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DCB Holdings Limited

DCB控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8040)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2020

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of DCB Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively referred to as the “**Group**”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

FINANCIAL HIGHLIGHTS

During the year ended 31 March 2020 (the “**Year**” or “**2020**”), the Group recorded a decrease in revenue of approximately 27.6% to approximately HK\$235.0 million from approximately HK\$324.6 million for the year ended 31 March 2019 (the “**Previous Year**” or “**2019**”). Due to an increase in cost of services, the Group’s gross profit decreased to approximately HK\$8.9 million for the Year from approximately HK\$30.5 million for the Previous Year.

The Group records a loss and other comprehensive expense of approximately HK\$5.0 million for the Year, as compare to that of a profit and other comprehensive income of approximately HK\$10.7 million for the Previous Year.

The Board is pleased to share the Group’s performance with the shareholders of the Company and recommends the payment of a final dividend for the year ended 31 March 2020 of HK0.75 cents per share amounting to HK\$2,400,000.

Loss per share of the Company was approximately HK1.55 cents (2019: earnings per share of HK3.34 cents).

FINANCIAL RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to present the consolidated results of the Group for the year ended 31 March 2020 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2020

	<i>Notes</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Revenue	4	234,991	324,640
Cost of services		(226,081)	(294,140)
Gross profit		8,910	30,500
Other income and gains	5	3,282	332
Administrative expenses		(16,742)	(17,656)
Finance costs	6	(253)	(262)
(Loss) profit before tax	7	(4,803)	12,914
Income tax expense	8	(148)	(2,228)
(Loss) profit and other comprehensive (expense) income for the year attributable to the owners of the Company		<u>(4,951)</u>	<u>10,686</u>
		2020 <i>HK cents</i>	2019 <i>HK cents</i>
(Loss) earnings per share			
Basic	10	<u>(1.55)</u>	<u>3.34</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2020

	<i>Notes</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Non-current assets			
Plant and equipment		592	847
Right-of-use assets		1,377	—
		1,969	847
Current assets			
Trade and other receivables	<i>11</i>	14,231	7,659
Contract assets	<i>12</i>	70,353	120,525
Income tax recoverable		2,396	1,311
Pledged bank deposits		11,133	6,000
Bank balances and cash		31,532	21,722
		129,645	157,217
Current liabilities			
Trade and other payables	<i>13</i>	10,125	34,660
Contract liabilities	<i>14</i>	32,024	26,539
Lease liabilities		897	—
		43,046	61,199
Net current assets		86,599	96,018
Total assets less current liabilities		88,568	96,865
Non-current liabilities			
Lease liabilities		494	—
Other non-current liabilities		258	258
		752	258
Net assets		87,816	96,607
Capital and reserves			
Share capital	<i>15</i>	3,200	3,200
Reserves		84,616	93,407
Total equity		87,816	96,607

NOTES:

1. GENERAL

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

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

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

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange (“**Listing Rules**”) and by the Hong Kong Companies Ordinance.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with HKFRS 16 (since 1 April 2019) or HKAS 17 (before the application of HKFRS 16), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

New and amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current year:

HKFRS 16	Leases
HK (IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

Other than as explained below regarding the impact of HKFRS 16 “Leases”, the application of other new and amended standards effective in respect of the current year had no material impact on the Group’s financial position and financial performance for the current and prior years and/or on the disclosures set out in these consolidated financial positions.

HKFRS 16 LEASES

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 “Leases” (“**HKAS 17**”) and the related interpretations.

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK (IFRIC)-Int 4 “Determining whether an arrangement contains a lease” and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 April 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 April 2019.

As at 1 April 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease- by-lease basis, to the extent relevant to the respective lease contract;

- (i) relied on the assessment of whether leases are onerous by applying HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets” as an alternative of impairment review;
- (ii) elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends 12 months of the date of initial application;
- (iii) excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- (iv) applied a single discount rate to a portfolio of leases with similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of properties in Hong Kong was determined on a portfolio basis; and
- (v) use hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group’s leases with extension and termination options.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied is 4.6% per annum.

	At 1 April 2019 <i>HK\$'000</i>
Operating lease commitments disclosed as at 31 March 2019	1,974
Less: Recognition exemption — short-term leases	(78)
Add: Lease payments for additional periods	<u>783</u>
Gross operating lease obligations at 1 April 2019	2,679
Discounting	<u>(109)</u>
Lease liabilities as at 1 April 2019	<u><u>2,570</u></u>
Analysed as:	
Current	1,840
Non-current	<u>730</u>
	<u><u>2,570</u></u>

- (a) The impacts arising from the adoption of HKFRS 16 as at 1 April 2019 are as follows:

	At 1 April 2019 <i>HK\$'000</i>
Assets	
Increase in right-of-use assets	2,589
Decrease in trade and other receivables	<u>(19)</u>
Increase in total assets	<u><u>2,570</u></u>
Liabilities	
Increase in lease liabilities — current	1,840
Increase in lease liabilities — non-current	<u>730</u>
Increase in total liabilities	<u><u>2,570</u></u>

- (b) Amounts recognised in the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income

	Right-of-use assets	Lease liabilities
	<i>HK\$'000</i>	<i>HK\$'000</i>
As at 1 April 2019	2,589	2,570
New leases	892	885
Depreciation charge	(2,104)	—
Interest on lease liabilities	—	99
Payments	—	(2,163)
	<hr/>	<hr/>
As at 31 March 2020	<u>1,377</u>	<u>1,391</u>

New standards and interpretations not yet adopted

Up to the date of approval of these consolidated financial statements, the HKICPA has issued the following amendments, new standards and interpretations which are not yet effective for the year ended 31 March 2020 and which have not been early adopted in these consolidated financial statements.

HKFRS 17	Insurance Contracts ¹
Amendments to HKFRS 3	Definition of a Business ²
Amendments to HKFRS 10 and HKAS 28	A Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁴
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform ⁴

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

² 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.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1 January 2020.

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the Amendments to References to the Conceptual Framework in HKFRS Standards, will be effective for annual periods beginning on or after 1 January 2020.

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

4. REVENUE AND SEGMENT INFORMATION

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

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

- (i) Fitting-out work — refers to works conducted on new buildings.
- (ii) Renovation work — refers to works carried out on existing buildings that involve upgrades and/or makeovers and/or demolition of existing works.

Segment revenue and results

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

For the year ended 31 March 2020

	Fitting-out work HK\$'000	Renovation work HK\$'000	Total HK\$'000
Segment revenue	<u>90,797</u>	<u>144,194</u>	<u>234,991</u>
Segment (loss) profit	<u>(3,108)</u>	<u>12,018</u>	8,910
Unallocated income			3,282
Unallocated expenses			<u>(16,995)</u>
Loss before tax			<u>(4,803)</u>

For the year ended 31 March 2019

	Fitting-out work HK\$'000	Renovation work HK\$'000	Total HK\$'000
Segment revenue	<u>208,301</u>	<u>116,339</u>	<u>324,640</u>
Segment profit	<u>26,560</u>	<u>3,940</u>	30,500
Unallocated income			332
Unallocated expenses			<u>(17,918)</u>
Profit before tax			<u>12,914</u>

No analysis of segment assets or segment liabilities is presented as such information is not regularly provided to the CODM.

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

Geographical information

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

5. OTHER INCOME AND GAINS

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Bank interest income	136	81
Consultancy fee income	3,054	—
Gain on disposal of plant and equipment	76	—
Sundry income	16	251
	<u>3,282</u>	<u>332</u>

6. FINANCE COSTS

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Interest on		
Bank borrowings	154	262
Lease liabilities	99	—
	<u>253</u>	<u>262</u>

7. (LOSS) PROFIT BEFORE TAX

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
(Loss) profit before tax has been arrived at after charging:		
Directors' emoluments		
Fees	216	216
Salaries, allowances and other benefits	3,904	3,761
Discretionary bonus	2,050	1,725
Retirement benefit scheme contributions	54	54
	<u>6,224</u>	<u>5,756</u>
Other staff costs		
Salaries, allowances and other benefits	27,000	26,732
Discretionary bonus	4,742	4,412
Retirement benefit scheme contributions	1,054	996
	<u>32,796</u>	<u>32,140</u>
Total staff costs	39,020	37,896
Less: amounts included in cost of services	<u>(28,221)</u>	<u>(27,132)</u>
Amounts included in administrative expenses	<u>10,799</u>	<u>10,764</u>
Auditor's remuneration	500	500
Depreciation of plant and equipment	396	355
Depreciation of right-of-use assets	2,104	—
Write-off of other receivable	—	866
	<u> </u>	<u> </u>

8. INCOME TAX EXPENSE

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Hong Kong Profits Tax		
— provision for the year	—	2,228
— underprovision in prior years	<u>148</u>	<u>—</u>
	<u>148</u>	<u>2,228</u>

Hong Kong Profits Tax for 2019 is calculated at the rate of 8.25% for the first HK\$2,000,000 estimated assessable profit and 16.5% on the remaining amount of the estimated profits for that year.

9. DIVIDENDS

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Dividends recognised as distribution		
— Final dividend of the Company for the year ended 31 March 2019 at HK1.2 cents per share (2018: HK1.2 cents)	<u>3,840</u>	<u>3,840</u>

During the year ended 31 March 2020, the final dividend in respect of the year ended 31 March 2019 of HK1.2 cents in an aggregate amount of HK\$3,840,000 was approved by the shareholders in the annual general meeting and paid by the Company.

No interim dividend for the year ended 31 March 2020 was declared by the Company (2019: Nil).

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2020 of HK0.75 cents (2019: HK1.2 cents) per ordinary share, in an aggregate amount of HK\$2,400,000 (2019: HK\$3,840,000), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

10. (LOSS) EARNINGS PER SHARE

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

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
(Loss) earnings for the purpose of basic (loss) earnings per share		
(Loss) profit for the year attributable to the owners of the Company	<u>(4,951)</u>	<u>10,686</u>
	2020 '000	2019 '000
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	<u>320,000</u>	<u>320,000</u>

No diluted (loss) earnings per share is presented for the years ended 31 March 2020 and 2019 as there were no potential ordinary shares in issue for both of these years.

11. TRADE AND OTHER RECEIVABLES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Trade receivables	12,227	6,554
Deposits and prepayments	1,045	1,104
Other receivables	<u>959</u>	<u>1</u>
Total trade and other receivables	<u>14,231</u>	<u>7,659</u>

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

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

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

The Group's trade receivables as at 31 March 2020 with aggregate carrying amount of HK\$12,227,000 (2019: HK\$6,554,000) were past due at the reporting date, for which the Group has not provided for impairment loss, as there has not been a significant change in credit quality of the debtors and the amounts are still considered recoverable based on expected credit loss provisioning methodology with reference to historical experience and forward-looking information. The Group does not hold any collateral over these balances.

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

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Overdue:		
0–30 days	6,907	5,001
31–60 days	3,179	497
61–90 days	1,993	15
Over 90 days	148	1,041
	<u>12,227</u>	<u>6,554</u>

No provision for doubtful trade receivables had been recognised as at 31 March 2020 (2019: Nil).

12. CONTRACT ASSETS

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Contract assets		
Fitting-out work	36,759	85,563
Renovation work	<u>33,594</u>	<u>34,962</u>
	<u>70,353</u>	<u>120,525</u>

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

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

Included in contract assets and contract liabilities at 31 March 2020 are retention money held by customers for contract work amounted to a total of HK\$25,490,000 (2019: HK\$26,586,000), of which HK\$7,344,000 (2019: HK\$21,873,000) was expected to be recovered or settled in more than twelve months from the end of the reporting period. The customers of the Group normally hold retention money of typically 5% to 10% of each interim payment, until 5% of a total contract amount is reached. 50% of the retention money is usually released after the issue of the certificate of practical completion and the remaining portion is usually released upon the issue of certificate of making good defects after the expiry of the defect liability period which is typically 12 months or for certain projects 24 months.

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

The directors of the Company considered that the expected credit loss for contract assets is insignificant as at 31 March 2020.

13. TRADE AND OTHER PAYABLES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Trade payables	6,465	31,024
Accruals	3,660	3,636
	<u>10,125</u>	<u>34,660</u>

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

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
1–30 days	1,574	11,421
31–60 days	1,028	2,545
61–90 days	359	1,214
Over 90 days	3,504	15,844
	<u>6,465</u>	<u>31,024</u>

14. CONTRACT LIABILITIES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Contract liabilities		
Fitting-out work	21,152	16,777
Renovation work	10,872	9,762
	<u>32,024</u>	<u>26,539</u>

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

15. SHARE CAPITAL

Details of the Company's shares are set out as follows:

	Number of shares	Amount <i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2018, 31 March 2019 and 31 March 2020	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid:		
At 1 April 2018, 31 March 2019 and 31 March 2020	<u>320,000,000</u>	<u>3,200</u>

16. EVENTS AFTER THE REPORTING DATE

Since early 2020, the epidemic of Coronavirus Disease 2019 (the “**COVID-19 outbreak**”) has spread across China and other countries and it has affected the business and economic activities of the Group to some extent. The overall financial effect of the above cannot be reliably estimated as of the date of this announcement. The Group will pay close attention to the development of the COVID-19 outbreak and continue to evaluate its impact on the market, the financial position and operating results of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

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

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

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

During the Year, the Group was awarded a total of 6 projects (2019: 6 projects) each with contract sum over HK\$10 million, which comprised 3 fitting-out projects and 3 renovation projects (2019: 3 fitting-out projects and 3 renovation projects) with a total contract sum of approximately HK\$174.4 million (2019: 253.5 million) and contributed a revenue of approximately HK\$68.9 million for the Year (2019: HK\$98.2 million).

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

Financial Review

Revenue

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

For the Year under review, the Group's revenue was approximately HK\$235.0 million, representing a decrease of approximately 27.6% as compared to the revenue of approximately HK\$324.6 million for the Previous Year. Such decrease was mainly attributable to a decrease in revenue from fitting-out works of approximately HK\$117.5 million, or approximately 56.4%, and partially offset by an increase in revenue from renovation works of approximately HK\$27.9 million, or approximately 23.9%, for the Year.

The decrease in revenue from fitting-out works was mainly due to a substantial portion of the fitting-out works for several large scaled projects located in Repulse Bay, Shek O, Tsuen Wan, Jardine's Lookout, Kowloon City and Pok Fu Lam were carried out in last financial year and as such the aggregate revenue contributed from these large scaled projects decreased from approximately HK\$177.1 million for the Previous Year to approximately HK\$26.5 million for the Year.

The increase in revenue from renovation works was mainly due to revenue contributed from four large-scaled renovation projects contributed an aggregate revenue of approximately HK\$120.0 million, one of which is located in The Peak and the other three projects are located in Deep Water Bay.

Cost of Services and Gross Profit

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

The overall gross profit decreased by approximately HK\$21.6 million or 70.8% from approximately HK\$30.5 million for the Previous Year to approximately HK\$8.9 million for the Year, which was primarily attributable to the gross loss of fitting-out works of approximately HK\$3.1 million recorded for the Year (2019: gross profit of fitting-out works of approximately HK\$26.6 million) and partially offset by the increase in gross profit of renovation works from approximately HK\$3.9 million for the Previous Year to approximately HK\$12.0 million for the Year.

The gross loss of fitting-out works was mainly attributable to the decrease in revenue for the Year as mentioned above and cost overrun of certain large-scaled fitting-out projects for the Year. The increase in gross profit of renovation works was mainly due to better gross profit margin for certain large scaled renovation projects undertaken during the Year.

Administrative Expenses

The Group's administrative expenses amounted to approximately HK\$16.7 million and HK\$17.7 million for the years ended 31 March 2020 and 2019 respectively, representing a decrease of approximately 5.2%. Such decrease was primarily due to the decrease in one-off written off of other receivable for the Year by HK\$0.9 million.

Income Tax Expense

Income tax expense of the Group for the Year was approximately HK\$0.1 million (2019: HK\$2.2 million). The income tax expense for the Year represents under-provision for income tax for the Previous Year. Such decrease was consistent with the decrease in assessable profits for the Year as compared to the Previous Year.

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

As a result of aforesaid, the Group records a loss and other comprehensive expense of approximately HK\$5.0 million for the Year, as compare to that of a profit and other comprehensive income of approximately HK\$10.7 million for the Previous Year.

Borrowing Facilities

As at 31 March 2020, the Group has obtained credit facilities from banks up to a maximum amount of approximately HK\$73.4 million (2019: HK\$66.9 million), which include, but are not limited to, revolving loan, overdraft and bank guarantee. There was no outstanding bank loan as at 31 March 2020 (2019: Nil). The bank borrowings were denominated in Hong Kong dollars and carried at variable rate of 1.6% to 2% over Hong Kong Inter-bank Offered Rate (“**HIBOR**”). As at 31 March 2020, the total value of guarantees under surety bonds issued in favour of the Group's customers amounted to approximately HK\$31.5 million (2019: HK\$37.7 million).

LIQUIDITY AND FINANCIAL RESOURCES

The Group practiced prudent financial management and maintained a strong and sound financial position during the year ended 31 March 2020. As at 31 March 2020, the Group had bank balances and cash of approximately HK\$31.5 million (2019: HK\$21.7 million). The increase in bank balances and cash was mainly due to the net cash generated from operating activities of approximately HK\$21.0 million and partially offset by (i) the increase in pledged deposits of approximately HK\$5.1 million; (ii) the repayment of lease liabilities of approximately HK\$2.2 million; and (iii) dividend payment of approximately HK\$3.8 million for the Year. As at 31 March 2020, the Group's bank balances and cash, except a small aggregate amount of approximately HK\$228,000 (2019: HK\$118,000) in foreign currencies including Renminbi and United States dollars, were held in Hong Kong dollars. The current ratio improved from approximately 2.6 time as at 31 March 2019 to 3.0 time as at 31 March 2020. The Group has no borrowing as at 31 March 2019 and 2020 and hence no applicable gearing ratio at the end of the Year. With available bank balances and cash and bank credit facilities, the Group has sufficient liquidity to satisfy its funding requirements.

CAPITAL STRUCTURE

As at 31 March 2019 and 2020, the Company's issued share capital was HK\$3,200,000 and the number of its issued ordinary shares was 320,000,000 of HK\$0.01 each.

FOREIGN EXCHANGE EXPOSURE AND TREASURY POLICY

The Group's core business operation is in Hong Kong and its assets are principally in Hong Kong. Hence, the Group is not exposed to significant foreign exchange risk as the majority of its business transactions are denominated in Hong Kong dollars (being the functional currency of the Group) and there were only insignificant balances of financial assets that were denominated in foreign currency as at 31 March 2020.

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

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

PLEDGE OF ASSETS

As at 31 March 2020, the Group had bank deposits amounted to approximately HK\$11.1 million (2019: HK\$6.0 million) which were pledged to secure banking facilities granted to the Group.

SURETY BOND AND CONTINGENT LIABILITY

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

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

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Issued by banks	<u>31,475</u>	<u>37,684</u>

CAPITAL COMMITMENTS

As at 31 March 2019 and 2020, the Group did not have any significant capital commitments.

FUTURE PLANS FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

The Group did not have any other plans for material investment and capital assets as at 31 March 2020.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended 31 March 2020.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2020, the Group employed a total of 67 employees (2019: 72 employees). The staff costs, including directors' emoluments, of the Group were approximately HK\$39.0 million for the year ended 31 March 2020 (2019: approximately HK\$37.9 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. In addition to a basic salary, year-end discretionary bonuses were offered to those staff with outstanding performance to attract and retain eligible employees to contribute to the Group. The Group operates a defined contribution mandatory provident fund retirement benefit scheme (the “**MPF Scheme**”) under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all of its employees in Hong Kong in accordance with the rules of the MPF Scheme.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

Since early 2020, the epidemic of Coronavirus Disease 2019 (the “**COVID-19 outbreak**”) has spread across China and other counties and it has affected the business and economic activities of the Group to some extent. The overall financial effect of the above cannot be reliably estimated as of the date of this announcement. The Group will pay close attention to the development of the COVID-19 outbreak and continue to evaluate its impact on the market, the financial position and operating results of the Group.

Up to the date of this announcement, there was no other significant event relevant to the business or financial performance of the Group that come to the attention of the Directors after the year ended 31 March 2020.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The Shares of the Company (the “**Share**”) were successfully listed (the “**Listing**”) on GEM of the Stock Exchange on 14 February 2018 (the “**Listing Date**”). An analysis comparing the business objectives as set out in the prospectus of the Company dated 31 January 2018 (the “**Prospectus**”) with the Group’s actual business progress for the period from the Listing Date (14 February 2018) to 31 March 2020 (the “**Period**”) is set out below:

Business objectives

Actual progress

Expand the Group’s business in the fitting-out and renovation industry

Payment of upfront costs for new projects

Upfront costs have been paid for certain projects obtained during the Period and have been fully utilised at the end of the Year.

Rental of additional office space

The Group has leased a suitable office space for expansion.

Purchase two new vehicles

The Group had purchased two new vehicles.

Purchase new computer hardware and software

The Group had purchased new computer equipment.

Further expand our in-house team and capacity to cope with future business opportunities

Recruit new staff

The Group had hired three project managers, two assistant project managers, one quantity surveyor, one site supervisor and one senior site coordinator.

Provide additional external training to staff

The Group has identified and provided suitable trainings to the staff.

Reduce gearing ratio by repaying bank borrowings

Repayment of loans

The Group has repaid the bank borrowings of HK\$6.4 million to reduce gearing ratio. Out of the total sum, approximately HK\$6.3 million was repaid by the listing proceeds and the remaining balance of approximately HK\$0.1 million was repaid by internal resources.

USE OF LISTING PROCEEDS

The net proceeds from the Listing, after deducting listing related expenses, were approximately HK\$36.4 million. After the Listing, these proceeds were used for the purposes in accordance with the “Future Plans and Use of Proceeds” as set out in the Prospectus. The planned amount of the net proceeds from the Listing has been fully utilised as at 31 March 2020.

An analysis of the planned amount utilised up to 31 March 2020 is set out below:

	Planned amount utilised up to 31 March 2020 HK\$'000	Actual utilised amount as at 31 March 2019 HK\$'000	Actual utilised amount during the year ended 31 March 2020 HK\$'000	Unutilised amount out of the planned amount as at 31 March 2020 HK\$'000
Expand the Group’s business in the fitting-out and renovation industry	19,910	14,928	4,982	—
Further expand our in-house team and capacity to cope with future business opportunities	6,661	2,999	3,662	—
Reduce gearing ratio by repaying bank borrowings	6,297	6,297	—	—
General working capital	3,531	3,531	—	—
Total	<u>36,399</u>	<u>27,755</u>	<u>8,644</u>	<u>—</u>

The Directors are of the view that there was no material change or delay in the use of the Group’s net proceeds during the Year.

CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES

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

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

CODE OF CONDUCT REGARDING DIRECTOR’S SECURITIES TRANSACTIONS

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

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

As at 31 March 2020, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

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

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

Notes:

- (1) The entire issued share capital of Advance Goal Group Limited (“**Advance Goal**”) is legally and beneficially owned as to 55%, 35% and 10% by Mr. Cheng Tsang Wai, Mr. Cheng Tsang Fu Dennis and Ms. Liu Lee Lee Lily, respectively. Mr. Cheng Tsang Wai, Mr. Cheng Tsang Fu Dennis and Ms. Liu Lee Lee Lily are parties acting in concert. Accordingly, Mr. Cheng Tsang Wai, Mr. Cheng Tsang Fu Dennis and Ms. Liu Lee Lee Lily are deemed to be collectively interested in 214,400,000 Shares held by Advance Goal by virtue of the SFO.
- (2) Each of Mr. Cheng Tsang Fu Dennis and Ms. Liu Lee Lee Lily is spouse to each other. Therefore, Mr. Cheng Tsang Fu Dennis is deemed to be interested in Shares held by Ms. Liu Lee Lee Lily, and vice versa, pursuant to the SFO.

Saved as disclosed above, as at 31 March 2020, none of the Directors and chief executives of the Company had any other interests or short positions in any shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 to Rule 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

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

So far as the Directors are aware, as at 31 March 2020, other than the Directors or chief executives of the Company whose interests or short positions are disclosed under the paragraph headed "Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or Its Associated Corporations" above, the following person has an interest or short position in the shares or underlying shares of the Company which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, and who were expected, directly or indirectly, to be interested in 5% or more of the issued shares of the Company are listed as follows:

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

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

Notes:

- (1) The entire issued share capital of Advance Goal is legally and beneficially owned as to 55%, 35% and 10% by Mr. Cheng Tsang Wai, Mr. Cheng Tsang Fu Dennis and Ms. Liu Lee Lee Lily, respectively. Mr. Cheng Tsang Wai, Mr. Cheng Tsang Fu Dennis and Ms. Liu Lee Lee Lily are parties acting in concert. Accordingly, Mr. Cheng Tsang Wai, Mr. Cheng Tsang Fu Dennis, Ms. Liu Lee Lee Lily are deemed to be collectively interested in 214,400,000 Shares held by Advance Goal by virtue of the SFO.
- (2) Ms. Chow Siu Shan Juliana is the spouse of Mr. Cheng Tsang Wai. Under the SFO, Ms. Chow Siu Shan Juliana is deemed to be interested in the 214,400,000 Shares owned by Mr. Cheng Tsang Wai through Advance Goal.
- (3) Active Achievor Limited is wholly-owned by Ms. Cheng Fat Ning Lenda. Accordingly, Ms. Cheng Fat Ning Lenda is deemed to be interested in all the Shares held by Active Achievor Limited.

Saved as disclosed above, as at 31 March 2020, the Directors were not aware of any other person (other than the Directors or chief executives as disclosed in the paragraph headed “Directors’ and Chief Executives’ Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or Its Associated Corporations” above) who had, or deemed to have, interests or short positions in the shares, underlying shares or debentures of the Company which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the issued shares of the Company.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

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

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

COMPETITION AND CONFLICT OF INTERESTS

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

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

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

INTEREST OF COMPLIANCE ADVISER

As notified by Halcyon Capital Limited, the compliance adviser of the Company, save for the compliance adviser agreement entered into between the Company and Halcyon Capital Limited dated 21 June 2017, neither Halcyon Capital Limited nor any of its close associates (as defined in the GEM Listing Rules) and none of the directors or employees of Halcyon Capital Limited had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities, if any) which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

AUDIT COMMITTEE

The Company established the audit committee on 19 January 2018 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and the CG Code as set out in Appendix 15 to the GEM Listing Rules. The terms of reference setting out the audit committee’s authority, duties and responsibilities are available on both the GEM website and the Company’s website. The audit committee has three members comprising the three independent non-executive Directors, namely Mr. Cheung Kwok Keung, Mr. Chak Chi Man and Mr. Chu Wai Wa Fangus. The chairman of the audit committee is Mr. Cheung Kwok Keung. The Group’s annual results for the year ended 31 March 2020 have been reviewed by the audit committee.

SCOPE OF WORK OF MESSRS. CCTH CPA LIMITED

The figures in respect 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 2020 as set out in the preliminary announcement have been agreed by the Group's auditor, CCTH CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by CCTH CPA 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CCTH CPA Limited on the preliminary announcement.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting (“AGM”) of the Company will be held on Monday, 3 August 2020, at 11:00 a.m., at Ching Room, 4/F, Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Kowloon, Hong Kong. A notice convening the AGM will be published and despatched to the shareholders of the Company in the manner required by the GEM Listing Rules in due course.

DIVIDENDS

The Board is pleased to share the Group's performance with the shareholders of the Company and recommends the payment of a final dividend for the year ended 31 March 2020 of HK0.75 cents per share amounting to HK\$2,400,000.

The payment of the proposed final dividend is subject to approval by shareholders at the AGM. The final dividend is payable to the shareholders whose names appear on the register of members of the Company at Wednesday, 12 August 2020 and expected to be paid on Wednesday, 2 September 2020.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 29 July 2020 to Monday, 3 August 2020 (both days inclusive), during which period no transfer of shares will be registered. In order to attend and vote at the AGM, all transfer of shares accompanied by the relevant share certificates and transfer forms must be lodged for registration with the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited (the “**Hong Kong Share Registrar**”), at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 28 July 2020.

The register of members of the Company will be closed from Monday, 10 August 2020 to Wednesday, 12 August 2020 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the final dividend, all transfer of shares accompanied by the relevant share certificates and transfer forms must be lodged for registration with the Hong Kong Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 7 August 2020.

PUBLICATION OF 2020 ANNUAL REPORT

The 2020 annual report of the Company containing all the information required by the GEM Listing Rules will be despatched to the shareholders of the Company and will also be published on the website of the Company at www.dcb.com.hk in due course.

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

Hong Kong, 22 June 2020

As at the date of this announcement, the executive Directors are Mr. Cheng Tsang Wai, Mr. Cheng Tsang Fu Dennis and Ms. Liu Lee Lee Lily; and the independent non-executive Directors are Mr. Cheung Kwok Keung, Mr. Chak Chi Man and Mr. Chu Wai Wa Fangus.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page on the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company's website at www.dcb.com.hk.