Twintek Investment Holdings Limited
乙德投資控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6182)

ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2019

FINANCIAL HIGHLIGHTS

	For the year ended 31 March	
	2019	2018
Revenue	**HK$230.1 million**	HK$280.1 million
Gross Profit	**HK$32.8 million**	HK$56.4 million
Net Profit	**HK$0.8 million**	HK$2.3 million
Basic earnings per share	**HK cents 0.10**	HK cents 0.36

The board (the "**Board**") of directors (the "**Directors**") of Twintek Investment Holdings Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2019, together with comparative figures of the corresponding period in 2018.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	**2019**	2018
		HK$'000	*HK$'000*
Revenue	*3*	**230,066**	280,061
Cost of sales and services		**(197,269)**	(223,628)
Gross profit		**32,797**	56,433
Other income	*4*	**4,975**	828
Selling and distribution expenses		**(6,350)**	(7,928)
Administrative expenses		**(28,795)**	(41,335)
Finance costs		**(1,316)**	(2,414)
Profit before taxation		**1,311**	5,584
Income tax expenses	*5*	**(542)**	(3,256)
Profit and total comprehensive income for the year attributable to the owners of the Company	*6*	**769**	2,328
Earnings per share:			
Basic and diluted *(HK cents)*	*8*	**0.10**	0.36

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 March 2019 HK$'000	2018 HK$'000
Non-current assets			
Property, plant and equipment		**25,575**	26,659
Prepayment and deposits paid for life insurance policies		**5,459**	5,250
		31,034	31,909
Current assets			
Inventories		**3,432**	7,525
Contract assets		**82,873**	—
Amounts due from customers for contract work		—	54,500
Trade receivables	*9*	**27,522**	37,955
Retention monies receivables	*9*	—	17,479
Deposits, prepayments and other receivables		**14,626**	10,890
Tax recoverable		**2,394**	2,987
Pledged bank deposits		**8,069**	8,057
Bank balances and cash		**56,483**	63,727
		195,399	203,120
Current liabilities			
Trade and bills payables	*10*	**11,623**	30,915
Contract liabilities		**1,883**	—
Amounts due to customers for contract work		—	998
Retention monies payables		**3,166**	2,357
Accrual and other payables		**1,776**	5,116
Bank borrowings		**38,861**	26,820
		57,309	66,206
Net current assets		**138,090**	136,914
Total assets less current liabilities		**169,124**	168,823
Non-current liability			
Deferred tax liability		**57**	263
		169,067	168,560
Capital and reserves			
Share capital	*11*	**8,000**	8,000
Reserves		**161,067**	160,560
		169,067	168,560

NOTES TO THE ANNUAL RESULT ANNOUNCEMENT

1. GENERAL INFORMATION

Twintek Investment Holdings Limited ("**the Company**") was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 8 February 2017 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited on 17 January 2018. Its ultimate and immediate holding company is also Helios Enterprise Holding Limited ("**Helios**"), a company incorporated in the British Virgin Islands ("**BVI**") with limited liability. Its ultimate controlling parties are Mr. Lo Wing Cheung and Ms. Fung Pik Mei ("**Controlling shareholders**"). The addresses of the registered office of the Company is PO Box 309 Ugland House Grand Cayman KY1-1104, the Cayman Islands and the principal place of business of the Company is Room 806, 8/F., Eastern Centre, 1065 King's Road, Quarry Bay, Hong Kong.

The Company is engaged in investment holding and its major operating subsidiaries are mainly engaged in sales of building materials and provision of construction and engineering services.

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Group.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for its first time, the following new and amendments to HKFRSs, which include HKFRSs, Hong Kong Accounting Standards ("**HKAS(s)**"), amendments and interpretations ("**Int(s)**"), issued by Hong Kong Institute of Certified Public Accountants ("**the HKICPA**").

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and related Amendments
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration

The impact of the adoption of HKFRS 9 Financial Instruments and HKFRS 15 Revenue from Contracts with Customers have been summarised below. Except as described below, the application of other new and 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.

HKFRS 9 *Financial instruments*

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The Group has applied HKFRS 9 retrospectively to financial instruments that have not been derecognised at the date of initial application (i.e. 1 April 2018) in accordance with the transition provisions under HKFRS 9, and chosen not to restate comparative information. Differences in the carrying amounts of financial assets and financial liabilities on initial application are recognised in retained profits as at 1 April 2018.

(i) Classification and measurement of financial instruments

The directors of the Company reviewed and assessed the Group's existing financial assets and financial liabilities as at 1 April 2018 based on the facts and circumstances existed that date and concludes that all recognized financial assets and liabilities that are within the scope of HKFRS 9 are continued to measure at amortised cost as were previously measured under HKAS 39.

(ii) Loss allowance for expected credit losses ("ECL")

The adoption of HKFRS 9 has changed the Group's accounting for impairment losses for financial assets by replacing HKAS 39's incurred loss model with a forward-looking ECL model. As at 1 April 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirement HKFRS 9.

As at 1 April 2018, an additional allowance has been recognised on the Group's trade receivables and contract assets of approximately HK$134,000 and HK$128,000 respectively, thereby reducing the opening retained profits of approximately HK$262,000.

(iii) Summary of effects arising from initial application of HKFRS 9

The table below summarises the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group's financial assets and reconciles the carrying amounts of financial assets under HKAS 39 to the carrying amounts under HKFRS 9 on 1 April 2018.

Line items that were not affected by the changes have not been included.

All the financial liabilities have not been impacted by the application of HKFRS 9 and continue to be classified and measured on the same basis as they were under HKAS 39.

	Carrying amount at 31 March 2018 (HKAS 39)	**Adoption of HKFRS 9 — Reclassification**	**Adoption of HKFRS 9 — Remeasurement**	**Carrying amount at 1 April 2018 (HKFRS 9)***
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets				
Loan and receivable				
— Trade receivables	37,955	(37,955)	—	—
— Retention monies receivables	17,479	(17,479)	—	—
— Deposits and other receivables	2,276	(2,276)	—	—
— Deposit paid for life insurance policies	5,030	(5,030)	—	
— Pledged bank deposits	8,057	(8,057)	—	—
— Bank balance and cash	63,727	(63,727)	—	—
	134,524	(134,524)	—	—
At amortised cost				
— Trade receivables	—	37,955	(134)	37,821
— Retention monies receivables	—	17,479	(128)	17,351
— Deposits and other receivables	—	2,276	—	2,276
— Deposit paid for life insurance policies	—	5,030	—	5,030
— Pledged bank deposits	—	8,057	—	8,057
— Bank balance and cash	—	63,727	—	63,727
	—	134,524	(262)	134,262

* *The amounts in this column are before the adjustments from the application of HKFRS 15.*

The table below summarises the impact of transition to HKFRS 9 on retained profits at 1 April 2018:

	Retained profits
	HK$'000
Balance at 31 March 2018 as originally stated	51,596
Recognition of additional ECL	(262)
Balance at 1 April 2018 as restated	51,334

There were no financial assets or financial liabilities which the Group had previously designated as at fair value through profit or loss ("**FVTPL**") under HKAS 39 that were subject to reclassification or which the Group has elected to reclassify upon the application of HKFRS 9. There were no financial assets or financial liabilities which the Group has elected to designate as at FVTPL at the date of initial application of HKFRS 9.

HKFRS 15 *Revenue from Contracts with Customers*

HKFRS 15 superseded HKAS 11 Construction Contracts, HKAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard established a five-step model for determining whether, how much and when revenue is recognised. The Group has elected to adopt the modified retrospective approach for contracts with customers that are not completed as at the date of initial application (i.e. 1 April 2018) with the cumulative effect of initially applying HKFRS 15 as an adjustment to the opening balance of retained profits and comparative information is not restated. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 11 Construction Contracts and HKAS 18 Revenue and the related interpretations.

There was no impact of transition to HKFRS 15 on the retained profits at 1 April 2018.

The amount of adjustment for each financial statement line item of the consolidated statement of financial position at 1 April 2018 affected by the application of HKFRS 15 is illustrated below. Line items that were not affected by the changes have not been included.

	Notes	**Carrying amount previously reported at 31 March 2018** *HK$'000*	**Impact on adoption of HKFRS 15 — Reclassification** *HK$'000*	**Carrying amount as restated before adoption of HKFRS 9 at 1 April 2018*** *HK$'000*
Contract assets	*a*	—	71,979	71,979**
Retention monies receivables	*a*	17,479	(17,479)	—
Amounts due from customers for contract work	*a*	54,500	(54,500)	—
Amounts due to customers for contract work	*a*	998	(998)	—
Accrual and other payables	*b*	5,116	(3,496)	1,620
Contract liabilities	*a, b*	—	4,494	4,494

Notes:

(a) In relation to construction contracts previously accounted under HKAS 11, the Group continues to apply input method in estimating the performance obligations satisfied up to date of initial application of HKFRS 15. Retentions monies receivables of approximately HK$17,479,000 and amounts due from customers for contract work of approximately HK$54,500,000 were reclassified to contract assets, whilst amounts due to customers for contract work of approximately HK$998,000 were reclassified to contract liabilities.

(b) The Group receives advances from customers in respect of sale of goods and construction contract. Prior to the adoption of HKFRS 15, the Group presented these advances in accrual and other payables in the consolidated statement of financial position. As at 1 April 2018, the receipt in advances of approximately HK$3,496,000 previously included in accrual and other payables were reclassified to contract liabilities.

* *The amounts in this column are before the adjustments from the application of HKFRS 9.*

** *The amount represents the balance before the additional provision of approximately HK$128,000 made due to the adoption of HKFRS 9. After the adoption of HKFRS 9, the balance would be approximately HK$71,851,000.*

Disclosure of the estimated impact on the amounts reported in respect of the year ended 31 March 2019 as a result of the adoption of HKFRS 15 on 1 April 2018

The following tables summarise the estimated impact of applying HKFRS 15 on the consolidated statement of financial position at 31 March 2019, by comparing the amounts reported under HKAS 11, HKAS 18 and related interpretations that were in effect before the change. Line items that were not affected by the adjustments have not been included. The adoption of HKFRS 15 did not have material impact on the Group's operating, investing and financing cash flows.

Impact on the consolidated statement of financial position at 31 March 2019:

	Notes	As reported HK$'000	Impact of adopting HKFRS 15 HK$'000	Amounts excluding impacts of adopting HKFRS 15 HK$'000
Contract assets	*a*	82,873	(82,873)	—
Retention monies receivables	*a*	—	18,275	18,275
Amounts due from customers for contract work	*a*	—	64,598	64,598
Amounts due to customers for contract work	*a*	—	1,172	1,172
Accrual and other payables	*b*	1,776	711	2,487
Contract liabilities	*a, b*	1,883	(1,883)	—

Notes:

(a) In relation to construction contracts previously accounted under HKAS 11, the Group continues to apply input method in estimating the performance obligations satisfied up to date of initial application of HKFRS 15. Retentions monies receivables of approximately HK$18,275,000 and amounts due from customers for contract work of approximately HK$64,598,000 were reclassified to contract assets, whilst amounts due to customers for contract work of approximately HK$1,172,000 were reclassified to contract liabilities.

(b) The Group receives advances from customers in respect of sale of goods and construction contract. Prior to the adoption of HKFRS 15, the Group presented these advances in accrual and other payables in the consolidated statement of financial position. As at 31 March 2019, the receipt in advances of approximately HK$711,000 previously included in accrual and other payables were reclassified to contract liabilities.

New and amendments to HKFRSs issued but not yet effective

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

HKFRS 16	Leases[1]
HKFRS 17	Insurance Contracts[4]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to HKFRS 3	Definition of a Business[3]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKAS 1 and HKAS 8	Amendments to definition of Material[2]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle[1]

1 Effective for annual periods beginning on or after 1 January 2019

2 Effective for annual periods beginning on or after 1 January 2020

3 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020

4 Effective for annual periods beginning on or after 1 January 2021

5 Effective date not yet been determined

The directors of the Company anticipate that, except as described below, the application of other new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

HKFRS 16 Leases

HKFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessors and lessees.

In respect of the lessee accounting, the standard introduces a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases with the lease term of more than 12 months, unless the underlying asset has a low value.

At the commencement date of the lease, the lessee is required to recognise a right-of-use asset at cost, which consists of the amount of the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. A lease liability is initially recognised at the present value of the lease payments that are not paid at that date.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. Depreciation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirements of HKAS 16 Property, Plant and Equipment, while interest accrual on lease liability will be charged to profit or loss.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

HKFRS 16 will supersede the current lease standards including HKAS 17 Leases and the related interpretations when it becomes effective.

As at 31 March 2019, the Group has non-cancellable operating lease commitments of approximately of HK$1,010,000. Out of this balance, an amount approximately of HK$30,000 represents operating leases with original lease terms of over one year in which the Group will recognise right-of-use assets and corresponding lease liabilities unless they are exempt from the reporting obligations under HKFRS 16. The directors of the Company expect that, apart from the changes in the measurement, presentation and disclosure as indicated above, the adoption of HKFRS 16 will not have other material impact on amounts reported in the Group's consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising on sales of building materials and construction contracts. An analysis of the Group's revenue for the year is as follows:

	2019	2018*
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15 for the year ended 31 March 2019		
Disaggregation by major products or services lines		
Sales of building materials		
• Gypsum block	**25,239**	49,396
• Wooden flooring	**6,941**	513
• Others	**299**	309
Revenue from construction contracts		
• Gypsum block	**32,003**	42,917
• Wooden flooring	**144,310**	159,839
• Others	**21,274**	27,087
	230,066	280,061

* *The amounts for the year ended 31 March 2018 were recognised under HKAS 18 and HKAS11 and related interpretations.*

Disaggregation of the Group's revenue by timing of recognition

	2019
	HK$'000
At a point in time	**32,479**
Over time	**197,587**
Total revenue from contract with customers	**230,066**

Transaction price allocated to the remaining performance obligations

As at 31 March 2019, the aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially satisfied) is approximately HK$187,908,000. The amount represents revenue expected to be recognised in the future from construction contract. The Group will recognise this revenue as the service is completed, which is expected to occur over the next 12–18 months.

The above amounts do not include variable consideration which is constrained.

Information reported to the directors of the Company, being the chief operating decision maker (the "**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The directors of the Company have chosen to organise the Group around differences in nature of revenue. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable segments are as follows:

— Sales of building materials — trading of goods on building materials; and

— Construction contracts — provision of construction and engineering services.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the year ended 31 March 2019

	Sales of building materials *HK$'000*	Construction contracts *HK$'000*	Total *HK$'000*
Segment revenue			
External sales	**32,479**	**197,587**	**230,066**
Segment profit	**7,920**	**23,961**	**31,881**
Unallocated income			**4,725**
Unallocated corporate expenses			**(33,979)**
Unallocated finance costs			**(1,316)**
Profit before taxation			**1,311**

For the year ended 31 March 2018

	Sales of building materials *HK$'000*	Construction contracts *HK$'000*	Total *HK$'000*
Segment revenue			
External sales	50,218	229,843	280,061
Segment profit	18,468	37,683	56,151
Unallocated income			828
Unallocated corporate expenses			(48,981)
Unallocated finance costs			(2,414)
Profit before taxation			5,584

Segment profit represents the profit earned by each segment without allocation of central administration costs and selling and distribution expenses, directors' emoluments, certain other income and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Information about major customers

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

	2019	2018
	HK$'000	*HK$'000*
Customer A[1, 2]	**31,345**	43,044
Customer B[1, 2]	**N/A***	40,899
Customer C[1, 2]	**29,127**	N/A*
Customer D[1]	**23,758**	N/A*

[1] *Revenue from construction contracts segment*

[2] *Revenue from sales of building materials segment*

* *The corresponding revenue did not contribute over 10% of the total revenue of the Group*

4. OTHER INCOME

	2019	2018
	HK$'000	*HK$'000*
Bank interest income	**12**	10
Interest income from deposits paid for life insurance policies	**215**	208
Mortgage loan interest reimbursed from a related company	**—**	129
Net foreign exchange gain	**1,125**	—
Sample income	**—**	117
Rental income *(Note)*	**—**	68
Royalty Income	**3,348**	—
Reversal of impairment loss on trade receivables	**50**	—
Reversal of impairment loss on contract assets	**200**	—
Others	**25**	296
	4,975	828

Note: The amount represented the remaining rental income received from the former tenants upon the acquisition of the Group's office premises.

5. INCOME TAX EXPENSES

	2019	2018
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**434**	3,111
Under-provision in prior year	**314**	—
Deferred taxation	**(206)**	145
	542	3,256

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of assessable profits of qualifying corporation will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. For the year ended 31 March 2019, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%. For the year ended 31 March 2018, Hong Kong profits tax was calculated at a flat rate of 16.5% of the estimated assessable profits.

Macau Complementary Income Tax is calculated at 12% (2018: 12%) of the estimated assessable profits for the year ended 31 March 2019.

No Macau Complementary Income Tax has been provided since there were no assessable profits generated for the years ended 31 March 2019 and 2018.

Pursuant to the laws and regulations of the Cayman Islands and the British Virgin Islands (the "**BVI**"), the Group is not subject to any income tax in the Cayman Islands or the BVI for the years ended 31 March 2019 and 2018.

Under the Law of the People Republic of China ("**PRC**") on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of EIT Law, the tax rate of PRC subsidiary is 25%. No EIT has been provided since there were no assessable profits generated for the years ended 31 March 2019.

6. PROFIT FOR THE YEAR

	2019	2018
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Directors' and chief executive's emoluments	**4,817**	4,033
Other staff costs	**10,823**	9,864
Contribution to defined contribution retirement benefits scheme (excluding directors' and chief executive's emoluments)	**405**	356
Total staff costs	**16,045**	14,253
Auditor's remuneration	**1,038**	700
Depreciation of property, plant and equipment	**1,714**	776
Professional expenses incurred in connection with the Company's listing	**—**	13,670
Net foreign exchange losses	**—**	2,139
Written off/loss on disposal of property, plant and equipment	**68**	156
Impairment loss on trade receivables	**116**	282
Impairment loss on contract assets	**1,050**	—
Amortisation of prepayment paid for life insurance policies	**6**	9
Minimum lease payments paid under operating lease in respect of rented premises (excluding directors' quarter)	**1,382**	1,412
Amount of inventories recognised as an expense	**29,405**	44,086

7. DIVIDEND

No dividend was paid or proposed for the year ended 31 March 2019, nor has any dividend been proposed since the end of the reporting period (2018: nil).

8. EARNINGS PER SHARE

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

	2019	2018
Earnings		
Earnings for the purpose of basic and diluted earnings per share, representing profit for the year attributable to owners of the Company (HK$'000)	**769**	2,328
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share ('000 shares)	**800,000**	640,548

The weighted average number of ordinary shares for the purpose of basic earnings per share for the year ended 31 March 2018 have been retrospectively adjusted for the effects of the capitalisation issue of the ordinary shares of the Company as a result of reorganisation.

The diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential ordinary shares outstanding for the years ended 31 March 2019 and 2018.

9. TRADE RECEIVABLES/RETENTION MONIES RECEIVABLES

The following is an analysis of trade receivables and retention monies receivables at the end of each reporting period:

	31/3/2019	1/4/2018	31/3/2018
	HK$'000	*HK$'000*	*HK$'000*
Trade receivables	**29,044**	39,277	39,277
Less: impairment loss on trade receivables	**(1,522)**	(1,456)	(1,322)
	27,522	37,821	37,955
Retention monies receivables	**—**	—	18,087
Less: impairment loss on retention monies receivables	**—**	—	(608)
	—	—	17,479
Total trade receivables/retention monies receivables	**27,522**	37,821	55,434

The average credit period granted to trade customers other than retention monies receivables ranged from 30 to 60 days. The terms and conditions in relation to the release of retention monies vary from contract to contract, which may be subject to practical completion, the expiry of the maintenance period or a pre-agreed time period. Retention monies receivables are included in current assets as the Group expects to realise these within its normal operating cycle. The Group does not hold any collateral over these balances.

As at 31 March 2018, the Group has retention monies receivables of approximately HK$17,479,000. Upon the adoption of HKFRS 15, the retention monies receivables has been reclassified to contract assets as of 1 April 2018.

As at 31 March 2018, in the opinion of directors of the Company, retention monies receivable of approximately HK$12,306,000 and HK$5,173,000 are expected to be recovered after one year and within one year respectively.

The following is an aging analysis of trade receivables net of impairment loss of trade receivables presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period:

	2019	2018
	HK$'000	*HK$'000*
Within 30 days	**2,856**	30,679
31 to 60 days	**10,487**	2,474
61 to 90 days	**4,142**	2,996
Over 90 days	**10,037**	1,806
	27,522	37,955

As at 31 March 2018, included in the Group's trade receivable balance are debtors with aggregate carrying amount of approximately HK$5,670,000 which are past due as at the end of the reporting period for which the Group has not provided for impairment loss because there has not been a significant change in credit quality and they are still considered as recoverable. The average age of these receivables is 46 days.

The aged analysis of trade receivables which were past due but not impaired is as follows:

	31/3/2018
	HK$'000
Past due but not impaired:	
Less than 90 days past due	4,542
Past due over 90 days	1,128
	5,670

10. TRADE AND BILLS PAYABLES

	2019	2018
	HK$'000	*HK$'000*
Trade payables	**8,160**	23,673
Bills payables	**3,463**	7,242
	11,623	30,915

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

	2019	2018
	HK$'000	*HK$'000*
Within 30 days	**5,844**	20,148
31 to 90 days	**4,532**	9,528
91 to 180 days	**878**	1,232
Over 180 days	**369**	7
	11,623	30,915

The average credit period on purchases of goods is 30 to 60 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

11. SHARE CAPITAL

The share capital as at 31 March 2019 and 2018 represented the share capital of the Company.

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

	Number of shares		Share capital	
	2019	2018	**2019**	2018
			HK$'000	*HK$'000*
Ordinary share of HK$0.01 each				
Authorised				
At 1 April 2018/the date of incorporation	**2,000,000,000**	38,000,000	**20,000**	380
Increased on 19 December 2017	—	1,962,000,000	—	19,620
At the end of the year	**2,000,000,000**	2,000,000,000	**20,000**	20,000
Issued and fully paid:				
At 1 April 2018/the date of incorporation	**800,000,000**	10,000	**8,000**	—
Capitalisation issue of shares	—	599,990,000	—	6,000
Issue of ordinary shares upon listing of the Company	—	200,000,000	—	2,000
At 31 March	**800,000,000**	800,000,000	**8,000**	8,000

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Market Prospect

The Group is a building materials contractor providing building materials and the relevant installation services mainly in Hong Kong. The Group's products mainly consist of (i) timber flooring products; (ii) interior wall-fill materials, in particular, gypsum block products; (iii) woodwork products; and (iv) roof tiles.

During the year ended 31 March 2019, the Group faced increasing competition in both timber flooring products and gypsum block products markets. In particular, the Group observed an increased number of competitors and their aggressive pricing strategies in bidding for new projects. Hence, the revenue generated from timber flooring products and gypsum block products decreased.

In addition, based on the latest work programme and available information, one of the Group's major supply and installation project will fall behind schedule due to change of main contractor in 2018. A deed of transfer and assignment (the "**Deed**") relating to the Group's engagement in this project was signed on 22 November 2018 between a subsidiary of the project owner and the Group. According to the Deed, the Group's engagement in this project, in particular the scope of work and contract sum, shall remain the same as those of the original contract. The initial expected completion period would be postponed from March 2019 to the year ending 31 March 2020.

To cope with the keen competition and to maintain its market share, the Group has introduced a new type of gypsum block product to the Hong Kong market during the year ended 31 March 2019, with qualities fit for the building material specifications of hospitals. With the introduction of this new product, the Group would be able to grasp the potential business opportunities brought by the 10 Year Hospital Development Plan as set out in "The Chief Executive's 2016 Policy Address".

Moreover, the housing policy continues to be the focal point of the HKSAR government. Under "The Chief Executive's 2018 Policy Address" published by the HKSAR government, the government has committed to increase housing supply in the coming future. The "Lautau Tomorrow Vision" project announced in "The Chief Executive's 2018 Policy Address" has set out a long-term plan to unleash land potential and increase land supply in the coming 20 to 30 years, which would be a valuable business opportunity to the Group.

Looking forward, the Group will continue to focus on its competitive edge. The Directors believe that the Group can benefit from the promising medium-to-long term outlook of the Hong Kong construction industry. In the long run, the Group will endeavor to manage the challenges in the fast-changing environment and maintain its leading position among industry players to achieve satisfactory results in the future.

Financial Review

Revenue

The Group's revenue was generated from two segments: (i) supply and installation projects; and (ii) sales of building material projects. The Group's total revenue decreased by approximately HK$50.0 million, or approximately 17.9%, from approximately HK$280.1 million for the year ended 31 March 2018 to approximately HK$230.1 million for the year ended 31 March 2019. Such decrease was mainly attributable to the increase in competition from competitors with aggressive pricing strategies, which affected the Group's pricing strategy and in turn resulted in a decline in the average contract sum.

The following table sets forth the details of the Group's revenue sources:

	For the year ended 31 March			
	2019		2018	
	HK$' million	*%*	*HK$' million*	*%*
Supply and installation	**197.6**	**85.9**	229.8	82.0
Sales of building materials	**32.5**	**14.1**	50.3	18.0
Total	**230.1**	**100.0**	280.1	100.0

Supply and installation projects

The Group's revenue generated from supply and installation projects decreased by approximately HK$32.2 million, or approximately 14.0%, from approximately HK$229.8 million for the year ended 31 March 2018 to approximately HK$197.6 million for the year ended 31 March 2019, representing a 14.0% decrease. Such decrease was mainly due to the decline in contract sum for the projects awarded as a result of the abovementioned keen competition from market players and their aggressive pricing strategies, and the delay in progress of certain projects for the year ended 31 March 2019.

Sales of building materials projects

The Group's revenue generated from sales of building materials projects decreased by approximately HK$17.8 million, or approximately 35.4%, from approximately HK$50.3 million for the year ended 31 March 2018 to approximately HK$32.5 million for the year ended 31 March 2019. Due to the keen competition and aggressive pricing from the Group's competitors, revenue recorded from sales of gypsum block products dropped significantly from approximately HK$49.4 million for the year ended 31 March 2018 to approximately HK$25.2 million for the year ended 31 March 2019.

Cost of Sales and Services

The Group's cost of sales and services amounted to approximately HK$197.3 million for the year ended 31 March 2019, representing a decrease of approximately 11.8% (2018: approximately HK$223.6 million). Cost of sales and services mainly comprised material costs and subcontracting costs, which together accounted for approximately 98.9% (2018: approximately 98.0%) of the Group's total cost of sales and services for the year ended 31 March 2019.

The Group's material costs mainly comprises of timber flooring materials and gypsum block materials. The decrease in material costs for the year ended 31 March 2019 was mainly derived from the gypsum block materials. The Group recorded a decrease in purchase cost of decreasing purchase price of gypsum block materials by approximately 30.0%, which was generally in line with the decrease in revenue generated from supply of gypsum block materials projects for the year ended 31 March 2019.

The Group recorded a decrease in subcontracting costs under cost of sales and services by approximately 18.3% for the year ended 31 March 2019, which was generally in line with the decrease in revenue generated from supply and installation projects for the year ended 31 March 2019.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by approximately HK$23.6 million, or approximately 41.8%, from approximately HK$56.4 million for the year ended 31 March 2018 to approximately HK$32.8 million for the year ended 31 March 2019, and the Group's gross profit margin decreased from approximately 20.2% for the year ended 31 March 2018 to approximately 14.3% for the year ended 31 March 2019.

The gross profit and gross profit margin of the Group's projects are affected by a number of factors, including scope of work, technical complexity, variation orders (if any) and/or work programme, and therefore vary from project to project.

The decrease in gross profit and gross profit margin was mainly due to the increase in competition from competitors with aggressive pricing strategies which affected the Group's pricing strategy and in turn resulted in a decline in the average contract sum, which in turn led to the decrease in gross profit and gross profit margin of the Group.

Other than the abovementioned factors, the decrease in the Group's gross profit margin was attributable to the increase in proportion of the Group's revenue generated from supply and installation projects. In general, the gross profit margin of sales of building material projects is higher than that of the supply and installation projects. Given that the proportion of revenue contribution from supply and installation projects increased from approximately 82.0% to 85.8% of the Group's total revenue for the year ended 31 March 2019, the Group's gross profit margin decreased accordingly.

Other Income

The Group's other income increased significantly by approximately HK$4.2 million, or approximately 525.0%, from approximately HK$0.8 million for the year ended 31 March 2018 to approximately HK$5.0 million for the year ended 31 March 2019. During the year ended 31 March 2019, other income of the Group was mainly represented by (i) royalty income of approximately HK$3.3 million for the permission to use one of the Group's own branded timber flooring projects; (ii) the net exchange rate difference of approximately HK$1.1 million; and (iii) the reversal of bad debt provision of approximately HK$0.3 million.

Selling and Distribution Expenses

The Group's selling and distribution expenses mainly comprised transportation expenses and storage expenses. The total selling and distribution expenses decreased by approximately HK$1.5 million, or approximately 19.0%, from approximately HK$7.9 million for the year ended 31 March 2018 to approximately HK$6.4 million for the year ended 31 March 2019, mainly due to the decrease in sales of building material projects.

Administrative Expenses

The Group's administrative expenses decreased by approximately HK$12.5 million, or approximately 30.3%, from approximately HK$41.3 million for the year ended 31 March 2018 to approximately HK$28.8 million for the year ended 31 March 2019. The increase in impairment on accounts receivables and contract assets of HK$0.8 million is caused by one of the customer who is under the process of liquidation during the year ended 31 March 2019. The decrease in administrative expenses was mainly attributable to the absence of non-recurring expenses for the Listing of approximately HK$13.7 million recorded in the year ended 31 March 2018.

Finance Costs

The Group's finance costs decreased by approximately HK$1.1 million, or approximately 45.8%, from approximately HK$2.4 million for the year ended 31 March 2018 to approximately HK$1.3 million for the year ended 31 March 2019. Despite the increase in average bank borrowings, finance costs decreased as the effective interest rate decreased for the year ended 31 March 2019.

Income Tax Expenses and Effective Tax Rate

The Group's income tax expenses decreased by approximately HK$2.8 million, or approximately 84.8%, from approximately HK$3.3 million for the year ended 31 March 2018 to approximately HK$0.5 million for the year ended 31 March 2019. Such decrease was attributed to the decrease in Hong Kong profits tax rate and the absence of non-deductible listing expense for the year ended 31 March 2019.

The Group's effective tax rate decreased from approximately 58.3% for the year ended 31 March 2018 to approximately 41.3% for the year ended 31 March 2019, which was due to the absence of non-deductible expenses for the Listing for the year ended 31 March 2019. By excluding the non-deductible listing expenses, the effective tax rates were approximately 41.3% and 16.9% for the year ended 31 March 2019 and 2018 respectively.

Net Profit and Net Profit Margin

The Group's net profit decreased by approximately HK$1.5 million, from approximately HK$2.3 million for the year ended 31 March 2018 to approximately HK$0.8 million for the year ended 31 March 2019, representing a decline of approximately 65.2%. The decrease in net profit was mainly attributed by the decrease in revenue and gross profit as mentioned above, offset by the absence of non-recurring listing expense and increase in other income.

The Group's net profit margin were approximately 0.3% and 0.8% for the year ended 31 March 2019 and 2018 respectively, and such decrease was mainly due to the reasons illustrated above.

Liquidity and Financial Resources Review

The Group had normally funded its liquidity and capital requirements primarily through bank borrowings and net cash generated from operating activities.

Total equity and net current assets

The total equity of the Group mainly comprises share capital, share premium and reserves. The total equity of the Group as at 31 March 2019 was approximately HK$169.1 million (2018: approximately HK$168.6 million).

As at 31 March 2019, the Group's net current assets were approximately HK$138.1 million (2018: approximately HK$136.9 million).

Cash and cash equivalents

As at 31 March 2019, the Group had cash and cash equivalents of approximately HK$56.5 million (2018: approximately HK$63.7 million).

Bank borrowings

As at 31 March 2019, the Group had borrowings of approximately HK$38.9 million (2018: approximately HK$26.8 million), and all of the Group's borrowings were at floating interest rates (2018: HK$26.8 million).

Key financial ratios

	2019	2018
Gearing ratio	**23.0%**	15.9%
Current ratio	**3.4**	3.1

Gearing ratio: Gearing ratio is calculated based on the total debts (including all interest-bearing borrowings and loans) divided by the total equity as at the end of the reporting period.

Current ratio: Current ratio is calculated based on the total current assets divided by the total current liabilities.

Going forward, the Group expects to fund its future operations and expansion plans primarily with cash generated from business operations, borrowings and the net proceeds received by the Company through the Listing.

Pledge of Assets

As at 31 March 2019, the Group's banking facilities were secured by properties with net carrying amount of approximately HK$22.4 million (2018: approximately HK$23.1 million) and pledged bank deposits of approximately HK$8.1 million (2018: approximately HK$8.1 million).

Capital Expenditure

During the year ended 31 March 2019, the Group has acquired items of property, plant and equipment of approximately HK$0.7 million (2018: approximately HK$25.4 million).

Contingent Liabilities

At 31 March 2019, the Group has been involved in a litigation and potential claim against the Group in relation to work-related injury. In the opinion of the Directors, the litigation and potential claim are not expected to have a material impact on the consolidated financial statements. Accordingly, no provision has been made to the consolidated financial statements.

In addition, the Group provided guarantee of performance bonds in its ordinary course of business. As at 31 March 2019, the Group's contingent liabilities in relation to performance bonds were approximately HK$4.5 million (2018: approximately HK$5.2 million).

Capital Commitments

The Group has no capital commitment as at 31 March 2019 (2018: Nil).

Principal Risks and Uncertainties

Fluctuating cash flows pattern

The Group may incur net cash outflows at the early stage of carrying out works when it is required to pay material costs and/or for subcontractors prior to receiving payment from customers. Customers will pay progress payments after works commenced and after such works have been certified by customers. Accordingly, the Group may experience net cash outflows to pay certain material costs and/or subcontractors' fees while the respective progress payments may not be received in the same periods. If during any particular period of time, there exists too many projects which require substantial cash outflows while the Group has significantly less cash inflows, the Group's cash flow position may be adversely affected.

Inaccurate estimation on the cost and work programme of projects

As contracts from customers are normally awarded through successful tendering and acceptance of quotation offer, the Group needs to estimate the time and costs based on the tender documents or quotation requests provided by customers in order to determine the tender price or quotation. There is no assurance that the actual execution time and costs of the project would not exceed the Group's estimation.

The actual time taken and costs involved in completing contracts undertaken by the Group may be adversely affected by a number of factors, such as shortage or cost escalation of materials and labour, adverse weather conditions, additional variations to the work plans requested by customers, delays in obtaining any required permits or approvals, disputes with subcontractors or other parties, accidents, changes in Hong Kong government policies and customers' priorities and any other unforeseen problems and circumstances. Any of the aforementioned factors may give rise to delays in completion of works or cost overspend or even termination of projects by customers, which in turn may adversely affect the Group's profitability and liquidity.

Irregular profit margin

The Directors believe that the profit margin of each project significantly depends on various factors, such as the terms of the contracts, the length of the contractual period, the efficiency of implementation of the contractual works and the general market conditions which are beyond the Group's control. As a result, the income flow and the profit margin of each project, which are largely dependent on the terms of the work contracts, may not be entirely regular and consistent and there is no assurance that the profitability of a project can be maintained or estimated at any level. If the profit margin of the project significantly deviates from the estimation of the Directors, the Group's financial position could be adversely affected.

Failure to obtain new projects

The Group provides materials and/or relevant installation services to customers generally on a project-by-project basis. The Group's revenue from projects is non-recurring in nature. It cannot be guaranteed that the Group will continue to secure new projects from customers after the completion of the existing awarded projects.

Currency risk

Certain transactions of the Group are denominated in currencies which are different from the functional currency of the Group, namely, Hong Kong dollars, and therefore the Group is exposed to foreign exchange risk. Payments made by the Group for the settlement of its cost of sales and services are generally denominated in Hong Kong dollars, USD and EUR. Payments received by the Group from its customers are mainly denominated in Hong Kong dollars. The Group continues to monitor closely its exposure to currency movement and may take proactive measures where necessary.

Employees and Remuneration Policy

As at 31 March 2019, the Group had 33 employees (including executive Directors), as compared to a total of 29 employees as at 31 March 2018. The total staff costs incurred by the Group for the year ended 31 March 2019 were approximately HK$16.0 million (2018: approximately HK$14.3 million). The increase in staff costs was mainly due to (i) increase in number of staff for the year ended 31 March 2019; and (ii) increase in monthly average salary for staff.

Employees' remuneration packages are determined with reference to the market information and individual performance and will be reviewed on a regular basis. The Group's employees are remunerated according to their job scope, responsibilities, and performance. Employees are also entitled to discretionary bonus depending on their respective performances and the profitability of the Group. Other staff benefits include the provision of retirement benefits and sponsorship of training courses.

The emoluments of Directors and senior management were reviewed by the Remuneration Committee of the Company, having regard to the salaries paid by comparable companies, experience, responsibilities and performance of the Group, and approved by the Board.

Significant Investments Held, Material Acquisitions or Disposal of Subsidiaries and Affiliated Companies, and Plans for Material Investments or Capital Assets

There were no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during the year ended 31 March 2019. Save as the business plan as disclosed under the section headed "Future plans and use of proceeds" in the prospectus of the Company dated 29 December 2017 (the "**Prospectus**"), there was no other plans for material investments or capital assets as at 31 March 2019.

Use of Net Proceeds from the Listing

The net proceeds from the Listing will be utilised in accordance with the proposed applications set out under the section headed "Future plans and use of proceeds" in the Prospectus. The table below sets out the proposed applications of the net proceeds and actual usage up to 31 March 2019:

	Proposed Application *HK$' million*	**Actual usage up to 31 March 2019** *HK$' million*	**% utilised**
— Acquiring a property as a warehouse, workshop and showroom *(Note 1)*	29.9	—	0.0%
— Repayment of bank borrowings	27.8	27.8	100.0%
— Expanding capacity to undertake more projects	14.0	0.7	5.0%
— Expanding and strengthening the manpower	7.4	1.6	21.6%
— Refurbishment of the offices	5.1	3.4	66.7%
— Upgrading the information technology and project management systems	2.8	—	0.0%
— General working capital	9.4	9.4	100.0%
	96.4	42.9	44.5%

Note 1: The Group has considered certain potential acquisition of certain properties during the year. In the meanwhile, the Group also considered the impact of the US-China Trade War on the Hong Kong property market and economy. Due to the uncertainties in Hong Kong's property market and economy, the Group has rented a premise for showroom purpose from an independent third party after the year ended 31 March 2019 with a term of 2 years, instead of purchasing a premise at this moment.

The Group remain cautious in selecting a suitable property with reasonable price.

Note 2: All unutilised balances have been placed in licensed banks in Hong Kong.

Purchase, Redemption or Sale of Listed Securities of the Company

Neither the Company, nor any of its subsidiaries had sold, purchased or redeemed any of the Company's listed securities during the year ended 31 March 2019.

OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintain high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability. Save for the deviation from provision A.2.1 of the Corporate Governance Code (the "**CG Code**") set out in Appendix 14 of the Listing Rules as disclosed below, the Company has adopted the CG Code as the Group's corporate governance practices. In the opinion of the Directors, the Company has complied with the applicable code provisions under the CG Code for the year ended 31 March 2019 except the following:

Pursuant to Provision A.2.1 of the CG Code, the roles of chairman and chief executive officer ("**CEO**") should be separate and should not be performed by the same individual. However, the roles of the Group's chairman and CEO are both performed by Mr. Lo Wing Cheung. Mr. Lo is currently the chairman of the Board and the CEO, responsible for strategic planning and managing of the Group's overall business and operations. Mr. Lo has been responsible for the overall management of the Group since it was founded in 1980. The Board believes that the current management structure enables the Company to make and implement business decisions swiftly and effectively, which promotes the Group's development in line with its overall business direction. The Board considers that the balance of power and authority, accountability and independent decision-making under the present arrangement will not be impaired due to the diverse background and experience of the non-executive Director and independent non-executive Directors. Further, the audit committee (the "**Audit Committee**"), which consists of three independent non-executive Directors and one non-executive Director, has free and direct access to the Company's external auditors and independent professional advisers when it considers necessary.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Specific enquiry has been made to the executive Directors, non-executive Director and independent non-executive Directors, who have confirmed that they have complied with the Model Code for the year ended 31 March 2019.

SCOPE OF WORK OF SHINEWING (HK) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 March 2019 as set out in the preliminary announcement have been agreed by the Group's auditor, SHINEWING (HK) CPA Limited ("**SHINEWING**"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by SHINEWING in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING on the preliminary announcement.

AUDIT COMMITTEE'S REVIEW

The Company has established the Audit Committee with written terms of reference which deal clearly with its authority and duties.

The Audit Committee of the Company has reviewed the Group's consolidated financial statements for the year ended 31 March 2019, including the accounting principles and practices adopted by the Group and recommended to the Board for approval.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2019 (2018: Nil).

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting ("**AGM**") of the Company to be held on Tuesday, 20 August 2019, the register of members of the Company will be closed from Thursday, 15 August 2019 to Tuesday, 20 August 2019 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's registrar, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 14 August 2019.

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the Company's website (www.kwantaieng.com) and the website of the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the year ended 31 March 2019 will also be available at the respective websites of the Company and the Stock Exchange and will be despatched to shareholders of the Company in late July 2019.

By order of the Board
Twintek Investment Holdings Limited
Lo Wing Cheung
Chairman and executive Director

Hong Kong, 19 June 2019

As at the date of this announcement, the executive Directors are Mr. Lo Wing Cheung (Chairman), Ms. Fung Pik Mei, the non-executive Director is Mr. Wan Ho Yin, and the independent non-executive Directors are Mr. Shu Wa Tung Laurence, Mr. Tam Wai Tak Victor and Mr. Tam Wing Lok.