



WLS Holdings Limited

滙隆控股有限公司*

(incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8021)

Interim Report 2015/2016

* *For identification purpose only*

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* For identification purpose only

The Board of Directors (the “Board”) of WLS Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated financial information of the Company and its subsidiaries (together the “Group”) for the three months and the six months ended 31 October 2015 together with the comparative unaudited figures for the corresponding periods in 2014 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 31 October 2015

	Notes	For the three months ended 31 October		For the six months ended 31 October	
		2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Turnover	3	30,125	32,365	69,905	62,945
Cost of sales		(32,104)	(26,818)	(61,696)	(48,666)
Gross profit/(loss)		(1,979)	5,547	8,209	14,279
Other income		1,117	755	2,527	1,037
Increase in fair value of investment properties		-	1,320	-	1,320
Gain on disposal of property, plant and equipment		-	10	-	10
Share of results of associates		(72)	-	313	-
Operating and administrative expenses		(7,163)	(4,334)	(13,959)	(11,003)
Finance costs	5(a)	(607)	(2,098)	(1,173)	(2,628)
Profit/(Loss) before taxation	5	(8,704)	1,200	(4,083)	3,015
Taxation	6	(23)	(414)	(723)	(742)
Profit/(Loss) for the period		(8,727)	786	(4,806)	2,273
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income/(loss) for the period		(8,727)	786	(4,806)	2,273
Profit/(Loss) and total comprehensive income/(loss) attributable to:					
Equity holders of the Company		(11,137)	748	(9,224)	2,276
Non-controlling interests		2,410	38	4,418	(3)
		(8,727)	786	(4,806)	2,273
Dividend	7	-	-	-	-
Earnings/(Loss) per share					
- basic	8	(HK0.219 cent)	HK0.117 cent	(HK0.181 cent)	HK0.369 cent
- diluted	8	(HK0.219 cent)	HK0.117 cent	(HK0.181 cent)	HK0.369 cent

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 31 October 2015 (Unaudited) HK\$'000	At 30 April 2015 (Audited) HK\$'000
	<i>Notes</i>		
Non-current assets			
Investment properties		84,100	84,100
Property, plant and equipment	9	39,254	42,566
Deferred tax assets		7,335	7,335
Interests in associates		17,622	17,309
Available-for-sale investments		20,000	–
		<u>168,311</u>	<u>151,310</u>
Current assets			
Other financial assets		1,641	1,641
Loan and interest receivables	10	47,204	–
Amounts due from customers for contract work		26,151	34,115
Inventories		270	313
Prepayments, deposits and other current assets		2,420	3,072
Trade receivables	11	53,948	49,099
Retention monies receivables		4,897	5,276
Current tax recoverable		13	29
Bank balances and cash		55,086	129,009
		<u>191,630</u>	<u>222,554</u>
Current liabilities			
Amounts due to customers for contract work		3,037	772
Trade and other payables	12	14,150	23,617
Retention monies payables		2,196	2,361
Obligations under finance leases			
– current portion	15	206	519
Current tax payable		1,303	582
Bank loans	13	32,032	35,603
Bank overdrafts	13	13,719	12,062
		<u>66,643</u>	<u>75,516</u>
Net current assets		<u>124,987</u>	<u>147,038</u>
Total assets less current liabilities		<u>293,298</u>	<u>298,348</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	<i>Notes</i>	At 31 October 2015 (Unaudited) <i>HK\$'000</i>	At 30 April 2015 (Audited) <i>HK\$'000</i>
Non-current liabilities			
Obligations under finance leases			
– non-current portion	15	–	8
Deferred tax liabilities		114	114
		114	122
Net assets		293,184	298,226
Capital and reserves			
Share capital	14	50,871	127,177
Reserves		221,579	154,733
		272,450	281,910
Equity attributable to equity holders of the Company		272,450	281,910
Non-controlling interests		20,734	16,316
		293,184	298,226
Total equity		293,184	298,226

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 October 2015

	Attributable to equity holders of the Company										
	Share capital	Share premium	Contributed surplus	Merger reserve	Share option reserve	Warrant reserve	Equity component of convertible bonds	Accumulated losses	Total	Non-controlling interests	Total
	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000 (Note 1)	HK\$ '000 (Note 2)	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000
At 1 May 2014 (Audited)	13,843	143,393	-	2,222	1,644	200	-	(61,679)	99,623	(6,454)	93,169
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	-	2,276	2,276	(3)	2,273
Grant of share options	-	-	-	-	1,723	-	-	-	1,723	-	1,723
Exercise of warrants	2,000	13,000	-	-	-	-	-	-	15,000	-	15,000
Exercise of share options	138	941	-	-	-	-	-	-	1,079	-	1,079
Subscription of shares	3,196	10,946	-	-	-	-	-	-	14,142	-	14,142
Expenses on subscription of shares	-	(125)	-	-	-	-	-	-	(125)	-	(125)
Issue of convertible bonds	-	-	-	-	-	-	5,340	-	5,340	-	5,340
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	21,163	21,163
Transfer to contributed surplus	-	(157,334)	157,334	-	-	-	-	-	-	-	-
At 31 October 2014 (Unaudited)	<u>19,177</u>	<u>10,821</u>	<u>157,334</u>	<u>2,222</u>	<u>3,367</u>	<u>200</u>	<u>5,340</u>	<u>(59,403)</u>	<u>139,058</u>	<u>14,706</u>	<u>153,764</u>
At 1 May 2015 (Audited)	127,177	62,681	157,334	2,222	2,364	-	-	(69,868)	281,910	16,316	298,226
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	-	(9,224)	(9,224)	4,418	(4,806)
Capital reduction (Note 3)	(120,818)	-	120,818	-	-	-	-	-	-	-	-
Expenses on capital reorganisation	-	-	(210)	-	-	-	-	-	(210)	-	(210)
Amounts transferred to set off against accumulated losses (Note 4)	-	-	(42,318)	-	-	-	-	42,318	-	-	-
Issue of bonus shares (Note 5)	44,512	-	(44,512)	-	-	-	-	-	-	-	-
Expenses on issue of bonus shares	-	-	(26)	-	-	-	-	-	(26)	-	(26)
At 31 October 2015 (unaudited)	<u>50,871</u>	<u>62,681</u>	<u>191,086</u>	<u>2,222</u>	<u>2,364</u>	<u>-</u>	<u>-</u>	<u>(36,774)</u>	<u>272,450</u>	<u>20,734</u>	<u>293,184</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 31 October 2015

Notes:

1. The merger reserve of the Group represents the difference between the nominal amount of the share capital issued by the Company in exchange for the nominal value for the issued share capital of the subsidiaries acquired pursuant to the Group's reorganisation on 23 November 2001.
2. The share option reserve of the Group represents the fair value of share options granted to the directors and employees of the Company at the relevant grant dates.
3. On 15 May 2015, the Board proposed to implement the capital reorganisation ("Capital Reorganisation") which involved the following:
 - (a) the issued share capital of the Company would be reduced through a cancellation of the paid up capital to the extent of HK\$0.19 on each of the issued shares such that the nominal value of each issued share would be reduced from HK\$0.20 to HK\$0.01 ("Capital Reduction");
 - (b) immediately following the Capital Reduction, each of the authorised but unissued share of HK\$0.20 each be subdivided into twenty (20) new shares of HK\$0.01 each ("New Shares"); and
 - (c) the credits arising in the books of the Company from the Capital Reduction of approximately HK\$120,818,000 would be credited to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda (as amended).

The shareholders of the Company approved the Capital Reorganisation at the special general meeting of the Company held on 18 June 2015. Immediately following the Capital Reorganisation which become effective on 19 June 2015, the authorised share capital of the Company was HK\$400,000,000 divided into 40,000,000,000 New Shares of HK\$0.01 each, of which 635,887,634 New Shares were in issue.

4. Immediately following the Capital Reorganisation becoming effective on 19 June 2015, the credit balance in the contributed surplus account of the Company had been transferred to set off against the accumulated loss of approximately HK\$42,318,000 of the Company as at that date.
5. On 15 May 2015, the Board also proposed, subject to the Capital Reorganisation becoming effective, a bonus issue ("Bonus Issue") of New Shares on the basis of seven (7) bonus shares for every one (1) New Share held by the shareholders of the Company whose names appear on the register of members of the Company on 26 June 2015, being the record date for the purpose of determination of entitlement to the Bonus Issue. The shareholders of the Company approved the Bonus Issue at the special general meeting of the Company held on 18 June 2015. The Bonus Issue was completed on 3 July 2015, immediately after which the number of New Shares in issue increased to 5,087,101,072.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 31 October 2015

	Six months ended 31 October 2015 (Unaudited) HK\$'000	Six months ended 31 October 2014 (Unaudited) HK\$'000
Net cash used in operating activities	(49,004)	(1,099)
Net cash used in investing activities		
Purchase of property, plant and equipment	(1,515)	(6,332)
Release of pledged bank deposit	-	680
Net cash outflow from acquisition of assets through acquisition of a subsidiary	-	(21,547)
Acquisition of available-for-sale investments	(20,000)	-
Other investing activities	5	10
	(21,510)	(27,189)
Net cash (used in)/ generated from financing activities		
New bank loan raised	-	34,452
Repayment of bank loans	(3,571)	(39,072)
Net proceed on issue of convertible bonds	-	28,800
Exercise of warrants	-	15,000
Proceed on subscription of shares	-	14,142
Exercise of share options	-	1,079
Other financing activities	(1,495)	(1,097)
	(5,066)	53,304
(Decrease)/increase in cash and cash equivalents	(75,580)	25,016
Cash and cash equivalents at 1 May	116,947	(4,367)
Cash and cash equivalents at 31 October	41,367	20,649
Analysis of cash and cash equivalents at end of the period		
Bank balances and cash	55,086	129,009
Bank overdrafts	(13,719)	(12,062)
	41,367	116,947

NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. Corporate information

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and continued in Bermuda and its shares are listed on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business is Rooms 1001-1006, 10th Floor, Tower A, Southmark, 11 Yip Hing Street, Wong Chuk Hang, Aberdeen, Hong Kong.

The principal activities of the Group are the provision of scaffolding and fitting and services, management contracting services, other services for construction and buildings work and money lending business.

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

2. Principal accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31 October 2015 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 30 April 2015.

In the current interim period, the Group has applied, for the first time, the following new amendments to Hong Kong Accounting Standards (“HKAS(s)”) and Hong Kong Financial Reporting Standards (“HKFRS(s)”) issued by the HKICPA:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions

The application of the above new amendments to HKAS and HKFRSs in current interim period has had no material impact on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied the new and revised HKASs and HKFRSs that have been issued but are not yet effective.

3. Turnover

	For the three months ended 31 October		For the six months ended 31 October	
	2015 (Unaudited) <i>HK\$'000</i>	2014 (Unaudited) <i>HK\$'000</i>	2015 (Unaudited) <i>HK\$'000</i>	2014 (Unaudited) <i>HK\$'000</i>
Turnover				
Contract revenue in respect of construction and building work for the provision of				
– scaffolding services	12,588	27,539	38,953	53,777
– fitting out services	14,829	–	27,112	40
Management contracting services	–	849	–	2,750
Gondolas, parapet railings and access equipment installation and maintenance services	1,784	3,977	2,316	6,378
Loan interest income	924	–	1,524	–
	30,125	32,365	69,905	62,945

4. Operating segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions. For the six months ended 31 October 2015, the Group had 5 reportable segments – (i) scaffolding services for construction and building work, (ii) fitting out services for construction and buildings work, (iii) management contracting services for the construction and building work, (iv) gondolas, parapet railing and access equipment installation and maintenance services, and (v) money lending business. These segments are managed separately as they belong to different industries and require different operating systems and strategies. There are no sales or other transactions between these reportable segments. An analysis of the Group's segment information for the six months ended 31 October 2015 is presented below:

	Scaffolding services for construction and buildings work HK\$'000	Fitting out services for construction and buildings work HK\$'000	Management contracting services for construction and buildings work HK\$'000	Gondolas, parapet railings and access equipment installation and maintenance services HK\$'000	Loan interest income from money lending business HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
For the six months ended							
31 October 2015							
REVENUE							
Total external sales	<u>38,953</u>	<u>27,112</u>	<u>-</u>	<u>2,316</u>	<u>1,524</u>	<u>-</u>	<u>69,905</u>
SEGMENT RESULTS							
Gross profit/(loss)	<u>(5,885)</u>	<u>12,399</u>	<u>(13)</u>	<u>184</u>	<u>1,524</u>	<u>-</u>	<u>8,209</u>
Operating and administrative expenses	<u>(2,733)</u>	<u>(4,105)</u>	<u>(18)</u>	<u>(1,002)</u>	<u>(106)</u>	<u>(5,995)</u>	<u>(13,959)</u>
	<u>(8,618)</u>	<u>8,294</u>	<u>(31)</u>	<u>(818)</u>	<u>1,418</u>	<u>(5,995)</u>	<u>(5,750)</u>
Other income							2,527
Finance costs							(1,173)
Share of results of associates							313
Loss before taxation							(4,083)
Taxation							(723)
Loss for the period							<u>(4,806)</u>

4. Operating segments (Continued)

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions. For the six months ended 31 October 2014, the Group had 4 reportable segments – (i) scaffolding services for construction and building work, (ii) fitting out services for construction and buildings work, (iii) management contracting services for the construction and building work, and (iv) gondolas parapet railing and access equipment installation and maintenance services. These segments are managed separately as they belong to different industries and require different operating systems and strategies. There are no sales or other transactions between these reportable segments. An analysis of the Group's segment information for the six months ended 31 October 2014 is presented below:

	Scaffolding services for construction and buildings work <i>HK\$'000</i>	Fitting out services for construction and buildings work <i>HK\$'000</i>	Management contracting services for construction and buildings work <i>HK\$'000</i>	Gondolas, parapet railings and access equipment installation and maintenance services <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
For the six months ended						
31 October 2014						
REVENUE						
Total external sales	<u>53,777</u>	<u>40</u>	<u>2,750</u>	<u>6,378</u>	<u>-</u>	<u>62,945</u>
SEGMENT RESULTS						
Gross profit/(loss)	13,014	(278)	271	1,272	-	14,279
Operating and administrative expenses	<u>(4,271)</u>	<u>(371)</u>	<u>(26)</u>	<u>(1,119)</u>	<u>(5,216)</u>	<u>(11,003)</u>
	<u>8,743</u>	<u>(649)</u>	<u>245</u>	<u>153</u>	<u>(5,216)</u>	<u>3,276</u>
Other income						1,037
Increase in fair value of investment properties						1,320
Gain on disposal of property, plant and equipment						10
Finance costs						(2,628)
Share of results of associates						-
Profit before taxation						3,015
Taxation						<u>(742)</u>
Profit for the period						<u>2,273</u>

5. Profit/(loss) before taxation

Profit/(loss) before taxation is arrived at after charging/(crediting) the following:

	For the three months ended 31 October		For the six months ended 31 October	
	2015 (Unaudited) <i>HK\$'000</i>	2014 (Unaudited) <i>HK\$'000</i>	2015 (Unaudited) <i>HK\$'000</i>	2014 (Unaudited) <i>HK\$'000</i>
(a) Finance costs				
Interest on bank loans				
– wholly repayable within five years	432	386	819	803
– wholly repayable beyond five years	157	173	316	348
Interest on other loans	14	145	27	290
Interest on obligations under finance leases	4	18	11	36
Interest on convertible bonds	–	1,573	–	1,573
	<u>607</u>	<u>2,295</u>	<u>1,173</u>	<u>3,050</u>
Less: Amount capitalised in construction contracts	–	(197)	–	(422)
	<u>607</u>	<u>2,098</u>	<u>1,173</u>	<u>2,628</u>
(b) Depreciation of property, plant and equipment	2,297	2,102	4,703	3,776
Less: Amount capitalised in construction contracts	(2,043)	(1,822)	(4,138)	(3,241)
	<u>254</u>	<u>280</u>	<u>565</u>	<u>535</u>

6. Taxation

Taxation comprises:

	For the three months ended 31 October		For the six months ended 31 October	
	2015	2014	2015	2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong profits tax – current period	<u>23</u>	<u>414</u>	<u>723</u>	<u>742</u>
Deferred tax – current period	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u>23</u>	<u>414</u>	<u>723</u>	<u>742</u>

Hong Kong Profits Tax has been provided at the rate of 16.5% (six months ended 31 October 2014: 16.5%) on the estimated assessable profit arising in or derived from Hong Kong for the six months ended 31 October 2015.

7. Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 31 October 2015 (six months ended 31 October 2014: Nil).

8. Earnings/(Loss) per share

The calculation of the basic earnings/(loss) per share is based on the unaudited net loss attributable to equity holders of the Group for the three months and six months ended 31 October 2015 amounting to HK\$11,137,000 and HK\$9,224,000 respectively (unaudited net profit attributable to equity holders of the Group for the three months and six months ended 31 October 2014 amounting to HK\$748,000 and HK\$2,276,000 respectively). The weighted average numbers of ordinary shares for the purpose of basic and diluted earnings/(loss) per share are as follows:

	For the three months ended 31 October			For the six months ended 31 October		
	2015 (Unaudited)	2014 (Unaudited, as restated)	2014 (Unaudited, as previously stated)	2015 (Unaudited)	2014 (Unaudited, as restated)	2014 (Unaudited, as previously stated)
Weighted average number of ordinary shares for the purpose of calculating earning per share						
Basic and diluted	<u>5,087,101,072</u>	<u>639,928,555</u>	<u>399,955,347</u>	<u>5,087,101,072</u>	<u>616,500,729</u>	<u>385,312,956</u>
	HK Cent	HK Cent (Restated)	HK Cent (Previously stated)	HK Cent	HK Cent (Restated)	HK Cent (Previously stated)
Earnings/(Loss) per share						
– Basic	<u>(0.219)</u>	0.117	0.187	<u>(0.181)</u>	0.369	0.591
– Diluted	<u>(0.219)</u>	0.117	0.187	<u>(0.181)</u>	0.369	0.591

The weighted average numbers of ordinary shares for the three months and six months ended 31 October 2014 for the purpose of basic and diluted earnings per share have been adjusted and restated retrospectively resulting from the share consolidations completed on 6 March 2015 and the issue of bonus shares completed on 3 July 2015.

No adjustment has been made to the loss per share amount presented for the three months and six months ended 31 October 2015 as the impact on the share options has an anti-dilutive effect on the loss per share amount presented.

9. Additions to property, plant and equipment

During the six months ended 31 October 2015, the Group spent approximately HK\$1,516,000 (six months ended 31 October 2014: HK\$6,332,000) on the acquisition of property, plant and equipment.

10. Loan and interest receivables

	At 31 October 2015 (Unaudited) HK\$'000	At 30 April 2015 (Audited) HK\$'000
Amount due within one year	47,204	–

The Group seeks to maintain strict control over its outstanding loan and interest receivables so as to minimise credit risk. The granting of loans is subject to approval by the management, whilst overdue balances are reviewed regularly for recoverability. Loan and interest receivables are charging on effective interest rate mutually agreed with the contracting parties, ranging from 8% to 8.5% (30 April 2014: Nil) per annum.

11. Trade receivables

The credit terms given to each individual customer were in accordance with the payment terms stipulated in the relevant tenders or contracts. The aged analysis of trade receivables is as follows:

	At 31 October 2015 (Unaudited) HK\$'000	At 30 April 2015 (Audited) HK\$'000
Current	30,180	25,121
Less than 3 months	1,586	2,148
3 months to 9 months	894	896
Over 9 months	21,288	20,934
	53,948	49,099

12. Trade and other payables

Included in trade and other payables are trade payables of HK\$10,124,000 (as at 30 April 2015: HK\$18,991,100) with an aged analysis of trade payables shown as follows:

	At 31 October 2015 (Unaudited) HK\$'000	At 30 April 2015 (Audited) HK\$'000
Within 90 days	5,108	15,058
91 to 180 days	1,915	3,326
181 to 365 days	2,929	243
Above 1 year	172	364
	<hr/> 10,124 <hr/> <hr/>	<hr/> 18,991 <hr/> <hr/>

13. Bank loans and overdrafts

Bank loans and overdrafts are secured and are repayable on demand or within one year.

14. Share capital

	Par value <i>HK\$</i>	No. of shares	Amount <i>HK\$'000</i>
Authorised:			
At 1 May 2014	0.01	10,000,000,000	100,000
Share consolidation of every four shares of HK\$0.01 each into one consolidated share of HK\$0.04 each		<u>(7,500,000,000)</u>	<u>–</u>
	0.04	2,500,000,000	100,000
Share consolidation of every five shares of HK\$0.04 each into one consolidated share of HK\$0.20 each		<u>(2,000,000,000)</u>	<u>–</u>
	0.20	500,000,000	100,000
Increase in authorised share capital	0.20	<u>1,500,000,000</u>	<u>300,000</u>
At 30 April 2015 and 1 May 2015	0.20	2,000,000,000	400,000
Capital Reduction		<u>38,000,000,000</u>	<u>–</u>
At 31 October 2015	0.01	<u><u>40,000,000,000</u></u>	<u><u>400,000</u></u>
Issued and fully paid:			
At 1 May 2014	0.01	1,384,312,693	13,843
Exercise warrants	0.01	200,000,000	2,000
Issue of shares under Share Option Scheme	0.01	<u>13,840,000</u>	<u>138</u>
	0.01	1,598,152,693	15,981
Share consolidation of every four shares of HK\$0.01 each into one consolidated share of HK\$0.04 each		<u>(1,198,614,520)</u>	<u>–</u>
	0.04	399,538,173	15,981
Subscription of shares	0.04	<u>79,900,000</u>	<u>3,196</u>
	0.04	479,438,173	19,177
Share consolidation of every five shares of HK\$0.04 each into one consolidated share of HK\$0.20 each		<u>(383,550,539)</u>	<u>–</u>
Placing of shares	0.20	<u>540,000,000</u>	<u>108,000</u>
At 30 April 2015 and 1 May 2015	0.20	635,887,634	127,177
Capital Reduction		–	(120,818)
Bonus Issue	0.01	<u>4,451,213,438</u>	<u>44,512</u>
At 31 October 2015	0.01	<u><u>5,087,101,072</u></u>	<u><u>50,871</u></u>

15. Obligations under finance leases

	Minimum lease payments		Present value of minimum lease payments	
	At 31 October 2015 (Unaudited) <i>HK\$'000</i>	At 30 April 2015 (Audited) <i>HK\$'000</i>	At 31 October 2015 (Unaudited) <i>HK\$'000</i>	At 30 April 2015 (Audited) <i>HK\$'000</i>
Within one year	209	534	206	519
In the second to fifth year inclusive	—	8	—	8
	<u>209</u>	<u>542</u>		
Less: future finance charges	<u>(3)</u>	<u>(15)</u>		
Present value of lease obligations	<u>206</u>	<u>527</u>	<u>206</u>	<u>527</u>
Less: Amount due within one year shown under current liabilities			<u>(206)</u>	<u>(519)</u>
Amount due after one year			<u><u>—</u></u>	<u><u>8</u></u>

16. Commitments

Operating lease commitments and arrangements

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	At 31 October 2015 (Unaudited) HK\$'000	At 30 April 2015 (Audited) HK\$'000
Within one year	902	1,934
In the second to fifth year inclusive	—	—
	902	1,934

Operating lease payments represent rentals payable for certain of its warehouse quarters. Leases are negotiated for an average term of one year to two years and rentals are fixed during the lease terms.

The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	At 31 October 2015 (Unaudited) HK\$'000	At 30 April 2015 (Audited) HK\$'000
Within one year	1,124	1,204
In the second to fifth year inclusive	156	624
	1,280	1,828

Leases are negotiated and rentals are fixed for terms of two to three years.

17. Related party transactions

The remuneration of directors and other members of key management during the period was as follows:

	For the six months ended 31 October	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Short term benefits	2,297	2,754
Post-employment benefits	53	53
	<hr/>	<hr/>
	2,350	2,807
	<hr/> <hr/>	<hr/> <hr/>

The remuneration of directors and key executives is determined by the Remuneration Committee or senior management having regard to the performance of individuals and market trends.

18. Event after the end of the reporting period

New AC Subscription and Proposed issue of new shares under specific mandate

On 12 August 2015, the Company (as issuer) and Avant Capital Management (HK) Limited (“Avant Capital”) (as subscriber) entered into the subscription agreement pursuant to which the Company has conditionally agreed to allot and issue, and Avant Capital has conditionally agreed to subscribe for, 1,920,000,000 new shares at the subscription price of HK\$0.06875 per share (“Subscription Price”), subject to the Company having entered into agreement(s) relating to the issue of not less than 360,000,000 and not more than 5,760,000,000 shares by the Company (“Possible Fund Raising Exercise”) and the completion of such Possible Fund Raising Exercise, which conditions are not capable of being waived (“New AC Subscription”).

On 17 August 2015, the Company and Black Marble Securities Limited (“Placing Agent”) entered into the placing agreement pursuant to which the Company has conditionally appointed the Placing Agent to procure, as placing agent of the Company, not less than six placees to subscribe, failing which, the Placing Agent itself will subscribe, for 360,000,000 shares at the Subscription Price (“Underwritten Placing”). The Company and the Placing Agent also entered into another placing agreement pursuant to which the Company has conditionally appointed the Placing Agent to procure, on a best effort basis, as placing agent of the Company, not less than six placees to subscribe for a maximum of 5,400,000,000 shares at the Subscription Price (“Best Effort Placing”).

The Underwritten Placing, the Best Effort Placing and the New AC Subscription had been approved by the shareholders at the special general meeting of the Company on 18 November 2015. The Underwritten Placing, the Best Effort Placing and the New AC Subscription were completed on 10 December 2015, immediately after which the number of shares in issue increased to 12,767,101,072.

Details are set out in the Company’s announcements dated 12 August 2015, 13 August 2015, 18 August 2015, 18 November 2015 and 10 December 2015 and circular dated 27 October 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the six months ended 31 October 2015, the Group recorded revenues of approximately HK\$69,905,000 (2014: HK\$62,945,000), representing an increase of approximately 11% compared to the corresponding period in 2014. The increase in revenue was mainly contributed by fitting-out business division. However, such increase was offset by the decrease in contract revenue generated from scaffolding business. Therefore, net loss attributable to equity holders of the Company of HK\$9,224,000 was incurred during the period (2014: net profit attributable to equity holders of the Company HK\$2,276,000).

Scaffolding services

During the period under review, the business operations of the scaffolding division experienced severe competition which resulted in decrease in contract revenue during the period. At the same time, a shortage of skilled labour and the increase in material costs also resulted in a lower profit margin for the scaffolding division. During the six months ended 31 October 2015, the scaffolding division was awarded 8 new works contracts for the provision of scaffolding services. Amongst these new contracts, the most notable one is the provision of metal scaffolding to a hotel site in North Point near the North Point Pier. During the period under review, 3 scaffolding works contracts were completed and 25 scaffolding works contracts were on-going and proceeding according to plan.

In order to meet the challenge of the prevalent serious shortage of skilled scaffolding labour, the management of the Group is proactively engaged in intensive marketing activities to promote the Group's patented 'Pik-Lik' scaffolding system. By adopting the use of the 'Pik-Lik' scaffolding system, the requirement of skilled labour is considerably reduced, thus resulting in much enhanced output efficiency.

Fitting-out services

The operating results of our fitting-out business division saw the Group secure 27 new contracts with total revenues for this segment amounting to HK\$27,112,000 during the period.

Sense Key Design Holdings Limited (“Sense Key”), the Group’s 51% owned subsidiary, continued to generate substantial revenues for the Group along with high profit margins. We believe this subsidiary will be one of our solid growth drivers in the future. In addition, the Group’s newly appointed director has a great deal of experience in the fitting-out industry and is expected to bring in more new business for us. The Group provides fitting-out services targeted at commercial institutions and luxury residence end-users.

Gondolas, parapet railings, access equipment installation and maintenance services

During the period, revenues from our temporary gondola fleet were mainly generated by rental income. The Group recorded revenues of approximately HK\$2,316,000, a decrease of approximately 64% as compared to that of the same period last year.

Management contracting services

The Group’s management contracting business division completed the contract for the supply of glass reinforced concrete panels and smoke barriers along the MTRC Express Rail Link in Shek Kong.

Real estate agency business

AP Assets Limited, an 20% owned associate of the Group and a major operator of the Group in the real estate agency business focusing on overseas markets, continued to contribute stable revenues to the Group for the six months ended 31 October 2015.

Money lending business

The Company made its entry into the money lending business through its holdings in a wholly-owned subsidiary - Gold Medal Hong Kong Limited, which recently has been one of the key business focal areas of the Group. Although the Group is still at an ascent stage of development in this sector, it has already recorded reasonably strong turnover results of HK\$1,524,000 during the reporting period.

Business Outlook

Looking ahead, as sentiment in the scaffolding industry is forecast to be quite similar to that of last year, the Group believes that it will continue to benefit from a burgeoning construction market given the foreseeable increases in residential housing supply. Despite this, the labour shortage problem and the keen competition environment will likely remain severe.

Given the current challenges, the Group will continue to identify potential projects in a prudent manner for diversification of business.

In view of the recent implementation of certain restrictive measures by the Hong Kong Monetary Authority related to lending by banks, the Group believes that this will create positive business opportunities for licensed money lenders. To this end, we intend to take advantage of these opportunities by allocating more resources into this sector. Over the coming year, the Group has targeted an aggregate amount of lending at approximately HK\$300 million in tranches of HK\$10 million to HK\$40 million for each loan at interest rates ranging from 8% to 15%. The Group has been constantly approached by potential borrowers and anticipates promising returns from this business sector.

With the ongoing development of our money lending operations along with its traditional ancillary services, which is the major profit growth driver of the Group we remain confident that the Group's financial performance will gradually pick up and deliver higher returns to shareholders in the coming years.

Financial Review

For the three months and six months ended 31 October 2015, revenue decreased and increased by approximately 7% and 11% respectively as compared with the corresponding periods in the preceding financial year. To maintain a balanced business portfolio, the management of the Group has been actively looking for other business opportunities and possible geographic diversification in recent years. Projects in the scaffolding and fitting out division and money lending business contributed substantial revenue to maintain the financial stability of the Group in anticipation of future growth.

Operating and administrative expenses, and finance costs increased during the period under review. These were mainly due to the operating and administrative expenses incurred in Sense Key approximately HK\$3,673,000 (six months ended 31 October 2014: Nil). Nevertheless, the Group continued to adopt its policy of vigilant cost control for the ensuing periods. Funds generated from financing activities strengthened the working capital of the Group in anticipation of further investment and diversification opportunities in the future.

Capital Structure

As at 31 October 2015, the Group had shareholders' equity of approximately HK\$272,450,000 (30 April 2015: approximately HK\$281,910,000).

Capital Reorganisation

Pursuant to the special resolution passed in special general meeting ("SGM") of the Company held on 18 June 2015 and took effect on 19 June 2015, the authorised share capital of the Company was HK\$400,000,000 divided into 40,000,000,000 new shares of HK\$0.01 each. Further details are set out into "note 3 to the condensed consolidated statement of change in equity".

Bonus Issue

Pursuant to the special resolution passed in special general meeting ("SGM") of the held on 18 June 2015, a bonus issue of new shares on the basis of seven (7) bonus shares for every one (1) new Share held by the shareholders of the Company was completed on 3 July 2015. Further details are set out into "note 5 to the condensed consolidated statement of change in equity".

FINANCING

New AC Subscription and Proposed issue of new shares under specific mandate

On 12 August 2015, the Company (as issuer) and Avant Capital Management (HK) Limited (“Avant Capital”) (as subscriber) entered into the subscription agreement pursuant to which the Company has conditionally agreed to allot and issue, and Avant Capital has conditionally agreed to subscribe for, 1,920,000,000 new shares at the subscription price of HK\$0.06875 per share (“Subscription Price”), subject to the Company having entered into agreement(s) relating to the issue of not less than 360,000,000 and not more than 5,760,000,000 shares by the Company (“Possible Fund Raising Exercise”) and the completion of such Possible Fund Raising Exercise, which conditions are not capable of being waived (“New AC Subscription”).

On 17 August 2015, the Company and Black Marble Securities Limited (“Placing Agent”) entered into the placing agreement pursuant to which the Company has conditionally appointed the Placing Agent to procure, as placing agent of the Company, not less than six places to subscribe, failing which, the Placing Agent itself will subscribe, for 360,000,000 shares at the Subscription Price (“Underwritten Placing”). The Company and the Placing Agent also entered into another placing agreement pursuant to which the Company has conditionally appointed the Placing Agent to procure, on a best effort basis, as placing agent of the Company, not less than six places to subscribe for a maximum of 5,400,000,000 shares at the Subscription Price (“Best Effort Placing”).

The Underwritten Placing, the Best Effort Placing and the New AC Subscription had been approved by the shareholders at the special general meeting of the Company on 18 November 2015. The Underwritten Placing, the Best Effort Placing and the New AC Subscription were completed on 10 December 2015, immediately after which the number of shares in issue increased to 12,767,101,072. The aggregate net proceeds from the Underwritten Placing, the Best Effort Placing and the New AC Subscription of approximately HK\$520.38 million will be utilised as to (i) approximately HK\$300.00 million for the development and expansion of the Group’s money lending business; (ii) approximately HK\$180.00 million for the investment of the Group in the businesses of, including but not limited to, financial and securities markets, construction and ancillary services sectors; and (iii) approximately HK\$40.38 million for the general working capital of the Group.

Details are set out in the Company’s announcements dated 12 August 2015, 13 August 2015, 18 August 2015, 18 November 2015 and 10 December 2015 and circular dated 27 October 2015.

Fund raising activity of the Company in the 12 month immediately preceding the reporting date

Date of announcement	Fund raising activity	Intended use of net proceeds as at the date of this announcement	Actual use of the net proceeds as at the date of this announcement
21 January 2015 and 27 March 2015	Placing of 540,000,000 new shares pursuant to the specific mandate granted to the Directors by the Shareholders at the special general meeting of the Company held on 5 March 2015	<p>The aggregate net proceeds of approximately HK\$159.76 million was intended to be used as follows:</p> <p>(i) approximately HK\$30.00 million for repayment of bank loans and other loans;</p> <p>(ii) approximately HK\$33.00 million for repayment of the convertible bonds and the payment of interest accrued thereon;</p> <p>(iii) approximately HK\$30.00 million for financing the development of the money lending business;</p> <p>(iv) approximately HK\$25.00 million for purchase of factory unit for warehouse storage purpose;</p>	<p>The aggregate net proceeds of HK\$110.76 million have been used as follows:</p> <p>(i) approximately HK\$18.00 million has been utilised for repayment of bank loans and other loans;</p> <p>(ii) approximately HK\$31.78 million has been utilised for repayment of the convertible bonds and the payment of interest accrued thereon, and remaining balance of approximately HK\$1.22 million has been reallocated as general working capital of the Group;</p> <p>(iii) approximately HK\$30.00 million has been utilised for financing the money lending business;</p>

Date of announcement	Fund raising activity	Intended use of net proceeds as at the date of this announcement	Actual use of the net proceeds as at the date of this announcement
		(v) approximately HK\$17.00 million for expansion of design and fitting out services of the Group; and	(iv) approximately HK\$5.00 million has been utilised for expansion of design and fitting out services of the Group; and
		(vi) the remaining balance of approximately HK\$24.76 million for general working capital of the Group.	(v) approximately HK\$25.98 million has been applied as general working capital of the Group.
			The remaining balance of approximately HK\$49.00 million has not been utilised and remains in the bank for intended use.

Liquidity, financial resources, capital structure and gearing ratio

During the period under review, the Group financed its operations by internally generated cash flow, banking facilities and finance leases provided by banks and financial institutions.

As at 31 October 2015, the Group's consolidated shareholders' funds and net current assets were approximately HK\$272,450,000 (as at 30 April 2015: approximately HK\$281,910,000) and HK\$124,987,000 (as at 30 April 2015: approximately HK\$147,038,000) respectively. As at 31 October 2015, the Group's consolidated bank borrowings amounted to approximately HK\$45,751,000 (as at 30 April 2015: approximately HK\$47,665,000).

As at 31 October 2015, the Group's bank and cash balances amounted to approximately HK\$55,086,000 (as at 30 April 2015: approximately HK\$129,009,000).

Most of the Group's bank balances and cash, short-term and long-term bank borrowings and obligations under finance leases were denominated in Hong Kong dollars. Most of the bank borrowings bear interest at market rates and are repayable by instalments over a period of 3 months to 1 year. Obligations under finance leases have a lease term of 4 years. All such leases have interest rates fixed at the contract date and fixed repayment bases.

As at 31 October 2015, the Group's gearing ratio (basis: total borrowings and obligations under finance leases divided by shareholders' fund) was approximately 17% (as at 30 April 2015: approximately 17%).

The Board is of the opinion that the Group is in a relatively healthy financial position and has sufficient financial resources to discharge its debts and satisfy its commitments and working capital requirements.

Segmental information

Operating segments

The Group is currently organised into 5 segments – (i) scaffolding services for the construction and building work, (ii) fitting out services for construction and buildings work, (iii) management contracting services for the construction and building work, (iv) gondolas parapet railing and access equipment installation and maintenance services, and (v) money lending business. Details of results by Operating Segments are shown in note 4 above.

Significant investments, material acquisitions and disposals

Save as disclosed above, there were no significant investments held by the Group, no material acquisitions and disposals of subsidiaries and affiliated companies by the Group during the period under review.

Details of future plans for material investments or capital assets

The Directors do not have any future plans for material investments or acquisition of capital assets.

Charges on assets

The details of the Group's assets pledged as securities for general banking facilities were as follows:

	At 31 October 2015 (Unaudited) HK\$'000	At 30 April 2015 (Audited) HK\$'000
Investment properties	40,200	40,200
Leasehold land and buildings	7,244	7,358
Trade receivables	17,902	17,134
Retention receivables	2,601	2,678
	<u> </u>	<u> </u>

Foreign exchange and interest rate exposure

During the period ended 31 October 2015, the business activities of the Group were mainly denominated in Hong Kong dollars.

When appropriate and at times of interest rate or exchange rate uncertainties or volatility, hedging instruments including swaps and forwards will be used by the Group in the management of exposure affecting interest rates and foreign exchange rate fluctuations.

Contingent liabilities

At 31 October 2015, the Group did not have any material contingent liabilities or guarantees (30 April 2015: Nil).

Capital and other commitments

Save as disclosed in note 16 “Commitments”, the Group did not have any capital or other commitments as at 31 October 2015 (30 April 2015: Nil).

Employees and remuneration policies

The total number of full-time employees in the Group was 105 as at 31 October 2015 (as at 30 April 2015: 100). The Group remunerated its employees on the basis of performance, experience, and the prevailing industry practice. In addition to salaries, employee benefits included medical scheme, insurance, mandatory provident fund and share option schemes.

Interim dividend

The Board does not recommend the payment of an interim dividend for the six months ended 31 October 2015 (six months ended 31 October 2014: Nil).

Share option scheme

The share option scheme adopted by the Company on 25 November 2001 was terminated by a written resolution passed by the shareholders of the Company at the annual general meeting of the Company held on 30 August 2011. Upon termination of this share option scheme, no further share options under this scheme could be granted, but the provisions of this share option scheme will remain in full force and effect to the extent necessary to give effect to the exercise of those share options granted prior to its termination.

Under the terms of the Share Option Scheme adopted by the Company on 30 August 2011 (the “Option Scheme”), for the primary purpose of providing incentive to directors, eligible employees and consultants, the board of directors of the Company (the “Board”) may, at its absolute discretion, offer full-time employees of the Company or any of its subsidiaries, including executive, non-executive and independent non-executive directors of the Company or any of its subsidiaries or any consultants or advisors of any member of the Group, to take up options to subscribe for shares of the Company. The maximum aggregate number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Option Scheme and any other share option schemes of the Company must not, subject to the conditions set out in the Option Scheme, exceed 30% of the issued share capital of the Company from time to time.

The maximum number of shares issued and to be issued on the exercise of options granted and to be granted (including both exercised and outstanding options) to a grantee in any 12-month period must not exceed 1% of the total issued share capital of the Company in issue, unless (a) a shareholder circular is despatched to the shareholders; and (b) the shareholders approve the grant of the options in excess of the limit referred to herein. A nominal consideration of HK\$1 is payable on acceptance of each grant.

The subscription price was determined by the Board, but may not be less than the highest of (a) the closing price of the Company's shares on the GEM as stated in the Stock Exchange's daily quotation sheet on the date of offer of the options or, where certain conditions set out in the Option Scheme apply, on the date of the Board proposing such grant; (b) the average of the closing prices of the Company's shares on the GEM as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of offer of the options or, where certain conditions set out in the Option Scheme apply, the average of the closing prices of the Company's shares on the GEM as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the Board proposing such grant; and (c) the nominal value of the shares.

An option may be exercised in whole or in part in accordance with the terms of the Option Scheme at any time during a period to be notified by the Board to each grantee that the period within which the option may be exercised shall not be more than 10 years from the date on which the offer of the grant of the options is made in accordance with the terms of the Option Scheme. There is no general requirement on the minimum period for which an option must be held before an option can be exercised under the terms of the Option Scheme.

Pre-Emptive rights

There is no provision for pre-emptive rights under the Company's by law or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Management contract

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or in existence during the six months period ended 31 October 2015.

Directors' interests in contracts of significance

No contracts of significance to which the Company or its subsidiaries was a party and in which a Director had a material interest subsisted at the end of the six months period or at any time during the six months period ended 31 October 2015.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 October 2015, the interests and short positions of the Directors of the Company in shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV 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, pursuant to Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in shares

Shares

Name of director	Number of ordinary shares held		Percentage of the issued share capital of the Company
	Personal interest	Family interest	
Dr. So Yu Shing	3,320,000	3,320,000	0.87%
Ms. Lai Yuen Mei, Rebecca	3,320,000	3,320,000	0.87%
Mr. Kong Kam Wang	1,778,000	–	0.58%
Mr. So Wang Chun, Edmond	800,000	–	0.10%
Mr. Ng Tang	5,536,000	–	0.72%

Ms. Lai Yuen Mei, Rebecca is the spouse of Dr. So Yu Shing.

Mr. So Wang Chun, Edmond is the son of Dr. So Yu Shing and Ms. Lai Yuen Mei, Rebecca.

Long positions in underlying shares

The following table discloses details of movements in respect of the Company's share options during the period:

Name of director	Date granted	Exercisable period (both dates inclusive)	Original exercise price HK\$	Outstanding at 1.5.2015	Granted during the period	Exercised during the period	Lapsed during the period	Adjustment due to issue of bonus shares	Revised exercise price HK\$	Outstanding at 31.10.2015
Dr. So Yu Shing	14 May 2014	28 May 2014 to 27 May 2016	1.56	277,000	-	-	-	1,939,000	0.195	2,216,000
Ms. Lai Yuen Mei, Rebecca	14 May 2014	28 May 2014 to 27 May 2016	1.56	277,000	-	-	-	1,939,000	0.195	2,216,000
Mr. Kong Kam Wang	20 May 2014	4 June 2014 to 3 June 2016	1.62	150,000	-	-	-	1,050,000	0.2025	1,200,000
Mr. So Wang Chun, Edmond	8 November 2010	8 December 2010 to 7 December 2016	2.56	450,000	-	-	-	3,150,000	0.32	3,600,000
	14 May 2014	28 May 2014 to 27 May 2016	1.56	142,000	-	-	-	994,000	0.195	1,136,000
Mr. Yuen Chun Fai	14 May 2014	28 May 2014 to 27 May 2016	1.56	692,000	-	-	-	4,844,000	0.195	5,536,000
				1,988,000	-	-	-	13,916,000		15,904,000

Save as disclosed above, as at 31 October 2015, none of the Directors or their associates (including the chief executive) of the Company had any interests or short positions in shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have 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 by the GEM Listing Rules to be notified to the Company and the Stock Exchange.

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

As at 31 October 2015, the persons who have interests and short positions in shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO or have otherwise notified to the Company were as follows:

Long positions in shares

Name	Capacity/ Nature of Interest	Number of ordinary shares in the Company	Percentage of shareholding as at 31 October 2015 (Approximate)
Avant Capital <i>(Note 1)</i>	Beneficial owner	2,172,000,000	17.01%
Orient Time Investment Limited ("Orient Time") <i>(Note 2)</i>	Beneficial owner	504,000,000	9.91%
China Environmental Energy Investment Limited ("China Environmental Energy") <i>(Note 2)</i>	Interest of a controlled corporation	504,000,000	9.91%
Tam Siu Ki ("Mr. Tam") <i>(Note 3)</i>	Beneficial owner	40,000,000	0.79%
Much Wealth Trading Limited ("Much Wealth")	Trustee (other than a bare trustee)	432,000,000	8.49%
	Total of Mr. Tam's interest	472,000,000	9.28%
Much Wealth Trading Limited <i>(Note 3)</i>	Beneficiary of a trust (other than a discretionary trust)	432,000,000	8.49%
Black Marble Securities Limited ("Black Marble") <i>(Note 4)</i>	Beneficial owner	360,000,000	6.61%
Red Honour Holdings Limited ("Red Honour") <i>(Note 4)</i>	Interest of a controlled corporation	360,000,000	6.61%

Name	Capacity/ Nature of Interest	Number of ordinary shares in the Company	Percentage of shareholding as at 31 October 2015 (Approximate)
Lerado Group (Holding) Company Limited (“Lerado”) (Note 4)	Interest of a controlled corporation	360,000,000	6.61%
Like Capital Limited (“Like Capital”) (Note 5)	Beneficial owner	316,000,000	6.21%
Ethnocentric Investment Limited (“Ethnocentric”) (Note 5)	Interest of a controlled corporation	316,000,000	6.21%
Capital VC Limited (“Capital VC”) (Note 5)	Interest of a controlled corporation	316,000,000	6.21%

Notes:

- (1) As mentioned in note 18 to the interim financial statements, the Company and Avant Capital entered into the subscription agreement to subscribe for 1,920,000,000 new shares on 12 August 2015, which was subject to certain of conditions and shareholders’ approval. Assuming there would not be any change in the issued share capital of the Company from the date of subscription agreement and the proposed placing of 5,760,000,000 mentioned in note 18 to the interim financial statements was fully subscribed, Avant Capital will hold 17.01% (including the existing 31,500,000 shares of the Company held by Avant Capital).
- (2) Orient Time is wholly owned by China Environmental Energy. Accordingly, China Environmental Energy is deemed or taken to be interested in all the shares of the Company which are beneficially interested by Orient Time.
- (3) Much Wealth is wholly owned by Mr. Tam. Accordingly, Mr. Tam is deemed or taken to be interested in all the shares of the Company which are beneficially interested by Much Wealth.
- (4) Black Marble is wholly owned by Red Honour and Red Honour is wholly owned by Lerado. Accordingly, Red Honour and Lerado are deemed or taken to be interested in all the shares of the Company which are beneficially interested by Black Marble.
- (5) Like Capital is wholly owned by Ethnocentric and Ethnocentric is wholly owned by Capital VC. Accordingly, Ethnocentric and Capital VC are deemed or taken to be interested in all the shares of the Company which are beneficially interested by Like Capital.

Save as disclosed above, as at 31 October 2015, the Company has not been notified of any other person (other than a Director of the Company) having an interest or short position in shares and underlying shares of the Company representing 5% or more of the issued share capital of the Company.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed above, at no time during the period was the Company or its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the directors or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the period.

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

During the six months ended 31 October 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The corporate governance principles of the Company emphasise a quality Board, sound internal controls, transparency and accountability to all shareholders. By applying rigorous corporate governance practices, the Company believes that its accountability and transparency will be improved thereby instilling confidence to shareholders and the public. Throughout the interim period, the Company has complied with the code provisions in the Corporate Governance Code ("CG Code") set out in Appendix 15 of the GEM Listing Rules except for the deviation as disclosed below:

Code Provision of A.2.7 of the CG Code requires the chairman of the Board to hold meetings at least annually with the non-executive Directors (including independent non-executive Directors) without the executive Directors present. As Dr. So Yu Shing, the chairman of the Board, is also an executive Director, the Company has deviated from this code provision as it is not applicable. The Board has continued to monitor and review the Company's progress in respect of corporate governance practices to ensure compliance. Meetings were held throughout the half year period and where appropriate, circulars and other guidance notes were issued to Directors and senior management of the Company to ensure awareness to issues regarding corporate governance practices.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 31 October 2015, the Company had adopted a code of conduct regarding directors' securities transactions as set out in Rules 5.46 to 5.68 of the GEM Listing Rules. The Company had also made specific enquiry of all directors and was not aware of any non-compliance with the required standard of dealings and the code of conduct regarding securities transactions by directors.

COMPETING INTERESTS

None of the directors or the management shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) had any business which competed or might compete with the business of the Group.

AUDIT COMMITTEE

The Company established an audit committee of the Board ("Audit Committee") with written terms of reference that clearly establish the Audit Committee's authority and duties. The Audit Committee currently comprises 3 independent non-executive Directors, namely Mr. Law Man Sang, Mr. Chan Ngai Sang, Kenny and Mr. Ong Chi King.

The primary duties of the Audit Committee are to review the Company's annual report and accounts, half-year report and quarterly reports and provide advice and comments thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the financial reporting process and internal control procedures of the Group.

The Group's unaudited condensed consolidated interim results for the six months ended 31 October 2015 have not been audited by the Company's auditor, but have been reviewed by the audit committee which was of the opinion that the results complied with applicable accounting standards, the GEM Listing Rules and legal requirements and that adequate disclosure had been made.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within knowledge of the Directors, the Company has maintained the prescribed public float under the GEM Listing Rules as at the date of this report.

OTHER INFORMATION

Disclosure of Directors' information under Rule 17.50A(1) of the GEM Listing Rules

Name of Director	Details of Changes
Mr. Ong Chi King	appointed as independent non-executive director of Wan Kei Group Holdings Limited (stock code: 1718), a company listed on the Stock Exchange, with effect from 11 August 2015.

On behalf of the Board

So Yu Shing

Chairman

Hong Kong, 11 December 2015

As at the date of this report, the Board comprises Dr. So Yu Shing (Chairman and Executive Director), Mr. Kong Kam Wang (Executive Director and Chief Executive Officer), Ms. Lai Yuen Mei, Rebecca (Executive Director), Mr. So Wang Chun, Edmond (Executive Director), Mr. Ng Tang (Executive Director), Mr. Yuen Chun Fai (Executive Director), Mr. Law Man Sang (Independent Non-executive Director), Mr. Chan Ngai Sang, Kenny (Independent Non-executive Director) and Mr. Ong Chi King (Independent Non-executive Director).