WINDMILL GROUP LIMITED
(海鑫集團有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1850)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 APRIL 2019

FINANCIAL HIGHLIGHTS

For the year ended 30 April 2019, operating results of WINDMILL Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") were as follows:

- Revenue reached to approximately HK$248.3 million (2018: approximately HK$223.4 million), representing an increase of 11.1% from last year;
- Profit for the year was approximately HK$19.1 million (2018: HK$24.1 million). Excluding the non-recurring of a transfer of listing expenses of approximately HK$6.3 million for the year ended 30 April 2019, the Group should have record profit for the year, which increased by approximately HK$1.3 million to HK$25.4 million for the year ended 30 April 2019. It was mainly due to the effect of increase in gross profit during the year;
- Basic and diluted earnings per share for the year based on weighted average number of ordinary shares of approximately 800,000,000 shares (2018: approximately 800,000,000 shares) in issue was 2.38 HK cents (2018: 3.01 HK cents); and
- The Directors do not recommend the payment of a final dividend for the year ended 30 April 2019 (2018: Nil).

ANNUAL RESULTS FOR THE YEAR ENDED 30 APRIL 2019

The board (the "Board") of directors (the "Directors") of the Company is pleased to announce the audited condensed consolidated results of the Group for the year ended 30 April 2019 together with the comparative figures for the preceding financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 April 2019

	Notes	**2019** *HK$'000*	2018 *HK$'000*
Revenue	4	**248,289**	223,407
Cost of sales		**(208,435)**	(185,040)
Gross profit		**39,854**	38,367
Other income		**73**	122
Administrative expenses		**(9,990)**	(9,223)
Transfer of listing expenses		**(6,253)**	—
Finance costs		**(274)**	(7)
Profit before taxation		**23,410**	29,259
Income tax expense	6	**(4,339)**	(5,174)
Profit and total comprehensive income for the year attributable to owners of the Company		**19,071**	24,085
Earnings per share			
Basic and diluted (HK cents)	8	**2.38**	3.01

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 April 2019

	Notes	2019 HK$'000	2018 HK$'000
Non-current assets			
Plant and equipment		**660**	900
Deposit		**332**	200
		992	1,100
Current assets			
Trade receivables/trade and retention receivables	10	**33,349**	63,996
Amounts due from customers for contract work		**—**	64,476
Contract assets		**124,613**	—
Deposits, prepayments and other receivables		**1,986**	2,658
Pledged bank deposits		**13,012**	—
Bank balances and cash		**25,778**	32,481
		198,738	163,611
Current liabilities			
Trade and retention payables	11	**44,687**	41,460
Amounts due to customers for contract work		**—**	3,652
Accruals and other payables		**1,954**	1,588
Tax payable		**6,141**	6,089
Bank borrowings		**16,291**	—
Obligation under a finance lease		**—**	101
		69,073	52,890

	Note	**2019**	2018
		HK$'000	*HK$'000*
Net current assets		**129,665**	110,721
Total assets less current liabilities		**130,657**	111,821
Non-current liabilities			
Long service payment obligations		**69**	283
Deferred tax liability		**29**	50
		98	333
Net assets		**130,559**	111,488
Capital and reserves			
Share capital	12	**8,000**	8,000
Reserves		**122,559**	103,488
Total equity		**130,559**	111,488

NOTES TO THE AUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the year ended 30 April 2019

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 25 August 2016. Its ultimate holding company and immediate holding company is Golden Page Investments Limited ("Golden Page"), which is incorporated in the British Virgin Islands (the "BVI"). The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 18 April 2017 and have been transferred from GEM to Main Board of Stock Exchange on 14 February 2019.

The addresses of the registered office and the principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and Unit 1603, 16/F., Tower 1, Enterprise Square, 9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong respectively.

The Company is an investment holding company while the principal subsidiary, Windmill Engineering Company Limited ("Windmill Engineering"), is mainly engaged in design, supply and installation of fire safety systems for buildings under construction or re-development, maintenance and repair of fire safety systems for built premises and trading of fire service accessories.

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

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

In the current year, the Group has applied the following new and amendments to HKFRSs, which include HKFRSs, Hong Kong Accounting Standards ("HKASs") and HK(IFRIC) Interpretations ("HK(IFRIC)-Ints"), issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

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

The impact of the adoption of HKFRS 9 Financial Instruments and HKFRS 15 Revenue from Contracts with Customers have been summarised below. Except as described below, the application of other new and amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

The impact of transition to HKFRS 15 was insignificant on the retained profits at 1 May 2018.

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

	Notes	**Carrying amount previously reported at 30 April 2018** *HK$'000*	**Impact on adoption of HKFRS 15 - Reclassification** *HK$'000*	**Carrying amount as restated at 1 May 2018*** *HK$'000*
Trade and retention receivables/trade receivables	a	63,996	(15,413)	48,583
Amounts due from customers for contract work	a	64,476	(64,476)	—
Contract assets	a	—	79,889	79,889
Amounts due to customers for contract work	b	(3,652)	3,652	—
Trade and retention payables	b	(41,460)	(3,652)	(45,112)

* The amount in this column is before the adjustment from the adoption of HKFRS 9.

Notes:

(a) For revenue from design, supply and installation services, the Group concluded that it will continue to be recognised over time, using an output method to measure progress towards complete satisfaction of the service similar to the previous accounting policy. For revenue from maintenance and repair services, the Group concluded that it will continue to be recognised over time, using an input method to measure progress towards complete satisfaction of the service similar to the previous accounting policy. As the receipt of total consideration and retention receivable is conditional on successful completion of services, the amount of revenue and costs from services previously recognised in amounts due from customers for contract work were reclassified to contract assets as at 1 May 2018 upon initial application of HKFRS 15.

(b) The Group concluded that the costs incurred for satisfying performance obligations of contracts which the amount previously recognised in amounts due to customers for contract work were reclassified to trade and retention payables as at 1 May 2018 upon initial application of HKFRS 15.

DISCLOSURE OF THE ESTIMATED IMPACT ON THE AMOUNTS REPORTED IN RESPECT OF THE YEAR ENDED 30 APRIL 2019 AS A RESULT OF THE ADOPTION OF HKFRS 15 ON 1 MAY 2018

The following table summarises the estimated impact of applying HKFRS 15 on the consolidated statement of financial position at 30 April 2019, by comparing the amounts reported under HKAS 11, HKAS 18 and related interpretations that were in effect before the change. Line items that were not affected by the adjustments have not been included. The adoption of HKFRS 15 did not have material impact on the Group's consolidated statement of profit or loss and other comprehensive income, and operating, investing and financing cash flows.

Impact on the consolidated statement of financial position at 30 April 2019

	As reported	**Impact on adoption of HKFRS 15**	**Amounts excluding impacts of adopting HKFRS 15**
	HK$'000	*HK$'000*	*HK$'000*
Trade receivables/trade and retention receivables	33,349	19,115	52,464
Amounts due from customers for contract work	—	105,498	105,498
Contract assets	124,613	(124,613)	—
Amounts due to customers for contract work	—	(25,833)	(25,833)
Trade and retention payables	(44,687)	25,833	(18,854)

Note:

If HKAS 11 has continued to apply to the year ended 30 April 2019 instead of HKFRS 15, except for a reclassification from "contract assets" and "trade and retention payables" to "trade and retention receivables" and "amounts due from / (to) customers for contract work", there would be no material impact to the consolidated financial statements as at and for the year ended 30 April 2019.

HKFRS 9 Financial Instruments

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

(i) Classification and measurement of financial instruments

The Directors reviewed and assessed the Group's existing financial assets as at 1 May 2018 based on the facts and circumstances that existed at that date and concluded that all recognised financial assets and financial liabilities that were within the scope of HKFRS 9 will be continued to measure at amortised cost as were previously measured under HKAS 39.

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

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

It is concluded that, as at 1 May 2018, no additional credit loss allowance has been recognised against retained profits as the estimated allowance under the ECL model were not significantly different from the impairment losses previously recognised under HKAS 39.

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

The table below summarises the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group's financial assets and financial liabilities and reconciles the carrying amounts of financial assets under HKAS 39 to the carrying amounts under HKFRS 9 on 1 May 2018. Line items that were not affected by the adjustments have not been included.

	Carrying amount at 30 April 2018 (HKAS 39)	Adoption of HKFRS 9 - Remeasurement	Carrying amount at 1 May 2018 (HKFRS 9)*
	HK$'000	*HK$'000*	*HK$'000*
Financial assets			
Loans and receivables			
• Trade and retention receivables	63,996	(63,996)	—
• Deposits and other receivables	2,420	(2,420)	—
• Bank balances and cash	32,481	(32,481)	—
At amortised cost			
• Trade and retention receivables	—	63,996	63,996
• Deposits and other receivables	—	2,420	2,420
• Bank balances and cash	—	32,481	32,481

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

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

New and revised HKFRSs issued but not yet effective

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

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

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

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

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

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

5 Effective date not yet been determined.

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

HKFRS 16 Leases

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

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

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

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

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

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

As at 30 April 2019, the Group has non-cancellable operating lease commitments of approximately HK$1,600,000. The Group plans to apply the new requirements to contracts that were previously identified as leases applying HKAS 17 and measure the lease liability at the present value of the remaining lease payments at the date of initial application on 1 May 2019. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the consolidated statement of financial position immediately before the date of initial application on 1 May 2019. During the year ended 30 April 2019, the directors of the Company expect the lease commitment will be required in the consolidated statement of financial position as right-of-use assets and lease liabilities at 1 May 2019 and do not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in a significant impact on the Group's results.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include all applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on historical basis. 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 in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimate using another valuation technique.

4. REVENUE

Revenue represents the amounts received and receivable arising on services provided and sales of goods in the normal course of business, net of discounts. An analysis of the Group's revenue for the year is as follows:

	2019	2018*
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15 for the year ended 30 April 2019		
Revenue from design, supply and installation services	**199,449**	190,108
Revenue from maintenance and repair services	**48,694**	32,900
Trading of fire service accessories	**146**	399
	248,289	223,407

* The amounts for the year ended 30 April 2018 were recognized under HKAS 18 and HKAS 11.

Disaggregation of revenue by timing of recognition:

	2019
	HK$'000
Timing of revenue recognition	
At a point in time	**146**
Over time	**248,143**
	248,289

Transaction price allocated to the remaining performance obligations

As at 30 April 2019, the aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially satisfied) is approximately HK$269,919,000. The amount represents revenue expected to be recognised in the future from construction contracts. The Group will recongise this revenue as the service is completed, which is expected to occur over the next 12-24 months.

5. SEGMENT INFORMATION

The Group's operating activities are attributable to a single operating segment focusing on the design, supply and installation of fire safety systems for buildings under construction or re-development and maintenance and repair of fire safety systems for built premises. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies which conform to HKFRSs, that is regularly reviewed by the executive directors of the Company, being chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance. The CODM monitors the revenue from the engagement in design, supply and installation of fire safety systems for buildings under construction or re-development and maintenance and repair of fire safety systems for built premises with no discrete information available to the CODM. The CODM reviews the profit for the year of the Group as a whole for performance assessment.

Geographical information

The Group's revenue from external customers based on the location of the operation is derived solely in Hong Kong (place of domicile). Non-current assets of the Group based on the location of assets are all located in Hong Kong. Accordingly, no segment analysis by geographical information is presented.

Information about major customers

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

	2019	2018
	HK$'000	*HK$'000*
Customer A	**47,737**	41,606
Customer B	**43,843**	24,996
Customer C	**28,871**	N/A*
Customer D	**23,992**	N/A*
Customer E	**N/A***	51,100
Customer F	**N/A***	25,530

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

6. INCOME TAX EXPENSE

	2019	2018
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**4,360**	5,152
Deferred tax	**(21)**	22
	4,339	5,174

Hong Kong Profits Tax is calculated under the two-tiered profits tax rates regime where the first HK$2 million of profits of qualifying corporation will be taxed at 8.25% and profits above HK$2 million will be taxed at 16.5% for the years ended 30 April 2019 and 2018. Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

Pursuant to the rules and regulation of the BVI and the Cayman Islands, the Group is not subject to any income tax in these jurisdictions.

7. PROFIT FOR THE YEAR

	2019	2018
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging (crediting):		
Staff costs		
Directors' emoluments	**2,561**	2,387
Other staff:		
— Salaries, allowances and other benefits	**17,409**	15,817
— Contributions to the Mandatory Provident Fund Scheme	**735**	639
— Reversal of provision for long service payments	**(214)**	(27)
Total staff costs	**20,491**	18,816
Auditor's remuneration	**525**	500
Amount of inventories recognized as expenses	**22,205**	26,165
Depreciation of plant and equipment	**275**	268
Loss on written off on plant and equipment	**14**	81
Minimum lease payments paid under operating leases in respect of rented office premise and warehouse	**1,666**	1,625

8. EARNINGS PER SHARE

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

	2019	2018
	HK$'000	*HK$'000*
Earnings		
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	**19,071**	24,085

	2019	2018
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**800,000**	800,000

The diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the year ended 30 April 2019 (2018: nil).

9. DIVIDEND

No dividend has been paid or proposed by the Company during the years ended 30 April 2018 and 2019, nor has any dividend been proposed since the end of the reporting period.

10. TRADE RECEIVABLES / TRADE AND RETENTION RECEIVABLES

	30 April 2019	**1 May 2018**	**30 April 2018**
	HK$'000	***HK$'000***	**HK$'000**
Trade receivables	**33,349**	48,583	48,583
Retention receivables (note)	**—**	—	15,413
	33,349	48,583	63,996

Note: Except for the amount of approximately HK$9,368,000 as at 30 April 2018, which was expected to be recovered or settled after one year, all of the remaining balances are expected to be recovered or settled within one year. Retention receivables are included in current assets as the Group expects to realise these within its normal operating cycle.

This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the Group's work satisfactorily passing inspection since 1 May 2018 upon initial application of HKFRS 15.

The Group generally allows a credit period of 30-60 days (2018: 30-60 days) to its customers. The following is an ageing analysis of trade receivables, presented based on the date of progress certificates or completion certificates and invoice date which approximates the respective revenue recognition dates, at the end of the reporting period:

	2019	2018
	HK$'000	*HK$'000*
0 to 30 days	**20,793**	42,177
31 to 60 days	**1,185**	3,432
61 to 90 days	**1,059**	1,460
91 to 180 days	**3**	1,514
181 to 365 days	**10,309**	—
	33,349	48,583

As at 30 April 2018, included in the Group's trade receivables were debtors with aggregate carrying amount of approximately HK$6,406,000 which were past due as at the end of the reporting period for which the Group has not provided for impairment loss because these balances were either subsequently settled or there has not been a significant change in credit quality and the amounts are still considered recoverable.

The following is an ageing analysis of trade receivables which are past due but not impaired:

	2018
	HK$'000
Past due:	
0 to 30 days	3,432
31-60 days	1,460
61-90 days	1,514
	6,406
Neither past due nor impaired	42,177
	48,583

11. TRADE AND RETENTION PAYABLES

	30 April 2019	1 May 2018	30 April 2018
	HK$'000	*HK$'000*	*HK$'000*
Trade payables	37,954	38,943	35,291
Retention payables (note)	6,733	6,169	6,169
	44,687	45,112	41,460

Note: Except for the amount of approximately HK$3,864,000 (2018: HK$4,887,000) as at 30 April 2019, which was expected to be paid or settled after one year, all of the remaining balances are expected to be paid or settled within one year. Retention payables are included in current liabilities as the Group expects to pay or settle within its normal operating cycle.

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

	2019	2018
	HK$'000	*HK$'000*
0 to 30 days	35,470	34,012
31 to 60 days	1,267	34
61 to 90 days	267	264
91 to 180 days	539	730
Over 180 days	411	251
	37,954	35,291

Trade payables represented payables to suppliers and subcontractors. The credit terms granted by suppliers and subcontractors were stipulated in the relevant contracts and the payables were usually due for the settlement within 30 - 60 days (2018: 30 - 60 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit time-frame.

12. SHARE CAPITAL

	Number of ordinary shares	Share capital
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 May 2017, 30 April 2018, 1 May 2018 and 30 April 2019	2,000,000,000	20,000
Issued and fully paid:		
At 1 May 2017, 30 April 2018, 1 May 2018 and 30 April 2019	800,000,000	8,000

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

We are a registered fire service installation contractor, qualified to undertake works in respect of the installation, maintenance, repair or inspection of fire safety systems in Hong Kong. Fire safety systems mainly consist of fire alarm systems, water and gas expression systems, fire hydrant and hose reel systems, emergency lighting systems and portable fire equipment.

Our services mainly include (i) design, supply and installation of fire safety systems for building under construction or re-development (referred to as "installation services"); (ii) maintenance and repair of fire safety systems for built premises (referred to as "maintenance services"); and (iii) trading of fire service accessories including branded fire services equipment under a distributorship agreement with an internationally branded fire service equipment supplier (referred to as "others").

It is expected that the total revenue of Hong Kong fire safety industry will grow continually in the coming years.

In light of growing business opportunities, WINDMILL Group Limited (the "Company", together with its subsidiaries the "Group") intends to further expand and increase its capacity in providing our services. To achieve this, the Group will continue to identify suitable business opportunities with potential customers and the Group has also committed to undertake new installation and maintenance projects.

In addition, the Group will also seek potential opportunities to expand and develop our business further to other overseas markets by seeking strategic and financial partners which can potentially assist the Group in various aspects to achieve this goal.

As the Group has successfully been listed in the Main Board of the Stock Exchange earlier this year, our brand name awareness has been further enhanced. The Group may leverage this to explore other new attractive business opportunities outside Hong Kong which may be value-enhancing to the Group and its shareholders. Furthermore, the Group will also continue to look at opportunities to strengthen our investor and shareholder base to support our Group's business and expansion plans.

FINANCIAL REVIEW

Revenue

The Group's revenue for the year ended 30 April 2019 recorded amounted to approximately HK$248.3 million which represented an increase of approximately HK$24.9 million or 11.1% from approximately HK$223.4 million for the year ended 30 April 2018. The increase in total revenue was mainly due to the combined effects of an increase from (i) maintenance services amounted to approximately HK$15.8 million; and (ii) installation services amounted to approximately HK$9.3 million.

Revenue

Analysis of revenue is as follows:

	Year ended 30 April			
	2019		**2018**	
	HK$'000	***% of total revenue***	*HK$'000*	*% of total revenue*
Installation services	**199,449**	**80.33**	190,108	85.1
Maintenance services	**48,694**	**19.61**	32,900	14.7
	248,143	**99.94**	223,008	99.8
Others	**146**	**0.06**	399	0.2
Total	**248,289**	**100.00**	223,407	100.0

Installation services

Revenue increased by approximately 4.9% from approximately HK$190.1 million for the year ended 30 April 2018 to approximately HK$199.4 million for the year ended 30 April 2019. The increase by approximately HK$9.3 million was mainly due to the commencement of the number of sizable projects during the year ended 30 April 2019 as compared to the corresponding year.

Maintenance services

Revenue increased by approximately 48.0% from approximately HK$32.9 million for the year ended 30 April 2018 to approximately HK$48.7 million for the year ended 30 April 2019. The increase by approximately HK$15.8 million was mainly due to the increase in revenue from repair and maintenance to fire safety system of the premises of various government departments during the year ended 30 April 2019 as compared to the corresponding year.

Others

For the year ended 30 April 2019, revenue recorded amounted to approximately HK$0.1 million (2018: HK$0.4 million).

Cost of sales

Our cost of sales increased by approximately 12.6% from approximately HK$185.0 million for the year ended 30 April 2018 to approximately HK$208.4 million for the year ended 30 April 2019. The increase was mainly attributed to the increase in subcontracting costs, direct labour and materials cost which were in line with more projects undertaken by the Group during the year ended 30 April 2019.

Gross profit and gross profit margin

Our gross profit increased by approximately HK$1.5 million or 3.9% from approximately HK$38.4 million for the year ended 30 April 2018 to approximately HK$39.9 million for the year ended 30 April 2019. The increase was in line with the increase in revenue. Our gross profit margin remains at 17%. The Group has continuously controlling subcontracting costs from some projects undertaken by our Group so that the Group maintains at a profitable position during the year ended 30 April 2019.

Other income

The Group recorded other income of approximately HK$0.07 million for the year ended 30 April 2019 (2018: approximately HK$0.1 million).

Administrative expenses

Our administrative expenses increased by approximately HK$0.8 million or 8.3% from approximately HK$9.2 million for the year ended 30 April 2018 to approximately HK$10.0 million for the year ended 30 April 2019.

Finance costs

Our finance costs increased by approximately 3814% from approximately HK$7,000 for the year ended 30 April 2018 to approximately HK$274,000 for the year ended 30 April 2019. The increase was primarily attributed to the drawdown of bank borrowings for normal operation during the year.

Income tax expense

Our income tax expense decreased by approximately 17.3% from approximately HK$5.2 million for the year ended 30 April 2018 to approximately HK$4.3 million for the year ended 30 April 2019. The decrease was primarily attributed to the decrease in taxable profits as well as the favourable impact from the two-tiered profits tax rates regime during the year ended 30 April 2019.

Profit and total comprehensive income for the year attributable to owners of the Company

Profit and total comprehensive income for the year attributable to owners of the Company was approximately HK$19.1 million for the year ended 30 April 2019. Excluding the non-recurring of a transfer of listing expenses for the year ended 30 April 2019, the Group should have recorded profit and total comprehensive income attributable to owners of the Company, which increased by approximately HK$1.3 million or 5.4% from approximately HK$24.1 million for the year ended 30 April 2018 to approximately HK$25.4 million for the year ended 30 April 2019.

LIQUIDITY AND FINANCIAL RESOURCES AND TREASURY POLICY

	As at 30 April	
	2019	2018
Current ratio	**2.9**	3.1
Gearing ratio*	**12.5%**	0.1%

* Calculated based on total debts at the end of the year divided by total equity at the end of the year. Total debts are defined to include obligation under a finance lease and bank borrowing.

The current ratio of the Group as at 30 April 2019 was 2.9 times as compared to that of 3.1 times as at 30 April 2018. The decrease in current ratio was mainly due to decrease in trade and retention receivables. The gearing ratio of the Group as at 30 April 2019 was 12.5% as compared to that of 0.1% as at 30 April 2018. Such increase was primarily due to increase in bank borrowings during the year ended 30 April 2019.

The Group's finance department closely monitors the Group's cash flow position to ensure the Group has sufficient working capital available to meet the operational needs. The finance department takes into account the trade receivables, trade payables, cash on hand, bank borrowings, administrative and capital expenditures to prepare the cash flow forecast to forecast the Group's future financial liquidity.

The Group generally finance its operations through a combination of owner's equity, internally generated cash flows net proceeds from the share offer of the Company's shares in listing, other reserve and bank borrowings from the international banks, other reserve and bank borrowing.

CAPITAL COMMITMENTS

The Group had no capital commitments as at 30 April 2019 (2018: nil).

PLEDGE OF ASSETS

As at 30 April 2019, the Group pledged its bank deposit to a bank of HK$13.0 million as collateral to secure bank facilities granted to the Group. Save for the above disclosed, the Group did not have any charges on its assets.

CONTINGENT LIABILITIES

As at 30 April 2019, performance bonds of approximately HK$3.7 million (2018: approximately HK$3.7 million), were given by the bank in favour of some of our customers as security for the due performance and observance of our obligations under the contracts entered into between us and our customers. If our Group fails to provide satisfactory performance to our customers to whom performance bonds have been given, such customers may demand the bank to pay to them the sum or sums stipulated in such demand. Our Group will then become liable to compensate such bank accordingly. The performance bonds will be released upon completion of the contract work. The performance bonds were granted under the banking facilities. As at 30 April 2019, in the opinion of the Directors, it was not probable that a claim would be made against our Group under the guarantees, and hence no provision for such guarantees was made in respect of the aforesaid performance bonds.

EVENT AFTER THE REPORTING PERIOD

On 17 July 2019, the Company and All Blue Capital (“AB Capital”) entered into a memorandum of understanding in relation to a strategic cooperation between the parties (the “MOU”). Pursuant to the MOU, AB Capital will assist the Company in expanding its existing business operations domestically and globally, in particular to explore opportunities leveraging on the global extensive real estate portfolio and network of AB Capital. The Company and AB Capital will also explore new synergistic and other attractive proprietary business and investment opportunities which aim to enhance shareholders’ value for the Company.

ACHIEVEMENT OF BUSINESS OBJECTIVES AS COMPARED WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the Prospectus with the Group's actual business progress for the year ended 30 April 2019 is set out below:

Business objectives	Actual business progress up to 30 April 2019
Expand and increase our capacity in providing our services	The Group is identifying suitable business opportunities with potential customers and the Group has also committed to undertake new installation and maintenance projects
Expand our manpower for project execution and strengthen the expertise and skills of our staff	Recruited one assistant project manager Recruited one senior project engineer Recruited one project engineer Recruited one maintenance engineer Recruited one senior procurement officer Recruited two assistant engineers Recruited one assistant maintenance manager Recruited two maintenance technicians
Purchase enterprise resource planning system ("ERP system")	The Group has upgraded servers and internet security and in the progress of evaluating proposals from IT service providers to implement an ERP system
Increase our Group's marketing resources to enhance brand awareness of our Group	The Group is evaluating proposals from marketing professionals to design and print corporate brochures

TRANSFER OF LISTING TO THE MAIN BOARD

Reference is made to an announcement of the Company dated 31 January 2019 ("Transfer Listing Announcement") in relation to the transfer of listing of the Company from GEM to the Main Board of the Stock Exchange. On 14 February 2019, the Company was listed on the Main Board of the Stock Exchange, which marked a new milestone in the Company's development.

USE OF PROCEEDS

In view of the growth in the fire safety service industry and the strong prospects for both public and private development projects, the Group intended to expand its business capacity and scale to capture more sizeable and profitable projects. On 17 April 2018, after careful consideration and detailed evaluation of the operation of the Company, the Board resolved to change in the original use of proceeds and reallocate HK$9.3 million of the unused net proceeds from the share offer to finance net cash outflows required in early stage of execution of projects. The details of the original allocation of the net proceeds, the revised allocation of the net proceeds, the utilisation of the net proceeds and the remaining balance (after revised allocation) as at 30 April 2019 are set out as follows:

Item No.	Purposes	Original Allocation at GEM Listing *(HK$ million)*	Amount re-allocated on 17 April 2018 *(HK$ million)*	Actual amount utilized as at 30 April 2018 *(HK$ million)*	Actual amount utilized subsequent to 30 April 2018 and up to 30 April 2019 *(HK$ million)*	Remaining unutilized balance as at 30 April 2019 *(HK$ million)*	Expected timeline for unutilised net proceeds
(i)	Performance bonds	11.0	(9.3)	(1.7)	—	—	—
(ii)	To finance net cash outflows required in early stage of execution of projects	6.1	9.3	(12.3)	(3.1)	—	—
(iii)	Salary payment to new staff	6.5	—	(3.8)	(2.7)	—	—
(iv)	Purchase of ERP system	1.9	—	(0.3)	(1.6)	—	—
(v)	Increase our Group's marketing resources	0.4	—	(0.1)	(0.3)	—	—
(vi)	Develop central pre-fabrication piping workshop	5.9	—	(0.3)	(5.6)	—	—
	Total	31.8	—	(18.5)	(13.3)	—	

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VETURES

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 30 April 2019.

CAPITAL STRUCTURE

The Group's shares were successfully listed on GEM on the Listing Date and have been transferred from GEM to the Main Board of the Stock Exchange on 14 February 2019. There has been no change in the capital structure of the Group since that Listing Date. The capital of the Group only comprises of obligation under a finance lease and bank borrowing, net of bank balances and cash, issued share capital and reserves.

SIGNIFICANT INVESTMENTS

As at 30 April 2019, there was no significant investment held by the Group (2018: nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Directors currently do not have any future plans for material investments or capital assets. The management will continue to monitor the industry and review its business expansion plans regularly, so as to take necessary measures in the Group's best interests.

FOREIGN CURRENCY EXPOSURE

During the year ended 30 April 2019, the Group's monetary assets and transactions were mainly denominated in HK$. The Group's exposure to exchange rate fluctuation was not significant and therefore the Group currently does not have a foreign currency hedging policy.

EMPLOYEES AND EMOLUMENT POLICY

The Group recognises the importance of good relationship with employees. The Directors believe that the working environment and benefits offered to employees have contributed to build good staff relations and retention. The Group continues to provide training for new staff and existing staff to enhance their technical knowledge. The Directors believe such initiatives have contributed to increasing productivity and efficiency.

The Group's remuneration policies are formulated based on the performance of individual employees and are reviewed regularly. Subject to the Group's profitability and the staff performance, the Group may also provide a discretionary bonus to employees as an incentive for their contributions to the Group. The primary goal of the remuneration policy with regard to the remuneration packages of the Group's executive Directors is to enable the Group to retain and motivate executive Directors by linking their compensation with performance as measured against corporate objectives achieved.

A remuneration committee is set up for reviewing the Group's emolument policy and structure of all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices.

The Company adopted the share option scheme (the "Share Option Scheme") to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

As at 30 April 2019, the Group employed 49 employees, the total staff costs amounted to approximately HK$20.5 million (2018: HK$18.8 million). The Company maintains the Share Option Scheme for the purpose of providing incentives and rewards to the participants for their contributions to the Group. As at the date of this announcement, no option has been granted under the Share Option Scheme.

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 listed securities during the year ended 30 April 2019.

CORPORATE GOVERNANCE PRACTICES

The Board is of the view that the Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules during the year ended 30 April 2019 except the code provision A.2.1.

Deviation from code provision of the CG Code

The code provision A.2.1 of the CG Code states that the roles of the chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Li Shing Kuen Alexander ("Mr. Li") is the chairman of the Board and the chief executive officer of the Company. Given that Mr. Li has been leading the operations and management of the Group since 1985 when the Group was founded by him and taking into consideration our current scale of operations and management structure, the Board believes that it is more appropriate to have Mr. Li performing both functions of the chief executive officer and leader of the Board for more efficient management and strategic planning of the Group. Therefore, the Board considers that the deviation from the code provision A.2.1 of the CG Code is appropriate in the circumstances and currently does not propose to separate the functions of chairman and chief executive officer of the Company.

Further information on the Company's corporate governance practices will be set out in the Corporate Governance Report contained in the Company's annual report for the year ended 30 April 2019, which will be dispatched to the shareholders of the Company in due course.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE LISTED ISSUERS (THE "MODEL CODE")

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct governing dealings by all Directors in the securities of the Company on terms no less exacting than the required standard of dealings as set out in the Model Code. Specific enquiries have been made with all Directors, all Directors declared that they have complied with the required standard of dealings as set out in the Model Code throughout the year ended 30 April 2019.

DIVIDENDS

The Directors do not recommend the payment of a final dividend for the year ended 30 April 2019 (2018: Nil).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 30 April 2019, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were 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 provision of the SFO) or which were required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules as follows:

(i) The Company

Name of Director	Capacity/ Nature of Interest	Long/Short position	Number of shares held	Approximate percentage of shareholding in the Company
Mr. Li Shing Kuen Alexander ("Mr. Li") *(Note)*	Interests in controlled corporation	Long position	420,060,000	52.51%

(ii) Associated corporation of the Company

Name of Director	Name of associated corporation	Capacity/ Nature of interest	Long/Short position	Number of shares held	Approximate percentage of shareholding in the associated corporation
Mr. Li	Golden Page Investments Limited *(Note)*	Beneficial owner	Long position	3	100%

Note: The entire issued share capital of Golden Page Investments Limited ("Golden Page") is wholly and beneficially owned by Mr. Li who is deemed to be interested in 420,060,000 shares held by Golden Page under the SFO.

Save as disclosed above, as at 30 April 2019, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHT TO ACQUIRE SHARES

At no time during the year ended 30 April 2019 was the Company, or its holding company, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the Directors and chief executive of the Company (including their spouses and children under 18 years of age) to hold any interest or short positions in the shares, or underlying shares, or debentures, of the Company or its associated corporations (with the meaning of Part XV of the SFO).

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 April 2019, the following persons (other than Directors or chief executive of the Company) were interested in 5% or more of the shares and underlying shares of the Company which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

Name of Shareholder	Capacity/ Nature of interest	Long/Short position	Number of shares held	Approximate percentage of shareholding in the Company
Golden Page *(Note 1)*	Beneficial Owner	Long position	420,060,000	52.51%
Smart Million (BVI) Limited ("Smart Million")	Beneficial Owner	Long position	119,965,998	15.00%
Marvel Paramount Investments Limited ("Marvel Paramount") *(Note 2)*	Interests in controlled corporation	Long position	119,965,998	15.00%
Mr. Ma Ting Wai Barry ("Mr Ma")	Interests in controlled corporation *(Note 3)*	Long position	119,965,998	15.00%
Ms. Leung Wing Ci Winnie ("Ms. Leung")	Interests of spouse *(Note 4)*	Long position	119,965,998	15.00%
Strategic Apex Limited ("Strategic Apex") *(Note 5)*	Interest in controlled corporation	Long position	59,974,002	7.50%

Name of Shareholder	Capacity/ Nature of interest	Long/Short position	Number of shares held	Approximate percentage of shareholding in the Company
Opus Capital Management Limited	Interest in controlled corporation	Long position	59,974,002	7.50%
Opus Financial Holdings Limited ("Opus Financial Holdings") *(Note 6)*	Interest in controlled corporation	Long position	59,974,002	7.50%
Opus Strategic International Limited ("Opus Strategic") (Note 7)	Interest in controlled corporation	Long position	59,974,002	7.50%
Opus Financial Group Limited ("Opus Financial Group") *(Note 8)*	Interest in controlled corporation	Long position	59,974,002	7.50%
Opus International Advisors Limited ("Opus International") *(Note 9)*	Interest in controlled corporation	Long position	59,974,002	7.50%
Opus SSF Management Limited ("Opus SSF") *(Note 10)*	Interest in controlled corporation	Long position	59,974,002	7.50%
Opus Special Situation Fund 1 LP ("Opus Special") *(Note 11)*	Interest in controlled corporation	Long position	59,974,002	7.50%
Super Million Two (BVI) Limited ("Super Million Two") *(Note 12)*	Beneficial owner	Long position	59,974,002	7.50%
Mr. Lai Shu Fun Francis Alvin (Mr. Lai)	Interest in controlled corporation	Long position	59,974,002	7.50%
Ms. Jang Kelly (Ms. Jang)	Interest of spouse *(Note 13)*	Long position	59,974,002	7.50%

Notes:

1. The entire issued share capital of Golden Page is wholly and beneficially owned by Mr. Li who is deemed to be interested in the shares held by Golden Page under the SFO.

2. Smart Million is 100% beneficially owned by Marvel Paramount who is deemed to be interested in the shares held by Smart Million under the SFO.

3. Marvel Paramount is wholly and beneficially owned by Mr. Ma. By virtue of the SFO, Mr. Ma is deemed to be interested in all the shares in which Marvel Paramount is interested or deemed to be interested under the SFO.

4. Ms. Leung is the spouse of Mr. Ma. By virtue of the SFO, Ms. Leung is deemed to be interested in all the shares in which Mr. Ma is interested or deemed to be interested under the SFO.

5. Strategic Apex is 52% beneficially owned by Mr. Lai who is deemed to be interested in the shares held by Super Million Two under the SFO.

6. Opus Financial Holdings is 60.20% beneficially owned by Strategic Apex who is deemed to be interested in the shares held by Super Million Two under the SFO.

7. Opus Strategic is 100% beneficially owned by Opus Financial Holdings who is deemed to be interested in the shares held by Super Million Two under the SFO.

8. Opus Financial Group is 100% beneficially owned by Opus Strategic who is deemed to be interested in the shares held by Super Million Two under the SFO.

9. Opus International is 100% beneficially owned by Opus Financial Group who is deemed to be interested in the shares held by Super Million Two under the SFO.

10. Opus SSF is 100% beneficially owned by Opus International who is deemed to be interested in the shares held by Super Million Two under the SFO.

11. Opus Special is 100% beneficially owned by Opus SSF who is deemed to be interested in the shares held by Super Million Two under the SFO.

12. Super Million Two is 100% beneficially owned by Opus Special who is deemed to be interested in the shares held by Super Million Two under the SFO.

13. Ms. Jang is the spouse of Mr. Lai. By virtue of the SFO, Ms. Jang is deemed to be interested in all parties in which Mr. Lai is interested or deemed to be interested under the SFO.

Save as disclosed above, as at 30 April 2019, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

COMPETING INTERESTS

None of the Directors or the controlling shareholders of the Company and their respective close associates had any interest in a business which competes or may compete with the business of the Group.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transaction, arrangement or contract of significance to which the Company, any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a Director and a connected entity of a Director had a material interest, subsisted at the end of the year or at any time during the year ended 30 April 2019.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme on 27 March 2017. The Share Option Scheme will remain effective following the Transfer of Listing. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Main Board Listing Rules. Further details of the Share Option Scheme are set in the paragraph headed "Share Option Scheme" under the section headed "Statutory and General Information" of the Prospectus.

For the year ended 30 April 2019, no share option was granted, exercised, cancelled or lapsed and there is no outstanding share option under the Share Option Scheme.

INTERESTS OF THE COMPLIANCE ADVISOR

As confirmed by the Group's compliance advisor, Dakin Capital Limited (the "Compliance Advisor"), save as the compliance advisor agreement entered into between the Company and the Compliance Advisor, none of the Compliance Advisor or its directors, employees or associates had any interest in the Group or in the share capital of any member of the Group which is required to be notified to the Company pursuant to Chapter 3A of the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 23 October 2019 to Tuesday, 29 October 2019, both days inclusive, during the period no transfer of shares will be registered. The holders of shares whose names appear on the register of members of the Company on Tuesday, 29 October 2019 will be entitled to attend and vote at the annual general meeting of the Company (the "AGM"). In order to determine the entitlement to attend and vote at the forthcoming AGM, all transfer of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 22 October 2019.

AUDIT COMMITTEE

The Company has established its audit committee (the "Audit Committee") on 27 March 2017 with terms of reference in compliance with the Listing Rules and CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Audit Committee are to, without limitation, to assist the Board in providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing audit process and performing other duties and responsibilities as assigned by the Board. The Audit Committee has three members comprising the Company's three independent non-executive Directors, namely Mr. Pun Kin Wa, Mr. Tsang Man Biu and Mr. Lee Kwok Tung Louis. The chairman of the Audit Committee is Mr. Pun Kin Wa. The Audit Committee has reviewed the consolidated results of the Group for the year ended 30 April 2019.

SCOPE OF WORK OF SHINEWING (HK) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 April 2019 as set out in this annual results announcement have been agreed by the Company's auditor, SHINEWING (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by SHINEWING (HK) 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 SHINEWING (HK) CPA Limited on this annual results announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the respective websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.windmill.hk). The annual report of the Company for the year ended 30 April 2019 containing all the information required by the Listing Rules will be published on the websites of the Company and the Stock Exchange and despatched to the shareholders of the Company in due course.

By order of the Board
WINDMILL Group Limited
Li Shing Kuen Alexander
Chairman and chief executive officer

Hong Kong, 29 July 2019

As at the date of this announcement, the executive Directors are Mr. Li Shing Kuen Alexander and Mr. Poon Kwok Kay; the non-executive Director is Mr. Cheung Wai Hung; and the independent non-executive Directors are Mr. Pun Kin Wa, Mr. Tsang Man Biu and Mr. Lee Kwok Tung Louis.