

GAIN PLUS HOLDINGS LIMITED 德益控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock code : 9900

**INTERIM REPORT
2021-22**

Contents

- 02** Corporate Information
- 04** Management Discussion and Analysis
- 10** Unaudited Condensed Consolidated Interim Financial Statements
 - 10** – Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
 - 11** – Unaudited Condensed Consolidated Statement of Financial Position
 - 13** – Unaudited Condensed Consolidated Statement of Cash Flows
 - 14** – Unaudited Condensed Consolidated Statement of Changes in Equity
- 15** Notes to the Unaudited Condensed Consolidated Interim Financial Statements
- 30** Other Information

Corporate Information

Board of Directors

Executive Directors

Mr. Tsang Chiu Kwan
(Chairman and Chief Executive Officer)
Mr. Tsang Man Ping *(Chief Executive Officer)*
(resigned on 30 June 2021)
Mr. Lau Ka Ho

Independent Non-executive Directors

Mr. So Chun Man
Mr. Chen Yeung Tak
Ms. Li Amanda Ching Man

Authorised Representatives

Mr. Tsang Chiu Kwan
Mr. Tsang Man Ping
(resigned on 30 June 2021)
Mr. Lau Ka Ho *(appointed on 30 June 2021)*

Company Secretary

Mr. Kwong Chun Ming Alex
(resigned on 3 September 2021)
Mr. Lau Ka Ho
(appointed on 3 September 2021)

Audit Committee

Mr. Chen Yeung Tak *(Chairman)*
Mr. So Chun Man
Ms. Li Amanda Ching Man

Remuneration Committee

Mr. So Chun Man *(Chairman)*
Mr. Chen Yeung Tak
Ms. Li Amanda Ching Man
Mr. Lau Ka Ho

Nomination Committee

Ms. Li Amanda Ching Man *(Chairman)*
Mr. So Chun Man
Mr. Chen Yeung Tak
Mr. Lau Ka Ho

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditors
35/F., One Pacific Place
88 Queensway
Hong Kong

Principal Bankers

DBS Bank (Hong Kong) Limited
11th Floor, the Center
99 Queen's Road Central
Hong Kong

Bank of China (Hong Kong) Limited
Bank of China Tower
1 Garden Road
Hong Kong

Registered Office

Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

Company Website

www.doublegain.hk

Stock Code

9900

Headquarter and Principal Place of Business in Hong Kong

Unit 1323A, Level 13
Landmark North
39 Lung Sum Avenue
Sheung Shui, the New Territories
Hong Kong

Cayman Islands Principal Share Registrar and Transfer Office

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

Management Discussion and Analysis

Business Review and Outlook

The principal activity of Gain Plus Holdings Limited (the “Company”, together with its subsidiaries, “Our Group”) is investment holding. Our Group is an established construction contractor in Hong Kong founded in 2004, principally engaged in subcontracting works, providing repair, maintenance, addition and alteration services (“RMAA Services”) and building construction services. Our RMAA Services include general upkeep, restoration and improvement of existing facilities and components of buildings and their surroundings; and our building construction services primarily consist of building works and civil works for new buildings such as columbarium blocks, demolition of staff quarters, road enhancement works and lift tower.

Looking forward, the directors of the Company (the “Directors”) consider that the future opportunities and challenges which the Group face will be affected by uncertainty to construction industry due to the continuous outbreak of coronavirus disease (“COVID-19”) and the availability of construction projects from the public and private sectors in Hong Kong.

Our Group stays positive about the prospect of the construction market and will continue to focus on our core business.

Financial Review

Revenue

Our revenue increased from approximately HK\$470.6 million for the six months ended 30 September 2020 to approximately HK\$576.7 million for the six months ended 30 September 2021 (the “Period”). The increase was mainly attributable to the increase in revenue derived from the provision of RMAA services due to more projects were started in 2021.

In 30 September 2020, majority of contract value was recognised as revenue in previous years. It leads to the decrease for the six months ended 30 September 2020.

Cost of Services

Our cost of services increased from approximately HK\$439.4 million for the six months ended 30 September 2020 to approximately HK\$540.3 million for the Period, which is in line with the increase in revenue for the Period comparing with the figures for the six months ended 30 September 2020.

Gross Profit

Our gross profit increased from approximately HK\$31.2 million for the six months ended 30 September 2020 to approximately HK\$36.4 million for the Period. Our gross profit margin decreased from approximately 6.6% for the six months ended 30 September 2020 to approximately 6.3% for the Period. Such decrease was mainly attributable to the decrease in the gross profit margin of the provision of RMAA services.

Other Income, Other Gains and Losses

Our other income, other gains and losses decreased from approximately HK\$3.1 million gains for the six months ended 30 September 2020 to approximately HK\$0.4 million losses for the Period. The decrease was mainly due to no government grants and other subsidies was recognised during the Period.

Administrative Expenses

Our Group's administrative expenses increased from approximately HK\$5.3 million for the six months ended 30 September 2020 to approximately HK\$6.2 million for the Period. The increase was mainly due to the increase in staff costs.

Finance Costs

Our Group's finance costs decreased slightly by approximately HK\$22,000 for the Period, which was mainly due to the decrease in interest on bank borrowings.

Income Tax Expense

The income tax expenses decreased by approximately HK\$0.3 million for the Period. Our effective tax rate was approximately 18.2% for the Period (for the six months ended 30 September 2020: approximately 16.7%), which was similar to the statutory tax rate of 16.5%.

Profit for the Period

Our Group's net profit decreased from approximately HK\$28.7 million for the six months ended 30 September 2020 to approximately HK\$26.4 million for the Period. Such decrease was mainly due to the increase in the impairment losses under expected credit loss model, net of reversal on trade receivables and contract assets by approximately HK\$3.1 million.

Liquidity and Financial Resources

The Group maintained a sound financial position during the Period. As at 30 September 2021, the Group had a bank balances of approximately HK\$55.1 million (31 March 2021: approximately HK\$61.8 million). The total interest-bearing borrowings, including lease liabilities and bank borrowings, of the Group as at 30 September 2021 was approximately HK\$9.7 million (31 March 2021: approximately HK\$7.3 million), and the current ratio as at 30 September 2021 was approximately 2.3 (31 March 2021: approximately 3.8).

As at 30 September 2021, bank balances, bank borrowings and lease liabilities were denominated in Hong Kong Dollars.

Gearing Ratio

The gearing ratio of the Group as at 30 September 2021 was approximately 4.0% (31 March 2021: approximately 3.3%). Such increase was primarily attributable to the increase in lease liabilities and bank borrowings. The gearing ratio is calculated by dividing the total debt which represents lease liabilities and bank borrowings by total equity as at the end of the reporting periods multiplied by 100%.

Capital Structure

There has been no change in the capital structure of the Company during the Period. The share capital of the Group only comprises of ordinary shares, share premium and capital and other reserves. The Group finances its working capital requirements mainly through a combination of its cash flows generated from operations, borrowings and proceeds from share offer.

Commitment

The operating lease commitment of the Group was related to the lease of its office, workshops and warehouses.

The capital commitment of the Group was capital expenditure in respect of the acquisition of plant and equipment contracted for but not provided in the unaudited condensed consolidated interim financial statements. As at 30 September 2021, the amount was approximately HK\$0.4 million (31 March 2021: approximately HK\$1.7 million).

Segment Information

Segment information is disclosed in note 4 of the notes to the unaudited condensed consolidated interim financial statements.

Future Plans for Material Investment and Capital Assets

The Group did not have any other plans for material investment and capital assets.

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

During the Period, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

Significant Investment

As at 30 September 2021, the Group did not hold any significant investment.

Contingent Liabilities

As at 30 September 2021, the Group did not have material contingent liabilities.

Exposure to Exchange Rate Fluctuation

The Group's revenue generating operations are mainly transacted in Hong Kong Dollars. The Directors consider that the impact of foreign exchange exposure to the Group is minimal.

Charge of Group's Assets

As at 30 September 2021, the Group had pledged financial assets at fair value through profit or loss of approximately HK\$24.7 million (31 March 2021: nil) for bank borrowings.

Employees and Remuneration Policies

As at 30 September 2021, the Group had a total of 206 employees (31 March 2021: 289 employees). The Group's gross staff costs for the Period amounted to approximately HK\$29.1 million (six months ended 30 September 2020: HK\$29.2 million). To ensure that the Group is able to attract and retain Directors and staff capable of attaining the best performance levels, remuneration packages are reviewed on a regular basis. In addition, discretionary bonus is offered to eligible employees by reference to the Group's results and individual performance. There was no forfeited contribution under Mandatory Provident Fund Scheme during the Period. We provide various types of trainings to our employees and sponsor our employees to attend training courses.

Use of Proceeds

The final offer price for the GEM Listing was HK\$0.80 per share, and the actual net proceeds from the GEM Listing were approximately HK\$51.8 million, after deducting the listing-related expenses of approximately HK\$22.6 million (of which, approximately HK\$15.6 million and HK\$7.0 million are recognised in the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of changes in equity, respectively). This amount was higher than the estimated net proceeds of approximately HK\$44.1 million, which was based on a mid-point offer price of HK\$0.70 per share, as disclosed in the GEM Prospectus. In light of the difference between the actual and estimated amount of the net proceeds, the Group has adjusted the use of proceeds, applying all surplus proceed to obtain surety bonds, as shown in the GEM Prospectus:

Use of Proceeds (Continued)

	Adjusted use of net proceeds HK\$ million	Planned use of net proceeds from Listing Date to 30 September 2021 HK\$ million	Actual use of net proceeds up to 30 September 2021 HK\$ million
The recruitment and retaining of additional staff	21.2	21.2	21.2
The surety bond	23.7	16.0	15.0
Purchase of machineries and motor vehicles	2.9	2.9	2.9
Working capital	4.0	N/A	4.0
Total	51.8		43.1

The net proceeds are designated for the purposes in accordance with disclosures in the GEM Prospectus. Up to 30 September 2021, the actual use of net proceeds was delayed mainly due to the fact that only two projects awarded required surety bonds to be provided from GEM Listing date.

The Company intends to continue to apply the unused amount of net proceeds allocated for surety bond of approximately HK\$8.7 million for the same purpose up to year ending 31 March 2022 in accordance with the section headed “Future Plans and Use of Proceeds” of the GEM Prospectus.

Unaudited Condensed Consolidated Interim Financial Statements

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2021

	Notes	Six months ended	
		2021	2020
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	3	576,715	470,597
Cost of services		(540,315)	(439,373)
Gross profit		36,400	31,224
Other income, other gains and losses	5	(370)	3,136
Impairment losses under expected credit loss model, net of reversal		(3,361)	(213)
Administrative expenses		(6,178)	(5,312)
Finance costs		(118)	(140)
Profit before taxation		26,373	28,695
Income tax expense	6	(4,387)	(4,663)
Profit and total comprehensive income for the period attributable to owners of the Company	7	21,986	24,032
Earnings per share			
Basic (HK cents)	9	5.91	6.46

Unaudited Condensed Consolidated Statement of Financial Position

As at 30 September 2021

	Notes	As at 30 September 2021 HK\$'000 (Unaudited)	As at 31 March 2021 HK\$'000 (Audited)
Non-current assets			
Plant and equipment	10	3,018	1,628
Right-of-use assets	11	389	—
Deposits for acquisition of plant and equipment		20	60
Deferred tax assets		1,499	1,085
		4,926	2,773
Current assets			
Trade and other receivables	12	193,524	93,443
Financial assets at fair value through profit or loss		24,696	—
Contract assets	13	143,972	135,713
Tax recoverable		—	205
Bank balances		55,138	61,838
		417,330	291,199
Current liabilities			
Trade and other payables	14	112,701	68,463
Financial liabilities at fair value through profit or loss		171	—
Tax payable		2,394	—
Bank borrowings		9,227	7,025
Contract liabilities		57,163	121
Lease liabilities		348	208
		182,004	75,817
Net current assets		235,326	215,382
Total assets less current liabilities		240,252	218,155

Unaudited Condensed Consolidated Statement of Financial Position (Continued)

As at 30 September 2021

		As at 30 September 2021 HK\$'000 (Unaudited)	As at 31 March 2021 HK\$'000 (Audited)
Non-current liability			
Lease liabilities		135	24
Net assets		240,117	218,131
Capital and reserves			
Share capital	15	3,720	3,720
Reserves		236,397	214,411
Total equity		240,117	218,131

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2021

	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Net cash used in operating activities	(6,985)	(17,840)
Investing activities		
Purchases of plant and equipment	(2,119)	(68)
Proceeds from disposals of plant and equipment	158	72
Interest received	389	61
Net cash (used in) generated from investing activities	(1,572)	65
Financing activities		
New bank borrowing raised	22,016	—
Repayments of bank borrowings	(19,814)	(4,297)
Repayments of lease liabilities	(227)	(402)
Interest paid for lease liabilities	(13)	(5)
Interest paid	(105)	(135)
Net cash generated from (used in) financing activities	1,857	(4,839)
Net decrease in cash and cash equivalents	(6,700)	(22,614)
Cash and cash equivalents at the beginning of the period	61,838	73,422
Cash and cash equivalents at the end of the period	55,138	50,808
Analysis of balances of cash and cash equivalents:		
Cash and cash equivalents as stated in the unaudited condensed consolidated statement of financial position	59,878	50,808
Bank overdrafts	(4,740)	—
Cash and cash equivalents as stated in the unaudited condensed consolidated statement of cash flows	55,138	50,808

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2021

	Reserves					Total
	Share capital	Share premium	Capital reserve	Other reserve	Retained earnings	
	HK\$'000	HK\$'000	HK\$'000 (note a)	HK\$'000 (note b)	HK\$'000	HK\$'000
At 1 April 2021 (Audited)	3,720	132,532	(48,883)	(3,337)	134,099	218,131
Profit and total comprehensive income for the period	—	—	—	—	21,986	21,986
At 30 September 2021 (Unaudited)	3,720	132,532	(48,883)	(3,337)	156,085	240,117
At 1 April 2020 (Audited)	3,720	132,532	(48,883)	(3,337)	100,027	184,059
Profit and total comprehensive income for the period	—	—	—	—	24,032	24,032
At 30 September 2020 (Unaudited)	3,720	132,532	(48,883)	(3,337)	124,059	208,091

Notes:

- (a) The capital reserve represents the difference between the nominal value of share capital of Nation Max Holdings Limited ("Nation Max") and Double Gain Engineering Limited ("Double Gain") upon insertion of Nation Max between Double Gain and its then shareholders as part of the group reorganisation on 23 January 2019.
- (b) Other reserve brought forward from prior year represents the differences between the principal amount of amounts due from Mr. Tsang Chiu Kwan and Mr. Tsang Man Ping, both being the then shareholders of the Company, and present value of estimated future cash flows discounted at the original effective interest rate, and the differences are recognised directly in equity as deemed distributions.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2021

1. General Information

Gain Plus Holding Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 4 July 2017 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the Company’s registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands. The Company has established a place of business in Hong Kong which is located at Unit 1323A, Level 13, Landmark North, 39 Lung Sum Avenue, Sheung Shui, New Territories, Hong Kong.

The Company acts as an investment holding company and its subsidiaries are principally engaged in the provision of building construction services and repair, maintenance, addition and alteration services (“RMAA Services”). The Company and its subsidiaries are hereafter collectively referred to as the “Group”.

The condensed consolidated interim financial statements has not been audited by the auditor of the Company.

2. Basis of Preparation and Principal Accounting Policies

The unaudited condensed consolidated interim financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis except for financial assets/liabilities at fair value through profit or loss which are measured at fair value, as appropriate. Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the unaudited condensed consolidated interim financial statements for the six months ended 30 September 2021 are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2021.

2. Basis of Preparation and Principal Accounting Policies (Continued)

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2021 for the preparation of the Group's unaudited condensed consolidated interim financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated interim financial statements.

3. Revenue

Disaggregation of revenue from contracts with customers

	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Types of services		
Provision of building construction services	59,499	42,944
Provision of RMAA Services	517,216	427,653
Total	576,715	470,597
Timing of revenue recognition		
Over time	576,715	470,597

4. Segment Information

The Group focuses primarily on the provision of building construction services and RMAA Services in Hong Kong. The operation of the Group constitutes one single operating and reportable segment. The management of the Group, being the chief operating decision maker of the Group, reviews the revenue and operating results of the Group as a whole to make decisions about resource allocation and performance assessment and accordingly no separate segment information is prepared other than entity-wide disclosure.

5. Other Income, Other Gains and Losses

	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Other income:		
Loans interest income	76	—
Bank interest income	1	61
Investment interest income	388	—
Handling income	28	44
Government grants	—	2,963
Gain on disposals of plant and equipment	158	68
	651	3,136
Other gains and losses:		
Net realised gain on financial liabilities at fair value through profit or loss ("FVTPL")	256	—
Net unrealised gain on financial liabilities at FVTPL	27	—
Net unrealised loss on financial assets at FVTPL	(1,304)	—
	(1,021)	—
Total other income, other gains and losses	(370)	3,136

6. Income Tax Expense

	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax		
Hong Kong Profits Tax	4,801	4,788
Deferred tax	(414)	(125)
Income tax expense	4,387	4,663

Hong Kong Profits Tax has been provided at the rate of 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million for both periods.

7. Profit for the Period

	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit for the period is arrived at after charging:		
Depreciation of right-of-use assets	129	368
Depreciation of plant and equipment	769	564

8. Dividends

No dividend were paid, declared or proposed for the six months ended 30 September 2021 (six months ended 30 September 2020: Nil).

9. Earnings Per Share

	Six months ended	
	30 September	
	2021	2020
	(Unaudited)	(Unaudited)
Profit and total comprehensive income for the period attributable to owners of the Company for the purpose of calculating basic earnings per share (HK\$'000)	21,986	24,032
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share ('000)	372,000	372,000
Basic earnings per share (in HK cents)	5.91	6.46

No diluted earnings per share is presented as there was no potential ordinary shares in issue during both periods.

10. Movements in Plant and Equipment

	Leasehold improvement	Plant and machinery	Furniture, fixtures and equipment	Motor vehicle	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
COST					
At 1 April 2020	185	1,272	612	4,531	6,600
Additions	3	—	—	78	81
Disposals	—	—	—	(255)	(255)
At 31 March 2021 (audited)	188	1,272	612	4,354	6,426
Additions	19	—	—	2,140	2,159
Disposals	—	—	—	(787)	(787)
At 30 September 2021 (unaudited)	207	1,272	612	5,707	7,798
DEPRECIATION					
At 1 April 2020	185	445	441	2,847	3,918
Provided for the year	2	255	114	753	1,124
Eliminated on disposals	—	—	—	(244)	(244)
At 31 March 2021 (audited)	187	700	555	3,356	4,798
Provided for the period	3	127	21	618	769
Eliminated on disposals	—	—	—	(787)	(787)
At 30 September 2021 (unaudited)	190	827	576	3,187	4,780
CARRYING VALUES					
At 30 September 2021 (unaudited)	17	445	36	2,520	3,018
At 31 March 2021 (audited)	1	572	57	998	1,628

11. Movements of Right-of-Use Assets

	Motor vehicle HK\$'000	Leased property HK\$'000	Total HK\$'000
At 30 September 2021 (unaudited)			
Carrying amount	—	389	389
At 31 March 2021 (audited)			
Carrying amount	—	—	—
For the six months ended 30 September 2021 (unaudited)			
Depreciation charge	—	129	129
For the year ended 31 March 2021 (audited)			
Depreciation charge	242	291	533

12. Trade and Other Receivables

The following is an ageing analysis of trade receivables presented based on date of works certified at the end of the reporting periods, net of allowance for credit losses.

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
1–30 days	117,065	31,702
31–60 days	21,892	16,180
61–90 days	11,556	1,311
Over 90 days	3,873	968
Trade receivables	154,386	50,161
Less: Allowance for credit losses	(4,442)	(1,541)
Trade receivables, net	149,944	48,620
Other receivables	43,580	44,823
	193,524	93,443

As at 30 September 2021, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$36,213,000 (31 March 2021: HK\$17,844,000) which are past due as at the reporting date. Out of the past due balances, HK\$3,759,000 (31 March 2021: HK\$873,000) has been past due 90 days or more and is not considered as in default since the Group is still engaging with those corresponding debtors in active projects or the Group considers good cooperation relationships with these debtors exist and with good repayment record. The Group does not hold any collateral over these balances.

The Group's management closely monitors the credit quality of debtors and considers the debtors that are past due but not impaired to be of a good credit quality. Based on the payment pattern of the customers of the Group, debtors that are past due but not impaired are generally collectible.

13. Contract Assets

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Analysed as current:		
Retention receivables of construction contracts (note a)	9,177	7,738
Unbilled revenue of construction contracts (note b)	140,870	133,590
Less: Allowance for credit losses	(6,075)	(5,615)
	143,972	135,713

Notes:

- (a) Retention receivables included in contract assets represent the Group's right to receive consideration for work performed and not yet billed because the rights are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the construction work performed by the Group. As at 30 September 2021, the due dates for retention receivables are one to two years (31 March 2021: one to two years) after the completion of construction work.
- (b) Unbilled revenue included in contract assets represents the Group's right to receive consideration for work completed but not yet billed because the rights are conditional upon the satisfaction by the customers on the construction work completed by the Group and the work is pending for the certification by the customers. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed construction work from the customers.

14. Trade and Other Payables

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

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
1–30 days	73,472	36,574
31–60 days	9,019	3,122
61–90 days	7,961	3,757
Over 90 days	10,518	12,477
Trade payables	100,970	55,930
Other payables	11,731	12,533
	112,701	68,463

As at 30 September 2021, all the retention payables were aged within one to two years (31 March 2021: aged within one to two years).

15. Share Capital

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2020, 31 March 2021 and 30 September 2021	780,000,000	7,800
Issued and fully paid:		
At 1 April 2020, 31 March 2021 and 30 September 2021	372,000,000	3,720

16. Share Option Scheme

The Company's share option scheme (the "Share Option Scheme") was adopted pursuant to a resolution passed on 23 January 2018; amended and modified by the resolutions of the board of Directors (the "Board") on 16 December 2019, for the primary purpose of providing incentives to Directors and eligible employees. Under the scheme, the Directors of the Company may grant options to eligible employees, including Directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to outside third parties for settlement in respect of goods or services provided to the Company. Details of the Share Option Scheme are disclosed in the Directors' Report of 2021 annual report dated 22 June 2021.

During the six months ended 30 September 2021, the Group did not granted any share option under the Share Option Scheme of the Company (six months ended 30 September 2020: nil).

17. Fair Value Measurements of Financial Instruments

a. Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

	Fair value as at		Fair value hierarchy	Valuation technique and key input
	30 September 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)		
Financial assets at FVTPL				
Equity-linked notes	24,696	—	Level 3	Monte Carlo Simulation Key unobservable inputs: Volatility, drift rate and discount rate
Financial liabilities at FVTPL	171	—	Level 1	Quoted ask prices in an active market
Short position in listed equity securities				

There were no transfers between Level 1, 2 and 3 in both periods.

The fair value of equity-linked notes is determined as the average of the results based on substantial number of iterations of the underlying assets by Monte Carlos Simulation. Key unobservable inputs include volatility, drift rate and discount rate, the higher volatility and discount rate, the lower the fair value and the higher drift rate, the higher the fair value.

The fair value of short position in listed equity securities is measured based on the quoted ask price as at the end of the reporting period, being the last trading date of the options at the end of the reporting period.

17. Fair Value Measurements of Financial Instruments (Continued)

b. Reconciliation of Level 3 fair value measurements of financial assets

	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Equity-linked notes		
At 1 April	—	—
Purchase	26,000	—
Total loss:		
— In profit or loss	(1,304)	—
At 30 September (unaudited)	24,696	—

Note: The loss arising from the remeasurement are presented in the “other income, other gains and losses” line item in the unaudited condensed consolidated statement of profit or loss.

c. Pledge of financial instruments

Financial instrument amounted HK\$24.7 million has been pledged for bank borrowings.

18. Related Party Transactions

Other than the transactions and balances disclosed elsewhere in the unaudited condensed consolidated interim financial statements, the Group had the following transactions with related parties during the periods:

(i) Transactions

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Purchases of materials from:		
Victor Link Trading Limited (note a)	85	134
Management fee expenses to:		
PFH Management Services Limited (note b)	50	—

Notes:

- a. The Group's related party transactions were carried out in accordance with the terms and conditions mutually agreed by the contracting parties. Mr. Tsang Chiu Kwan and Mr. Tsang Man Ping are the then common directors and ultimate controlling parties of Victor Link Trading Limited (Mr. Tsang Man Ping resigned as an executive Director of the Company on 30 June 2021).
- b. The Group's related party transactions were carried out in accordance with the terms and conditions mutually agreed by the contracting parties. Mr. Lau Ka Ho is the common director of PFH Management Services Limited.

(ii) Compensation of key management personnel

The remuneration of key management personnel (including the Directors of the Company) of the Group during the periods are as follows:

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Short-term benefits	2,478	2,036

Other Information

Corporate Governance Code

The Company endeavors to adopt prevailing best corporate governance practices. During the Period, the Company had complied with the code provisions set out in the Corporate Governance Code (the “CG Code”) as contained in Appendix 14 of the Listing Rules apart from the code provision A.2.1 as disclosed below.

Under code provision A.2.1 of the CG Code, the role of chairman and chief executive should be separate and should not be performed by the same individual. The positions of Chairman and Chief Executive Officer of the Company are held by Mr. Tsang Chiu Kwan (“Mr. CK Tsang”), who has in-depth industry experience and knowledge about the operation and management of the business of the Company. Mr. CK Tsang is responsible for the overall strategic planning and business development as well as executing the overall operation of the Group. The Board believes that this arrangement enhances the effective and efficient planning and implementation of business decisions and strategies under the strong and consistent leadership, and would be overall beneficial to the management and development of the Group’s business.

Code of Conduct for Directors’ Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the “Model Code”). The Company had also made specific enquiry of all the Directors and each of them was in compliance with the Model Code during the Period and up to the date of this report.

Pursuant to B.13 of the Model Code, the Directors have also requested all employees of the Company or director or employee of subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he/she would be prohibited from dealing by the Model Code as if he/she were a Director.

Directors' and Chief Executive's Interests in Short Positions in Shares, Underlying Shares and Debentures

As at 30 September 2021, the interests and short positions of the Directors and chief executive of the Company in the shares of the Company ("Shares"), underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which had to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 13 of Appendix 16 to the Listing Rules, were as follows:

(i) Long position in the Shares of the Company

Name of Director	Nature of interest	Number and class of Shares (Note 1)	Approximate percentage of shareholding
Mr. Tsang Chiu Kwan (Note 2)	Interest in controlled corporation	104,625,000 ordinary Shares (L)	28.125%

Notes:

1. The letter (L) denotes the person's long interest in the Shares of the Company.
2. Mr. Tsang Chiu Kwan beneficially owns the entire issued share capital of Universe King International Investment Limited ("Universe King") and is deemed, or taken to be, interested in all the Shares held by Universe King for purposes of the SFO.

(ii) **Long position in the ordinary shares of associated corporation**

Name of Director	Name of associated corporation	Nature of interest	Number of Shares held	Percentage of interest
Mr. Tsang Chiu Kwan	Universe King	Beneficial Owner	1,000	100%

Save as disclosed above and so far as is known to the Directors, as at 30 September 2021, none of the Directors or chief executive of the Company had or was deemed to have any other interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by Directors as referred to in Rules 13 of Appendix 16 to the Listing Rules.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 30 September 2021, so far as is known to the Directors, the following persons had an interest or a short position in the Shares or the underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or, who were directly or indirectly, be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name of shareholders	Nature of interest	Number of Shares (Note 1)	Approximate percentage of shareholding
Mr. Tsang Chiu Kwan (Note 2)	Interest in controlled corporation	104,625,000 Shares (L)	28.125%
Ms. Leung Wai Ling ("Ms. Leung") (Note 3)	Interest of spouse	104,625,000 Shares (L)	28.125%
Universe King	Beneficial owner	104,625,000 Shares (L)	28.125%
Ms. Tsang Hoi Ching (Note 4)	Interest in controlled corporation	69,625,000 Shares (L)	18.716%
Great Star Investment Group Limited ("Great Star")	Beneficial owner	69,625,000 Shares (L)	18.716%
Mr. Lai Wai Lam Ricky ("Mr. Lai") (Note 5)	Interest in controlled corporation	62,775,000 Shares (L)	16.875%
Ms. Chu Siu Ping ("Ms. Chu") (Note 6)	Interest of spouse	62,775,000 Shares (L)	16.875%
Giant Winchain Limited ("Giant Winchain")	Beneficial owner	62,775,000 Shares (L)	16.875%

Notes:

1. The letter (L) denotes the person's long interest in our Shares.
2. Mr. Tsang Chiu Kwan beneficially owns the entire issued share capital of Universe King and is deemed, or taken to be, interested in all the Shares held by Universe King for purposes of the SFO.
3. Ms. Leung is the spouse of Mr. Tsang Chiu Kwan and is deemed, or taken to be, interested in all the Shares held by Mr. Tsang Chiu Kwan for purposes of the SFO.
4. Ms. Tsang Hoi Ching beneficially owns the entire issued share capital of Great Star and is deemed, or taken to be, interested in all the Shares held by Great Star for purposes of the SFO.
5. Mr. Lai beneficially owns the entire issued share capital of Giant Winchain and is deemed, or taken to be, interested in all the Shares held by Giant Winchain for purposes of the SFO.
6. Ms. Chu is the spouse of Mr. Lai and is deemed, or taken to be, interested in all the Shares held by Mr. Lai for purposes of the SFO.

Save as disclosed above and so far as is known to the Directors, the Directors are not aware of any person who, as at 30 September 2021, had an interest or short position in the Shares or the underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or, who were directly or indirectly, be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

Directors' Rights to Acquire Securities or Debenture

Save as disclosed above, at no time during the Period were any rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any other body corporate.

Purchase, Sale or Redemption of the Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period and up to the date of this report.

Dividend

No interim dividend has been declared in respect of the six months ended 30 September 2021 (six months ended 30 September 2020: Nil).

Directors' Interests in Competing Interests

For the Period, the Directors were not aware of any business or interest of the Directors, the controlling shareholders, 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.

A deed of non-competition dated 16 December 2019 was entered into by the controlling shareholders in favour of the Company (for itself and as trustee for its subsidiaries), details of which are set out in the section headed "Relationship with Controlling Shareholders" of the listing documents dated 16 December 2019 for Transfer of Listing.

Share Option Scheme

The Share Option Scheme of the Company is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules. The Share Option Scheme was adopted on 23 January 2018, amended and modified by the resolutions of the Board on 16 December 2019. As of the date of this report, no option has been granted, agreed to be granted, exercised, cancelled or lapsed under the Share Option Scheme.

Events After the Period

There are no material subsequent events undertaken by the Company or by the Group after 30 September 2021.

Update on Directors' Information

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors are set out as follow:

- Mr. Tsang Man Ping resigned as an executive Director and the Chief Executive Officer on 30 June 2021.
- Mr. CK Tsang, an executive Director and the chairman of the Board, has been appointed as the Chief Executive Officer on 30 June 2021.
- Mr. Lau Ka Ho, the executive Director, has been appointed as the company secretary on 3 September 2021.

Audit Committee

The audit committee of the Company (the "Audit Committee") has been established on 23 January 2018 with written terms of reference, which revised with effective from 30 December 2019, in compliance with Rule 3.21 of the Listing Rules. The primary duties of the Audit Committee are, among other things, to review and supervise the Group's financial reporting process, to nominate and monitor the Company's external auditor, and to oversee the risk management and internal control systems of the Company. The Audit Committee comprises three independent non-executive Directors, namely Mr. Chen Yeung Tak, as the chairman of the Audit Committee, Mr. So Chun Man and Ms. Li Amanda Ching Man. The Audit Committee has reviewed the unaudited condensed consolidated interim financial statements of the Company for the Period and is of the opinion that such results complied with the applicable accounting standards and the requirements under the Listing Rules, and that adequate disclosures have been made.