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 2018/2019

* *For identification purpose only*

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors ("Directors") of WLS Holdings Limited ("Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM ("GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are found on bases and assumptions that are fair and reasonable.

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 2018 together with the comparative figures for the corresponding periods in 2017 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months and six months ended 31 October 2018

		Three months ended 31 October		**Six months ended 31 October**	
		2018	2017	**2018**	2017
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue	*3*	**37,110**	31,531	**83,934**	70,791
Cost of sales		**(32,057)**	(23,367)	**(58,385)**	(46,341)
Gross profit		**5,053**	8,164	**25,549**	24,450
Other income	*5*	**631**	1,664	**1,058**	2,259
Other (losses) and gains	*6*	**(9,161)**	18,531	**(23,074)**	(82,524)
Operating and administrative expenses		**(13,036)**	(16,415)	**(22,861)**	(27,297)
Gain on disposal of property, plant and equipment		**–**	338	**–**	338
Finance costs	*7(a)*	**(2,171)**	(1,576)	**(3,971)**	(3,159)
Share of results of associates		**–**	–	**–**	–
(Loss)/profit before taxation	*7*	**(18,684)**	10,706	**(23,299)**	(85,933)
Taxation	*8*	**47**	(973)	**(697)**	(2,313)
(Loss)/profit for the period		**(18,637)**	9,733	**(23,996)**	(88,246)
(Loss)/profit for the period attributable to:					
Owners of the Company		**(18,109)**	10,180	**(22,518)**	(88,134)
Non-controlling interests		**(528)**	(447)	**(1,478)**	(112)
		(18,637)	9,733	**(23,996)**	(88,246)
Dividend	*9*	**–**	–	**–**	–
(Loss)/earnings per share					
– basic	*10*	**(HK0.126 cent)**	HK0.080 cent	**(HK0.157 cent)**	(HK0.690 cent)
– diluted	*10*	**(HK0.120 cent)**	HK0.073 cent	**(HK0.149 cent)**	(HK0.690 cent)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 31 October 2018

	Three months ended 31 October		**Six months ended 31 October**	
	2018	2017	**2018**	2017
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
(Loss)/profit for the period	**(18,637)**	9,733	**(23,996)**	(88,246)
Other comprehensive income/(expense):				
Item that may be reclassified subsequently to profit or loss:				
Fair value gain/(loss) on available-for-sale investments	**–**	3,087	**–**	(46,452)
Item that will not be reclassified to profit or loss:				
Changes on fair value of equity investments at fair value through other comprehensive income	**1,059**	–	**(2,797)**	–
Other comprehensive income/(expense) for the period, net of tax	**1,059**	3,087	**(2,797)**	(46,452)
Total comprehensive (expense)/income for the period	**(17,578)**	12,820	**(26,793)**	(134,698)
Total comprehensive (expense)/income for the period attributable to:				
Owners of the Company	**(17,050)**	13,267	**(25,315)**	(134,586)
Non-controlling interests	**(528)**	(447)	**(1,478)**	(112)
	(17,578)	12,820	**(26,793)**	(134,698)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 31 October 2018 (Unaudited) HK$'000	At 30 April 2018 (Audited) HK$'000
Non-current assets			
Investment properties		**56,570**	56,570
Property, plant and equipment	*11*	**18,420**	20,112
Goodwill		**25,366**	25,366
Intangible asset		**41,900**	41,900
Interests in associates and a joint venture		**–**	–
Available-for-sale investments		**–**	20,921
Equity instruments at fair value through other comprehensive income		**16,685**	–
Financial asset at fair value through profit or loss		**3,000**	–
Loan and interest receivables	*13*	**238,085**	273,373
Deposits and other receivables		**1,500**	1,411
Deferred tax assets		**208**	208
		401,734	439,861
Current assets			
Loan and interest receivables	*13*	**250,823**	230,235
Prepayments, deposits and other current assets		**7,581**	8,672
Trade receivables	*12A*	**48,929**	48,507
Contract assets	*12B*	**18,662**	–
Amounts due from customers for contract work		**–**	11,869
Inventories		**462**	372
Retention monies receivables		**–**	3,471
Financial assets at fair value through profit or loss		**35,970**	63,772
Tax recoverable		**13**	13
Bank balances and cash – trust account		**11,845**	22,918
Bank balances and cash – general accounts		**120,451**	98,804
		494,736	488,633
Current liabilities			
Trade and other payables	*14*	**56,010**	64,033
Contract liabilities		**22,522**	–
Amounts due to customers for contract work		**–**	12,406
Retention monies payables		**–**	1,183
Tax payable		**2,993**	1,808
Obligations under finance leases – current portion	*15*	**930**	751
Bank borrowings	*16*	**32,770**	29,006
Other loan and other borrowings		**38,000**	92,000
Bank overdrafts	*16*	**19,238**	15,258
		172,463	216,445
Net current assets		**322,273**	272,188
Total assets less current liabilities		**724,007**	712,049

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Notes	**At 31 October 2018 (Unaudited)** ***HK$'000***	At 30 April 2018 (Audited) *HK$'000*
Non-current liabilities			
Obligations under finance leases			
– non-current portion	*15*	**1,488**	1,431
Deferred tax liabilities		**169**	169
Other loan and other borrowings		**54,000**	–
		55,657	1,600
Net assets		**668,350**	710,449
Capital and reserves			
Share capital	*17*	**143,670**	143,670
Reserves		**542,965**	583,586
Equity attributable to owners of the Company		**686,635**	727,256
Non-controlling interests		**(18,285)**	(16,807)
Total equity		**668,350**	710,449

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 October 2018

	Attributable to owners of the Company									
	Share capital *HK$'000*	**Share premium** *HK$'000*	**Contributed surplus** *HK$'000* *(Note i)*	**Merger reserve** *HK$'000* *(Note ii)*	**Share option reserve** *HK$'000* *(Note iii)*	**Investment revaluation/ FVTOCI reserve** *HK$'000*	**Accumulated losses** *HK$'000*	**Total** *HK$'000*	**Non-controlling interests** *HK$'000*	**Total** *HK$'000*
At 1 May 2017 (Audited)	127,670	507,430	191,087	2,222	–	17,054	(59,337)	786,126	(3,869)	782,257
Loss for the period	–	–	–	–	–	–	(88,134)	(88,134)	(112)	(88,246)
Other comprehensive expense for the period	–	–	–	–	–	(46,452)	–	(46,452)	–	(46,452)
Total comprehensive expense for the period	–	–	–	–	–	(46,452)	(88,134)	(134,586)	(112)	(134,698)
Grant of share options	–	–	–	–	7,280	–	–	7,280	–	7,280
At 31 October 2017 (unaudited)	127,670	507,430	191,087	2,222	7,280	(29,398)	(147,471)	658,820	(3,981)	654,839
At 1 May 2018 (Audited)	143,670	560,230	191,087	2,222	7,280	(8,108)	(169,125)	727,256	(16,807)	710,449
Adjustments *(note 2.3)*	–	–	–	–	–	–	(15,306)	(15,306)	–	(15,306)
At 1 May 2018 (restated)	143,670	560,230	191,087	2,222	7,280	(8,108)	(184,431)	711,950	(16,807)	695,143
Loss for the period	–	–	–	–	–	–	(22,518)	(22,518)	(1,478)	(23,996)
Other comprehensive expense for the period	–	–	–	–	–	(2,797)	–	(2,797)	–	(2,797)
Total comprehensive expense for the period	–	–	–	–	–	(2,797)	(22,518)	(25,315)	(1,478)	(26,793)
At 31 October 2018 (unaudited)	143,670	560,230	191,087	2,222	7,280	(10,905)	(206,949)	686,635	(18,285)	668,350

Notes:

i. The contributed surplus of the Group represents the amount transferred from share premium amount upon the cancellation of the entire amount standing to the credit of the share premium account as at 28 August 2014 pursuant to a special resolution passed by the shareholders at an extraordinary general meeting held on that date.

ii. 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.

iii. The share option reserve of the Group represents the fair value of share options granted at the relevant grant dates and outstanding as at end of the reporting period.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 October 2018

	Six months ended 31 October	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Net cash generated from/(used in) operating activities	**16,899**	(108,692)
Net cash generated from/(used in) investing activities		
Purchases of financial asset at fair value through profit or loss	**(21,354)**	–
Purchases of property, plant and equipment	**(1,978)**	(185)
Purchases of available-for-sale investments	**–**	(29,541)
Proceeds from disposal of financial assets at fair value through profit or loss	**23,811**	–
Proceeds from disposal of property, plant and equipment	**–**	420
Other investing activities	**260**	24,680
	739	(4,626)
Net generated from/(used in) financing activities		
Repayment of other loan and other borrowings	**(54,000)**	–
Repayment of bank borrowings	**(25,875)**	(1,419)
New bank borrowings raised	**30,307**	–
New other loan and other borrowings raised	**54,000**	–
Other financing activities	**(4,403)**	(2,505)
	29	(3,924)
Net increase/(decrease) in cash and cash equivalents	**17,667**	(117,242)
Cash and cash equivalents at 1 May	**83,546**	182,852
Cash and cash equivalents at 31 October	**101,213**	65,610
Analysis of cash and cash equivalents at end of the period		
Bank balances and cash – general accounts	**120,451**	76,446
Bank overdrafts	**(19,238)**	(10,836)
	101,213	65,610

NOTES TO THE 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 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 head office and the principal place of business of the Company in Hong Kong is located at 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 out services and other services for construction and buildings work, provision of gondolas, parapet railings and access equipment installation and maintenance services, money lending business, securities brokerage and margin financing and securities investment business and assets management business.

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

2. Basis of preparation and principal accounting policies

Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Account (the "HKICPA") as well as the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "GEM Rules").

Principal accounting policies

The condensed consolidated financial statements have been prepared or the historical cost basis except for investment properties and certain financial instruments which are measured at fair values, as appropriate.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31 October 2018 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 30 April 2018.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to the HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2018 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

2. **Basis of preparation and principal accounting policies (Continued)**

2.1 Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers ("HKFRS 15")

The Group has applied HKFRS 15 for the first time in the current interim period. HKFRS 15 superseded HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations.

The Group recognises revenue from the following major sources:

- Revenue from provision of scaffolding services for construction and building work
- Revenue from provision of fitting out services for construction and building work
- Revenue from provision of gondolas, parapet railings and access equipment installation and maintenance services
- Revenue from money lending business
- Revenue from securities brokerage and margin financing
- Revenue from assets management business

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 May 2018. Any difference at the date of initial application is recognised in the opening accumulated losses (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply this standard retrospectively only to contracts that are not completed at 1 May 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 *Revenue* and HKAS 11 *Construction Contracts* and the related interpretations.

2.1.1 Key changes in accounting policies resulting from application of HKFRS 15

HKFRS 15 introduces a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customers.

2. Basis of preparation and principal accounting policies (Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers ("HKFRS 15") (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 15 (Continued)

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

The Group transfers the scaffolding and fitting out services for construction and building work, gondolas, parapet railings, access equipment installation and maintenance services over time and, therefore, satisfies a performance obligation and recognises revenue over time.

The Group recognise revenue from securities brokerage at a point in time based on the trade date basis.

The Group recognise revenue from assets management over time as the services provided are substantially the same.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Our final revenue recognition: input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

2. Basis of preparation and principal accounting policies (Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers ("HKFRS 15") (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 15 (Continued)

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group considers it is a principal for its revenue generating activities because it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Variable consideration

For contracts that contain variable consideration, such as progressive volume discounts offered to customers, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

The estimated amounts of variable considerations, which are calculated using the most likely amount, are deducted from the total transaction price for each contract.

The Group adopted HKFRS 15 using the modified retrospective approach which means that the cumulative impact of the adoption (if any) will be recognised in accumulated losses as of 1 May 2018 and that comparatives will not be restated.

By adopting HKFRS 15, there is no material impact on the statement of profit or loss and other comprehensive income recognised by the Group as at 1 May 2018 as compared to the accumulated amount recognised under HKAS 18.

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 May 2018. Line items that were not affected by the changes have not been included.

2. Basis of preparation and principal accounting policies (Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers ("HKFRS 15") (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 15 (Continued)

	Carrying amounts previously reported at 30 April 2018 *HK$'000*	Reclassification *HK$'000* *(note a and b)*	Carrying amounts under HKFRS 15 at 1 May 2018 *HK$'000*
Current assets			
Contract assets	–	15,340	15,340
Amounts due from customers for contract work	11,869	(11,869)	–
Retention monies receivables	3,471	(3,471)	–
Current liabilities			
Contract liabilities	–	13,589	13,589
Amounts due to customers for contract work	12,406	(12,406)	–
Retention monies payables	1,183	(1,183)	–

Notes:

(a) As at 1 May 2018, advances and retention monies paid to customers of HK$11,869,000 and HK$3,471,000 previously included in amounts due from customers for contract work and retention monies receivables, respectively, were reclassified to contract assets since the Group's right to consideration in exchange for services that the Group has to transfer to the customers is not yet unconditional.

(b) As at 1 May 2018, deposits and retention monies received from suppliers of HK$12,406,000 and HK$1,183,000 previously included in amounts due to customers for contract work and retention monies payables, respectively, were reclassified to contract liabilities since the Group not yet satisfied the performance obligation according to the contract term.

Without application of HKFRS 15, as at 31 October 2018, the contract assets of HK$18,662,000 was included in amounts due from customers for contract work of HK$14,126,000 and retention monies receivables of HK$4,536,000, respectively. The contract liabilities of HK$22,522,000 as at 31 October 2018, without application of HKFRS 15, was included in amounts due to customers for contract work of HK$20,848,000 and retention monies payables of HK$1,674,000, respectively.

There is no material impact on the application of HKFRS 15 on the condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 31 October 2018.

2. Basis of preparation and principal accounting policies (Continued)

2.2 Impact and changes in accounting polices of application on HKFRS 9 Financial Instruments

In the current period, the Group has applied HKFRS 9 *Financial Instruments* ("HKFRS 9") and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses ("ECL") for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 May 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 May 2018. The difference between carrying amounts as at 30 April 2018 and the carrying amounts as at 1 May 2018 are recognised in the opening accumulated losses and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 *Financial Instruments: Recognition and Measurement*.

2.2.1 Key changes in accounting policies resulting from application of HKFRS 9

Classification and measurement of financial assets

Trade receivables arising from contracts with customers are initially measured in accordance with HKFRS 15.

All recognised financial assets that are within the scope of HKFRS 9 are subsequently measured at amortised cost or fair value, including unquoted equity investments measured at cost less impairment under HKAS 39.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL"), except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income ("OCI") if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

In addition, the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

2. **Basis of preparation and principal accounting policies (Continued)**

2.2 Impact and changes in accounting polices of application on HKFRS 9 Financial Instruments (Continued)

2.2.1 Key changes in accounting policies resulting from application of HKFRS 9 (Continued)

Classification and measurement of financial assets (Continued)

Equity instruments designated as at FVTOCI

At the date of initial application/initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

Investment in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses.

Dividend on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established in accordance with HKFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "change in fair value of financial assets at fair value through profit or loss" line item.

The directors of the Company reviewed and assessed the Group's financial assets as at 1 May 2018 based on the facts and circumstances that existed at that date. Changes in classification and measurement on the Group's financial assets and the impact thereof are detailed in note 2.2.2.

Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including loan and interest receivables, trade receivables, contract assets and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets without significant financing component. The ECL on these assets are assessed individually for debtors with significant balances.

2. Basis of preparation and principal accounting policies (Continued)

2.2 Impact and changes in accounting polices of application on HKFRS 9 Financial Instruments (Continued)

2.2.1 Key changes in accounting policies resulting from application of HKFRS 9 (Continued)

Impairment under ECL model (Continued)

For all other instruments and loan and interest receivables, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

2. Basis of preparation and principal accounting policies (Continued)

2.2 Impact and changes in accounting polices of application on HKFRS 9 Financial Instruments (Continued)

2.2.1 Key changes in accounting policies resulting from application of HKFRS 9 (Continued)

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

As at 1 May 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9. The results of the assessment and the impact thereof are detailed in note 2.2.2.

The Group has applied HKFRS 9 simplified approach to measure expected credit loss using a lifetime expected credit loss for trade receivables and contract assets. To measure the expected credit loss, trade receivables and contract assets have been assessed individually based on each debtor's own credit risk.

Loss allowance for other financial assets at amortised cost, mainly comprising loans and interest receivables bank balances are measured on 12m ECL basis and there had been no significant increase in credit risk since initial recognition, except for certain loan and interest receivables which are measured on lifetime ECL basis as their credit risk had increased significantly since initial recognition.

2. Basis of preparation and principal accounting policies (Continued)

2.2 Impact and changes in accounting polices of application on HKFRS 9 Financial Instruments (Continued)

2.2.2. Summary effects of arising from initial application of HKFRS 9

The table below illustrates the classification and measurement (including impairment) of financial assets and financial liabilities and other items subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application 1 May 2018.

	Notes	Available-for-sale investment *HK$'000*	Equity instruments at FVTOCI *HK$'000*	Loan and interest receivables – non current *HK$'000*	Loan and interest receivables – current *HK$'000*	Trade receivables *HK$'000*	Contract assets *HK$'000*	Financial assets at FVTPL *HK$'000*	Held for trading investment *HK$'000*	Accumulated losses *HK$'000*
Closing balance at 30 April 2018 – HKAS 39		20,921	–	273,373	230,235	48,507	–	28,800	34,972	169,125
Effect arising from initial application of HKFRS 15		–	–	–	–	–	15,340	–	–	–
Effect arising from initial application of HKFRS 9:										
Reclassification										
From available-for-sale investments	*a*	(20,921)	19,482	–	–	–	–	–	–	1,439
From held for trading investment	*b*	–	–	–	–	–	–	34,972	(34,972)	–
Remeasurement										
Credit loss allowance under ECL model	*c*	–	–	(4,478)	(7,804)	(880)	(705)	–	–	13,867
Opening balance at 1 May 2018		–	19,482	268,895	222,431	47,627	14,635	63,772	–	184,431

Notes:

(a) The Group has made irrevocable election on its unlisted investment at cost which was classified as available-for-sales investments recognised at cost and listed equity securities which was classified as available-for-sales investment recognised at fair value under HKAS 39, respectively, to reclassify and designate them as equity instruments at FVTOCI. As at 1 May 2018, fair value loss of HK$1,439,000 regarding unlisted investment has been recognised against accumulated losses.

(b) The Group has reassessed its investments in listed equity securities classified as held for trading under HKAS 39 as if the Group had purchased these investments at the date of initial application. Based on the facts and circumstances as at the date of initial application, HK$34,972,000 of the Group's investments were held for trading and continued to be measured at FVTPL.

(c) As at 1 May 2018, additional credit loss allowance of HK$13,867,000 regarding loan and interest receivables, trade receivables and contract assets have been recognised against accumulated losses.

2. **Basis of preparation and principal accounting policies (Continued)**

2.2 Impact and changes in accounting polices of application on HKFRS 9 Financial Instruments (Continued)

2.2.2. Summary effects of arising from initial application of HKFRS 9 (Continued)

The addition loss allowance charged against the trade receivables, contract assets and loan and interest receivables as at 1 May 2018 is reconciled as follows:

	Trade receivables	**Contract assets**	**Loan and interest receivables**
	HK$'000	***HK$'000***	***HK$'000***
At 30 April 2018 (audited) – HKAS 39	23,657	238	–
Amounts remeasured through opening accumulated losses	880	705	12,282
At 1 May 2018 (unaudited)	24,537	943	12,282

Except as described above, the application of amendments to HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these unaudited condensed consolidated financial statements.

2.3 Impacts on opening condensed consolidated statement of financial position arising from the application of all new standards

As a result of the changes in the Group's accounting policies above, the opening condensed consolidated statement of financial position had to be restated. The following table shows the adjustments recognised for each individual affected line item.

	30 April 2018 (Audited)	**HKFRS 15**	**HKFRS 9**	**1 May 2018 (Restated)**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Available-for-sale investments	20,921	–	(20,921)	–
Equity instruments at FVTOCI	–	–	19,482	19,482
Loan and interest receivables – non current	273,373	–	(4,478)	268,895
Loan and interest receivables – current	230,235	–	(7,804)	222,431
Trade receivables	48,507	–	(880)	47,627
Contract assets	–	15,340	(705)	14,635
Amounts due from customers for contract work	11,869	(11,869)	–	–
Retention monies receivables	3,471	(3,471)	–	–
Financial assets at FVTPL	28,800	–	34,972	63,772
Held for trading investments	34,972	–	(34,972)	–
Amounts due to customers for contract work	12,406	(12,406)	–	–
Contract liabilities	–	13,589	–	13,589
Retention monies payables	1,183	(1,183)	–	–
Accumulated losses	169,125	–	15,306	184,431

3. Revenue

An analysis of the Group's revenue for the period is as follows:

	Three months ended 31 October		**Six months ended 31 October**	
	2018	2017	**2018**	2017
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Contract revenue in respect of construction and buildings work for the provision of				
– scaffolding services	**20,168**	18,027	**51,247**	37,430
– fitting out services	**5,895**	4,918	**9,666**	13,475
Gondolas, parapet railings and access equipment installation and maintenance services	**83**	208	**1,217**	2,423
Loan interest income	**9,757**	8,238	**19,894**	17,207
Securities brokerage and margin financing	**95**	140	**226**	256
Assets management	**1,112**	–	**1,684**	–
	37,110	31,531	**83,934**	70,791

4. Segment information

The Group determines its operating and reportable segments based on the reports reviewed by the chief operating decision-maker ("CODM") that are used for resources allocation and assessment of performance focusing specifically on the revenue analysis by principal categories of the Group's business and the profit of the Group as a whole. For the period ended 31 October 2018, the Group has eight operating and reportable segments – (i) scaffolding services for construction and buildings work, (ii) fitting out services for construction and buildings work, (iii) management contracting services for construction and buildings work, (iv) gondolas, parapet railings and access equipment installation and maintenance services, (v) money lending business, (vi) securities brokerage and margin financing, (vii) securities investment business, and (viii) assets management 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 revenue and results by operating and reportable segment for the six months ended 31 October 2018 is presented as follows:

	Scaffolding services for construction and buildings work	Fitting out services for construction and buildings work	Management contracting services for construction and buildings work	Gondolas, parapet railings and access equipment installation and maintenance services	Money lending business	Securities brokerage and margin financing	Securities investment business	Assets management business	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the period ended 31 October 2018									
REVENUE									
External revenue	**51,247**	**9,666**	**–**	**1,217**	**19,894**	**226**	**–**	**1,684**	**83,934**
Other (losses) and gains	**1,253**	**–**	**–**	**–**	**(1,982)**	**–**	**(22,345)**	**–**	**(23,074)**
Other income	**–**	**–**	**–**	**–**	**–**	**198**	**–**	**177**	**375**
Total	**52,500**	**9,666**	**–**	**1,217**	**17,912**	**424**	**(22,345)**	**1,861**	**61,235**
Segment result	**(1,307)**	**(3,084)**	**(17)**	**(532)**	**4,097**	**(2,334)**	**(11,029)**	**820**	**(13,386)**
Finance costs									**(3,971)**
Unallocated corporate income									**683**
Unallocated corporate expenses									**(6,625)**
Loss before taxation									**(23,299)**

4. **Segment information (Continued)**

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used for resources allocation and assessment of performance focuses specifically on the revenue analysis by principal categories of the Group's business and the profit of the Group as a whole. For the six months ended 31 October 2017, the Group has seven reportable segments – (i) scaffolding services for construction and buildings work, (ii) fitting out services for construction and buildings work, (iii) management contracting services for construction and buildings work, (iv) gondolas, parapet railings and access equipment installation and maintenance services, (v) money lending business, (vi) securities brokerage and margin financing, and (vii) securities investment 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 revenue and results by operating and reportable segment for the six months ended 31 October 2017 is presented as follows:

	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*	Money lending business *HK$'000*	Securities brokerage and margin financing *HK$'000*	Securities investment business *HK$'000*	Consolidated *HK$'000*
For the period ended 31 October 2017								
REVENUE								
External revenue	37,430	13,475	–	2,423	17,207	256	–	70,791
Other (losses) and gains	–	–	–	–	–	–	(82,524)	(82,524)
Other income	124	1,400	–	54	–	–	205	1,783
Total	37,554	14,875	–	2,477	17,207	256	(82,319)	(9,950)
Segment result	(3,247)	989	(17)	342	14,137	(2,423)	(82,716)	(72,935)
Gain on disposal of property, plant and equipment								338
Finance costs								(3,159)
Unallocated corporate income								476
Unallocated corporate expenses								(10,653)
Loss before taxation								(85,933)

5. Other income

	Three months ended 31 October		Six months ended 31 October	
	2018	2017	**2018**	2017
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Reversal of allowance for bad and doubtful debts	**–**	1,425	**–**	1,578
Rental income	**177**	160	**354**	297
Interest income	**149**	59	**260**	76
Sundry income	**291**	51	**437**	69
Dividend income	**–**	78	**–**	204
Foreign exchange gain/(loss), net	**14**	(109)	**7**	35
	631	1,664	**1,058**	2,259

6. Other (losses) and gains

	Three months ended 31 October		Six months ended 31 October	
	2018	2017	**2018**	2017
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Fair value (loss)/gain on financial assets at fair value through profit or loss, net	**(7,256)**	18,531	**(23,101)**	(62,693)
(Loss) on disposal of an available-for-sale investment	**–**	–	**–**	(19,831)
(Loss)/gain on disposal of financial assets at fair value through profit or loss	**(1,176)**	–	**756**	–
Provision of allowance for ECL	**(729)**	–	**(729)**	–
	(9,161)	18,531	**(23,074)**	(82,524)

7. (Loss)/profit before taxation

(Loss)/profit before taxation has been arrived at after charging/(crediting):

	Three months ended 31 October		Six months ended 31 October	
	2018	2017	**2018**	2017
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
(a) Finance costs				
Interest on bank borrowings and bank overdrafts	**616**	477	**1,165**	953
Interest on other loan and other borrowings	**1,520**	1,064	**2,744**	2,134
Interest on obligations under finance leases	**35**	35	**62**	72
	2,171	1,576	**3,971**	3,159
(b) Depreciation	**1,826**	2,348	**3,670**	4,651
Less: Amount capitalised in construction contracts	**(1,711)**	(1,939)	**(3,274)**	(3,819)
	115	409	**396**	832
(c) Provision of allowance for ECL	**729**	–	**729**	–

8. Taxation

Taxation comprises:

	Three months ended 31 October		Six months ended 31 October	
	2018	2017	**2018**	2017
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Current tax:				
Hong Kong Profits Tax	**–**	973	**697**	2,313
Overprovision in prior period	**(47)**	–	**–**	–
	(47)	973	**697**	2,313

Provision for Hong Kong Profits Tax has been made at the rate of 16.5% on the estimated assessable profit arising in Hong Kong during the period (six months ended 31 October 2017: 16.5%).

9. Dividend

No dividend were paid, declared or prepared during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period.

10. (Loss)/earnings per share

The calculation of the basic (loss)/earnings per share is based on the unaudited net loss attributable to the Owners of the Company for the three months and six months ended 31 October 2018 approximately (HK$18,109,000) and (HK$22,518,000) respectively and the unaudited net profit/(loss) attributable to the Owners of the Company for the three months and six months ended 31 October 2017: approximately HK$10,180,000 and (HK$88,134,000) respectively. The weighted average numbers of ordinary shares for the purpose of basic and diluted (loss)/earnings per share is as follows:

	Three months ended 31 October		Six months ended 31 October	
	2018	2017	**2018**	2017
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Weighted average number of ordinary shares for the purpose of calculating (loss)/earnings per share				
Basic	**14,367,101,072**	12,767,101,072	**14,367,101,072**	12,767,101,072
Effect of dilutive potential ordinary shares on share options	**663,303,682**	1,149,030,000	**760,052,896**	–
Diluted	**15,030,404,754**	13,916,131,072	**15,127,153,968**	12,767,101,072
	HK Cent	*HK Cent*	***HK Cent***	*HK Cent*
(Loss)/Earnings per share				
– Basic	**(0.126)**	0.080	**(0.157)**	(0.690)
– Diluted	**(0.120)**	0.073	**(0.149)**	(0.690)

11. Additions to property, plant and equipment

During the six months ended 31 October 2018, the Group spent approximately HK$1,978,000 (six months ended 31 October 2017: HK$185,000) on the acquisition of property, plant and equipment.

12A. 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 as at the end of the reporting period, based on the invoice date and net of impairment is as follows:

	At 31 October	At 30 April
	2018	2018
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Within 90 days	**31,895**	34,649
91 to 180 days	**8,602**	2,169
181 to 365 days	**1,976**	4,643
Above 1 year	**6,456**	7,046
	48,929	48,507

As at 31 October 2018, ECL allowance made in respect of trade receivables was HK$23,432,000 (30 April 2018: nil). The Group has initially applied HKFRS 9 at 1 May 2018. Under the transition method chosen, comparative information is not restated and impairment allowance for bad and doubtful debts as at 30 April 2018 was HK$23,657,000.

12B. Contract Assets

	31 October 2018
	HK$'000
	(Unaudited)
Provision of scaffolding services for construction and building work	18,662

The contract assets primarily related to the Group's right to consideration for work completed and not billed because the rights are conditional on the Group's future performance in achieving specified milestones at the reporting date on provision of scaffolding services for construction and building work. The contract assets are transferred to trade receivable when the rights become unconditional. The Group typically transfers the contract assets to trade receivables as "unbilled receivable" when the Group achieved the specific milestones in the corresponding contracts.

13. Loan and interest receivables

	At 31 October 2018	At 30 April 2018
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Amounts fall due within one year	**250,823**	230,235
Amounts fall due within one to second year	**101,350**	131,714
Amounts fall due within second to fifth year	**136,735**	141,659
	488,908	503,608

At the reporting date, loan and interest receivables consisted of:

	At 31 October 2018	At 30 April 2018
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Amounts secured with guarantor	**46,880**	36,942
Amounts secured with securities *(Note)*	**298,775**	305,442
Amounts unsecured	**143,253**	161,224
	488,908	503,608

Note: The securities are ordinary shares of companies listed on the Stock Exchange.

13. Loan and interest receivables (Continued)

The table below summarises its credit quality (gross balances net of impairment allowances):

	At 31 October 2018 (Unaudited) *HK$'000*	At 30 April 2018 (Audited) *HK$'000*
Credit quality:		
Past due but not individually impaired	**47,281**	42,204
Neither past due nor individually impaired	**441,627**	461,404

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. During the period ended 31 October 2018, loan and interest receivables were charging on fixed interest rate mutually agreed with the contracting parties, ranging from 8% to 24% (30 April 2018: 6.5% to 40%) per annum.

As at 31 October 2018, ECL allowance made in respect of loan and interest receivables was HK$14,264,000 (30 April 2018: nil). The Group has initially applied HKFRS 9 at 1 May 2018, Under the transition method chosen, comparative information is not restated.

14. Trade and other payables

Included in trade and other payables are trade payables of HK$42,459,000 (as at 30 April 2018: HK$30,179,000) with an aged analysis of trade payables shown as follows:

	At 31 October 2018 (Unaudited) *HK$'000*	At 30 April 2018 (Audited) *HK$'000*
Within 90 days	**19,352**	29,238
91 to 180 days	**1,045**	817
181 to 365 days	**1,366**	124
Above 1 year	**696**	–
Total trade payables	**22,459**	30,179
Other payables	**24,884**	24,445
Accruals	**8,667**	9,409
Total trade and other payables	**56,010**	64,033

15. Obligations under finance leases

	Minimum lease payments		Present value of minimum lease payments	
	At 31 October 2018	At 30 April 2018	**At 31 October 2018**	At 30 April 2018
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Amount payable under finance leases:				
Within one year	**1,022**	843	**930**	751
Within one to second year	**997**	838	**1,488**	783
Within second to fifth year	**548**	660	**–**	648
	2,567	2,341		
Less: future finance charges	**(149)**	(159)		
Present value of lease obligations	**2,418**	2,182	**2,418**	2,182
Less: Amount due within one year shown under current liabilities			**(930)**	(751)
Amount due after one year			**1,488**	1,431

16. Bank borrowings and bank overdrafts

Bank borrowings and bank overdrafts were secured by the Group's properties, trade receivables and Company's corporate guarantee and are repayable on demand or repayable within one year. The amounts due are based on scheduled repayment dates set out in the loan agreements.

The directors consider the fair values of the Group's bank loans and bank overdrafts, determined based on the present value of the estimated future cash flows discounted using the prevailing market rate at the end of the reporting period, approximate the carrying amounts.

17. Share capital

	Par value	**No. of shares**	**Amount**
	HK$		*HK$'000*
Authorised:			
At 1 May 2017, 30 April 2018, 1 May 2018 and 31 October 2018	0.01	40,000,000,000	400,000
Issued and fully paid:			
At 1 May 2017	0.01	12,767,101,072	127,670
New issue of consideration shares *(Note)*	0.01	1,600,000,000	16,000
At 30 April 2018, 1 May 2018 and 31 October 2018	0.01	14,367,101,072	143,670

Note:

On 21 March 2018, the Company allotted and issued 1,600,000,000 shares as consideration for the acquisition of Blue Pool Ventures Limited. The consideration shares represented approximately 11.14% of the then enlarged issued share capital of the Company.

18. 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 2018 (Unaudited) *HK$'000*	At 30 April 2018 (Audited) *HK$'000*
Within one year	**5,323**	5,302
In the second to fifth years inclusive	**1,642**	4,231
	6,965	9,533

Operating lease payments represent rentals payable for certain of its office properties and warehouse quarters. Leases are negotiated for terms of one year to three 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 2018 (Unaudited) *HK$'000*	At 30 April 2018 (Audited) *HK$'000*
Within one year	**85**	92

19. Fair value measurements of financial instruments

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

Some of the Group's financial assets 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 are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

19. Fair value measurements of financial instruments (Continued)

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

Financial assets	Fair value as at 31 October 2018 (Unaudited)	Fair value as at 30 April 2018 (Audited)	Fair value hierarchy	Valuation technique(s) and key inputs	Significant unobservable input(s)
Held for trading non-derivative financial assets classified as financial assets at FVTPL	Hong Kong listed equity securities – HK$21,351,000	Hong Kong listed equity securities – HK$34,972,000	Level 1	Bid prices quoted in active markets in Hong Kong.	N/A
Non-derivative financial assets classified as equity instruments at FVTOCI	Hong Kong listed equity securities – HK$16,124,000	Hong Kong listed equity securities – HK$18,921,000	Level 1	Bid prices quoted in active markets in Hong Kong.	N/A
Unlisted investment fund classified as financial assets at FVTPL	Unquoted investment fund that is not trade in an active market – HK$3,000,000	Unquoted investment fund that is not trade in an active market – nil	Level 2	Quoted price based on the net assets value of the fund which is determined with reference to observable (quoted) prices of underlying investment portfolio and adjustment of related expenses.	N/A
Convertible bond classified as financial assets at FVTPL	Convertible bond that is not trade in an active market which could be converted to ordinary shares of a listed entity – HK$14,619,000	Convertible bond that is not trade in an active market which could be converted to ordinary shares of a listed entity – HK$28,800,000	Level 3	Binomial model – in this model, fair value of the convertible bond is positively correlated to the expected volatility.	Expected volatility is determined by reference to the annualised standard deviation of the continuously compounded rates of return on the daily adjusted share price of the listed entity, which is 70.45% as at 31 October 2018 (2017: 128.37%).
Unlisted equity investment classified as equity instruments at FVTOCI	49 per cent unlisted equity investment in a private limited company engaged in sales of jewelleries – HK$561,000	N/A, as the 49 per cent unlisted equity investment was measured at cost of HK$2,000,000 as at 30 April 2018	Level 3	Market approach – in this approach, equity value derived by equity multiples including P/E, P/S and P/B ratio were adopted to calculate the equity interest attributable to the Group.	P/E, P/S and P/B ratios, determined by reference to the respective ratios of listed entities in similar industries, ranging from 7.6 to 16.8 for P/E ratio, from 0.4 to 1.7 for P/S ratio and from 0.5 to 2.1 for P/B ratio. Discount for lack of marketability, determined by reference to the share price of listed entities in similar industries at 16%.

19. Fair value measurements of financial instruments (Continued)

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

Excepted as disclosed in note 2.2, there were no reclassification of financial assets not transfers between levels during the six months ended 31 October 2018.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

20. Related party transactions

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

	Six months ended 31 October	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Short term benefits	**4,378**	5,480
Post-employment benefits	**124**	127
	4,502	5,607

The remuneration of executive directors, who are also member of key management, recommended by the Remuneration Committee and approved by the Board having regard to the performance of individuals and market trends.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the six months ended 31 October 2018 (herein referred to as the "reporting period"), the turnover of the Group amounted to approximately HK$83.9 million (2017: HK$70.8 million), representing a rise of approximately 19% compared to the corresponding period in 2017. Net loss attributable to owners of the Company for the six months ended 31 October 2018 was approximately HK$22.5 million (2017: HK$88.1 million). During the reporting period, comparatively more contract revenue generated from scaffolding business and stable loan interest income generated from money lending business resulted as the increase in turnover. Also, the significant decrease in loss was mainly due to the decrease in loss incurred from the Group's securities investment portfolios by approximately HK$60.2 million during the reporting period.

Scaffolding Services

In recent years, a number of transportation and infrastructure projects have been carried out by the Hong Kong Government to help boost the construction and development of Hong Kong's society. To this end, a multi-pronged strategy has been adopted for maintaining a steady and sustainable land supply in order to meet the demand for private housing, which has, in turn, stimulated the positive growth trend in the construction industry during the period.

However, a primary concern across the entire industry during the past several years has been that construction workers, especially experienced personnel, have been in short supply, causing higher labour costs for employers. As a result, profit margins throughout the industry were lower during the period in addition to intensified competition within the scaffolding sector itself. However, it is worth mentioning that the Group's patented scaffolding system known as "Pik-Lik" played a crucial role in saving manpower hours and achieving higher efficiency.

Leveraging the widespread recognition of our service quality and the strong relationships we have nurtured with our clientele, the Group continued to receive positive feedback and support as one of the leading scaffolding service providers in Hong Kong. During the reporting period, we provided scaffolding services for 49 ongoing projects, 24 of which were completed on schedule. We also successfully secured 7 new contracts. The overall results for the division during the period had significantly increased with the revenue of approximately HK$51.2 million, an increase of approximately 37% compared to the same period in 2017.

Fitting-out Services

Regarding our fitting-out business division, the Group recorded segment revenues of approximately HK$9.7 million with 7 new contracts secured during the reporting period.

Sense Key Design Holdings Limited ("Sense Key"), the Group's 51% owned subsidiary, which provides fitting-out services targeting commercial institutions and luxury residence end-users continued to generate revenues for the Group. The Group has also extended its scope of services to include ceiling work and to date we have received encouraging feedback from clients.

Due to the keen competition of fitting-out services, comparatively less contract revenue was received during the reporting period. The Group will continue to proactively to acquiring new contracts.

Gondolas, Parapet Railings, Access Equipment Installation and maintenance Services

In this segment, the Group mainly generated revenues from temporary gondola fleet rental income during the period. This division has also been developing in a stable manner with turnover amounting to approximately HK$1.2 million, a decrease of approximately 50% compared to the same period last year. Moreover, 11 new projects were secured during the reporting period.

Management Contracting Services

The Group's Management Contracting Division did not generate any revenue for the six months period. The Group is actively seeking for potential projects and is prudently optimistic about this business segment and will continue to actively approach prospective clients.

Money Lending Business

As for money lending operations, the Group has secured a number of short-term and long-term loan agreements and generated a turnover of approximately HK$19.9 million during the reporting period, representing approximately 16% slightly rise compared with last period and accounted for approximately 24% of total turnover. The principal amount of the loans ranged from HK$1.5 million to HK$30 million with interest rates set between 8% and 24% per annum during the reporting period. In view of the this segment's considerable returns, the money lending segment has already become the cash cow and profit driver of the Group's overall business.

Securities Investment Business

As mentioned above, the Group's securities investment business continued to record a loss during the reporting period, which was mainly due to the volatility of the stock market in Hong Kong. However, the loss in this business significantly decreased by approximately 73% compared with the same period.

The Group will continue to focus on Hong Kong-listed securities with strict risk control. Due diligence was conducted with every possible investment and each was taken into serious consideration to ensure quality risk control and to maximise shareholders' benefits.

The Group also foresees that the global economy will continue to be unstable in year 2018/2019 as a result of the threat of trade war between China and the United States ("US"). The investment committee will continue to monitor the Group's investment portfolio closely in order to maximum shareholders' returns.

Securities Brokerages and Margin Financing Business

The Group's securities brokerage and margin financing operations was operated by OX Financial Securities Limited ("OX Financial"), its indirect wholly-owned subsidiary. OX Financial was granted the licence to conduct type 1 (dealing in securities) regulated activity by the Securities and Futures Commission of Hong Kong ("SFC") in prior years.

This business segment contributed approximately HK$0.2 million to the Group's revenue for the reporting period. The Group will continue to place more efforts and resources on developing its business in the financial service sector.

Assets Management Business

Following the acquisition of the entire issued share capital of Blue Pool Ventures Limited ("Blue Pool") on 21 March 2018, the holding company of Mass Fidelity Asset Management Limited ("Mass Fidelity"), a licensed insurance broker and registered MPF Corporate Intermediary in Hong Kong, the Group has commenced the business of assets management in March 2018. For the reporting period, the assets management business recorded a turnover of approximately HK$1.7 million.

Business Outlook

Based on the HKSAR's land supply forecast, a total of 460,000 residential units are expected to be added to the market by 2027, generating a great deal of future construction project work. Therefore, the Group is prudently optimistic about overall prospects for the scaffolding sector. As one of the leading scaffolding sub-contractors in the industry, we are confident about securing more contracts in the coming year.

However, there will also be a shortage of about 10,000 to 15,000 skilled workers in the construction industry. The Group has identified a key market niche and will continue to promote the use of the "Pik Lik" brand scaffolding system to help improve overall efficiency while boosting the revenue and market share of our Scaffolding Services division. At present, there are currently 17 construction projects utilising the Pik Lik scaffolding system, and these projects are still ongoing.

Furthermore, the Group will continue expanding those business segments that generate higher profit margins and show ample growth potential such as money lending and securities brokerage operations. In the meantime, the Group will strictly adhere to its cost control policy, and swiftly adjust business strategies to its scaffolding business in response to ever-changing market dynamics in order to generate better financial returns for shareholders.

Finally, we will actively explore all suitable investment opportunities to diversify the Group's business horizons and will work hard to strengthen overall business development. The Group's business strategy is in line with the general direction of the government's overall strategic development plans for property construction, infrastructure investment and financial market development.

Financial Review

For the three months and six months ended 31 October 2018, revenue increased by approximately 18% and 19% 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 money lending business contributed substantial revenue to maintain the financial stability of the Group in anticipation of future growth.

During the reporting period, operating and administrative expenses decreased from approximately HK$27.3 million to approximately HK$22.9 million. Finance costs increased from approximately HK$3.2 million to approximately HK$4.0 million. The decrease in operating and administrative expenses was mainly due to no share based payment incurred in the reporting period while the share based payment of approximately HK$7.3 million in respect of share options was incurred in last correspondence period. 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 2018, the Group had shareholders' equity of approximately HK$686.6 million (30 April 2018: approximately HK$727.3 million).

SIGNIFICANT INVESTMENTS

As at 31 October 2018, the equity instruments at fair value through other comprehensive income ("FVTOCI") of the Group amounted to approximately HK$16.7 million and financial assets at fair value through profit or loss ("FVTPL") of the Group amounted to approximately HK$39.0 million. Given that securities investment is one of the Group's ordinary principal businesses, the Directors considered that (i) investments with a carrying amount that account for more than 5% of the Group's unaudited net assets as at 31 October 2018; (ii) investments with a carrying amount that account for more than 5% of the Group's total securities investment as at 31 October 2018; or (iii) investments which recorded realised or unrealised gain/(loss) or impairments or increase/(decrease) in FVTOCI reserve of over HK$5 million during the reporting period as significant investments.

Description of investments	Notes	Carrying amount as at 1 May 2018	Acquisition during the period	Disposal during the period	Increase/(decrease) in investment revaluation/FVTOCI reserve	Fair value gain/(loss) and gain/(loss) on disposal recognised in profit or loss	Carrying amount as at 31 October 2018	Percentage to the Group's unaudited net assets as at 31 October 2018	Percentage to the Group's unaudited total assets as at 31 October 2018	Percentage to the Group's total securities investment as at 31 October 2018
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*			
Equity instruments at FVTOCI										
Capital VC Limited ("Capital VC") (stock code: 2324)	*(a)*	10,738	–	–	(6,163)	–	4,575	0.69%	0.51%	8.22%
China Kingstone Mining Holdings Limited ("CKMH") (stock code: 1380)	*(b)*	6,493	–	–	3,626	–	10,119	1.51%	1.13%	18.18%
Equity securities listed in Hong Kong	*(c)*	1,690	–	–	(260)	–	1,430	0.21%	0.16%	2.57%
Unlisted investment, at cost		561	–	–	–	–	561	0.08%	0.06%	1.01%
		19,482	–	–	(2,797)	–	16,685	2.49%	1.86%	29.98%
Financial assets at FVTPL										
Convertible bonds ("CB") of China e-Wallet Payment Group Limited (formerly known as RCG Holdings Limited) ("China e-Wallet") (stock code: 802)	*(d)*	28,800	–	–	–	(14,181)	14,619	2.19%	1.63%	26.27%
China Investments and Finance Group Limited ("CIFL") (stock code: 1226)	*(e)*	5,980	–	–	–	(460)	5,520	0.83%	0.62%	9.92%
Hao Wen Holdings Limited ("Hao Wen") (stock code: 8019)	*(f)*	8,313	–	–	–	(4,463)	3,850	0.58%	0.43%	6.91%
Equity securities listed in Hong Kong	*(g)*	20,679	18,354	(23,811)	–	(3,241)	11,981	1.79%	1.34%	21.53%
Unlisted investment fund at fair value	*(h)*	–	3,000	–	–	–	3,000	0.45%	0.34%	5.39%
		63,772	21,354	(23,811)	–	(22,345)	38,970	5.84%	4.36%	70.02%
		83,254	21,354	(23,811)	(2,797)	(22,345)	55,655	8.33%	6.22%	100.00%

Notes:

(a) Capital VC and its subsidiaries (collectively referred to as the "Capital VC Group") were principally engaged in investing in listed and unlisted companies.

As at 31 October 2018, the Group held 93,380,000 shares of Capital VC, which represented approximately 3.39% of total issued share capital of Capital VC at the same date.

As disclosed in the interim report of Capital VC for the six months ended 31 March 2018, Capital VC expects that (i) the investment environment in the US and other advance economies will be relatively stable; (ii) the anticipated mild and slow interest rate normalisation will not cause significant influence on global investment market; and (iii) in the East, as the China economy is maturing and a more sustainable development is desired, slower future growth levels are to be expected. Accordingly, the directors of Capital VC will continue to adopt cautious measures to manage the Capital VC Group's investment portfolio.

(b) CKMH and its subsidiaries (collectively referred to as the "CKMH Group") were principally engaged in the production and sales of marble and marble related products in China.

As at 31 October 2018, the Group held 84,320,000 shares of CKMH, which represented approximately 2.98% of total issued share capital of CKMH at the same date.

As disclosed in the annual report of CKMH for the year ended 31 December 2017, (i) CKMH expects the demand for construction materials, such as marble stone, to rise gradually once the sales price and transaction volume in the China property market stabilise; however, the CKMH Group will still face a keen competition with the overseas marble stone import suppliers and the CKMH Group will carefully re-position the marketing of the marble products to grab the market share; (ii) while the Zhangjiaba mine of the CKMH Group was still under development and the plan of expansion in calcium carbonate business has not been materialised during the previous financial year, CKMH will focus on its current marble slags business and trading of the marble slabs; (iii) CKMH will continue to consolidate the production and operations and also extend the customer base in order to improve the performance of marble stone business; and (iv) the CKMH Group will continue to explore new business opportunities so arising in order to maximise its shareholders' value in the future.

(c) As at 31 October 2018, equity securities listed in Hong Kong under the category of equity instruments at FVTOCI represented the Group's investments in two companies whose shares are listed on the Main Board of the Stock Exchange. Each of such investments had a carrying amount that account for (i) less than 5% of the Group's unaudited net assets as at 31 October 2018 and (ii) less than 5% of the Group's total securities investment as at 31 October 2018, and each of such investment did not record a realised or unrealised gain/(loss) or impairments or increase/(decrease) in FVTOCI reserve of over HK$5 million during the reporting period.

(d) This investment represented the subscription of CB of China e-Wallet in the total amount of HK$15,000,000 with an interest rate of 2.5% per annum principal amounts and the conversion price being HK$0.25 per conversion share. The CB will mature 36 months from the issuing date (i.e. 14 October 2016). As at 31 October 2018, the fair value of the CB subscribed by the Group was HK$14.6 million based on the valuation report prepared by a professional valuer.

China e-Wallet and its subsidiaries (collectively referred to as the "China e-Wallet Group") were principally engaged in the provision of biometric and RFID products and solution services, internet and mobile application and related services.

As disclosed in the annual report of China e-Wallet for the year ended 31 December 2017, China e-Wallet Group has continued the efforts to consolidate and realign its businesses to enable the China e-Wallet Group to achieve improvements in its financial position. China e-Wallet Group will continue to work towards, attaining a stable platform for sustainability and basis for continuous growth.

(e) CIFL and its subsidiaries (collectively referred to as the "CIFL Group") were principally engaged in securities trading and investment holding.

As at 31 October 2018, the Group held 92,000,000 shares of CIFL, which represented approximately 4.08% of total issued share capital of CIFL at the same date.

As disclosed in the annual report of CIFL for the year ended 31 March 2018, CIFL expects that (i) the global market will continue to face greater challenges and be full of uncertainty, developed economies are beginning to have signs of recovery, but the developing economies also have trends of adjustment; and (ii) China is also facing a slowdown in economic growth, economic structure has undergone significant changes during the transition from medium to long term, crisis and opportunities coexist. Accordingly, the directors of CIFL will continue to take a prudent approach in managing the CIFL Group's investment portfolio and develop the investment strategies. Given the increasing influence of China against the global economy, the CIFL Group will still be based mainly on Chinese economy, the CIFL Group will continue to look for investment opportunities which offer outstanding returns under the acceptable risk in the portfolio of the CIFL Group.

(f) Hao Wen and its subsidiaries (collectively referred to as the "Hao Wen Group") were principally engaged in money lending business, trading and manufacturing of biomass fuel product, and processing and trading of electronic parts.

As at 31 October 2018, the Group held 87,500,000 shares of Hao Wen, which represented approximately 4.08% of total issued share capital of Hao Wen at the same date.

As disclosed in the first quarterly report of Hao Wen for the three months ended 31 March 2018, the Hao Wen Group will (i) devote its existing resources to expand the processing and trading of electronic parts business while keeping steady in the money lending business; and (ii) explore other potential investment opportunities in order to broaden its income sources.

(g) Equity securities listed in Hong Kong under the category of financial assets at FVTPL represented the Group's investments in over twenty companies whose shares were listed on the Main Board or GEM of the Stock Exchange during the reporting period. Each of such investments (i) had a carrying amount that account for less than 5% of the Group's unaudited net assets as at 31 October 2018 and less than 5% of the Group's total securities investment as at 31 October 2018, and did not record over HK$5 million of realised or unrealised gain/(loss) during the reporting period.

(h) The unlisted investment fund was acquired during the reporting period and was held for an identified long term strategic propose and the Group does not intent to dispose them in the foreseeable future. The fair value of this fund have been determined by reference to the quotation provided by the fund manager of this fund as at 31 October 2018.

The Directors expect that the stock market in Hong Kong remains to be volatile in 2019 which may affect the performance of the Group's securities investments. Looking forward, the Board believes that the performance of the securities investments of the Group will be dependent on the financial and operating performance of investee companies and market sentiment which are affected by factors such as interest rate movements, the threat of trade war between the US and China, and performance of the macro economy. In order to mitigate the associated risk, the Group will continuously remain cautious in the allocation of resources and the identification and capture of appropriate securities investment opportunities. It will review its investment strategy regularly and take appropriate actions whenever necessary in response to changes in the market.

Save as disclosed above, there were no significant investments held by the Group, no other material acquisitions and disposals by the Group during the reporting period.

Liquidity, financial resources and gearing ratio

During the reporting period, the Group financed its operations by internally generated cash flow, banking facilities, finance leases provided by banks and finance companies, loan from a financial institution and proceeds from issue of coupon bond.

As at 31 October 2018, the Group's consolidated equity attributable to the owners of the Company, current assets, net current assets and total assets were approximately HK$686.6 million (30 April 2018: approximately HK$727.3 million), approximately HK$494.7 million (30 April 2018: approximately HK$488.6 million), approximately HK$322.3 million (30 April 2018: approximately HK$272.2 million) and approximately HK$896.5 million (30 April 2018: approximately HK$928.5 million) respectively.

As at 31 October 2018, the Group's consolidated bank overdrafts and bank borrowings were approximately HK$19.2 million (30 April 2018: approximately HK$15.3 million) and approximately HK$32.8 million (30 April 2018: approximately HK$29.0 million) respectively. As at 31 October 2018, the Group's other loan and other borrowings was HK$92 million (30 April 2018: HK$92 million). As at 31 October 2018, obligations under finance leases amounted to approximately HK$2.4 million (30 April 2018: approximately HK$2.2 million). As at 31 October 2018, other loan and other borrowings included (i) the 8% coupon bond of HK$54 million and 5% coupon unlisted straight bond of HK$10 million issued by Gold Medal, an indirect wholly-owned subsidiary of the Company on 12 September 2018 and 7 February 2018 respectively; (ii) the 5% coupon unlisted straight bond of HK$10 million issued by the Company on 13 February 2018; and (iii) other loan of HK$18 million financed from a financial institution.

As at 31 October 2018, the Group's bank balances and cash in general accounts amounted to approximately HK$120.5 million (30 April 2018: approximately HK$98.8 million). As at 31 October 2018, the Group's gearing ratio (total debts divided by equity attributable to the owners of the Company then multiplied by 100%) was approximately 21.3% (30 April 2018: approximately 19.0%). For calculating the gearing ratios, total debts of the Group included bank borrowings and bank overdrafts, other loan and other borrowings and obligation under finance leases.

As at 31 October 2018, most of the Group's bank and cash balances, bank borrowings and bank overdrafts, other loan and other borrowings and obligations under finance leases were denominated in Hong Kong dollars. All the bank borrowings and bank overdrafts bore interest at market rates and were repayable on demand or within one year. Obligations under finance leases had an average lease term of four years and all such leases had interest rates fixed at the contract date and fixed repayment bases. The other loan bore an interest rate of 9.5% (30 April 2018: 9.5%) per annum for the reporting period and was repayable within one year. The coupon bond issued on 12 September 2018 bore interest at 8% per annum and will be matured on the second anniversary date of the issue date while the coupon bonds issued last financial year ended 30 April 2018 bore interest at 5% per annum and will be matured on the first anniversary of the issue date.

Segmental information

Operating segments

The Group is currently organised into eight segments – (i) scaffolding services for the construction and buildings work, (ii) fitting out services for construction and buildings work, (iii) management contracting services for construction and buildings work, (iv) gondolas, parapet railing and access equipment installation and maintenance services, (v) money lending business, (vi) securities brokerage and margin financing, (vii) securities investment business and (viii) asset management business. Details of results by business segments are shown in note 4 above.

Material acquisitions and disposals

There were no material acquisitions and disposals by the Group during the reporting period.

Charges on assets

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

	At 31 October 2018 (Unaudited) ***HK$'000***	At 30 April 2018 (Audited) *HK$'000*
Investment properties	**56,570**	56,570
Leasehold land and buildings	**6,787**	6,994
Trade receivables	**15,471**	9,513

Foreign exchange and interest rate exposure

Most of the assets and liabilities of the Group are denominated in Hong Kong dollars. The Group did not use any financial instrument for hedging purpose during the reporting period, and did not have any outstanding hedging instrument as at 31 October 2018.

When appropriate, for example at times when interest rate or exchange rate are uncertain or volatile, the Group will consider the use of hedging instruments including interest rate swap and foreign currency forward contract to manage the Group's exposures to interest rate and foreign exchange rate fluctuations.

Contingent liabilities

At 31 October 2018, the Group did not have any material contingent liabilities or guarantees (30 April 2018: Nil).

Capital and other commitments

Save as disclosed in note 18 "Commitments", the Group did not have any capital or other commitments as at 31 October 2018 (30 April 2018: Nil).

Employees and remuneration policies

The total number of full-time employees in the Group was 114 as at 31 October 2018 (as at 30 April 2018: 112). 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

No dividend were paid, declared or prepared during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period.

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.

					Number of share options				
	Date of grant	Exercisable period	Exercise price per shares *HK$*	Outstanding at 1 May 2018	Granted during the period	Lapsed during the period	Cancelled during the period	Exercised during the period	Outstanding as at 31 October 2018
Consultants	15 September 2017	29 September 2017 to 28 September 2019	0.0186	1,149,030,000	–	–	–	–	1,149,030,000

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 2018.

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 2018.

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

As at 31 October 2018, the interests of the Directors and the chief executive 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")) as recorded in the register required to be kept under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to the Rule 5.46 of the GEM Listing Rules were as follows:

Long positions in shares and underlying shares of the Company

Name of Director	Capacity	Number of ordinary shares held	Approximate percentage of the issued share capital of the Company as at 31 October 2018
Dr. So Yu Shing	Beneficial owner	3,320,000	
	Interest of spouse *(note)*	3,320,000	
		6,640,000	0.05%
Ms. Lai Yuen Mei, Rebecca	Beneficial owner	3,320,000	
	Interest of spouse *(note)*	3,320,000	
		6,640,000	0.05%
Mr. Kong Kam Wang	Beneficial owner	1,778,000	0.01%
Mr. So Wang Chun, Edmond	Beneficial owner	800,000	0.01%

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

Save as disclosed above, none of the Directors or the chief executive of the Company had any interests or short positions in shares, underlying shares or debentures of the Company or its associated corporations as at 31 October 2018.

SUBSTANTIAL SHAREHOLDERS' AND OTHERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 October 2018, so far as are known to any Directors or chief executive of the Company, the following parties (other than the Directors or chief executive of the Company) had interests in the shares of the Company as recorded in the register required to be kept pursuant to section 336 of the SFO:

Long positions

Name	**Capacity**	**Number of Shares held**	**Approximate percentage of the issued share capital of the Company as at 31 October 2018**
Avant Capital Management (Hong Kong) Limited	Investment manager	1,793,140,000 *(note a)*	12.48%
Avant Capital Eagle Fund	Investment manager	1,415,140,000 *(note a)*	9.85%
Leung Wai Ho	Beneficial owner	1,600,000,000 *(note b)*	11.14%
Chong Man San, Denise	Beneficial owner	1,600,000,000 *(note b)*	11.14%

Notes:

(a) Such Shares include interest in 1,415,140,000 Shares held by Avant Capital Eagle Fund and 378,000,000 Shares held by Avant Capital SPC-Avant Capital Dragon Fund SP, both being wholly-owned subsidiaries of Avant Capital Management (HK) Limited; and

(b) Ms. Chong Man San Denise is the spouse of Mr. Leung Wai Ho.

Save as disclosed above, as at 31 October 2018, the Directors were not aware of any other person (other than a Director or the chief executive of the Company) who had an interest or short position in the shares or underlying shares in the Company as recorded in the register required to be kept under section 336 of the SFO.

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 2018, 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 2018, 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

During the reporting period, according to the GEM Listing Rules, the following director has interests in the following businesses which are considered to compete or likely to compete, either directly or indirectly, with the business of the Group (other than those businesses where the directors of the Company were appointed as Directors to represent the interests of the Company and/or the Group):

Name of Director	Name of entity which are considered to compete or likely to compete with the business of the Group	Description of competing business	Nature of interests
Kong Kam Wong	KNK Holdings Limited (Stock Code: 8039)	Provision of comprehensive architectural and structural engineering consultancy service	Independent non-executive director
Law Man Sang	KGI Asia Limited	Securities brokerage	Executive director

As the board of directors of the Company is independent of the boards of the above-mentioned entities and the above director cannot control the Board of the Company, the Group is therefore capable of carrying its business independently of and at arm's length from the businesses of these entities.

Save as disclosed above, the directors are not aware of any business and interest of the Directors nor the controlling shareholder of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interests which any such person has or may have with the Group during the reporting period.

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, Ms. Lam Wai Yu and Mr. Lo Ka Ki.

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 2018 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.

On behalf of the Board
So Yu Shing
Chairman

Hong Kong, 13 December 2018

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. Yuen Chun Fai (Executive Director), Mr. Law Man Sang (Independent Non-executive Director), Ms. Lam Wai Yu (Independent Non-executive Director) and Mr. Lo Ka Ki (Independent Non-executive Director).