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LANDRICH HOLDING LIMITED
譽樂豐控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2132)

ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2024

FINAL RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Landrich Holding Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2024 together with the comparative figures for the last corresponding year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	3	1,366,939	956,498
Direct costs		(1,285,854)	(884,856)
Gross profit		81,085	71,642
Other income, other gains and losses	4	(11,383)	7,671
Administrative and other operating expenses		(34,691)	(39,162)
Finance costs	5	(1,296)	(1,779)
Profit before income tax	7	33,715	38,372
Income tax expense	6	(7,566)	(5,581)
Profit and total comprehensive income for the year attributable to the owners of the Company		26,149	32,791
Earnings per share			
– Basic (HK cents)	8	1.67	2.10
– Diluted (HK cents)	8	1.67	2.09

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Non-current assets			
Property, plant and equipment		11,055	18,644
Deposits for acquisition of property, plant and equipment		431	295
Right-of-use assets		7,071	7,769
Financial assets at fair value through profit or loss		593	524
Deferred tax assets		177	72
		<u>19,327</u>	<u>27,304</u>
Current assets			
Trade receivables	10	95,270	66,286
Other receivables, deposits and prepayments		51,579	48,844
Contract assets	11	336,169	288,076
Financial assets at fair value through profit or loss		13,669	27,821
Tax recoverable		222	1,737
Pledged bank deposits		–	3,413
Bank balances and cash		131,386	160,133
		<u>628,295</u>	<u>596,310</u>
Total assets		<u>647,622</u>	<u>623,614</u>
Current liabilities			
Trade and other payables	12	229,348	172,580
Contract liabilities	11	73,984	123,951
Borrowings		19,618	28,013
Lease liabilities		2,907	3,866
Current tax liabilities		4,599	3,799
		<u>330,456</u>	<u>332,209</u>
Net current assets		<u>297,839</u>	<u>264,101</u>
Total assets less current liabilities		<u>317,166</u>	<u>291,405</u>

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Non-current liabilities			
Lease liabilities		1,169	846
Deferred tax liabilities		966	1,898
		<u>2,135</u>	<u>2,744</u>
Net assets		<u>315,031</u>	<u>288,661</u>
Capital and reserves			
Equity attributable to owners of the Company			
Share capital	<i>13</i>	16,000	16,000
Reserves		299,031	272,661
		<u>315,031</u>	<u>288,661</u>
Total equity		<u>315,031</u>	<u>288,661</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands as an exempted company and registered in the Cayman Islands with limited liability on 31 July 2018. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 20 October 2020 (the “**Listing**”). Its immediate and ultimate holding company is New Brilliance Enterprises Limited, a private limited company incorporated in the British Virgin Islands and wholly-owned by Mr. Tsui Kai Kwong (“**Mr. KK Tsui**”), the controlling shareholder, an executive Director and the chairman of the Company.

The address of the registered office of the Company is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and the address of the principal place of business in Hong Kong is Unit 6, 18th Floor, Fortune Commercial Building, 362 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in provision of construction engineering works.

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

Basis of preparation of consolidated financial statements

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

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

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 Group’s annual period beginning on 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
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

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.

Amendments to HKFRSs in issue but not yet effective

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ²
Amendments to HKAS 21	Lack of Exchangeability ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after 1 January 2025.

The Directors 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

(i) Disaggregation of revenue from contracts with customers

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Type of service		
Provision of construction engineering works	<u>1,366,939</u>	<u>956,498</u>
Type of sector		
Public sector	1,366,939	952,505
Private sector	<u>–</u>	<u>3,993</u>
	<u>1,366,939</u>	<u>956,498</u>

(ii) Segment information

Information is reported to the executive Directors, who are also the chief operating decision maker (“CODM”) of the Group, for the purposes of resource allocation and performance assessment. The CODM reviews the overall results and financial performance of the Group as a whole. No analysis of the Group’s results, assets or liabilities and no discrete financial information is regularly provided to the CODM. Accordingly, only entity-wide disclosures on revenue, major customers and geographical information are presented in accordance with HKFRS 8 *Operating Segments*.

The accounting policies for segment information are the same as Group’s accounting policies.

(iii) **Geographical information**

The Group principally operates in Hong Kong, which is also its place of domicile. All of the Group's revenue is derived from external customers located in Hong Kong and the Group's non-current assets are all located in Hong Kong.

(iv) **Information about major customers**

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A	533,993	343,636
Customer B	227,386	159,726
Customer C	N/A ¹	106,712
Customer D	211,071	N/A ¹
Customer E	149,920	N/A ¹

¹ The corresponding revenue did not contribute over 10% of the Group's total revenue.

4. OTHER INCOME, OTHER GAINS AND LOSSES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Fair value loss on financial assets at fair value through profit or loss	(14,083)	(1,994)
Gain on disposals of property, plant and equipment, net	608	781
Interest income	1,536	497
Government subsidies (<i>Note</i>)	–	7,232
Others	556	1,155

Note: Government subsidies mainly comprises of Employment Support Scheme (the “ESS”) under Anti-epidemic Fund of the Hong Kong SAR Government. There are no unfulfilled conditions or contingencies relating to these subsidies.

5. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest expenses on		
– Bank overdrafts	878	810
– Bank loans	134	684
– Lease liabilities	284	285

6. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Income tax expense comprises:		
Hong Kong Profits Tax:		
– Current year	8,603	6,452
– Over-provision in prior years	–	(20)
	<u>8,603</u>	<u>6,432</u>
Deferred tax	<u>(1,037)</u>	<u>(851)</u>
	<u><u>7,566</u></u>	<u><u>5,581</u></u>

Under the two-tiered profit tax rates regime of Hong Kong Profit Tax, the First HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered tax regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the Qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

7. PROFIT BEFORE INCOME TAX

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit before income tax has been arrived at after charging:		
Auditors' remuneration	930	680
Depreciation of property, plant and equipment	11,012	11,708
Depreciation of right-of-use assets	3,777	3,550
Expenses related to short-term leases	48,884	36,860
Impairment loss allowance on trade receivables and contract assets, net of reversal	831	3,567
Cost of construction materials	374,839	239,784
Subcontracting charges	575,644	398,154
Employee benefits expense:		
– Salaries, allowances and other benefits in kind	210,082	175,298
– Equity-settled share-based payments expense	221	1,643
– Contributions to retirement benefit scheme	4,118	3,591
	<u>214,421</u>	<u>180,532</u>
Total employee benefits expense, including Directors' emoluments	<u><u>214,421</u></u>	<u><u>180,532</u></u>

8. EARNINGS PER SHARE

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Earnings		
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	<u>26,149</u>	<u>32,791</u>
	2024 '000	2023 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,566,769	1,564,556
Effect of dilutive potential ordinary shares:		
Share awards	<u>2,172</u>	<u>1,905</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>1,568,941</u>	<u>1,566,461</u>

The weighted average number of ordinary shares for the purpose of basic earnings per share was derived after deducting the shares held by the trustee for the share award scheme of the Company.

The weighted average number of ordinary shares for the purpose of diluted earnings per share for the years ended 31 March 2024 and 2023 were derived after deducting the shares held by the trustee for the share award scheme of the Company and the weighted average number of ordinary shares deemed to be issued assuming the dilutive impact on the shares under share award scheme of the Company.

9. DIVIDENDS

No dividend was paid, declared or proposed by the Directors for the years ended 31 March 2024 and 2023, nor has any dividend been proposed since the end of the reporting period.

10. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	96,283	66,381
Less: Loss allowance	<u>(1,013)</u>	<u>(95)</u>
	<u>95,270</u>	<u>66,286</u>

The Group does not have a standardised and universal credit period granted to its customers, and the credit period of individual customer is considered on a case-by-case basis and stipulated in the project contract, as appropriate. The following is an aged analysis of the Group's trade receivables, net of loss allowance, presented based on the payment certificate date at the end of the reporting period:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 – 30 days	67,450	46,629
31 – 60 days	20,849	11,851
61 – 90 days	296	5,453
Over 90 days	<u>6,675</u>	<u>2,353</u>
	<u>95,270</u>	<u>66,286</u>

11. CONTRACT ASSETS AND CONTRACT LIABILITIES

The following is the analysis of the contract assets and contract liabilities:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Contract assets	344,022	296,016
Less: Loss allowance	<u>(7,853)</u>	<u>(7,940)</u>
	<u>336,169</u>	<u>288,076</u>
Contract liabilities	<u>73,984</u>	<u>123,951</u>

Changes of contract assets were mainly due to the change in: (1) the amount of retention receivables (generally at certain percentage of total contract sum) in accordance with the number of ongoing and completed contracts under the defect liability period; and (2) the size and number of contract works that the relevant services were completed but yet certified by architects, surveyors or other representatives appointed by the customers at the end of the reporting period.

12. TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	75,829	84,543
Retention payables	56,176	40,011
Accruals and other payables	97,343	48,026
	<u>229,348</u>	<u>172,580</u>

The credit period granted to the Group by its suppliers and subcontractors in general ranges from 30 to 60 days. The aged analysis of the Group's trade payables below is presented based on the invoice date at the end of each reporting period:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 – 30 days	25,211	44,126
31 – 60 days	37,555	35,687
61 – 90 days	3,229	948
Over 90 days	9,834	3,782
	<u>75,829</u>	<u>84,543</u>

13. SHARE CAPITAL

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

	Number of ordinary shares	Share capital <i>HK\$</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2022, 31 March 2023 and 31 March 2024	<u>10,000,000,000</u>	<u>100,000,000</u>
Issued and fully paid:		
At 1 April 2022, 31 March 2023 and 31 March 2024	<u>1,600,000,000</u>	<u>16,000,000</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group has more than 29 years of solid track record in the construction industry in Hong Kong. The Group is able to undertake civil engineering works as either a main contractor or a subcontractor. The Group principally provides civil engineering works which can be broadly categorised as (i) roads and drainage works; and (ii) site formation works. The Group also performs building works.

As at 31 March 2024, the Group had 27 construction projects on hand with a total outstanding contract value of approximately HK\$1,343.0 million. As at 31 March 2023, the Group had 31 construction projects on hand with a total outstanding contract value of approximately HK\$1,657.0 million. With the projects on hand, it is expected that the performance of the construction works will remain steady for the coming years.

OUTLOOK

Along with the relaxation of COVID-19 control measures and economic recovery measures, the construction industry in Hong Kong has shown sign of recovery. The operation of the Group gradually resumed to normal and the overall demand for its construction engineering works increased for the year ended 31 March 2024, as compared to the previous year. Nevertheless, under the atmosphere of continuous increase of construction cost, profit margin is reducing and the operating environments is becoming more difficult. While the situation is dynamically evolving, the Group will continue to (i) proactively monitor the development of the projects' progress, and communicate with the suppliers and subcontractors; (ii) maintain close communication with the customers and the other representatives of the project owners on the latest project works schedules and arrangements; (iii) proactively follow up with the potential customers on the tenders and quotations submitted, and actively respond to any business enquiries, tenders and quotation invitations to maintain the market competitiveness; and (iv) implement effective cost control measures.

PROSPECTS

Looking forward, the Directors consider that the future opportunities and challenges encountered by the Group will continue to depend on the demand of construction engineering works, the expansion of the infrastructure in Hong Kong and changes in material costs and labour costs. In the meantime, the Hong Kong Special Administrative Region (“SAR”) Government has launched a number of development plans and increase its infrastructure investment including the Northern Metropolis development to actively promote economic growth. The Directors therefore expect that these development will provide tremendous market opportunities for the construction industry in Hong Kong over the next few years and benefit our Group. In addition, the Directors are of the view that since the projects of the Group are mainly in cooperation with leading construction contractors and the Government departments in Hong Kong, the settlement of progress payments are generally considered as highly stable and efficient.

With the Group’s experienced management team and reputation in the construction industry, the Directors are of the view that the current priority should be to strengthen its position in the market and maintain existing business relationships with its customers, as well as to focus on completing the existing civil engineering projects and actively tendering in Government projects, hence, to achieve sustainable business growth to bring long-term benefits to our shareholders.

FINANCIAL REVIEW

Revenue

The Group’s revenue increased by approximately HK\$410.4 million, or 42.9%, from approximately HK\$956.5 million for the year ended 31 March 2023 to approximately HK\$1,366.9 million for the year ended 31 March 2024. The increase in the Group’s revenue was primarily driven by the substantial amount of works undertaken in several scalable projects during the year ended 31 March 2024.

Direct costs

Direct costs increased by approximately HK\$401.0 million, or 45.3%, from approximately HK\$884.9 million for the year ended 31 March 2023 to approximately HK\$1,285.9 million for the year ended 31 March 2024. Such increase was mainly driven by the corresponding increase in revenue for the year ended 31 March 2024.

Gross profit and gross profit margin

Gross profit increased by approximately HK\$9.5 million, or 13.3%, from approximately HK\$71.6 million for the year ended 31 March 2023 to approximately HK\$81.1 million for the year ended 31 March 2024. The gross profit margin decreased by approximately 1.6 percentage points to approximately 5.9% for the year ended 31 March 2024 as compared to approximately 7.5% for the corresponding period in 2023. The decrease of the gross profit margin was mainly due to the increasing works from several construction projects, which were expected to have lower gross profit margins, for the year ended 31 March 2024.

Other income, other gains and losses

Other income, other gains and losses decreased by approximately HK\$19.1 million from a gain of approximately HK\$7.7 million for the year ended 31 March 2023 to a loss of approximately HK\$11.4 million for the year ended 31 March 2024, mainly due to (i) the one-off subsidies of approximately HK\$7.2 million received from the ESS granted by the Hong Kong SAR Government in response to the outbreak of the COVID-19 during the year ended 31 March 2023 which was absent for the year ended 31 March 2024; and (ii) the fair value loss on financial assets at fair value through profit or loss of approximately HK\$14.1 million for the year ended 31 March 2024.

Administrative and other operating expenses

Administrative and other operating expenses decreased by approximately HK\$4.5 million, or 11.5% from approximately HK\$39.2 million for the year ended 31 March 2023 to approximately HK\$34.7 million for the year ended 31 March 2024. Such decrease was primarily due to the decrease in impairment loss allowance on trade receivables and contract assets, net of reversal.

Income tax expense

Income tax expense increased from approximately HK\$5.6 million for the year ended 31 March 2023 to approximately HK\$7.6 million for the year ended 31 March 2024.

Profit and total comprehensive income for the year

As a result of the foregoing, the profit for the year decreased by approximately HK\$6.7 million, or 20.4%, from approximately HK\$32.8 million for the year ended 31 March 2023 to approximately HK\$26.1 million for the year ended 31 March 2024. The net profit margin for the years ended 31 March 2024 and 2023 were approximately 1.9% and 3.4%, respectively.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The shares of the Company were successfully listed on the Main Board of the Stock Exchange on 20 October 2020 (the “**Listing Date**”). There has been no change in the capital structure of the Group since then. The capital of the Group only comprises of ordinary shares and the capital structure of the Company comprised mainly issued share capital and reserves.

The Group’s operation and investments were financed principally by cash generated from its business operations.

As at 31 March 2024, the Group had net current assets of approximately HK\$297.8 million (31 March 2023: approximately HK\$264.1 million) and bank balances and cash of approximately HK\$131.4 million (31 March 2023: approximately HK\$160.1 million), which were denominated in Hong Kong dollars.

As at 31 March 2024, the Group's total equity attributable to owners of the Company amounted to approximately HK\$315.0 million (31 March 2023: approximately HK\$288.7 million). The Group's total debt comprising interest-bearing bank loans and bank overdrafts amounted to approximately HK\$19.6 million (31 March 2023: approximately HK\$28.0 million), which were denominated in Hong Kong dollars. The Directors have confirmed that the Group will have sufficient financial resources to meet its obligations as they fall due in the foreseeable future.

CAPITAL EXPENDITURE

During the year ended 31 March 2024, the Group invested approximately HK\$1.6 million (31 March 2023: approximately HK\$4.0 million) on the acquisition of property, plant and equipment and additions of approximately HK\$5.2 million (31 March 2023: approximately HK\$3.0 million) motor vehicles under right-of-use assets. Capital expenditure was principally funded by internal resources and proceeds received from the Listing.

CONTINGENT LIABILITIES

As at 31 March 2024, the Group did not have any significant contingent liabilities (31 March 2023: Nil).

CHARGES ON GROUP ASSETS

As at 31 March 2024, the Group did not have any bank deposits (31 March 2023: approximately HK\$3.4 million) pledged to the banks to secure certain bank facilities of the Group.

As at 31 March 2024, lease liabilities of approximately HK\$4.0 million (2023: approximately HK\$3.8 million) are secured by the Group's motor vehicles with carrying amount of approximately HK\$4.7 million (2023: approximately HK\$5.8 million).

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

During the year ended 31 March 2024, certain joint operations which the Group had interests in, subscribed unlisted investment fund outside Hong Kong. As at 31 March 2024, the fair value of the unlisted investment fund amounted to approximately HK\$13.7 million (31 March 2023: approximately HK\$27.8 million).

Save as disclosed above, during the year ended 31 March 2024, the Group did not have any significant investments, material acquisitions or disposals of subsidiaries, associates or joint ventures. Save as disclosed herein, the Group did not have other plans for material investments or acquisition of capital assets as at 31 March 2024.

CAPITAL COMMITMENTS

The Group had approximately HK\$3.3 million of capital commitments contracted but not provided for in respect of acquisition of property, plant and equipment as at 31 March 2024 (31 March 2023: approximately HK\$2.8 million).

TREASURY POLICIES

The Directors will continue to follow a prudent policy in managing the Group's cash and maintaining a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

FOREIGN CURRENCY RISK

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As most of the Group's monetary assets and liabilities are denominated in Hong Kong dollars, the Directors are of the view that the Group does not have significant exposure to foreign exchange risk. The Group currently does not have a foreign currency hedging policy.

GEARING RATIO

As at 31 March 2024, the gearing ratio of the Group, which is calculated as the total debt (total interest-bearing bank loans and bank overdrafts) divided by total equity, was approximately 6.2% (31 March 2023: approximately 9.7%).

EVENT AFTER THE REPORTING PERIOD

On 3 May 2024, Time Concept Construction Limited, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Fame Most Limited, a company incorporated in Hong Kong with limited liability and is indirectly wholly-owned by Mr. KK Tsui, to acquire the property located at Unit No.07 on the 19th floor, One Midtown, No. 11 Hoi Shing Road, Tsuen Wan, at a consideration of approximately HK\$6.1 million.

Save as disclosed above, the Board is not aware of any other significant events requiring disclosure that have taken place subsequent to 31 March 2024 and up to the date of this announcement.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend in respect of the year ended 31 March 2024 (31 March 2023: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2024, the Group had 412 employees (31 March 2023: 356 employees). Total staff costs for the year ended 31 March 2024 amounted to approximately HK\$214.4 million (31 March 2023: approximately HK\$180.5 million). Employees are remunerated based on their qualifications, position and performance. The remuneration offered to employees generally includes salaries, allowances and discretionary bonus. Various types of training were provided to the employees.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The following is a comparison of the Group's business strategies as set out in the prospectus of the Company dated 30 September 2020 (the "Prospectus") with actual business progress up to 31 March 2024.

Business strategies as stated in the Prospectus	Business objectives up to 31 March 2024	Actual business progress up to 31 March 2024
Finance the Group's existing main contractor projects	– Finance the working capital requirement for the Group's three existing projects	The funding costs for the Group's three civil engineering projects at Kwu Tung North; Tsui Ping River; and Kwun Tong and the funding had been fully utilised.
Acquire machinery and equipment	– Acquire two truck mounted concrete pumps, two mobile cranes, two excavators and two crane lorries	The Group has acquired certain machineries and equipment and the funding costs had been fully utilised.
Strengthen the Group's manpower	– Recruit one senior project manager, two site agents, two site engineers, one safety and environmental officer, two safety supervisors, one project director, two administration managers, two purchase and plant controllers, one accounting manager and one estimator	The Group has recruited certain project management team members accordingly. The funding costs for the Group's manpower had been fully utilised.
Upgrade the Group's enterprise information system	– Upgrade existing accounting and administration management system	The Group has acquired certain new hardware and software for system upgrades.
	– Upgrade management information system	The Group has acquired certain software for the system upgrades and the funding costs has been fully utilised.
	– Apply cloud storage function	The Group has applied the cloud storage function.
Enhance the Group's innovation and productivity	– Adopt building information modelling technology	The funding cost for building information modelling technology had been fully utilised.

USE OF PROCEEDS FROM LISTING

The Shares were listed on the Main Board of the Stock Exchange on the Listing Date. The net proceeds from the Listing amounted to approximately HK\$57.8 million after deduction of related underwriting commission and expenses in connection with the share offer incurred by the Company for the Listing (the “**Net Proceeds**”).

The below table sets out the proposed and actual applications of the Net Proceeds from the Listing Date to 31 March 2024:

	Planned use of Net Proceeds as stated in the Prospectus <i>HK\$' million</i>	Actual use of Net Proceeds from the Listing Date to 31 March 2024 <i>HK\$' million</i>	Unutilised Net Proceeds brought forward as at 1 April 2023 <i>HK\$' million</i>	Unutilised Net Proceeds utilised during the year ended 31 March 2024 <i>HK\$' million</i>	Unutilised balance of Net Proceeds as at 31 March 2024 <i>HK\$' million</i>	Expected timeline for utilising the unutilised Net Proceeds
Finance the Group's existing main contractor projects	23.2	23.2	–	–	–	N/A
Acquire machinery and equipment	17.9	17.9	–	–	–	N/A
Strengthen the Group's manpower	11.4	11.4	–	–	–	N/A
Upgrade the Group's enterprise information system	2.4	2.4	1.5	1.5	–	N/A
Enhance the Group's innovation and productivity	0.9	0.9	–	–	–	N/A
General working capital	2.0	2.0	–	–	–	N/A
Total	<u>57.8</u>	<u>57.8</u>	<u>1.5</u>	<u>1.5</u>	<u>–</u>	

For upgrading the Group's enterprise information system, the Group acquired certain software for the system upgrades for the year ended 31 March 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as the code of conduct regarding securities transactions by Directors. Having made specific enquiry, all Directors have fully complied with the required standards set out in the Model Code for the year ended 31 March 2024 and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICE

The Company is committed to achieving and maintaining high standards of corporate governance, as the Board believes that good and effective corporate governance practices are the key to obtaining and maintaining the trust of the shareholders of the Company and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to create long-term value for the shareholders of the Company. The Company has adopted the principles and code provisions set out in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules. The Company has fully complied with the CG Code for the year ended 31 March 2024 and up to the date of this announcement.

Ms. Ng Hoi Ying, the company secretary of the Company, is an external service provider. Pursuant to Code C.6.1 of the CG Code, an issuer can engage an external service provider to provide company secretarial services, provided that the issuer should disclose the identity of a person with sufficient seniority at the issuer whom the external provider can contact. In this respect, the Company has nominated Mr. KK Tsui as its contact point for Ms. Ng Hoi Ying.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established on 21 September 2020. The chairman of the Audit Committee is Mr. Lee Kin Kee, the independent non-executive Director, and other members include Mr. Lee Yan Kit and Mr. Kwong Ping Man, the independent non-executive Directors. The written terms of reference of the Audit Committee is posted on the Stock Exchange’s website and on the Company’s website.

The primary duties of the Audit Committee are mainly to review the financial information and oversee the financial reporting system, risk management and internal control systems and relationship with the external auditors and review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Company has complied with Rule 3.21 of the Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.

During the year ended 31 March 2024, the Audit Committee held two meetings to review and comment on the Company’s 2023 interim result and 2023 annual results as well as the Company’s internal control systems and risk management systems.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the consolidated financial statements for the year ended 31 March 2024. The final results announcement of the Group for the year ended 31 March 2024 has been reviewed by the Audit Committee.

SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED

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 preliminary announcement have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's draft 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 the preliminary announcement.

By order of the Board
Landrich Holding Limited
Tsui Kai Kwong
Chairman and Executive Director

Hong Kong, 21 June 2024

As at the date of this announcement, the Board comprises Mr. Tsui Kai Kwong, Mr. Tsui Tsz Yeung Ian and Ms. Tsui Wai Yeung Janis as executive Directors; and Mr. Lee Yan Kit, Mr. Lee Kin Kee and Mr. Kwong Ping Man as independent non-executive Directors.