

GAIN PLUS HOLDINGS LIMITED

德益控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock code : 9900



2022-2023
Interim Report



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Corporate Information

Board of Directors

Executive Directors

Mr. Tsang Chiu Kwan
(Chairman and Chief Executive Officer)
Mr. Lau Ka Ho

Independent Non-executive Directors

Mr. So Chun Man
Mr. Chen Yeung Tak
Mr. Chung Dan

Authorised Representatives

Mr. Tsang Chiu Kwan
Mr. Lau Ka Ho

Company Secretary

Mr. Lau Ka Ho

Audit Committee

Mr. Chen Yeung Tak *(Chairman)*
Mr. So Chun Man
Mr. Chung Dan

Remuneration Committee

Mr. So Chun Man *(Chairman)*
Mr. Chen Yeung Tak
Mr. Lau Ka Ho

Nomination Committee

Mr. Chen Yeung Tak *(Chairman)*
Mr. So Chun Man
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



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
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Company Website

www.doublegain.hk

Stock Code

9900



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\$576.7 million for the six months ended 30 September 2021 to approximately HK\$606.2 million for the six months ended 30 September 2022 (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 2022.

Cost of Services

Our cost of services increased from approximately HK\$540.3 million for the six months ended 30 September 2021 to approximately HK\$566.2 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 2021.



Gross Profit

Our gross profit increased from approximately HK\$36.4 million for the six months ended 30 September 2021 to approximately HK\$40.0 million for the Period. Our gross profit margin increased from approximately 6.3% for the six months ended 30 September 2021 to approximately 6.6% for the Period. Such increase was mainly attributable to the increase in the gross profit margin of the provision of RMAA services.

Other Income, Other Gains and Losses

Our other income, other gains and losses increased from approximately HK\$0.4 million losses for the six months ended 30 September 2021 to approximately HK\$0.6 million gains for the Period. The increase was mainly due to increase of gain on disposals of plant and equipment and increase in government grants recognised during the Period.

Administrative Expenses

Our administrative expenses increased from approximately HK\$6.2 million for the six months ended 30 September 2021 to approximately HK\$11.4 million for the Period. The increase was mainly due to a special bonus HK\$6.0 million was paid to an executive Director during the Period.

Finance Costs

Our finance costs decreased to approximately HK\$12,000 for the Period, which was mainly due to the decrease in interest on bank borrowings.

Income Tax Expense

The income tax expense increased by approximately HK\$0.4 million for the Period. Our effective tax rate was approximately 16.2% for the Period (for the six months ended 30 September 2021: approximately 18.2%), which was similar to the statutory tax rate of 16.5%.

Profit for the Period

Our net profit increased from approximately HK\$22.0 million for the six months ended 30 September 2021 to approximately HK\$24.7 million for the Period. Such increase was mainly due to the increase in the revenue derived from the provision of RMAA services due to more projects were started in 2022.



Liquidity and Financial Resources

The Group maintained a sound financial position during the Period. As at 30 September 2022, the Group had a bank balances of approximately HK\$102.4 million (31 March 2022: approximately HK\$57.6 million). The total interest-bearing borrowings, including lease liabilities and bank borrowings, of the Group as at 30 September 2022 was approximately HK\$0.1 million (31 March 2022: approximately HK\$4.0 million), and the current ratio as at 30 September 2022 was approximately 4.1 (31 March 2022: approximately 3.5).

As at 30 September 2022, 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 2022 was approximately 0.1% (31 March 2022: approximately 1.7%). Such decrease was primarily attributable to the decrease in lease liabilities and the Group made a fully repayment of bank borrowings during the Period. 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 2022, the amount was approximately HK\$0.3 million (31 March 2022: HK\$nil).



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 2022, the Group did not hold any significant investment.

Contingent Liabilities

As at 30 September 2022, 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 2022, the Group did not charge any of Group's assets (31 March 2022: the Group had pledged financial assets at fair value through profit or loss of approximately HK\$24.1 million) for bank borrowings.



Employees and Remuneration Policies

As at 30 September 2022, the Group had a total of 223 employees (31 March 2022: 240 employees). The Group's gross staff costs for the Period amounted to approximately HK\$25.0 million (six months ended 30 September 2021: approximately HK\$29.1 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	Planned use of net proceeds from Listing Date to 30 September 2022	Actual use of net proceeds up to 30 September 2022	Unutilised net proceeds up to 30 September 2022	Expected timeline for unutilised net proceeds
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	
The recruitment and retaining of additional staff	21.2	21.2	21.2	N/A	N/A
The surety bond	23.7	16.0	15.0	8.7	31 March 2023
Purchase of machineries and motor vehicles	2.9	2.9	2.9	N/A	N/A
Working capital	4.0	N/A	4.0	N/A	N/A
Total	51.8		43.1	8.7	

The net proceeds are designated for the purposes in accordance with disclosures in the GEM Prospectus. Up to 30 September 2022, the actual use of net proceeds was delayed mainly due to the fact that only two projects awarded required surety bonds to be provided since 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 2023 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 2022

	Notes	Six months ended 30 September	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	3	606,188	576,715
Cost of services		(566,221)	(540,315)
Gross profit		39,967	36,400
Other income, other gains and losses	5	555	(370)
Impairment losses under expected credit loss model, net of reversal		343	(3,361)
Administrative expenses		(11,430)	(6,178)
Finance costs		(12)	(118)
Profit before taxation		29,423	26,373
Income tax expense	6	(4,753)	(4,387)
Profit and total comprehensive income for the period attributable to owners of the Company	7	24,670	21,986
Earnings per share			
Basic (HK cents)	9	6.63	5.91



Unaudited Condensed Consolidated Statement of Financial Position

As at 30 September 2022

	Notes	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
Non-current assets			
Plant and equipment	10	1,929	2,740
Right-of-use assets	11	129	259
Deposits for acquisition of plant and equipment		10	—
Deferred tax assets		1,330	1,289
		3,398	4,288
Current assets			
Trade and other receivables	12	152,896	142,607
Financial assets at fair value through profit or loss ("FVTPL")		14,395	24,124
Contract assets	13	64,675	94,963
Tax recoverable		—	343
Bank balances		102,404	57,641
		334,370	319,678
Current liabilities			
Trade and other payables	14	68,089	70,290
Financial liabilities at FVTPL		—	37
Tax payable		4,451	—
Bank borrowings		—	3,705
Contract liabilities		8,970	18,215
Lease liabilities		135	266
		81,645	92,513
Net current assets		252,725	227,165
Total assets less current liabilities		256,123	231,453



Unaudited Condensed Consolidated Statement of Financial Position (Continued)

As at 30 September 2022

		As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
Net assets		256,123	231,453
Capital and reserves			
Share capital	15	3,720	3,720
Reserves		252,403	227,733
Total equity		256,123	231,453



Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2022

	Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Net cash generated from (used in) operating activities	39,184	(6,985)
Investing activities		
Purchases of plant and equipment	(11)	(2,119)
Proceeds from disposals of plant and equipment	922	158
Interest and dividend received	134	389
Proceeds from disposals of financial assets at FVTPL	8,258	—
Proceeds from disposals of financial liabilities at FVTPL	145	—
Purchase of financial liabilities at FVTPL	(26)	—
Net cash generated from (used in) investing activities	9,422	(1,572)
Financing activities		
New bank borrowing raised	7,425	22,016
Repayments of bank borrowings	(11,130)	(19,814)
Repayments of lease liabilities	(126)	(227)
Interest paid on lease liabilities	(5)	(13)
Interest paid on bank borrowings	(7)	(105)
Net cash (used in) generated from financing activities	(3,843)	1,857
Net increase (decrease) in cash and cash equivalents	44,763	(6,700)
Cash and cash equivalents at the beginning of the period	57,641	61,838
Cash and cash equivalents at the end of the period	102,404	55,138
Analysis of balances of cash and cash equivalents:		
Cash and cash equivalents as stated in the unaudited condensed consolidated statement of financial position	102,404	59,878
Bank overdrafts	—	(4,740)
Cash and cash equivalents as stated in the unaudited condensed consolidated statement of cash flows	102,404	55,138



Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2022

	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 2022 (Audited)	3,720	132,532	(48,883)	(3,337)	147,421	231,453
Profit and total comprehensive income for the period	—	—	—	—	24,670	24,670
At 30 September 2022 (Unaudited)	3,720	132,532	(48,883)	(3,337)	172,091	256,123
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

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 2022

1. General Information

Gain Plus Holdings 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 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2022.



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 2022 for the preparation of the Group's unaudited condensed consolidated interim financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

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	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Types of services		
Provision of building construction services	46,251	59,499
Provision of RMAA Services	559,937	517,216
Total	606,188	576,715
Timing of revenue recognition		
Over time	606,188	576,715



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	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Other income:		
Loans interest income	—	76
Bank interest income	—	1
Investment interest and dividend income	101	388
Handling income	44	28
Subsidies from Employment Support Scheme	776	—
Gain on disposals of plant and equipment	913	158
Others	36	—
	1,870	651
Other gains and losses:		
Increase in fair value of financial liabilities at FVTPL	156	283
Decrease in fair value of financial assets at FVTPL	(1,471)	(1,304)
	(1,315)	(1,021)
Total other income, other gains and losses	555	(370)



6. Income Tax Expense

	Six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax		
Hong Kong Profits Tax	4,794	4,801
Deferred tax	(41)	(414)
Income tax expense	4,753	4,387

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	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit for the period is arrived at after charging:		
Depreciation of right-of-use assets	130	129
Depreciation of plant and equipment	813	769



8. Dividends

No dividend were paid, declared or proposed for the six months ended 30 September 2022 (six months ended 30 September 2021: Nil).

9. Earnings Per Share

	Six months ended	
	30 September	
	2022	2021
	(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)	24,670	21,986
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)	6.63	5.91

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



10. 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 2021	188	1,272	612	4,354	6,426
Additions	19	—	—	2,934	2,953
Disposals	—	—	(10)	(451)	(461)
At 31 March 2022 (audited)	207	1,272	602	6,837	8,918
Additions	—	—	11	—	11
Disposals	—	—	—	(1,219)	(1,219)
At 30 September 2022 (unaudited)	207	1,272	613	5,618	7,710
DEPRECIATION					
At 1 April 2021	187	700	555	3,356	4,798
Provided for the year	9	254	39	1,293	1,595
Eliminated on disposals	—	—	(8)	(207)	(215)
At 31 March 2022 (audited)	196	954	586	4,442	6,178
Provided for the period	4	127	8	674	813
Eliminated on disposals	—	—	—	(1,210)	(1,210)
At 30 September 2022 (unaudited)	200	1,081	594	3,906	5,781
CARRYING VALUES					
At 30 September 2022 (unaudited)	7	191	19	1,712	1,929
At 31 March 2022 (audited)	11	318	16	2,395	2,740



11. Right-of-Use Assets

	Leased property HK\$'000
<hr/>	
At 30 September 2022 (unaudited)	
Carrying amount	129
<hr/>	
At 31 March 2022 (audited)	
Carrying amount	259
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For the six months ended	
30 September 2022 (unaudited)	
Depreciation charge	130
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For the year ended 31 March 2022 (audited)	
Depreciation charge	259
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12. Trade and Other Receivables

The following is an aged 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 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
1–30 days	98,094	60,680
31–60 days	19,552	25,993
61–90 days	1,921	6,600
Over 90 days	10,150	3,629
Trade receivables	129,717	96,902
Less: Allowance for credit losses	(3,506)	(2,636)
Trade receivables, net	126,211	94,266
Prepayment to subcontractors	20,706	37,192
Other receivables and prepayments	5,979	11,149
Total trade and other receivables	152,896	142,607

As at 30 September 2022, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$29,623,000 (31 March 2022: HK\$34,518,000) which are past due as at the reporting date. Out of the past due balances, HK\$8,609,000 (31 March 2022: HK\$2,619,000) 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.

As at 30 September 2022, included in other receivables and prepayments mainly represent the surety bond paid to a main contractor amounting to HK\$5,100,000 (2021: HK\$5,100,000).



13. Contract Assets

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Analysed as current:		
Retention receivables of construction contracts (Note a)	6,874	5,112
Unbilled revenue of construction contracts (Note b)	63,000	96,263
	69,874	101,375
Less: Allowance for credit losses	(5,199)	(6,412)
	64,675	94,963

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 2022, the due dates for retention receivables are one to two years (31 March 2022: 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 aged analysis of trade payables presented based on the invoice dates at the end of the reporting periods:

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
1–30 days	44,427	35,660
31–60 days	4,878	8,599
61–90 days	3,783	1,804
Over 90 days	7,035	14,619
Trade payables	60,123	60,682
Retention payables	3,709	4,536
Accruals	4,257	5,072
Total trade and other payables	68,089	70,290

As at 30 September 2022, all the retention payables were aged within one to two years (31 March 2022: 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 2021, 31 March 2022 and 30 September 2022	780,000,000	7,800
Issued and fully paid:		
At 1 April 2021, 31 March 2022 and 30 September 2022	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 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 2021–2022 annual report dated 29 June 2022.

During the six months ended 30 September 2022, the Group did not granted any share option under the Share Option Scheme of the Company (six months ended 30 September 2021: 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 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)		
Financial assets at FVTPL				
Listed equity shares	—	7,805	Level 1	Quoted ask prices in an active market
Unlisted equity-linked notes	—	1,593	Level 3	Monte Carlo Simulation Key unobservable inputs: Volatility, drift rate and discount rate
Unlisted fund investments	14,395	14,726	Level 3	Inputs obtained from broker quotes or a pricing service that are indicative and not corroborated with observable market date
Financial liabilities at FVTPL				
Short position in listed equity securities	—	37	Level 1	Quoted ask prices in an active market

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



17. Fair Value Measurements of Financial Instruments (Continued)

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

The fair value of unlisted equity-linked notes is determined as the average of the results based on substantial number of iterations of the underlying assets by Monte Carlo 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 listed equity shares and short position in listed equity securities are measured based on the quoted ask price as at the end of the reporting period, being the last trading date of the shares and options at the end of the reporting period.

In accounting for the fair value measurement of the unlisted fund investments, the management of the Group has determined that the reported net asset values of unlisted fund investments provided by the fund managers represent the fair value of the unlisted private equity funds. The fund managers used methodology based on relevant comparable data whether possible to quantify the adjustment from cost or latest financing price when adjustment if necessary, or to determine the closing price per share quoted on the relevant stock exchanges, or to justify that cost or latest financing price is still a proper approximately of fair value of the underlying investments held by the unlisted private equity funds in determining the net asset values. The factors to be considered in fund managers' assessment may require the exercise of the judgment. The underlying investments of approximately HK\$14,395,000 (31 March 2022: approximately HK\$14,726,000) held by the unlisted fund were valued using cost or latest finance price without adjustment.



17. Fair Value Measurements of Financial Instruments (Continued)

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

	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Equity-linked notes and unlisted fund investments		
At 1 April	16,319	—
Purchase	—	26,000
Total loss:		
— In profit or loss	(1,924)	(1,304)
At 30 September (unaudited)	14,395	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

No financial instrument has been pledged for bank borrowings (31 March 2022: approximately HK\$24,124,000).



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	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Purchases of materials from:		
Victor Link Trading Limited (Note a)	31	85
Management fee expenses to:		
PFH Management Services Limited (Note b)	—	50

Notes:

- 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).
- 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	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Short-term benefits	7,401	2,478



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 C.2.1 as disclosed below.

Under code provision C.2.1 of the CG Code, the roles 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 2022, 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 2022, 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 2022, 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%
Mr. Lai Wai Lam Ricky ("Mr. Lai") (Note 4)	Interest in controlled corporation	62,775,000 Shares (L)	16.875%
Ms. Chu Siu Ping ("Ms. Chu") (Note 5)	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 the Shares of the Company.
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. 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.
5. 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 2022, 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 2022 (six months ended 30 September 2021: 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 2022.



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. Chen Yeung Tak was appointed as an independent non-executive director of WEILI Holdings Limited (a company listed on The Stock Exchange in June 2022 with stock code 2372).

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 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 Mr. Chung Dan. 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.