

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

## **Shun Wo Group Holdings Limited**

### **汛和集團控股有限公司**

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

**(Stock Code: 1591)**

## **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of Shun Wo Group Holdings Limited (the “**Company**”) is pleased to present the audited annual consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2024 (the “**Review Year**”), together with the comparative figures for the corresponding year ended 31 March 2023.

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

*For the year ended 31 March 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$’000</i>	2023 <i>HK\$’000</i>
<b>Revenue</b>	3	<b>333,430</b>	312,906
Direct costs		<u>(272,636)</u>	<u>(288,333)</u>
<b>Gross profit</b>		<b>60,794</b>	24,573
Other income and other gains	4	<b>4,391</b>	1,865
Administrative and other operating expenses (Impairment losses)/reversal of impairment losses on financial assets and contract assets, net		<b>(22,352)</b>	(22,278)
		<u>(52)</u>	<u>14,772</u>
<b>Profit before income tax</b>	5	<b>42,781</b>	18,932
Income tax expense	6	<b>(3,316)</b>	–
<b>Profit and total comprehensive income for the year attributable to owners of the Company</b>		<u><b>39,465</b></u>	<u>18,932</u>
<b>Earnings per share attributable to owners of the Company</b>			
— Basic and diluted earnings per share (HK cents)	7	<u><b>0.99</b></u>	<u>0.47</u>

Details of dividends are disclosed in Note 8.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 March 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		12,580	16,733
Right-of-use assets		34	67
		<u>12,614</u>	<u>16,800</u>
<b>Current assets</b>			
Contract assets		40,342	63,820
Trade and other receivables	9	50,600	37,659
Pledged bank deposit	10	6,460	6,138
Bank balances and cash		93,395	45,040
		<u>190,797</u>	<u>152,657</u>
<b>Total assets</b>		<u><u>203,411</u></u>	<u><u>169,457</u></u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
<b>Capital and reserves</b>			
Share capital	11	40,000	40,000
Reserves		105,713	66,248
<b>Total equity</b>		<u><u>145,713</u></u>	<u><u>106,248</u></u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	30,775	63,209
Contract liabilities		23,607	–
Income tax payable		2,162	–
		<u>56,544</u>	<u>63,209</u>
<b>Non-current liability</b>			
Deferred tax liabilities		1,154	–
<b>Total liabilities</b>		<u>57,698</u>	<u>63,209</u>
<b>Total equity and liabilities</b>		<u>203,411</u>	<u>169,457</u>
<b>Net current assets</b>		<u>134,253</u>	<u>89,448</u>
<b>Net assets</b>		<u><u>145,713</u></u>	<u><u>106,248</u></u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION AND BASIS OF PRESENTATION

The Company is an investment holding company. The Group is principally engaged in undertaking foundation works in Hong Kong.

The Company was incorporated in the Cayman Islands on 3 May 2016 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 28 September 2016.

As at 31 March 2024, its parent and ultimate holding company is May City Holdings Limited (“**May City**”), a company incorporated in the British Virgin Islands (the “**BVI**”) and owned as to 40% by Mr. Wong Yan Hung (“**Mr. YH Wong**”), 30% by Mr. Wong Tony Yee Pong (“**Mr. Tony Wong**”) and 30% by Mr. Lai Kwok Fai (“**Mr. Lai**”).

The address of the registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and the principal place of business of the Company is Flat A, 7/F., Sai Wan Ho Plaza, 68 Shaukeiwan Road, Hong Kong.

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

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (the “**Listing Rules**”) and by the Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, except as otherwise stated in the accounting policies of the Group.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies of the Group. The area involving a high degree of judgement or complexity, or areas where assumptions and estimate are significant to the consolidated financial statements, are disclosed in the consolidated financial statements.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.2 Change in accounting policy and disclosures

#### (i) *New and Amendments to HKFRSs that are mandatorily effective for the current year*

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies
HKAS 8 (Amendments)	Definition of Accounting Estimates
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
HKAS 12 (Amendments)	International Tax Reform — Pillar Two Model Rules

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

*Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund (“MPF”) — Long Service Payment (“LSP”) offsetting mechanism in Hong Kong*

In June 2022, the Government of the Hong Kong Special Administrative Region (“**Government**”) gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (“**Amendment Ordinance**”), which will come into effect from 1 May 2025 (“**Transition Date**”). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to mandatory provident fund (“**MPF**”) scheme to reduce the long service payment (“**LSP**”) in respect of an employee's service from the Transition Date (the abolition of the “offsetting mechanism”). In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

In July 2023, the HKICPA published the captioned accounting guidance relating to the abolition of the offsetting mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP.

The change in accounting policy has no material impact on the Group's consolidated financial statements for the current and previous year.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.2 Change in accounting policy and disclosures (continued)

#### (ii) Amendments to HKFRSs in issue but not yet effective

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

HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback <sup>1</sup>
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current and Related Amendments to Hong Kong Interpretation 5 (2020) <sup>1</sup>
HKAS 1 (Amendments)	Non-current Liabilities with Covenants <sup>1</sup>
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements <sup>1</sup>
HKAS 21 (Amendments)	Lack of Exchangeability <sup>2</sup>
Hong Kong Interpretations 5 (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that contains a Repayment on Demand Clause <sup>1</sup>

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

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of all amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### 3. REVENUE AND SEGMENT INFORMATION

Revenue, which is also the Group's turnover, represents construction contract receipts in the ordinary course of business. Revenue recognised during the year are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Revenue</b>		
Main contracting	242,884	203,937
Sub-contracting	<u>90,546</u>	<u>108,969</u>
	<u><u>333,430</u></u>	<u><u>312,906</u></u>

The chief operating decision-maker has been identified as the Board. The Board regards the Group's business as a single operating segment and reviews consolidated financial statements accordingly. Also, the Group only engages its business in Hong Kong and all the non-current assets of the Group are located in Hong Kong. Therefore, no segment and geographical information is presented.

#### Information about the major customers

Revenue from customers contributing over 10% of the total revenue of the Group are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A	117,485	125,418
Customer B	48,555	N/A <sup>1</sup>
Customer C	45,712	N/A <sup>1</sup>
Customer D	<u>41,720</u>	<u>77,845</u>

<sup>1</sup> The corresponding revenue did not contribute over 10% of total revenue of the Group.

#### 4. OTHER INCOME AND OTHER GAINS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Project management fee	731	–
Gain on disposal of property, plant and equipment	26	41
Bad debt recovery	556	–
Interest income	2,432	396
Sales of scrap materials	500	–
Government grants <i>(Note)</i>	–	1,360
Others	146	68
	<u>4,391</u>	<u>1,865</u>

*Note:* During the year ended 31 March 2023, the Group recognised government grants in respect of COVID-19 pandemic which included subsidies of HK\$1,360,000 under the employment support scheme. There was no unfulfilled condition in respect of the grants.

#### 5. PROFIT BEFORE INCOME TAX

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Included in direct costs:		
Depreciation of property, plant and equipment	5,111	4,211
Staff costs	22,092	23,471
Included in administrative and other operating expenses:		
Auditors' remuneration		
— Audit services	760	720
— Non-audit services	120	120
Depreciation of property, plant and equipment	1,663	2,187
Depreciation of right-of-use assets	33	34
Expense relating to short-term leases not included in the measurement of lease liabilities	2,966	2,991
Staff costs, including directors' emoluments	11,131	10,854
	<u>11,131</u>	<u>10,854</u>

#### 6. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current income tax		
— Hong Kong profits tax	2,162	–
Deferred tax	1,154	–
	<u>3,316</u>	<u>–</u>

Hong Kong profits tax is calculated at a rate of 16.5% of the estimated assessable profits for the year, except for a subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rates regime. For this subsidiary, the first HK\$2,000,000 of assessable profits are taxed at 8.25%, and the remaining assessable profits are taxed at 16.5%.

## 7. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2024	2023
Profit attributable to owners of the Company ( <i>HK\$'000</i> )	39,465	18,932
Weighted average number of ordinary shares in issue ( <i>thousands of shares</i> )	4,000,000	4,000,000
Basic earnings per share ( <i>HK cents</i> )	<u>0.99</u>	<u>0.47</u>

The diluted earnings per share were the same as the basic earnings per share as there were no dilutive potential ordinary shares in issue during the years ended 31 March 2024 and 2023.

## 8. DIVIDENDS

No dividend was paid or proposed by the Board for the year ended 31 March 2024 (2023: Nil).

## 9. TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	35,793	29,706
Less: allowance for credit losses	<u>(218)</u>	<u>(70)</u>
	35,575	29,636
Other receivables, deposits and prepayments ( <i>Note c</i> )	<u>15,025</u>	<u>8,023</u>
	<u>50,600</u>	<u>37,659</u>

*Notes:*

- (a) The credit period granted to customers ranges from 30 to 45 days (2023: 14 to 45 days) generally. Trade receivables are denominated in HK\$.
- (b) The ageing analysis of the trade receivables, net of allowance for credit losses based on date of payment certificates issued by customers or invoice date, whichever is applicable, are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–30 days	26,728	24,596
31–60 days	5,709	5,040
61–90 days	<u>3,138</u>	<u>–</u>
	<u>35,575</u>	<u>29,636</u>

- (c) Included in other receivables, deposits and prepayments at 31 March 2024 are cash collateral of approximately HK\$8,094,000 (2023: approximately HK\$4,204,000) placed with insurance companies in Hong Kong for the provision of the surety bonds for certain of the Group's construction projects (Note 14).



## 10. PLEDGED BANK DEPOSIT

The effective interest rate for the pledged bank deposit is 5.25% (2023: 2.90%) per annum as at 31 March 2024. The carrying amount of pledged bank deposit is denominated in HK\$. The bank deposit had been pledged to bank as surety bond for faithful performance in accordance to the contract between the Group entity and the customer.

## 11. SHARE CAPITAL

	Number of ordinary shares	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
<b>Authorised:</b>		
As at 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	<u>10,000,000,000</u>	<u>100,000</u>
<b>Issued and fully paid:</b>		
As at 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	<u>4,000,000,000</u>	<u>40,000</u>

## 12. TRADE AND OTHER PAYABLES

	2024 HK\$'000	2023 HK\$'000
Trade payables	12,758	49,879
Retention payables	10,516	9,518
Accruals and other payables	<u>7,501</u>	<u>3,812</u>
	<u>30,775</u>	<u>63,209</u>

*Note:*

(a) Payment terms granted by suppliers are generally within two months.

The ageing analysis of trade payables based on the invoice date are as follows:

	2024 HK\$'000	2023 HK\$'000
0–30 days	8,501	32,349
31–60 days	3,130	16,995
61–90 days	12	–
Over 90 days	<u>1,115</u>	<u>535</u>
	<u>12,758</u>	<u>49,879</u>

### 13. CAPITAL COMMITMENTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
— Property, plant and equipment	<u>4,743</u>	<u>—</u>

### 14. SURETY BONDS AND CONTINGENT LIABILITIES

Certain customers of construction contracts undertaken by the Group require the Group entity to issue guarantees for the performance of contracts in the form of surety bonds secured by pledged bank deposits or a corporate indemnity issued by insurance companies secured by pledged deposit.

As at 31 March 2024, the Group has outstanding surety bonds of approximately HK\$18,969,000 (2023: approximately HK\$9,808,000). The surety bonds will be released upon completion of the contracting works.

Saved as disclosed above, as at 31 March 2024, the Group did not have any other material contingent liabilities.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review and Outlook

The Group has more than 20 years history in Hong Kong's foundation industry, specialising in excavation and lateral support works, socketed H-piling and mini-piling works and pile caps construction works. Hop Kee Construction Company Limited ("**Hop Kee**"), the principal operating subsidiary, is registered under the Buildings Ordinance as a Registered Specialist Contractor under the sub-register of "Foundation Works" and "Site Formation Works" category since December 2009.

As at 31 March 2024, the Group had a total of 7 ongoing projects (including projects that have commenced but not completed as well as projects that have been awarded but not yet commenced) and the original contract sum of these projects are approximately HK\$215.2 million.

The Group delivered a notable result for the year under review. The Group's revenue recorded approximately HK\$333.4 million for the year (2023: HK\$312.9 million), representing an increase of 6.6% compared to the corresponding year ended 31 March 2023. The Group recorded a net profit for the year of approximately HK\$39.5 million as compared with a net profit for the year of approximately HK\$18.9 million for the corresponding year ended 31 March 2023. The increases in revenue and net profit are mainly attributable to on-going progress on several sizeable foundation projects awarded in previous years. The net profit was counterweighed by a provision of liquidated and ascertained damages of approximately HK\$23.6 million as result of unexpected delays for certain high complexity projects.

Coupled with the uncertain global economy and inflationary pressure, keen competition among the market players which is foreseen to persist further intensifies the price competition. In addition, the Group's several sizeable projects awarded in previous years gradually approach their completion stages. The management has had to adjust our tendering strategies by lowering the bidding prices for new contracts in order to maintain our competitiveness. The Group expects to benefit from the continued support of Hong Kong Special Administrative Region Government by the withdrawal of property-cooling measures and launch of Quality Migrant Admission Scheme in this financial year. These policies will stimulate the demand of residential properties. Meanwhile, the Group will adhere to the adoption of vigorous cost control measures so as to maximise returns for all shareholders.

## Financial Review

### *Revenue*

The revenue of the Group was approximately HK\$333.4 million for the Review Year, representing an increase of approximately HK\$20.5 million or 6.6% compared to the corresponding year ended 31 March 2023. The increase in revenue was mainly because of the award of a few sizeable construction projects in previous years which have been undertaken during the Review Year.

### *Gross profit and gross profit margin*

The gross profit of the Group was approximately HK\$60.8 million for the Review Year, representing an increase of approximately HK\$36.2 million or 147.4% compared to the corresponding year ended 31 March 2023. The gross profit margin was approximately 18.2% for the Review Year, representing an increase of 10.3 percentage points compared to the corresponding year ended 31 March 2023 of approximately 7.9%.

The increase in gross profit and improved gross profit margin was attributed to the decrease in subcontractor fees and lower purchase of direct material, which was required for certain sizeable foundation projects approaching complete stage during the year ended 31 March 2024.

### *Other income and other gains*

For the Review Year, the other income and other gains of the Group was approximately HK\$4.4 million, representing an increase of approximately HK\$2.5 million or 135.4% compared to the corresponding year ended 31 March 2023. The other income and other gains during the Review Year mainly represents the project management fee of approximately HK\$0.7 million, bad debt recovery of approximately HK\$0.6 million, sales of scrap materials of approximately HK\$0.5 million and interest income of approximately HK\$2.4 million recognised whereas government grants in respect of COVID-19 pandemic amounting to approximately of HK\$1.4 million recognised in the corresponding year ended 31 March 2023.

### *Administrative and other operating expenses*

For the Review Year, the administrative and other operating expenses was approximately HK\$22.4 million, representing an increase of approximately HK\$0.1 million or 0.3% compared to the corresponding year ended 31 March 2023.

The Group will continue to implement stringent controls over the general expenditure.

*(Impairment losses)/reversal of impairment losses on financial assets and contract assets, net*

For the Review Year, the impairment losses on financial assets and contract assets, net was approximately HK\$0.1 million (2023: reversal of impairment losses on financial assets and contract assets of approximately HK\$14.8 million). This was a result of an increase in expected credit loss on trade receivables and contract assets (2023: recovery of certain long outstanding trade receivables that had been impaired in the previous years).

*Net profit*

As a result of the aforesaid, a net profit of the Group was approximately HK\$39.5 million for the Review Year (2023: approximately HK\$18.9 million).

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

During the Review Year, there has been no change in capital structure of the Group.

As at 31 March 2024, the Group had total bank balances of approximately HK\$93.4 million (31 March 2023: approximately HK\$45.0 million).

As at 31 March 2024 and 2023, the Group had no debts outstanding.

### **Treasury Policy**

The Group has adopted a prudent financial management approach towards its treasury policy. 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 all the time.

### **Gearing Ratio**

As at 31 March 2024, the gearing ratio (calculated as total borrowings divided by the total equity) was Nil (31 March 2023: Nil).

### **Pledge of Assets**

As at 31 March 2024, the Group had approximately HK\$6.5 million of bank deposit being pledged as surety bond for faithful performance in accordance to the contract between the Group entity and the customer (31 March 2023: approximately HK\$6.1 million).

## **Exposure to Foreign Exchange Rate Risks**

As the Group only operates in Hong Kong and all of the revenue and transactions arising from its operations were settled in Hong Kong dollar, the Directors are of the view that the Group's foreign exchange rate risks are insignificant. Thus, the Group has not entered into any derivative contracts to hedge against the foreign exchange rate risk for the Review Year.

## **Capital Expenditure**

During the Review Year, the Group invested approximately HK\$2.6 million in the purchase of property, plant and equipment. All these capital expenditures were financed by internal resources.

## **Capital Commitments**

As at 31 March 2024, the capital commitments of the Group was approximately HK\$4.7 million.

Saved as disclosed above, as at 31 March 2024, the Group did not have any other material capital commitments.

## **Surety Bonds and Contingent Liabilities**

Certain customers of construction contracts undertaken by the Group require the Group entity to issue guarantees for performance of contracts in the form of surety bonds secured by pledged deposits. In addition, the Group entity provided a corporate indemnity to insurance companies which issued such surety bonds.

As at 31 March 2024, the outstanding amount of such surety bonds of which the Group entity provided a corporate indemnity was approximately HK\$19.0 million (31 March 2023: approximately HK\$9.8 million).

Saved as disclosed above, as at 31 March 2024, the Group did not have any other material contingent liabilities.

## **Material Acquisition and Disposals of Subsidiaries and Associated Companies**

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

## **Significant Investment**

During the Review Year, the Group had no significant investment.

## Final Dividend

The Board has resolved not to recommend the declaration of any final dividend for the Review Year.

## Use of Proceeds

The net proceeds (the “**Net Proceeds**”) received by the Group, after deducting related expenses were approximately HK\$84.2 million. These proceeds are intended to be applied in accordance with the proposed application set out in the paragraph headed “Future Plans and Use of Proceeds” to the prospectus of the Company dated 12 September 2016 (the “**Prospectus**”) and the announcement of the Company dated on 8 January 2021. Such revised uses include: (i) acquisition of excavators, cranes and breakers; (ii) strengthening the workforce and manpower; (iii) increasing marketing efforts; (iv) funding of general working capital; (v) financing the up-front costs of projects; and (vi) financing the issuance of performance bonds. Details of the revised use of the proceeds are listed as below:

	Original allocation <i>HK\$'000</i>	Revised allocation <i>HK\$'000</i>	Actual usage up to 31 March 2023 <i>HK\$'000</i>	Actual usage during the Review Year <i>HK\$'000</i>	Actual usage up to 31 March 2024 <i>HK\$'000</i>
Acquiring excavators, cranes and breakers	55,000	41,000	39,322	1,678	41,000
Strengthening the workforce and manpower	15,000	15,000	15,000	–	15,000
Increasing marketing efforts	6,200	4,200	4,200	–	4,200
Funding of general working capital	8,000	8,000	8,000	–	8,000
Financing the up-front costs of projects	–	12,000	12,000	–	12,000
Financing the issuance of performance bonds	–	4,000	4,000	–	4,000
Total	<u>84,200</u>	<u>84,200</u>	<u>82,522</u>	<u>1,678</u>	<u>84,200</u>

As at 31 March 2024, the Net Proceeds from the listing had been fully utilised.

## Future Plans for Material Investment or Capital Assets

Save as disclosed under the sections headed “Capital Commitments” and “Use of Proceeds”, the Group did not have any other plans for material investments or capital assets during the Review Year.

## **Employees and Remuneration Policy**

As at 31 March 2024, the Group employed a total of 54 full-time employees (including executive Directors), as compared to a total of 97 full-time employees as at 31 March 2023. Remuneration is determined with reference to the market terms and the performance, qualifications and experience of the individual employee. In addition to basic salary, performance-linked bonus is offered to those staff with special contributions to the Group, in order to attract and retain capable employees. The total remuneration cost incurred by the Group for the Review Year was approximately HK\$33.2 million compared to approximately HK\$34.3 million in the corresponding year ended 31 March 2023.

## **Events after the Review Year**

There is no material subsequent event undertaken by the Group after 31 March 2024 and up to the date of this announcement.

## **CORPORATE GOVERNANCE/OTHER INFORMATION**

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

The Group is committed to maintaining good corporate governance to safeguard the interest of shareholders and to achieve effective accountability. The Company has adopted and applied the principles as set out in “Part 2 – Principles of good corporate governance, code provisions and recommended best practices” of the corporate governance code (the “**CG code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). To the best knowledge of the Board, the Company has complied with all applicable code provisions set out in the CG code during the Review Year and up to the date of this announcement.

### **Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries of the Directors, all the Directors have confirmed that they have complied with the required Model Code’s standard during the Review Year and up to the date of this announcement.



## **Share Option Scheme**

The Company has adopted a share option scheme (the “**Share Option Scheme**”) on 3 September 2016. The principal terms of the Share Option Scheme are summarised in Appendix IV to the Prospectus. The main purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide 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. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 3 September 2016, and there is no outstanding share option as at 31 March 2024.

## **Constitutional Document**

The shareholders of the Company have approved the second amended and restated memorandum and articles of association (the “**New Memorandum and Articles**”) of the Company in the annual general meeting of the Company held on 7 September 2023 by way of special resolution and the New Memorandum and Articles has been published on the respective websites of the Stock Exchange and the Company.

## **Competing Interests**

The Directors confirm that neither the controlling shareholders of the Company nor their respective close associates is interested in a business apart from the Group’s business which competes or is likely to compete, directly or indirectly, with the Group’s business during the Review Year, and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

## **Purchase, Sales or Redemption of the Company’s Securities**

For the Review Year and up to the date of this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s securities.

## **Directors’ Interests in Contracts of Significance**

No Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party for the Review Year.

## **Sufficiency of Public Float**

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient amount of public float for its Shares as required under the Listing Rules for the Review Year and up to the date of this announcement.

## **Annual General Meeting (“AGM”)**

The 2024 AGM will be held on Friday, 13 September 2024. The notice of the AGM will be published and despatched to shareholders of the Company in the manner as required by the Listing Rules in due course.

## **Closure of Register of Members**

The Hong Kong branch register of members of the Company will be closed from Tuesday, 10 September 2024 to Friday, 13 September 2024 (both dates inclusive) for the purpose of ascertaining shareholders’ entitlement to attend and vote at the forthcoming AGM. No transfer of shares may be registered on those dates. In order to qualify for the shareholders’ entitlement to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates should be lodged with the Company’s Branch Registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong not later than 4:30 p.m. on Monday, 9 September 2024.

## **Audit Committee**

The Company established an audit committee (the “**Audit Committee**”) on 3 September 2016 with written terms of reference in compliance with the CG code. The primary duties of the Audit Committee are to review the financial information of the Group, oversee the Group’s financial report system, risk management and internal control procedures, provide advice and comments to the Board, and monitor the independence and objective of the external auditor and perform the corporate governance function.

The Audit Committee consists of three members who are all independent non-executive Directors, namely, Mr. Tam Wai Tak Victor, Mr. Law Ka Ho and Mr. Leung Wai Lim. Mr. Tam Wai Tak Victor is the chairman of the Audit Committee. The Audit Committee has reviewed the consolidated financial statements for the Review Year. The Audit Committee was of the opinion that the preparation of such results complied with applicable accounting standards and requirements as well as the Listing Rules and relevant adequate disclosures have been made.

## **Scope of Work of Auditors**

The figures in respect of the Group’s consolidated statement of financial position as at 31 March 2024, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2024 as set out in the annual results announcement have been agreed by the Group’s auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group’s consolidated financial statements for the year ended 31 March 2024. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with

Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on this annual results announcement.

### **Appreciation**

The Board would like to take this opportunity to express its sincere gratitude to the management team and staff for their hard work and contributions, and to our shareholders, investors and business partners for their trust and support.

### **Publication of Annual Results Announcement and Annual Report**

The annual results announcement of the Company is published on the respective websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.swgrph.com](http://www.swgrph.com)). The annual report of the Company for the Review Year will be despatched to the shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board  
**Shun Wo Group Holdings Limited**  
**Wong Yan Hung**  
*Chairman*

Hong Kong, 27 June 2024

*As at the date of this announcement, the executive directors of the Company are Mr. WONG Yan Hung, Mr. WONG Tony Yee Pong and Mr. LAI Kwok Fai and the independent non-executive directors of the Company are Mr. LAW Ka Ho, Mr. LEUNG Wai Lim and Mr. TAM Wai Tak Victor.*