400)**	**(2,363)**	**—**	**(4,763)**
Non-cash changes					
Finance costs recognised	**—**	**—**	**132**	**—**	**132**
New leases entered during the year	**—**	**—**	**3,152**	**—**	**3,152**
Dividend recognised as distribution	**—**	**2,400**	**—**	**—**	**2,400**
At 31 March 2021	**—**	**—**	**2,312**	**—**	**2,312**

29. RELATED PARTY DISCLOSURES

In addition to the transactions, balances and commitments disclosed elsewhere in the consolidated financial statements, the Group had the following related party transactions:

Compensation of key management personnel

The directors of the Company were considered to be the key management personnel of the Group. The remuneration of the directors of the Company is set out in note 11.

30. SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "Share Option Scheme") on 19 January 2018 to enable the Company to grant share options to attract, retain and reward the eligible persons and to provide the eligible persons an incentive or reward for their contribution to the Group.

Pursuant to the Share Option Scheme, the directors of the Company may, at their absolute discretion, offer to grant an option to subscribe for the shares to the following persons (the "Eligible Persons"): (a) any directors (including executive, non-executive and independent non-executive directors) of the Company or any of its subsidiaries; (b) any full-time or part-time employees of the Company or any of its subsidiaries; (c) any consultants or advisers of the Group; (d) any providers of goods and/or services to the Group; (e) any customers of the Group; (f) any holders of securities issued by the Company or any of its subsidiaries; and (g) any other person, who, at the sole discretion of the directors of the Company, has contributed to the Group.

An option shall have been accepted by an Eligible Person within 7 days from the date of the offer of grant of the option. A consideration of HK$1.00 is payable on acceptance of the offer of grant of an option.

The maximum number of shares which may be issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Company) to be granted under the Share Option Scheme and any other share option scheme of the Company must not in aggregate exceed 32,000,000 shares, being 10% of the shares in issue as at the date on which the Company's shares were listed on GEM of the Stock Exchange. No share options had been granted by the Company under the Share Option Scheme up to the date of issuance of these financial statements. Therefore, the number of shares available for issue is 32,000,000 shares, being approximately 10% of the shares in issue as at the date of issuance of these financial statements.

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Company (including both exercised and outstanding options) to each Eligible Person in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. Any further grant of options in excess of the 1% limit shall be subject to shareholders' approval in a general meeting with such grantee and his/her close associates abstaining from voting.

30. SHARE OPTION SCHEME (continued)

The subscription price per share under the Share Option Scheme shall be a price determined by the directors of the Company, but shall be at least the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of offer for the grant, which must be a trading day; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant; and (c) the nominal value of the shares on the date of grant of the option.

Unless there is an early termination of the Share Option Scheme pursuant to the rules of the Share Option Scheme, the Share Option Scheme will remain in force for a period of 10 years after the date on which the Share Option Scheme is adopted. The period during which an option may be exercised will be determined by the directors of the Company in their absolute discretion, save that no option shall be exercised later than 10 years from the date of grant.

During the years ended 31 March 2021 and 31 March 2020, no options under the Share Option Scheme were granted, exercised, forfeited or lapsed and no options remained outstanding at 31 March 2021 and 31 March 2020.

31. PARTICULARS OF SUBSIDIARIES

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:

Name of subsidiary	**Place of incorporation/ establishment**	**Issued and fully paid capital/ registered capital**	**Equity interests attributable to the Company at 31 March**		**Principal activities**
			2021	2020	
Directly held:					
Multi Rewards Limited	British Virgin Islands	US$1	**100%**	100%	Investment holding
Indirectly held:					
DCB Company Limited	Hong Kong	HK$10,010,000	**100%**	100%	Provision of fitting-out and renovation services

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

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2021 HK$'000	2020 HK$'000
Non-current asset		
Investments in subsidiaries	—*	—*
Current assets		
Amounts due from subsidiaries	**50,670**	50,033
Bank balances and cash	**176**	177
	50,846	50,210
Current liabilities		
Other payables	**75**	75
Net current assets	**50,771**	50,135
Net assets	**50,771**	50,135
Capital and reserves		
Share capital	**3,200**	3,200
Reserves (Note a)	**47,571**	46,935
Total equity	**50,771**	50,135

* Less than HK$500

The Company's statement of financial position was approved and authorised for issue by the board of directors on 24 June 2021 and are agreed on its behalf by:

Cheng Tsang Fu, Dennis
DIRECTOR

Liu Lee Lee, Lily
DIRECTOR

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Notes:

(a) Movements in the Company's reserves:

	Share premium HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2019	48,097	(3,591)	44,506
Profit and other comprehensive income for the year	—	6,269	6,269
Dividends recognised as distribution	—	(3,840)	(3,840)
At 31 March 2020	48,097	(1,162)	46,935
Profit and other comprehensive income for the year	—	3,036	3,036
Dividend recognised as distribution	—	(2,400)	(2,400)
At 31 March 2021	**48,097**	**(526)**	**47,571**

(b) On 19 March 2021, the Company entered into a non-legally binding memorandum of understanding with an independent third party, to acquire not more than 30% of the entire issued capital of an entity incorporated in the People's Republic of China ("PRC") which is principally engaged in business cooperation and sales and marketing research for industrial materials and consumer goods in the PRC. Up to the date of approval of these consolidated financial statements, the formal agreement for the acquisition has not yet been signed. Further details of the acquisition are set out in the Company's announcement dated 19 March 2021.

Five Years Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years, extracted from the published audited financial statements and the Prospectus is as follows:

Results

	For the year ended 31 March				
	2021	2020	2019	2018	2017
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**224,875**	234,991	324,640	273,690	225,870
Profit/(loss) before tax	**2,558**	(4,803)	12,914	10,671	16,583
Income tax expense	**—**	(148)	(2,228)	(3,675)	(3,065)
Profit/(loss) and other comprehensive income/(expense) for the year attributable to the owners of the Company	**2,558**	(4,951)	10,686	6,996	13,518

Assets and liabilities

	As at 31 March				
	2021	2020	2019	2018	2017
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**125,170**	131,614	158,064	148,991	80,475
Total liabilities	**(37,196)**	(43,798)	61,457	59,230	46,007
Total equity	**87,974**	87,816	96,607	89,761	34,468