Able Engineering Holdings Limited
安保工程控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1627)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

The board (the "**Board**") of directors (the "**Directors**") of Able Engineering Holdings Limited (the "**Company**") presents the unaudited condensed consolidated interim financial information of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 September 2017 ("**this period**") together with comparative figures for the corresponding period in the previous year. The condensed consolidated interim financial information has not been audited, but has been reviewed by the Company's audit committee.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Six months ended 30 September 2017

		Unaudited Six months ended 30 September	
		2017	2016
	Notes	***HK$'000***	*HK$'000*
REVENUE	*6*	**1,661,046**	1,027,532
Contract costs		**(1,532,452)**	(917,730)
Gross profit		**128,594**	109,802
Other income and gains	*6*	**2,567**	1,268
Administrative expenses		**(27,656)**	(63,009)
Finance costs		**(221)**	(19)
Share of profits and losses of a joint venture		**–**	1,689
PROFIT BEFORE TAX	*7*	**103,284**	49,731
Income tax expense	*8*	**(17,231)**	(7,470)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**86,053**	42,261

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

Six months ended 30 September 2017

		Unaudited Six months ended 30 September	
		2017	2016
	Note	***HK$'000***	*HK$'000*
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**86,053**	42,261
Profit and total comprehensive income attributable to owners of the parent		**86,053**	42,261
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (HK cents)	*10*		
Basic and diluted		**4.30**	2.82

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2017

	Notes	**Unaudited 30 September 2017 HK$'000**	Audited 31 March 2017 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	*11*	**5,018**	5,801
Investment in a joint venture		**8,394**	8,394
Deferred tax assets		**51**	53
Total non-current assets		**13,463**	14,248
CURRENT ASSETS			
Gross amount due from customers for contract works		**26,797**	315,864
Accounts receivable	*12*	**523,614**	475,705
Prepayments, deposits and other receivables		**18,651**	15,442
Tax recoverable		**4,009**	20,843
Cash and cash equivalents		**1,121,567**	732,196
Total current assets		**1,694,638**	1,560,050
CURRENT LIABILITIES			
Accounts payable	*13*	**447,158**	483,691
Accruals of costs for contract works		**132,441**	255
Tax payable		**8,082**	7,568
Other payables and accruals		**24,729**	22,259
Due to a joint venture		**7,313**	7,313
Interest-bearing bank loans	*14*	**–**	50,769
Total current liabilities		**619,723**	571,855
NET CURRENT ASSETS		**1,074,915**	988,195
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,088,378**	1,002,443
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**153**	271
Total non-current liabilities		**153**	271
Net assets		**1,088,225**	1,002,172
EQUITY			
Equity attributable to owners of the parent			
Issued capital	*15*	**20,000**	20,000
Reserves		**1,068,225**	982,172
Total equity		**1,088,225**	1,002,172

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 September 2017

	Attributable to owners of the parent					
	Issued capital *HK$'000*	**Share premium** *HK$'000*	**Capital reserve** *HK$'000*	**Merger reserve** *HK$'000*	**Retained profits** *HK$'000*	**Total equity** *HK$'000*
At 1 April 2017	**20,000**	**574,485***	**(36,742)***	**–***	**444,429***	**1,002,172**
Profit and total comprehensive income for the period	**–**	**–**	**–**	**–**	**86,053**	**86,053**
At 30 September 2017	**20,000**	**574,485***	**(36,742)***	**–***	**530,482***	**1,088,225**
At 1 April 2016	–	–	–	19,209	942,942	962,151
Profit and total comprehensive income for the period	–	–	–	–	42,261	42,261
Dividend paid *(note 9)*	–	–	–	–	(400,000)	(400,000)
At 30 September 2016	–	–	–	19,209	585,203	604,412

* These reserve accounts comprise the consolidated reserves of HK$1,068,225,000 (31 March 2017: HK$982,172,000) in the consolidated statement of financial position as at 30 September 2017.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 September 2017

		Unaudited Six months ended 30 September	
		2017	2016
	Notes	***HK$'000***	*HK$'000*
Net cash flows from/(used in) operating activities		**440,847**	(174,526)
Cash flows from investing activities			
Additions of items of property, plant and equipment	*11*	**(707)**	(1,245)
Net cash flows used in investing activities		**(707)**	(1,245)
Cash flows from financing activities			
New bank loans		**–**	1,009
Repayment of bank loans		**(50,769)**	(2,549)
Repayment of loans to the Remaining Vantage Group		**–**	(22,509)
Dividend paid	*9*	**–**	(400,000)
Net cash flows used in financing activities		**(50,769)**	(424,049)
Net increase/(decrease) in cash and cash equivalents		**389,371**	(599,820)
Cash and cash equivalents at beginning of period		**732,196**	1,084,818
Cash and cash equivalents at end of period		**1,121,567**	484,998
Analysis of cash and cash equivalents:			
Cash and bank balances		**598,349**	484,998
Non-pledged time deposits with original maturity of less than three months when acquired		**523,218**	–
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows		**1,121,567**	484,998

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

Six months ended 30 September 2017

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands and whose shares are publicly traded on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The registered office of the Company is located at Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands. The principal place of business of the Company is located at No. 155 Waterloo Road, Kowloon Tong, Kowloon, Hong Kong.

The Company is an investment holding company. The Group's principal subsidiaries were engaged in building construction and maintenance businesses.

Pursuant to the reorganisation of the Company in connection with the listing of the shares of the Company on the Stock Exchange (the "**Reorganisation**"), the Company became the holding company of the companies now comprising the Group on 12 January 2017. The shares of the Company were listed on the Main Board of the Stock Exchange on 20 February 2017 (the "**Listing**"). Details of the Reorganisation are set out in the section headed "History, Reorganisation and Corporate Structure" in the prospectus of the Company dated 26 January 2017 (the "**Prospectus**").

In the opinion of the Directors, Profit Chain Investments Limited ("**Profit Chain**"), a company incorporated in the British Virgin Islands ("**BVI**"), is the immediate holding company of the Company; Vantage International (Holdings) Limited ("**Vantage**", together with its subsidiaries excluding the Group collectively referred to as the "**Remaining Vantage Group**"), a company incorporated in Bermuda and listed on the Main Board of the Stock Exchange, is the intermediate holding company of the Company; and the ultimate holding company of the Company is Winhale Ltd., a company incorporated in the BVI.

2. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information for the six months ended 30 September 2017 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "*Interim Financial Reporting*" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange (the "**Listing Rules**").

The accounting policies and basis of preparation adopted in the preparation of this unaudited condensed consolidated interim financial information are consistent with those set out in the Group's audited consolidated financial statements for the year ended 31 March 2017, except as stated in note 3 below. These financial information are presented in Hong Kong dollars ("**HK$**"), which is the Company's functional and presentation currency, and all values are rounded to the nearest thousand except when otherwise indicated.

This unaudited condensed consolidated interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's audited consolidated financial statements for the year ended 31 March 2017. This condensed consolidated interim financial information has not been audited or reviewed by the Company's external auditors, but has been reviewed by the Company's audit committee (the "**Audit Committee**").

3. PRINCIPAL ACCOUNTING POLICIES

In this period, the Group has adopted, for the first time, the following new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**", which also include HKASs and Interpretations) issued by the HKICPA:

Amendments to HKAS 7	*Disclosure Initiative*
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Annual Improvements 2014 – 2016 Cycle	Amendments to a number of HKFRSs

The adoption of the above new and revised HKFRSs has had no significant impact on the accounting policies of the Group and the methods of computation in the Group's unaudited condensed consolidated interim financial information.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

4. ESTIMATES

The preparation of this unaudited condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this unaudited condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited consolidated financial statements of the Group as at and for the year ended 31 March 2017.

5. SEGMENT INFORMATION

For management purposes, the Group has only one reportable operating segment which is the contract works segment of which the Group engages in contract works as a main contractor or subcontractor, primarily in respect of building construction and repair, maintenance, alteration and addition works. Accordingly, no segment information is presented.

The Group's revenue from external customers was derived solely from its operations in Hong Kong and the non-current assets of the Group were all located in Hong Kong.

6. REVENUE, OTHER INCOME AND GAINS

An analysis of the Group's revenue, other income and gains is as follows:

	Unaudited Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
Revenue		
Contract works revenue	**1,661,046**	1,027,532
Other income and gains		
Interest income	**2,421**	1,187
Sundry income	**146**	81
	2,567	1,268

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Unaudited Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
Depreciation	**1,490**	1,367
Employee benefits expenses (exclusive of directors' remuneration)	**90,440**	66,164
Directors' remuneration	**20,328**	3,379

8. INCOME TAX EXPENSE

	Unaudited Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
Current – Hong Kong:		
Charge for the period	**17,347**	7,156
Deferred	**(116)**	314
Total tax charge for the period	**17,231**	7,470

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2016: 16.5%) on the estimated assessable profits arising in Hong Kong during this period.

The joint venture did not generate any assessable income during the current period, no tax has been provided for the joint venture. The Group's share of tax attributable to the joint venture amounting to approximately HK$334,000 for the six months ended 30 September 2016 has been included in "Share of profits and losses of a joint venture" on the face of the consolidated statement of profit or loss and other comprehensive income.

9. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2017 (six months ended 30 September 2016: Nil).

During the six months ended 30 September 2016 and before the completion of the Reorganisation, certain members of the Group declared special dividends of HK$400,000,000 to their then shareholder, Profit Chain. Such special dividends were paid during the six months ended 30 September 2016. Investors who became the shareholders of the Company after the Listing were not entitled to such special dividends.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share for this period is based on the consolidated profit attributable to owners of the Company and the weighted average number of 2,000,000,000 ordinary shares in issue during this period.

The number of ordinary shares used to calculate the basic earnings per share for the six months ended 30 September 2016 was based on 1,500,000,000 ordinary shares of the Company, representing the number of ordinary shares of the Company after completion of the Reorganisation and the Capitalisation Issue, as defined in the Prospectus, have been in issue throughout the six months ended 30 September 2016.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 September 2017 and 2016 as the Company had no potentially dilutive ordinary share in issue during those periods.

11. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2017, the Group incurred approximately HK$707,000 (six months ended 30 September 2016: approximately HK$1,245,000) on the additions of items of property, plant and equipment.

12. ACCOUNTS RECEIVABLE

Accounts receivable consist of receivables for contract works. The payment terms of receivables for contract works are stipulated in the relevant contracts.

At 30 September 2017, retentions receivable included in accounts receivable amounted to HK$173,807,000 (31 March 2017: HK$188,249,000), which are repayable within terms ranging from one to four years.

As at 31 March 2017, amounts due from the Remaining Vantage Group included in accounts receivable amounted to HK$20,403,000, which are repayable in one year.

The Group assigned its financial benefits under certain contract works to secure certain general banking facilities granted to the Group. As at 30 September 2017, the aggregate amount of accounts receivable related to such contract works pledged to secure the relevant banking facilities amounted to HK$288,661,000 (31 March 2017: HK$231,567,000).

The aged analysis of the accounts receivable that are not individually nor collectively considered to be impaired is as follows:

	Unaudited 30 September 2017 *HK$'000*	Audited 31 March 2017 *HK$'000*
Past due but not impaired:		
One to three months past due	**–**	35,125
Four to six months past due	**8,068**	–
Seven to twelve months past due	**–**	4,325
	8,068	39,450
Neither past due nor impaired	**515,546**	436,255
	523,614	475,705

Accounts receivable that were past due but not impaired related to a number of independent customers that have a good track record with the Group. Based on past experience, the Directors are of the opinion that no allowance for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group did not hold any collateral or other credit enhancements over these balances.

Accounts receivable that are neither past due nor impaired relate to a number of independent customers for whom there was no recent history of default.

13. ACCOUNTS PAYABLE

An ageing analysis of the accounts payable as at the end of the reporting period, based on the invoice date, is as follows:

	Unaudited 30 September 2017 *HK$'000*	Audited 31 March 2017 *HK$'000*
Current to three months	**224,114**	243,361
Four to six months	**29,276**	24,408
Over six months	**193,768**	215,922
	447,158	483,691

At 30 September 2017, retentions payable included in accounts payable amounted to HK$195,568,000 (31 March 2017: HK$172,507,000), which are normally settled within terms ranging from one to four years.

Accounts payable are non-interest-bearing. The payment terms are stipulated in the relevant contracts.

14. INTEREST – BEARING BANK LOANS

Interest-bearing bank loans of the Group are all repayable on demand or within one year and are analysed as follows:

	Unaudited 30 September 2017 *HK$'000*	Audited 31 March 2017 *HK$'000*
Bank loans – secured and at floating interest rates	**–**	50,769

The Group's bank loans are denominated in Hong Kong dollars. In the opinion of the Directors, the carrying amounts of the Group's bank loans approximate to their fair values.

15. SHARE CAPITAL

Shares

	Unaudited 30 September 2017 *HK$'000*	Audited 31 March 2017 *HK$'000*
Authorised:		
10,000,000,000 (31 March 2017: 10,000,000,000) ordinary shares of HK$0.01 each	**100,000**	100,000
Issued and fully paid:		
2,000,000,000 (31 March 2017: 2,000,000,000) ordinary shares of HK$0.01 each	**20,000**	20,000

16. CONTINGENT LIABILITIES

(a) At 30 September 2017, the guarantees given by the Group to certain banks in respect of performance bonds in favour of certain contract customers amounted to HK$179,443,000 (31 March 2017: HK$291,836,000).

(b) The Group has given cross guarantees in favour of certain banks to the extent of HK$1,320,000,000 (31 March 2017: HK$1,385,500,000) in respect of banking facilities granted by those banks to the Remaining Vantage Group, of which HK$916,703,000 (31 March 2017: HK$1,008,379,000) were utilised. All corporate guarantees provided to the Remaining Vantage Group were subsequently released.

(c) In the ordinary course of the Group's construction business, the Group has been subject to a number of claims due to personal injuries suffered by employees of the Group or the Group's subcontractors in accidents arising out of and in the course of their employment. The Directors are of the opinion that such claims are well covered by insurance and would not result in any material adverse impact on the financial position or results and operations of the Group.

17. RELATED PARTY TRANSACTIONS

(a) Related party transactions

In addition to the transactions and balances detailed elsewhere in this unaudited condensed consolidated interim financial information, the Group had the following transactions with related parties during the period:

		Unaudited Six months ended 30 September	
		2017	2016
	Notes	***HK$'000***	*HK$'000*
Rental payment to the Remaining Vantage Group	*(i)*	**1,320**	1,365
Management fee paid to the Remaining Vantage Group	*(i)*	**–**	53,877
Subcontracting fee income from Covalla Limited, a subsidiary of the Remaining Vantage Group	*(i)*	**–**	38,594
Subcontracting fee income from Win Extra Limited, a subsidiary of the Remaining Vantage Group	*(i)*	**–**	20,700
Interest income from the Remaining Vantage Group	*(ii)*	**–**	192

Notes:

(i) These transactions were conducted at terms and conditions mutually agreed between the relevant parties.

(ii) The interest income was determined at an interest rate with reference to HIBOR.

(b) Cross guarantees provided by/to the Remaining Vantage Group

The Remaining Vantage Group and the Group received no consideration for providing these guarantees. Further details on cross guarantees provided by/to the Remaining Vantage Group are set out in note 16 and "Management Discussion and Analysis" section, respectively. The Group did not recognise any liabilities in respect of such financial guarantees as the directors of the Company consider that the fair values of these financial guarantee contracts at their initial recognition and at the end of the reporting period are insignificant. Such arrangement has been ceased subsequently.

(c) Compensation of key management personnel

	Unaudited Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
Short-term employee benefits	**5,529**	3,323
Post-employment benefits	**45**	53
Total compensation paid to key management personnel	**5,574**	3,376

The above compensation of key management personnel excludes the directors' and chief executive's remuneration, details of which are set out in note 7.

18. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT

(a) Financial risk management

The Group's financial risk management objectives and policies are the same as those disclosed in the Group's annual consolidated financial statements for the year ended 31 March 2017.

(b) Fair value measurement

Management has assessed that the fair values of cash and cash equivalents, accounts receivable, accounts payable, deposits and other receivables, other payables and accruals, amount due to a joint venture and interest-bearing bank loans approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

19. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

This unaudited condensed consolidated interim financial information was approved and authorised for issue by the Board on 23 November 2017.

MANAGEMENT DISCUSSION AND ANALYSIS RESULTS FOR THE INTERIM PERIOD

The Directors report that during the six months ended 30 September 2017 ("**this period**"), the Group recorded a consolidated turnover of HK$1,661,046,000, representing an increase of 61.7% from HK$1,027,532,000 of the previous corresponding period. The Group's gross profit during this period was HK$128,594,000, representing an increase by 17.1% from HK$109,802,000 for the six months ended 30 September 2016. Profit attributable to owners of the parent of this period amounted to HK$86,053,000 (six months ended 30 September 2016: HK$42,261,000). The increase in profit for this period was mainly attributable to the increase in the gross profit of HK$18,792,000 and decrease in the administrative expenses of HK$35,353,000.

DIVIDEND

The Directors do not recommend the payment of an interim dividend for this period.

BUSINESS REVIEW

The Group recorded a turnover of HK$1,661,046,000 for this period, representing an increase of 61.7% from HK$1,027,532,000 for the six months ended 30 September 2016. The increase in turnover was mainly resulted from the completion of a substantial portion of a large-scale building construction project during this period and this project was awarded during the six months ended 30 September 2016, thus, it was in early stage of development in that period and did not contribute much revenue to the Group. As of 30 September 2017, the estimated total contract values and estimated total outstanding values of the Group's substantial contracts on hand were approximately HK$7,062 million and HK$4,298 million, respectively. These contracts are expected to be completed in around one to three years' time.

The gross profit margin decreased from approximately 10.7% for the six months ended 30 September 2016 to approximately 7.7% for this period. The decrease in gross profit margin was mainly due to the change in portion of revenue from public sector customers and private sector customers. In general, the gross profit margin from public sector customers is relatively lower than that of private sector customers. In return, the credit risk exposure for public sector customers is lower than that of private sector customers. As of 30 September 2017, the customers for the Group's substantial contracts on hand were all from the public sector.

Since 1 April 2017 and up to the date of approving this announcement, the Group secured the following two substantial contracts, which have an aggregate estimated contract value of approximately HK$1,203 million:

- Construction of Subsidised Sale Flats Development at Texaco Road; and

- Construction of Subsidised Sale Flats Development at Shatin Area 16, Wo Sheung Tun Street, Fo Tan and Footbridge Improvement Works at Siu Hong Road, Tuen Mun.

On the other hand, the Group completed the following significant contracts regarding building construction and maintenance works during the six months ended 30 September 2017:

- Building construction project of the "Lower Primary School Development" for Hong Kong International School Association at No. 23 South Bay Close, Repulse Bay; and

- Replacement of collapsible gates for domestic flats of Jat Min Chuen.

Other Income and Gains

Other income and gains increased substantially from HK$1,268,000 for the six months ended 30 September 2016 to HK$2,567,000 for this period. The increase was mainly attributable to the increase in interest income from banks as a result of increase in average amount of fixed deposits during this period.

Administrative Expenses

Administrative expenses decreased by HK$35,353,000 from HK$63,009,000 for the six months ended 30 September 2016 to HK$27,656,000 for this period. The decrease in the administrative expenses was mainly due to the cessation of daily management and administrative services provided by the Remaining Vantage Group to the Group after the Listing. During the six months ended 30 September 2016, the Group paid HK$53,877,000 management fee to the Remaining Vantage Group for the aforesaid services.

Finance Costs

For this period, the Group's finance costs were HK$221,000 (six months ended 30 September 2016: HK$19,000). The increase in finance costs in current period was mainly attributable to the increase in average bank borrowings during this period.

Share of Profits and Losses of a Joint Venture

For the six months ended 30 September 2016, the Group's share of profits from a joint venture, Leighton-Able Joint Venture, in which the Group has 49% interest, net of tax, amounted to profits of HK$1,689,000. The Leighton-Able Joint Venture undertakes the contract for the design and construction of Tin Shui Wai Hospital which was substantially completed in the prior year. Thus, no profit or loss was recorded for this period.

Income Tax Expense

Income tax expense increased by 130.7% from HK$7,470,000 for the six months ended 30 September 2016 to HK$17,231,000 for this period.

Profit Attributable to Owners of the Parent

As a result of the foregoing, profit attributable to owners of the parent increased from HK$42,261,000 for the six months ended 30 September 2016 to HK$86,053,000 for this period.

FINANCIAL REVIEW

Capital Structure, Liquidity and Financial Resources

The capital of the Group only comprises ordinary shares. The total equity of the Group as at 30 September 2017 was HK$1,088,225,000 (31 March 2017: HK$1,002,172,000).

Due to the Group's net cash inflows from operating during the six months ended 30 September 2017, the Group's cash and cash equivalents increased by 53.2% from HK$732,196,000 as at 31 March 2017 to HK$1,121,567,000 at current period end. Current ratio stood at 2.73 at 30 September 2017 and 31 March 2017, respectively. Current ratio is measured at total current assets divided by total current liabilities.

The Group's banking facilities, comprising primarily bank loans, overdrafts and performance bond, amounted to HK$1,225,000,000 as of 31 March 2017 (31 March 2017: HK$1,245,000,000), of which HK$1,045,557,000 (31 March 2017: HK$902,395,000) was unutilised. At 30 September 2017 and 31 March 2017, the Group's bank borrowings were all denominated in Hong Kong dollars and on a floating rate basis.

The Group does not engage in any interest rates and currency speculation activities. The Group's bank accounts are operated with principal bankers in Hong Kong. The interest rates of these bank accounts are determined by reference to the respective bank offer rate. The Group maintains sufficient working capital resources to execute its contract works. The Group generally takes a prudent and cautious approach to cash application and its capital commitments.

Interest Exposure

At 30 September 2017 and 31 March 2017, the Group's bank borrowings were all denominated in Hong Kong dollars and on a floating rate basis. The interest rates of these bank borrowing are determined by reference to the respective bank offer rate. During this period, the Group did not engage in any interest rates and currency speculation activities. The Group's bank accounts were operated with principal bankers in Hong Kong.

Accounts Receivable

The Group's accounts receivable represented the receivables for contract work, which combined (i) trade debtors; and (ii) retentions receivable in relation to completed and on-going contract works projects. Trade debtors represent progress billing of work performed by us and the progress payment certificates issued by and received from our customers. The level of our trade debtors is principally affected by our work progress and the amount of the progress payment certificate received from our customer before the end of the reporting period. Approximately 97% of the trade debtors as at 30 September 2017 were subsequently settled as at 10 November 2017. Retentions receivable represent the retention monies required by our customers to secure our Group's due performance of the contracts. Generally, the first half of the retention money is released upon practical completion and the second half of the retention money is released upon expiry of the defect liability period.

Charges on Assets

At 30 September 2017, the following assets of the Group or assets of the Remaining Vantage Group were pledged in favour of certain banks to secure the banking facilities granted by those banks to the Group:

- Legal charges over the Remaining Vantage Group's investment properties with an aggregate carrying amount of HK$1,855,390,000 (31 March 2017: HK$1,851,000,000);

- Legal charges over the Remaining Vantage Group's land and buildings with an aggregate carrying amount of HK$125,581,000 (31 March 2017: HK$127,586,000);

- The assignment of the Group's financial benefits under certain contract works with total accounts receivable amounting to HK$288,661,000 (31 March 2017: HK$231,567,000); and

- Cross guarantees provided by the Remaining Vantage Group of HK$3,580,000,000 (31 March 2017: HK$3,580,000,000).

The Group is in the process of replacing or releasing all corporate guarantees and securities provided by the Remaining Vantage Group for the benefit of the Group which has commenced upon the Listing. Subsequent to the reporting period and up to the date of this announcement, all corporate guarantees and securities have been released.

Contingent Liabilities

Details of the Group's contingent liabilities are set out in note 16 to the unaudited condensed consolidated interim financial information.

Capital Commitments

The Group has no capital commitment as at 30 September 2017 (31 March 2017: Nil).

SIGNIFICANT INVESTMENT HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS ON CAPITAL ASSETS

The Group did not have any significant investment held as at 30 September 2017 nor the Group has any plans for material investments on capital assets.

MATERIAL ACQUISITIONS AND DISPOSAL

During the Period, the Group did not have any material acquisition and disposal.

USE OF PROCEEDS FROM THE LISTING

The shares of the Company were listed on the Main Board of the Stock Exchange on 20 February 2017 (the "**Listing Date**"). Net proceeds from the Listing were approximately HK$524 million (after deducting the underwriting commission and other expenses in relation to the offering). According to the section "Future Plans and Proposed Use of Proceeds" as set out in the Prospectus, the Group used the net proceeds during the period between the Listing Date and 30 September 2017 as follows:

	Actual net proceeds *HK$ Million*	**Used amount** *HK$ Million*	**Unused amount** *HK$ Million*
Maintaining and increasing the capital requirement and working capital requirement for future/new projects in the public sector	402	48	354
Payment for the upfront costs	70	66	4
General working capital	52	17	35
Total	524	131	393

As at 30 September 2017, the unused proceeds were deposited in licensed banks in Hong Kong.

PROSPECTS

As mentioned in the 2017 Policy Address, the Hong Kong Government would continue its effort in increasing the land supply and number of residential units in the coming future to meet the public needs. A new Task Force on Land Supply was established to examine the different land supply options. The Hong Kong Government also introduced the "Starter Homes" Scheme to provide 1,000 resident units in the pilot scheme for middle-class families. The Hong Kong Government has already set aside a HK$200 billion for a Ten Year Public Development Plan in enhancing the infrastructure of healthcare services and facilities in prior year. The Hong Kong Government is also planning to set up a Hostel Development Fund to provide subsidy of HK$12 billion for the construction of university hostels in this year. Together with the annual spending on the Capital Works Programme, public expenditure on construction is anticipated to further increase.

In view of the Hong Kong Government's development plans, the medium to long-term outlook of the construction industry in Hong Kong looks promising. We believe that our Group has accumulated ample experience and know-how to be competitive in tendering these new projects. During the reporting period, the Group has been awarded two building construction projects from the Hong Kong Housing Authority.

Looking forward, we believe our actions will help create reasonable return for shareholders in a changing marketplace.

STAFF AND REMUNERATION POLICY

As of 30 September 2017, the Group employed 408 full-time employees (31 March 2017: 344) in Hong Kong. The Group remunerates its employees based on their performance and working experience and with reference to the prevailing market conditions. On top of the regular remuneration, discretionary bonus may be granted to senior management and staff members by reference to the Group's performance, specific project's performance as well as the individual employee's performance. Staff benefits include medical, mandatory provident fund, incentive travel, subsidies for education and training programmes.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company complied with the code provisions as set out in the "*Corporate Governance Code*" contained in Appendix 14 to the Listing Rules throughout the six months ended 30 September 2017.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. Following specific enquiry made by the Company, all Directors have confirmed that they had complied with the required standard set out in the Model Code during the six months ended 30 September 2017.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2017.

REVIEW BY AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors of the Company, Ms. LEUNG Yuen Shan, Maisy *(Chairman)*, Dr. LI Yok Sheung and Ms. MAK Suk Hing, with written terms of reference in accordance with the requirements of the Listing Rules, and reports to the Board. Ms. LEUNG Yuen Shan, Maisy possesses the appropriate accounting qualifications and experiences in financial matters. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control, risk management and financial reporting matters. The Audit Committee has also reviewed the unaudited condensed consolidated interim financial information for the six months ended 30 September 2017.

PUBLICATION OF RESULTS ANNOUNCEMENT AND DESPATCH OF INTERIM REPORT

The interim results announcement is published on the websites of HKExnews at (www.hkexnews.hk) and the Company at (www.ableeng.com.hk). The 2017/18 interim report containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and available on the above websites in due course.

APPRECIATION

On behalf of the Directors, I would like to express our gratitude and sincere appreciation to all management and staff members of the Group for their hard work and dedication, and all shareholders of the Company for their support.

By Order of the Board of
ABLE ENGINEERING HOLDINGS LIMITED
NGAI Chun Hung
Chairman

Hong Kong, 23 November 2017

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors
Mr. NGAI Chun Hung
Mr. IP Yik Nam
Mr. YAU Kwok Fai
Mr. YAM Kui Hung
Mr. LAU Chi Fai, Daniel
Mr. CHEUNG Ho Yuen

Independent Non-executive Directors
Dr. LI Yok Sheung
Ms. MAK Suk Hing
Ms. LEUNG Yuen Shan, Maisy