



思城控股有限公司
C CHENG HOLDINGS LIMITED

Incorporated in the Cayman Islands with limited liability
Stock code:1486



2021 INTERIM REPORT



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BUSINESS HIGHLIGHTS

- Total new signed and supplementary contracts secured by the Group during the period totaled HK\$523,984,000 (six months ended 30 June 2020: HK\$438,316,000), representing an increase of HK\$85,668,000 or 19.5%; and
- Remaining contract sums totaled HK\$1,801,009,000 (six months ended 30 June 2020: HK\$1,590,355,000), representing an increase of HK\$210,654,000 or 13.2%.

FINANCIAL HIGHLIGHTS

- Revenue of the Group was HK\$425,158,000 (six months ended 30 June 2020: HK\$310,835,000), representing an increase of 36.8% from the same period of previous financial year;
- With an additional share option expenses recognised due to acceleration of vesting for certain cancelled share options, loss of the Group for the period was HK\$401,000. When excluding the accounting related adjustment, profit of the Group for the period was HK\$5,778,000 (six months ended 30 June 2020: loss for the period of HK\$8,207,000);
- Basic loss per share was HK1.45 cents (six months ended 30 June 2020: basic loss per share of HK3.4 cents);
- Diluted loss per share was HK1.44 cents (six months ended 30 June 2020: diluted loss per share of HK3.4 cents); and
- No interim dividend was declared.

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

The board (“**Board**”) of directors (the “**Directors**”) of C Cheng Holdings Limited (the “**Company**”) is pleased to present the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2021, together with the comparative unaudited figures for the corresponding period in 2020 as follow:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	Notes	Six months ended 30 June	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue	3	425,158	310,835
Cost of services		(339,894)	(250,803)
Gross profits		85,264	60,032
Other income and losses, net		4,394	1,502
Gain on fair value changes of financial assets at fair value through profit or loss		1,857	299
Impairment losses on intangible assets (Impairment losses)/reversal of impairment losses on financial and contract assets, net	4	-	(289)
Administrative expenses		(2,152)	1,248
Share of loss of a joint venture		(269)	(203)
Finance costs		(2,848)	(4,149)
Profit/(loss) before tax	5	1,827	(6,840)
Income tax expense	6	(2,228)	(1,367)
Loss for the period		(401)	(8,207)
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign operations		2,965	(3,242)
Other comprehensive income/(loss) for the period		2,965	(3,242)
Total comprehensive income/(loss) for the period		2,564	(11,449)

	Notes	Six months ended 30 June	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Income/(loss) for the period attributable to:			
Owners of the Company		(4,174)	(9,743)
Non-controlling interests		3,773	1,536
		(401)	(8,207)
Total comprehensive income/(loss) for the period attributable to:			
Owners of the Company		(1,370)	(12,607)
Non-controlling interests		3,934	1,158
		2,564	(11,449)
Loss per share (expressed in HK cents)	7		
- Basic		(1.45)	(3.4)
- Diluted		(1.44)	(3.4)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021

	Notes	30 June 2021 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	9	134,470	134,891
Goodwill		15,562	15,505
Intangible assets		11,474	10,908
Investment in a joint venture		4,292	4,506
Prepayments and deposits		13,790	10,406
Deferred tax assets		7,327	4,124
		186,915	180,340
Current assets			
Trade receivables	10	253,950	224,958
Contract assets	11	206,255	182,242
Prepayments, deposits, other receivables and other assets		49,203	39,366
Financial assets at fair value through profit or loss	12	16,224	28,951
Cash and bank balances		157,438	228,412
		683,070	703,929
Current liabilities			
Trade payables	13	11,149	18,748
Other payables and accruals		54,062	89,172
Contract liabilities		96,475	101,136
Interest-bearing bank borrowings	14	71,873	58,519
Other interest-bearing borrowings	14	506	465
Lease liabilities		38,909	42,321
Tax payable		4,071	1,363
		277,045	311,724
Net current assets		406,025	392,205
Total assets less current liabilities		592,940	572,545

	Notes	30 June 2021 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
Non-current liabilities			
Other interest-bearing borrowings	14	1,589	1,598
Lease liabilities		81,860	77,104
Deferred tax liabilities		1,971	769
		85,420	79,471
Net assets		507,520	493,074
Equity			
Issued capital	15	2,883	2,883
Reserves		453,375	443,590
Equity attributable to owners of the Company		456,258	446,473
Non-controlling interests		51,262	46,601
Total equity		507,520	493,074

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

Attributable to owners of the Company

	Issued capital HK\$'000	Share premium HK\$'000	PRC statutory reserve HK\$'000 (Note a)	Share option reserve HK\$'000	Other reserve HK\$'000 (Note b)	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 January 2020 (Audited)	2,883	283,501	10,593	21,261	(47,359)	(9,251)	152,013	413,641	33,549	447,190
Loss for the period	-	-	-	-	-	-	(9,743)	(9,743)	1,536	(8,207)
Other comprehensive loss for the period:										
Exchange differences related to foreign operations	-	-	-	-	-	(2,864)	-	(2,864)	(378)	(3,242)
Total comprehensive loss for the period	-	-	-	-	-	(2,864)	(9,743)	(12,607)	1,158	(11,449)
Equity-settled share-option arrangements	-	-	-	6,760	-	-	-	6,760	523	7,283
Transfer of share option reserve to retained profits	-	-	-	(3,313)	-	-	3,313	-	-	-
At 30 June 2020 (Unaudited)	2,883	283,501	10,593	24,708	(47,359)	(12,115)	145,563	407,794	35,230	443,024
At 1 January 2021 (Audited)	2,883	283,501*	10,593*	30,613*	(47,359)*	1,163*	165,079*	446,473	46,601	493,074
Loss for the period	-	-	-	-	-	-	(4,174)	(4,174)	3,773	(401)
Other comprehensive income for the period:										
Exchange differences related to foreign operations	-	-	-	-	-	2,804	-	2,804	161	2,965
Total comprehensive income for the period	-	-	-	-	-	2,804	(4,174)	(1,370)	3,934	2,564
Equity-settled share-option arrangements	-	-	-	11,155	-	-	-	11,155	-	11,155
Transfer of share option reserve to retained profits	-	-	-	(26)	-	-	26	-	-	-
Transfer of share option reserve upon the cancellation of share options	-	-	-	(12,285)	-	-	12,285	-	-	-
Capital injection by non-controlling interest	-	-	-	-	-	-	-	-	727	727
At 30 June 2021 (Unaudited)	2,883	283,501*	10,593*	29,457*	(47,359)*	3,967*	173,216*	456,258	51,262	507,520

* These reserve accounts comprise the consolidated reserves at HK\$453,375,000 (31 December 2020: HK\$443,590,000) in the condensed consolidated statement of financial position.

Notes:

- (a) The PRC statutory reserve is non-distributable and the transfer to this reserve is determined by the Board of the Directors of the subsidiaries in the People's Republic of China (the "**PRC**") in accordance with the relevant laws and regulations of the PRC. According to the relevant rules and regulations in PRC applicable to wholly foreign-owned enterprises, a wholly foreign-owned enterprise is required to transfer at least 10% of its profit after taxation, as determined under the PRC Accounting Regulations, to a reserve fund until the reserve fund balance reaches 50% of the relevant enterprises registered capital. This reserve can be used to offset accumulated losses or to increase capital upon approval from the relevant authorities.
- (b) The balance mainly represents debit reserve of HK\$53,519,000 resulting from the share swap pursuant to the group reorganisation upon initial public offering in 2013 and credit reserve of HK\$5,210,000 resulting from recognition of equity-settled share-based payments to Mr. Wang Jun You ("**Mr. Wang**"), director of the Company, in 2013.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	Six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Operating activities		
Operating cash flows before movements in working capital	43,010	32,324
Increase in contract assets	(23,403)	(12,640)
(Increase)/decrease in trade receivables	(28,847)	16,353
Increase in prepayments, deposits, other receivables and other assets	(14,606)	(8,891)
Decrease in other payables and accruals	(35,698)	(22,340)
Decrease in contract liabilities	(5,921)	(1,708)
Movement in other working capital	(8,796)	(1,713)
Income taxes paid	(1,529)	(3,941)
Net cash used in operating activities	(75,790)	(2,556)
Investing activities		
Purchases of property, plant and equipment	(4,216)	(1,930)
Purchases of financial assets at fair value through profit or loss	(7,829)	(19,440)
Proceeds from disposal of financial assets at fair value through profit or loss	22,389	-
Other investing cash flows	2,382	(5,426)
Net cash from/(used in) investing activities	12,726	(26,796)
Financing activities		
New bank borrowings	19,028	2,296
Repayment of bank borrowings	(5,674)	(17,605)
Principal portion of lease payments	(22,800)	(20,665)
Other financing cash flows	32	-
Net cash used in financing activities	(9,414)	(35,974)
Net decrease in cash and cash equivalents	(72,478)	(65,326)
Cash and cash equivalents at beginning of the period	228,412	268,193
Effect of foreign exchange rate changes	1,504	(1,638)
Cash and cash equivalents at end of the period, represented by bank balances and cash	157,438	201,229

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

1. GENERAL INFORMATION

C Cheng Holdings Limited (the “**Company**”) is an exempted company incorporated in the Cayman Islands with limited liability on 13 May 2013 and its shares were listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The addresses of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and 15th Floor, North Tower, World Finance Centre, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong, respectively.

The Company is an investment holding company and its subsidiaries are mainly engaged in the provision of comprehensive architectural services and building information modelling (“**BIM**”) services.

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

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The condensed consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institutes of Certified Public Accountants (“**HKICPA**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2020.

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) for the first time for the current period’s financial information.

Amendments to HKFRS 9, HKAS 39,
HKFRS 7, HKFRS 4 and HKFRS 16
Amendment to HKFRS 16

Interest Rate Benchmark Reform – Phase 2

Covid-19-Related Rent Concessions

The nature and impact of the revised HKFRSs are described below:


- (a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate ("**RFR**"). The phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.

The Group had certain interest-bearing bank borrowings denominated in Hong Kong dollars based on the Hong Kong Interbank Offered Rate ("**HIBOR**") and prime rate as at 30 June 2021. Since the interest rates of these borrowings were not replaced by RFRs during the period, the amendment did not have any impact on the financial position and performance of the Group. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings provided that the "economically equivalent" criterion is met.

(b) Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. In April 2021, the HKICPA issued another amendment to HKFRS 16 *Covid-19-Related Rent Concessions beyond 30 June 2021* to extend the availability of the practical expedient for any reduction in lease payments that affects only payments originally due on or before 30 June 2022 (the "2021 Amendment"). The 2021 Amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted. The amendments did not have any impact on the financial position and performance of the Group.

3. OPERATING SEGMENT INFORMATION

Revenue represents the contract revenue from comprehensive architectural services and BIM services recognised over time during the period.



Information reported to the Chief Executive Officer of the Company, being the chief operating decision maker (“**CODM**”), for the purposes of resource allocation and assessment of segment performance focuses on types of services rendered. The Group has two reportable operating segments as follows:

- (a) the comprehensive architectural services segment engages in the provision of architectural, landscape architectural, town planning, interior design and heritage conservation services;
- (b) the BIM services segment engages in the provision of BIM consultancy services, BIM professional training services and BIM software developing.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group’s profit/loss before tax except that certain other income, share of loss of a joint venture, gain on fair value changes of financial assets at fair value through profit or loss, impairment losses on intangible assets, certain share option expenses as well as corporate expenses of head office are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segment:

For the six months ended 30 June 2021 (Unaudited)

	Comprehensive architectural services HK\$'000	BIM services HK\$'000	Total HK\$'000
Segment revenue			
<i>Timing of revenue recognition</i>			
Sale of IT products at a point in time	-	9,210	9,210
Services transferred over time	364,935	51,013	415,948
Revenue from contracts with customers	364,935	60,223	425,158
<i>Type of goods or services</i>			
Architecture services	326,099	-	326,099
Landscape architecture, town planning, interior design and heritage conservation services	38,836	-	38,836
BIM services	-	51,013	51,013
Sale of IT products	-	9,210	9,210
Revenue from contracts with customers	364,935	60,223	425,158
Intersegment revenue	-	5,148	5,148
Segment revenue	364,935	65,371	430,306
Reconciliation:			
Elimination of intersegment revenue			(5,148)
External revenue			425,158
Segment results	1,059	8,294	9,353
Reconciliation			
Unallocated other income			351
Share of loss of a joint venture			(269)
Gain on fair value changes of financial assets at fair value through profit or loss			1,857
Share option expenses recognised			(6,702)
Other unallocated corporate expenses			(2,763)
Profit before tax			1,827

For the six months ended 30 June 2020 (Unaudited)

	Comprehensive architectural services HK\$'000	BIM services HK\$'000	Total HK\$'000
Segment revenue			
<i>Timing of revenue recognition</i>			
Sale of IT products at a point in time	-	7,151	7,151
Services transferred over time	281,197	22,487	303,684
Revenue from contracts with customers	281,197	29,638	310,835
<i>Type of goods or services</i>			
Architecture services	244,327	-	244,327
Landscape architecture, town planning, interior design and heritage conservation services	36,870	-	36,870
BIM services	-	22,487	22,487
Sale of IT products	-	7,151	7,151
Revenue from contracts with customers	281,197	29,638	310,835
Intersegment revenue	-	2,614	2,614
Segment revenue	281,197	32,252	313,449
Reconciliation:			
Elimination of intersegment revenue			(2,614)
External revenue			310,835
Segment results	(5,561)	2,700	(2,861)
Reconciliation			
Unallocated other income			593
Share of loss of a joint venture			(203)
Gain on fair value changes of financial assets at fair value through profit or loss			299
Impairment loss on intangible assets			(289)
Share option expenses recognised			(1,598)
Other unallocated corporate expenses			(2,781)
Loss before tax			(6,840)

Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's non-current assets other than deferred tax assets and investment in a joint venture.

	Revenue from external customers		Non-current assets	
	Six months ended 30 June 2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	30 June 2021 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
Geographical markets				
Mainland China	282,851	197,649	75,182	65,551
Hong Kong	124,998	100,519	94,735	98,923
Macau	2,925	688	-	-
Others	14,384	11,979	5,379	7,236
	425,158	310,835	175,296	171,710

4. IMPAIRMENT LOSSES

During the six months ended 30 June 2020, management determined that there was an impairment on club membership amounting to HK\$289,000, which was included in intangible assets by reference to the quoted market prices of HK\$280,000 classified as Level 1 of the fair value hierarchy.

5. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax has been arrived at after charging/(crediting):

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Cost of sale of IT products	7,523	4,884
Cost of services rendered	332,371	245,919
Depreciation of property, plant and equipment	30,191	26,424
Amortisation of intangible assets ¹	858	406
Loss on disposal of property, plant and equipment	-	2,666
Loss on lease modification, net	225	-
Gain on fair value changes of financial assets at fair value through profit or loss	(1,857)	(299)
Government subsidy ²	(252)	(3,714)
Staff costs including directors' and chief executives' remunerations		
- Salaries, allowances, and other benefits	260,095	203,770
- Contributions to retirement benefit schemes	9,066	6,495
- Equity-settled share-based payments recognised ³	11,155	7,283
	280,316	217,548
Impairment losses recognised/(reversed) on		
- Trade receivables	792	(1,413)
- Contract assets	1,360	165
	2,152	(1,248)
Impairment losses recognised on		
- Intangible assets	-	289
	-	289

Notes:

- (1) Included in cost of services.
- (2) As at 30 June 2020, the Group received subsidy of HK\$10,027,000 from the Employment Support Scheme by The Government of the Hong Kong Special Administrative Region as time-limited financial support to retain employment, the amount of HK\$3,714,000 has been met the terms for forgiveness of the loan and included in the "Other income and losses, net" and the remaining amount of HK\$6,313,000 has been recorded in the "Other payables".
- (3) During the six months ended 30 June 2021, certain share options were cancelled within the vesting period, share option expenses of HK\$6,179,000 (six months ended 30 June 2020: Nil), which represented the share option expenses that otherwise would have been recognised over the remainder of the vesting period, have been accelerated for vesting upon the cancellation of these share options.

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
The income tax expense/(credit) comprises:		
Current tax:		
Hong Kong Profits Tax	1,955	1,161
PRC Enterprise Income Tax ("EIT")	2,274	1,287
	4,229	2,448
Deferred tax		
Current period	(2,001)	(1,081)
	2,228	1,367

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2020: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2018/19. The first HK\$2,000,000 (six months ended 30 June 2020: HK\$2,000,000) of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries (or jurisdictions) in which the Group operates.

EIT in Mainland China has been provided at the rate of 25% (six months ended 30 June 2020: 25%) on the estimated assessable profits in Mainland China during the period. LWK Architecture (Shenzhen) Limited, a wholly owned subsidiary of the Company, satisfied the requirements of the relevant local tax bureau as a qualified enterprise in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone and was entitled to a preferential tax rate of 15% (six months ended 30 June 2020: 15%) for the period. Certain subsidiaries of the Company satisfied the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises. The first RMB1,000,000 (six months ended 30 June 2020: RMB1,000,000) taxable income shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%, and the annual taxable income not less than RMB1,000,000 nor more than RMB3,000,000 shall be included in its taxable income at the reduced rate at 50%, with the applicable enterprise income tax rate at 20%.

7. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculations of basic and diluted loss per share are based on:

	Six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Loss:		
Loss attributable to owners of the Company, used in the basic and diluted loss per share calculation	(4,174)	(9,743)

	Number of Shares	
	2021	2020
Shares:		
Weighted average number of ordinary shares in issue during the period used in the basis loss per share calculation	288,260,780	288,260,780
Effect of dilution - weighted average number of ordinary shares: Share options	910,286	-
	289,171,066	288,260,780

8. DIVIDENDS

No interim dividend was proposed by the Company nor any dividend recognised as distribution in respect of the six months period ended 30 June 2021 and 30 June 2020.

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 June 2021, the Group acquired equipment and leasehold improvement of approximately HK\$4,216,000 (six months ended 30 June 2020: HK\$1,930,000). Assets with a net book value of HK\$8,466,000 were disposed of or written off by the Group during the six months ended 30 June 2020, resulting a net loss on disposal of HK\$2,666,000 for that period.

During the six months ended 30 June 2021, the Group entered into new lease agreements for the use of office premises with term ranged from 1 to 5 years. The Group is required to make fixed monthly payments. On the lease commencement, the Group recognised the right-of-use assets of HK\$45,540,000 (six months ended 30 June 2020: HK\$75,769,000) and lease liabilities of HK\$45,187,000 (six months ended 30 June 2020: HK\$74,997,000), respectively. During the six months ended 30 June 2021, the Group has entered into certain surrender agreements to early terminate certain leases of office premises. Upon commencement of termination of leases, the Group has derecognised right-of-use assets of HK\$16,438,000 and lease liabilities of HK\$17,590,000, respectively.

10. TRADE RECEIVABLES

The following is an aged analysis of trade receivables, presented based on the invoice date at the end of each reporting period, and net of allowance for credit losses recognised:

	30 June 2021 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
Unbilled receivable (note)	65,455	82,679
Within 30 days	84,891	63,623
Over 30 days and within 90 days	48,761	43,725
Over 90 days and within 180 days	23,685	18,482
Over 180 days	31,158	16,449
	253,950	224,958

Note: Amounts represent the Group's unconditional right to consideration which invoices have not been issued.

The Group entered into trade receivable factoring with recourse arrangements with a bank in Hong Kong (the "Arrangements"). As at 30 June 2021, trade receivables of HK\$3,024,000 (for the year ended 31 December 2020: Nil), which are designated in the Arrangements, were measured at fair value through other comprehensive income (Note 14).

11. CONTRACT ASSETS

	30 June 2021 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
Comprehensive architectural services	170,803	154,237
BIM services	37,427	28,620
	208,230	182,857
Impairment	(1,975)	(615)
	206,255	182,242

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2021 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
Listed equity investments, at fair value	16,224	9,764
Other unlisted investments, at fair value	-	19,187
	16,224	28,951

The above listed equity investments were listed in Hong Kong and overseas. They were classified as financial assets at fair value through profit or loss as they are held for trading.

The above unlisted investments were investments note issued by financial institution, they were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

13. TRADE PAYABLES

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

	30 June 2021 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
Within 30 days	6,774	16,775
Over 30 days and within 90 days	2,694	1,096
Over 90 days	1,681	877
	11,149	18,748

14. INTEREST-BEARING BANK BORROWINGS AND OTHER INTEREST-BEARING BORROWINGS

For the six months ended 30 June 2021, the Group made advances drawn of HK\$4,028,000 (six months ended 30 June 2020: HK\$2,296,000) under the Arrangements, with interest at a premium over HIBOR. The Group has repaid the loans of HK\$2,346,000 (six months ended 30 June 2020: HK\$2,296,000) upon the settlement of relevant trade receivables.

For the six months ended 30 June 2021, the Group obtained new bank borrowings amounting to HK\$15,000,000 which are revolved in monthly basis, carry interest at a premium over HIBOR.

For the six months ended 30 June 2021, the other interest-bearing borrowings were unsecured, bear interest at rates ranging from 3.04% to 3.16% (31 December 2020: 3.04% to 3.16%) within one to five years (31 December 2020: one to five years). As at 30 June 2021, the balance was denominated in HK\$ (31 December 2020: HK\$).

15. ISSUED CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised		
At 1 January 2020, 31 December 2020, 1 January 2021 and 30 June 2021	1,000,000,000	10,000
Issued and paid up		
At 1 January 2020, 31 December 2020, 1 January 2021 and 30 June 2021	288,260,780	2,883

16. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

As at 30 June 2021 and 31 December 2020, the Group had a capital commitment in respect of its investments in a joint venture of HK\$10,000,000 which has been contracted but not provided for in the condensed consolidated financial statements.

17. CONTINGENT LIABILITIES

As at 30 June 2021, the Group provides guarantees amounting to HK\$3,648,000 (31 December 2020: HK\$4,064,000) to secure service performance bonds issued by a bank on behalf of a subsidiary's performance obligation on certain projects.

In the opinion of the Directors of the Company, the fair values of the financial guarantee contracts of the Group are insignificant at initial recognition and at the end of the reporting period after taking into consideration the possibility of the default by the subsidiary was minimal. Accordingly, no value has been recognised in the condensed consolidated financial statement.

18. RELATED PARTY TRANSACTIONS

(a) Related party transactions

During the six months ended 30 June 2021, the Group recognised revenue of HK\$1,130,000 (six months ended 30 June 2020: HK\$1,183,000) from its comprehensive architectural services and BIM services provided to Beijing General Municipal Engineering Design & Research Institute Co., Ltd. ("BMEDI") and its subsidiaries. As at 30 June 2021, the Group had trade receivables due from BMEDI and its subsidiaries amounting to HK\$3,046,000 (31 December 2020: HK\$2,553,000). BMEDI is a substantial shareholder of the Company.

During the six months ended 30 June 2021, the Group leased a property from BMEDI for an office. The monthly lease payable was determined on a basis mutually agreed by both parties with reference to the prevailing market rent of similar properties located at the surrounding area available to independent third parties. Accordingly, right-of-use assets and lease liabilities of HK\$1,457,000 (31 December 2020: HK\$2,159,000) and HK\$1,484,000 (31 December 2020: HK\$2,174,000) in respect of the leases were recognised in the condensed consolidated statement of financial position as at 30 June 2021. During the six months ended 30 June 2021, depreciation of right-of-use assets of HK\$727,000 (six months ended 30 June 2020: HK\$669,000) and interest expense on the lease liabilities of HK\$45,000 (six months ended 30 June 2020: HK\$72,000) were charged to the condensed consolidated statement of profit or loss and other comprehensive income. During the six months ended 30 June 2021, the Group has made lease payment of HK\$760,000 (six months ended 30 June 2020: HK\$699,000).

(b) The remuneration of directors and other members of key management of the Group during the period were as follows:

	Six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Salaries, commission and other benefits	21,895	16,334
Contributions to retirement benefits	133	110
Equity settled share-based payments recognised	10,014	4,560
	32,042	21,004

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and bank balances, trade receivables, trade payables, financial assets included in prepayments, deposits, other receivables and other assets, interest-bearing bank borrowings, other interest-bearing borrowings, financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments or repayable on demand.

The Group's finance department headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The financial controller reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

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. The following methods and assumptions were used to estimate the fair values:

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

	Fair value as at		Fair value hierarchy	Valuation technique and key inputs	Significant unobserved inputs
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Audited)			
Financial assets at fair value through profit or loss - listed equity investments	16,224	9,764	Level 1	Based on the quoted market	N/A
Financial assets at fair value through profit or loss - other unlisted investments	-	19,187	Level 2	Based on market forward rate	N/A
	16,224	28,951			

The fair value of the non-current portion of other interest-bearing borrowings, which approximate to its carrying amount, has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The change in fair value as a result of the Group's own non-performance risk for the above financial instrument as at 30 June 2021 was assessed to be insignificant.

The Group did not have any financial liabilities measured at fair value as at 30 June 2021 and 31 December 2020.

During the six months ended 30 June 2021 and 2020, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

20. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the current period's presentation. In the opinion of the Directors of the Company, this presentation would better reflect the financial performance of the Group.

21. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The condensed consolidated financial information was approved and authorised for issue by the Board of the Directors on 27 August 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Comprehensive Architectural Services

The Group aimed to strengthen its market position as one of the leading comprehensive architectural service providers in Hong Kong and the Mainland China.

Segment revenue for the six months period ended 30 June 2021 of this sector contributed HK\$364,935,000, representing an increase of 29.8%. We secured 214 new contracts from external customers and the value of such new contracts and supplementary contracts totaled approximately HK\$457,264,000 as compared with HK\$392,538,000 in corresponding period of 2020, representing an increase of 16.5%. As at 30 June 2021, the Group had remaining contract sums of approximately HK\$1,644,014,000, increased by 10.8% as compared with HK\$1,484,189,000 at same period of 2020. This high contract value on hand provides potential for slingshot growth to the revenue of the Group in the future. As our main stream of practice, our traditional sector in architecture contributed approximately 89% of the revenue to our comprehensive architectural services.

Building Information Modelling ("BIM") Services

BIM services of the Group cover BIM consultancy services, digital transformation consultancy services, cloud based BIM platform development, cloud based project management platform development, sale of IT related products and BIM professional training services. The project nature covers smart cities, infrastructure projects, transit projects and large-scale property development.

During the period, the segment revenue of BIM sector amounted to HK\$65,371,000 when compared to HK\$32,252,000 in same period of 2020, represented an increase of 102.7%. BIM sector successfully secured 101 new contracts from external customers and the value of such new contracts and supplementary contracts totaled approximately HK\$66,720,000, representing an increase of 45.7% when compared to HK\$45,778,000 in same period of 2020. Remaining contract sum as at 30 June 2021 was approximately HK\$156,995,000, increased by 47.9% as compared with HK\$106,166,000 at same period of last year.

We believe that together with the experience and connections of the Group in our traditional architecture services, BIM services will be able to connect our existing architecture services and create extended value to our customers. The self-developed BIM data management platform "JARVIS" have huge client base include top-ten developers in the Mainland China and we expect to see incremental growth for JARVIS platform business, with the use of big data and artificial intelligence technology. This digital platform is able to handle data more effectively for clients throughout the whole life cycle of the projects with smart management technology and smart city development, etc., offering a comparative advantage especially when combined with the professional BIM consultancy services.

Financial Overview

Revenue

During the six months period ended 30 June 2021, the revenue of the Group was HK\$425,158,000, compared with that of HK\$310,835,000 in corresponding period of 2020, representing an increase of 36.8%. Increase in the current period was mainly attributable by the strong rebound of revenue in the Mainland China, increased from HK\$197,649,000 to HK\$282,851,000 when comparing with the same period of 2020.

Cost of services

Cost of services for the six months period ended 30 June 2021 amounted to HK\$339,894,000, when compared with that of HK\$250,803,000 in same period of 2020, representing an increase of 35.5%. Increase in current period was mainly represented by the repaid expansion of the Group's operation in the Mainland China, during the six months period ended 30 June 2021, the Group had expanded its offices as well as professional team in order to serve its enlarged contracts on hand.

Gross profit and gross profit margin

Gross profit for the six months period ended 30 June 2021 amounted to HK\$85,264,000, increased by 42.0% when compared with the corresponding period of 2020. Gross profit margin of the Group increased from 19.3% to 20.1%. The increase in gross profit margin during the period was due to the restoration of productivity from the temporary operation closures in last year due to the pandemic.

Administrative expenses

Administrative expenses for the six months period ended 30 June 2021 amounted to HK\$84,419,000, comparing with the corresponding period in 2020 of HK\$65,280,000, representing an increase of 29.3%. The increase was mainly due to the increase in staff cost and head count for the administrative support.

Loss for the period

Loss for the six months period ended 30 June 2021 was HK\$401,000, compared with the corresponding period in 2020 of loss of HK\$8,207,000.

OUTLOOK

The continuance of the Pandemic testified our resilience as a Group, and highlighted the importance of staying on the lookout for new trends. The Group also took initiative to strengthen our digitalisation expertise and diversify into new areas of business, both of which will create nascent opportunities and additional income sources for the coming years. Moreover, the Group will continue to explore the vertical expansion of our service chain, for achieving maximum benefits for the shareholders of the Company (the "Shareholders").

With an emphasis on innovation and efficiency, the Group will continue to act as a powerful driver of digitalisation in the construction industry. Revenue from our digitalisation business rose over 100% when comparing to last period and we anticipate further rise in the proportion it contributes to our business. isBIM Limited, a subsidiary of the Company is set to encompass a full spectrum of digital transformation services from consultancy to IT solutions and IoT deployment, placing the Group in an ever stronger position to partake in the growing trend of smart urbanisation. We are also an exporter of knowledge regarding digitalisation, which is an increasingly valued asset across different sectors.

In terms of regular operations, ongoing digitalisation of our workflows pushes on under the Pandemic as we continue to streamline cloud operations and encourage cross-border collaboration. Our internal digital infrastructure is constantly being upgraded and strengthened, and our workforce of 1,450 is ready to transform into the next generation model of how we work as a team.

Going forward, the Group will continue to identify opportunities for growth and maximise the benefits of our unique position in the Guangdong – Hong Kong – Macao Greater Bay Area. We expect to take up larger roles in the development of smart cities, integrating our architectural and digital capabilities to build world-class infrastructure that will shape our future cities.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

	As at 30 June 2021 HK\$'000	As at 31 December 2020 HK\$'000
Current assets	683,070	703,929
Current liabilities	277,045	311,724
Current ratio	2.47	2.26

The current ratio of the Group at 30 June 2021 was 2.47 times as compared to that of 2.26 times at 31 December 2020. It was mainly resulted from the decrease of other payables and accruals mainly due to the payment of year end bonus during the period.

At 30 June 2021, the Group had total bank balances and cash of HK\$157,438,000 (31 December 2020: HK\$228,412,000). The unutilised general banking facilities was approximately HK\$56,318,000 as at 30 June 2021 (31 December 2020: HK\$73,000,000).

At 30 June 2021, the gearing ratio of the Group (represented by interest-bearing bank borrowings and other interest-bearing borrowings divided by equity) amounted to approximately 14.6% (31 December 2020: 12.3%).

The Group's borrowing have not been hedged by any interest rate financial instruments. The Group's financial position is sound and strong. With available bank balances and cash and bank credit facilities, the Group has sufficient liquidity to satisfy its funding requirements.

There has been no change in the capital structure of the Company during the six months ended 30 June 2021. The capital of the Company comprises only ordinary shares.

CONTINGENT LIABILITIES

As at 30 June 2021, the Group provides guarantees amounting to HK\$3,648,000 (31 December 2020: HK\$4,064,000) to secure service performance bonds issued by a bank on behalf of a subsidiary's performance obligation on certain projects.

COMMITMENTS

As at 30 June 2021 and 31 December 2020, the Group had a capital commitment in respect of its investments in a joint venture of HK\$10,000,000 which has been contracted but not provided for in the condensed consolidated financial statements.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2021, the Group employed around 1,450 (30 June 2020: around 1,200) employees.

Employees are remunerated according to nature of the job, market trend, and individual performance. Employee bonus is distributed based on the performance of the respective subsidiaries and the employees concerned.

The Group offers competitive remuneration and benefit package to our employees. Our employee benefits include mandatory provident fund scheme in Hong Kong, employee pension schemes in the Mainland China, medical coverage, insurance, training and development programs and share options that were granted or may be granted under the appropriate share option schemes of the Company and its subsidiary.

FOREIGN EXCHANGE EXPOSURE

Most of the Group's business transactions, assets and liabilities are principally denominated in Hong Kong dollars and Renminbi. As at 30 June 2021, the Group had no significant exposure under foreign exchange contracts, interest, currency swaps or other financial derivatives.

MATERIAL ACQUISITIONS AND DISPOSALS

During the six months ended 30 June 2021, the Group had no material acquisitions and disposals of subsidiaries, associates and joint ventures.

DIRECTORS' AND CHIEF EXECUTIVES INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2021, the interests and short positions of the Directors and the chief executive and their associates in the shares, share options of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

(1) Long positions

Name of Director	Company/name of associated company	Nature of interest	Number of ordinary shares held	Approximate of percentage of shareholding
Mr. Liang Ronald	The Company	Interest in a controlled corporation	69,398,000	24.07%
	The Company	Beneficial interest	6,272,000	2.17%
	The Company	Beneficial interest	17,000,000 ^(Note 1)	5.89%
Mr. Fu Chin Shing	The Company	Interest in a controlled corporation	25,662,000	8.90%
	The Company	Beneficial interest	8,724,000	3.02%
	The Company	Interest of spouse	298,000 ^(Note 2)	0.10%
	The Company	Beneficial interest	12,600,000 ^(Note 1)	4.37%
Mr. Wang Jun You	The Company	Interest in a controlled corporation	12,940,000	4.48%
	The Company	Beneficial interest	1,450,000	0.50%
	The Company	Beneficial interest	9,600,000 ^(Note 1)	3.33%
	The Company	Interest of spouse	200,000 ^(Note 3)	0.06%
	The Company	Interest of spouse	1,200,000 ^(Note 1)	0.41%
Mr. Ma Kwai Lam Lambert	The Company	Beneficial interest	250,000	0.08%
	The Company	Beneficial interest	4,000,000 ^(Note 1)	1.38%

- Note:
- (1) These represent the shares to be issued and allotted by the Company upon exercise of the options granted under the share option scheme (the "**Share Option Scheme**") of the Company.
 - (2) Mr. Fu Chin Shing, being spouse of Ms. Chung Wai Chi, Connie, is deemed to be interested in 298,000 shares held by Ms. Chung under the SFO.
 - (3) Mr. Wang Jun You, being spouse of Ms. Li Min, is deemed to be interested in 200,000 shares held by Ms. Li under the SFO.

(2) Short positions

Save as disclosed above, as at 30 June 2021, none of the Directors nor chief executive had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept under section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange under the Model Code.

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

Save as disclosed below, as at 30 June 2021, so far as it is known by or otherwise notified by any Director or the chief executive of the Company, the particulars of the corporations or individuals (other than the Directors or chief executive of the Company) who had or were deemed or taken to have an interest or short position in the shares, underlying shares or debentures of the Company would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, recorded in the register required to be kept under section 336 of the SFO were as follows:

Long positions in the shares of the Company:

Name of Shareholder	Capacity	Total number of ordinary shares	Percentage of total issued share capital in the Company
Beijing Enterprises Group Company Limited	Interested in a controlled corporation (Note 1)	79,473,780	27.57%
Beijing General Municipal Engineering Design & Research Institute Co., Ltd. ("BMEDI")	Interested in a controlled corporation (Note 1)	79,473,780	27.57%
Beijing Design Group Company Limited	Beneficial owner (Note 1)	79,473,780	27.57%
Rainbow Path International Limited	Beneficial owner (Note 2)	62,198,000	21.57%
Veteran Ventures Limited	Beneficial owner (Note 2)	7,200,000	2.49%
Vivid Colour Limited	Beneficial owner (Note 3)	25,662,000	8.90%
Jun Ming Investments Limited	Beneficial owner (Note 4)	12,940,000	4.48%
Ms. Liang Sharon	Interest of spouse (Note 5)	92,670,000	32.14%
Ms. Chung Wai Chi, Connie	Interest of spouse (Note 6)	46,986,000	16.29%
	Beneficial owner	298,000	0.10%
Ms. Li Min	Interest of spouse (Note 7)	23,990,000	8.32%
	Beneficial owner (Note 8)	1,400,000	0.48%

Notes:

1. Beijing Design Group Company Limited is 100% owned by BMEDI and BMEDI is 100% owned by Beijing Enterprises Group Company Limited.
2. Rainbow Path International Limited and Veteran Ventures Limited are 100% owned by Mr. Liang Ronald.
3. Vivid Colour Limited is 100% owned by Mr. Fu Chin Shing.
4. Jun Ming Investments Limited is 100% owned by Mr. Wang Jun You.
5. Ms. Liang Sharon, being spouse of Mr. Liang Ronald, is deemed to be interested in the 92,670,000 shares held by Mr. Liang under the SFO.
6. Ms. Chung Wai Chi, Connie, being spouse of Mr. Fu Chin Shing, is deemed to be interested in the 46,986,000 shares held by Mr. Fu under the SFO.
7. Ms. Li Min, being spouse of Mr. Wang Jun You, is deemed to be interested in the 23,990,000 shares held by Mr. Wang under the SFO.
8. It represents the interest in 200,000 shares and the interest in 1,200,000 shares to be issued and allotted by the Company upon exercise of the share options granted under the Share Option Scheme.

SHARE OPTION SCHEMES

Share Option Scheme has been adopted to provide incentives or rewards to eligible persons for their contribution to the Group and to enable the Group to recruit and retain high-calibre employees. Details of which have been set out in the Company's 2020 annual report. The movement during the period and the options outstanding as at 30 June 2021 were as follows:

Share Option Scheme

Category of grantees	Date of grant	Exercise Price per share	As at 1 January 2021	Granted during the period	Exercised during the period	Cancelled during the period	As at 30 June 2021	Exercise period
Executive Directors								
- Liang Ronald	28/9/2017	HK\$2.49	3,500,000	-	-	-	3,500,000	(Note 1)
	1/11/2018	HK\$2.334	3,500,000	-	-	-	3,500,000	(Note 2)
	28/11/2019	HK\$1.55	5,000,000	-	-	-	5,000,000	(Note 3)
	23/12/2020	HK\$0.88	5,000,000	-	-	-	5,000,000	(Note 4)
- Liu Gui Sheng	28/9/2017	HK\$2.49	3,500,000	-	-	(3,500,000)	-	(Note 1)
	1/11/2018	HK\$2.334	3,500,000	-	-	(3,500,000)	-	(Note 2)
	28/11/2019	HK\$1.55	5,000,000	-	-	(5,000,000)	-	(Note 3)
	23/12/2020	HK\$0.88	5,000,000	-	-	(5,000,000)	-	(Note 4)
- Fu Chin Shing	28/9/2017	HK\$2.49	2,800,000	-	-	-	2,800,000	(Note 1)
	1/11/2018	HK\$2.334	2,800,000	-	-	-	2,800,000	(Note 2)
	28/11/2019	HK\$1.55	3,500,000	-	-	-	3,500,000	(Note 3)
	23/12/2020	HK\$0.88	3,500,000	-	-	-	3,500,000	(Note 4)
- Wang Jun You	28/9/2017	HK\$2.49	1,800,000	-	-	-	1,800,000	(Note 5)
	1/11/2018	HK\$2.334	2,200,000	-	-	-	2,200,000	(Note 6)
	28/11/2019	HK\$1.55	2,800,000	-	-	-	2,800,000	(Note 3)
	23/12/2020	HK\$0.88	2,800,000	-	-	-	2,800,000	(Note 4)
- Liu Yong	28/9/2017	HK\$2.49	1,000,000	-	-	(1,000,000)	-	(Note 1)
	1/11/2018	HK\$2.334	1,000,000	-	-	(1,000,000)	-	(Note 2)
	28/11/2019	HK\$1.55	1,000,000	-	-	(1,000,000)	-	(Note 3)
	23/12/2020	HK\$0.88	1,000,000	-	-	(1,000,000)	-	(Note 4)
- Ma Kwai Lam Lambert	28/9/2017	HK\$2.49	1,000,000	-	-	-	1,000,000	(Note 5)
	1/11/2018	HK\$2.334	1,000,000	-	-	-	1,000,000	(Note 6)
	28/11/2019	HK\$1.55	1,000,000	-	-	-	1,000,000	(Note 3)
	23/12/2020	HK\$0.88	1,000,000	-	-	-	1,000,000	(Note 4)
	28/9/2017	HK\$2.49	10,170,000	-	-	-	10,170,000	(Note 5)
Senior management and other employees	1/11/2018	HK\$2.334	4,100,000	-	-	-	4,100,000	(Note 6)
	28/11/2019	HK\$1.55	4,100,000	-	-	-	4,100,000	(Note 3)
	23/12/2020	HK\$0.88	3,500,000	-	-	-	3,500,000	(Note 4)
			86,070,000	-	-	(21,000,000)	65,070,000	

Note 1: The share options can be exercised from 28 September 2022 to 27 September 2024 (both dates inclusive).

Note 2: The share options can be exercised from 1 November 2023 to 31 October 2025 (both date inclusive).

Note 3: The share options can be exercised from 28 November 2022 to 27 November 2024 (both dates inclusive).

Note 4: The share options can be exercised from 23 December 2023 to 22 December 2025 (both dates inclusive).

Note 5: The share options can be exercised from 28 September 2020 to 27 September 2022 (both dates inclusive).

Note 6: The share options can be exercised from 1 November 2021 to 31 October 2023 (both date inclusive).

As at the date of this report, 65,070,000 shares are issuable for options granted under the Share Option Scheme representing approximately 22.57% of the total number of issued shares at that date.

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

During the six months ended 30 June 2021, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

DIRECTOR'S INTERESTS IN CONTRACTS OF SIGNIFICANCE

No Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party as at 30 June 2021 or at any time during the six months ended 30 June 2021.

COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors, the controlling shareholder and their respective close associates (as defined under the Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group during the six months ended 30 June 2021, as required to be disclosed under Rule 8.10(2) of the Listing Rules.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiries with the Directors, all Directors confirmed that they have complied with the Model Code and its code of conduct regarding securities transactions by the Directors during the six months ended 30 June 2021.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules during the six months period ended 30 June 2021.

INTERIM DIVIDEND

The board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2021 (2020: nil).

AUDIT COMMITTEE

The Company has established an audit committee comprising independent non-executive Directors, namely Mr. Lo Wai Hung, Mr. Yu Chi Hang and Ms. Su Ling. The audit committee has adopted terms of reference governing the authorities and duties. The primary duties of the audit committee are to review and supervise the financial reporting process and internal controls of the Group. The audit committee has reviewed the unaudited consolidated results of the Group for the six months ended 30 June 2021.

PUBLICATION OF INTERIM REPORT

The interim report of the Company for the six months ended 30 June 2021 containing all the relevant information required by the Listing Rules will be dispatched to the Shareholders and published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cchengholdings.com) in due course.

By Order of the Board
C Cheng Holdings Limited
Liang Ronald
Chairman

Hong Kong, 27 August 2021

As at the date of this report, the executive Directors are Mr. Liang Ronald, Mr. Liu Gui Sheng, Mr. Fu Chin Shing, Mr. Wang Jun You, Mr. Liu Yong and Mr. Ma Kwai Lam Lambert, and the independent non-executive Directors are Mr. Yu Chi Hang, Mr. Lo Wai Hung and Ms. Su Ling.