



**Tai Kam Holdings Limited**

**泰錦控股有限公司**

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8321

**2018**

THIRD QUARTERLY  
REPORT

## **CHARACTERISTICS OF 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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Director(s)”) of Tai Kam Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “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 the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

## CONTENTS

### *Pages*

2	CORPORATE INFORMATION
4	FINANCIAL HIGHLIGHTS
5	MANAGEMENT DISCUSSION AND ANALYSIS
7	OTHER INFORMATION
11	CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
12	CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
13	NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Ms. Tsui Tsz Fa Mabel  
(Chairman and chief executive officer) <sup>1</sup>  
Mr. Lau King Shun <sup>2</sup>  
Mr. Lau Kan Sui Sanny <sup>3</sup>  
Mr. Lau Mei Chai <sup>3</sup>  
Ms. Liu Tanying <sup>4</sup>

#### Independent non-executive Directors

Mr. Yim Kin Ping  
Ms. Wong Yuk King  
Mr. Ho Cheuk Wai <sup>3</sup>  
Mr. Law Hung Pan <sup>4</sup>

#### COMPLIANCE OFFICER

Ms. Lam King Shun <sup>2</sup>  
Ms. Tsui Tsz Fa Mabel <sup>1</sup>

#### AUTHORISED REPRESENTATIVES

Mr. Lau King Shun <sup>2</sup>  
Ms. Ho Man Wai <sup>6</sup>  
Mr. Hui Chi Kong <sup>5</sup>  
Ms. Tsui Tsz Fa Mabel <sup>1</sup>

### AUDIT COMMITTEE

Mr. Ho Cheuk Wai <sup>3</sup>  
Mr. Law Hung Pan (Chairman) <sup>4</sup>  
Ms. Wong Yuk King  
Mr. Yim Kin Ping

### NOMINATION COMMITTEE

Ms. Tsui Tsz Fa Mabel (Chairman) <sup>1</sup>  
Mr. Lau King Shun <sup>2</sup>  
Mr. Ho Cheuk Wai <sup>3</sup>  
Mr. Law Hung Pan <sup>4</sup>  
Ms. Wong Yuk King

### REMUNERATION COMMITTEE

Mr. Yim Kin Ping (Chairman)  
Mr. Ho Cheuk Wai <sup>3</sup>  
Mr. Lau Kan Sui Sanny <sup>3</sup>  
Mr. Law Hung Pan <sup>4</sup>  
Ms. Tsui Tsz Fa Mabel <sup>1</sup>

### COMPANY SECRETARY

Ms. Ho Man Wai <sup>6</sup>  
Mr. Hui Chi Kong <sup>5</sup>

### AUDITOR

Grant Thornton Hong Kong Limited

1. Appointed as executive Director and member of the remuneration committee with effect on 16 May 2018 and appointed as chairman of the Board, chief executive officer, authorised representative, compliance officer and chairman of the nomination committee with effect on 6 January 2019
2. Resigned as chairman of the Board, chief executive officer, executive Director, compliance officer and chairman of the nomination committee with effect on 6 January 2019
3. Resigned with effect on 16 May 2018
4. Appointed with effect on 16 May 2018
5. Appointed with effect on 6 January 2019
6. Resigned with effect on 6 January 2019

## **COMPLIANCE ADVISER**

Grande Capital Limited

## **LEGAL ADVISER**

Guantao & Chow Solicitors and Notaries

## **PRINCIPAL BANKER**

Bank of Communications Co., Ltd

## **REGISTERED OFFICE**

Clifton House  
75 Fort Street  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

## **PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS**

Estera Trust (Cayman) Limited  
Clifton House  
75 Fort Street  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

## **BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG**

Boardroom Share Registrars (HK) Limited  
Room 2103B, 21/F, 148 Electric Road  
North Point, Hong Kong

## **HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Room 1101, 11/F  
Wealth Commercial Centre  
48 Kwong Wa Road  
Mong Kok, Kowloon  
Hong Kong

## FINANCIAL HIGHLIGHTS

Revenue amounted to approximately HK\$129.4 million for the nine months ended 31 January 2019 (the "Reporting Period") (2018: approximately HK\$123.5 million), representing an increase of approximately 4.8% as compared with the corresponding period of 2018.

Profit attributable to the equity holders of the Company for the nine months ended 31 January 2019 amounted to approximately HK\$2.6 million (2018: Profit attributable to the equity holders of approximately HK\$7.4 million).

Basic and diluted earnings per share amounted to approximately HK0.33 cents for the nine months ended 31 January 2019 (2018: basic and diluted earnings per share of approximately HK0.92 cents).

The board of Directors (the "Board") does not recommend the payment of interim dividend for the nine months ended 31 January 2019 (2018: nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW AND OUTLOOK

The Company, together with its subsidiaries (the "Group") is a main contractor principally engaged in undertaking slope works and renovation works in Hong Kong. Slope works generally refer to landslip preventive and remedial works for improving or maintaining the stability of slopes and/or retaining walls. Renovation works refer to the fitting out work for premises in Hong Kong.

Tai Kam Construction Engineering Company Limited ("Tai Kam Construction"), our principal operating subsidiary, is an approved specialist contractor included in the List of Approved Specialist Contractors for Public Works maintained by the Development Bureau of the government of Hong Kong (the "Government") under the category of "Landslip Preventive/Remedial Works to Slopes/Retaining Walls" with a confirmed status. Being on such list is a prerequisite for tendering for public slope works contracts. In addition, Tai Kam Construction, is registered under the Buildings Ordinance as a (i) Registered Specialist Contractor under the sub register of "Site Formation Works" category and a (ii) Registered General Building Contractor. Tai Kam Construction is also an approved contractor included in the List of Approved Contractors for Public Works under the category of "Roads and Drainage (Group A)" with a confirmed status.

The majority of our revenue during the Reporting Period was derived from undertaking slope works commissioned by the Civil Engineering and Development Department of the Government (the "CEDD"). In 2010, the Geotechnical Engineering Office of the CEDD launched the Landslip Prevention and Mitigation Programme to systematically deal with the landslide risk associated with both man-made slopes and natural hillsides in Hong Kong. According to the Government's statement upon the launch of the Landslip Prevention and Mitigation Programme, the Government estimated that the annual expenditure on the Landslip Prevention and Mitigation Programme would be at least HK\$600 million, and the Landslip Prevention and Mitigation Programme would be implemented on a rolling basis annually to upgrade 150 Government man-made slopes, to conduct safety-screening studies on 100 private man-made slopes, and to implement studies and necessary risk mitigation works for 30 natural hillside catchments every year. Besides, according to "Head 33 – Civil Engineering and Development Department" of the "Estimates for the year ending 31 March 2019" of "The 2018-19 Budget" published by the Government, the CEDD's expenditure for landslip prevention and mitigation is slightly increased by approximately 4.0% from approximately HK\$990 million of actual expenditure in 2017 to approximately HK\$1,030.0 million of estimated expenditure in 2018. As a result, our slope work business benefits from the overall positive atmosphere in the industry.

As the Group has been facing increasing costs of operation, including cost of direct labour and subcontracting charges as well as keen competition in the market and it will likely affect the Group's profit. Therefore, our business in Hong Kong is expected to continue to be very challenging in the coming year.

Having all things considered, the Directors remain positive about the construction industry in Hong Kong and the Group will continue to exercise due care in the pursuance of its existing core business so as to balance the risks and opportunities in the industry in Hong Kong and adjust its business strategies from time to time if required.

## FINANCIAL REVIEW

### Revenue

Revenue represents receipts from the provision of construction service in undertaking slope works and renovation works in Hong Kong. Slope works generally refer to landslip preventive and remedial works for improving or maintaining the stability of slopes and/or retaining walls. Renovation works refer to the fitting out work for premises in Hong Kong.

The Group's revenue increased by approximately HK\$5.9 million or approximately 4.8% from approximately HK\$123.5 million for the nine months ended 31 January 2018 to approximately HK\$129.4 million for the nine months ended 31 January 2019. The increase in revenue was mainly due to increase in work performed from CEDD's slope work projects recognised with reference to the progress certificate under relevant contracts for the nine months ended 31 January 2019, while no revenue was generated from renovation works for the nine months ended 31 January 2018.

The majority of our revenue during the Reporting Period was derived from undertaking slope works commissioned by the CEDD, Housing Authority and Lands Department.

The executive Directors regard the Group's business of construction in Hong Kong as a single operating segment and review the overall results of the Group as a whole to make decisions on resource allocation. Accordingly, no segment analysis information is presented.

No separate analysis of segment information by geographical segment is presented as the Group's revenue and non-current assets are principally attributable to a single geographical region, which is Hong Kong.

### Gross Profit and Gross Profit Margin

The Group's gross profit decreased by approximately HK\$2.4 million or approximately 19.3% from approximately HK\$12.5 million for the nine months ended 31 January 2018 to approximately HK\$10.1 million for the nine months ended 31 January 2019 and the Group's gross profit margin decreased from approximately 10.1% for the nine months ended 31 January 2018 to approximately 7.8% for the nine months ended 31 January 2019. The decrease in gross profit margin was mainly due to more revenue contribution from contracts with lower margin undertaking by substantial use of subcontractors and labourers and thus offset the increase in the revenue for the nine months ended 31 January 2019.

The Group's direct costs increased by approximately HK\$8.3 million or approximately 7.5% from approximately HK\$111.0 million for the nine months ended 31 January 2018 to approximately HK\$119.3 million for the nine months ended 31 January 2019. The increase of direct costs is mainly due to the increase in subcontracting charges and labour cost for the nine months ended 31 January 2019.



### **Administrative Expenses**

The Group's administrative expenses increased by approximately HK\$2.6 million or approximately 72.8% from approximately HK\$3.6 million for the nine months ended 31 January 2018 to approximately HK\$6.3 million for the nine months ended 31 January 2019. Administrative expenses consist primarily of staff costs, professional fees, depreciation, rental expenses and other administrative expenses. The increase in the Group's administrative expenses was mainly due to an increase in administrative staff cost and professional fees for the nine months ended 31 January 2019.

### **Finance Cost**

Finance cost for the Group amounted to approximately HK\$149,000 for the nine months ended 31 January 2019 while no such expenses were incurred for the nine months ended 31 January 2018. Finance cost represented the interest expense charged on an advance from a related company which was incurred during the nine months ended 31 January 2019.

### **Net Profit/Loss**

The net profit amounted to approximately HK\$2.6 million for the nine months ended 31 January 2019 as compared to a net profit of approximately HK\$7.4 million for nine months ended 31 January 2018. Such decrease in net profit was primarily attributable to the increase in administrative expenses for the nine months ended 31 January 2019 as discussed above and the decrease on the gross profit margin for the nine months ended 31 January 2019.

## **OTHER INFORMATION**

### **INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION**

As at 31 January 2019, none of the Directors nor chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors.

## **INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY**

As at 31 January 2019, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

### **COMPETING INTEREST**

Our Directors and their respective close associates confirm that each of them does not have any interest in a business apart from our Group's business which competes or is likely to compete, directly or indirectly, with our Group's business, and is required to be disclosed pursuant to Rule 11.04 of the GEM Listing Rules during the nine months ended 31 January 2019.

### **COMPLIANCE ADVISER'S INTERESTS**

As at 31 January 2019, as notified by the Company's compliance adviser, Grande Capital Limited (the "Compliance Adviser"), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 29 January 2018 (the "Compliance Adviser Agreement"), neither the Compliance Adviser nor its directors, employees or its close associates (as defined under the GEM Listing Rules) had any interests in the securities of the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

Pursuant to the Compliance Adviser Agreement, the Compliance Adviser has received and will receive fees for acting as the Company's compliance adviser.

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

During the nine months ended 31 January 2019 and up to the date of this report, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Group has adopted a code of conduct regarding securities transactions by the Directors (the “Code of Conduct”) on terms no less exacting than the required standards of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries with the Directors, all Directors have confirmed that they have complied with the required standards set out in the Code of Conduct during the nine months ended 31 January 2019 and up to the date of this report.

## **DIVIDENDS**

The Board does not recommend a payment of an interim dividend for the nine months ended 31 January 2019 (2018: nil).

## **EVENTS AFTER REPORTING PERIOD**

Save as disclosed, up to the date of this report, there was no significant event after the Reporting Period of the Group.

## **SHARE OPTION SCHEME**

The Company has conditionally adopted a share option scheme on 26 September 2016 (the “Scheme”). The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

No share option has been granted since the adoption of the Scheme and there was no share option outstanding as at 31 January 2019.

## AUDIT COMMITTEE

The Audit Committee of the Company (the “Audit Committee”) was established on 26 September 2016 with written terms of reference in compliance with the GEM Listing Rules which are available on the websites of the Stock Exchange and the Company. The Audit Committee currently consists of three independent non-executive Directors, namely Mr. Law Hung Pan, Ms. Wong Yuk King and Mr. Yim Kin Ping. The chairman of the Audit Committee is Mr. Law Hung Pan, who has appropriate professional qualifications and experience in accounting matters. The Audit Committee has reviewed the unaudited financial statements of the Group for the nine months ended 31 January 2019 with the management and is of the view that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board

**Tai Kam Holdings Limited**

**Tsui Tsz Fa Mabel**

*Chairman and executive Director*

Hong Kong, 15 March 2019

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE THREE MONTHS AND NINE MONTHS ENDED 31 JANUARY 2019

	Notes	For the three months ended 31 January		For the nine months ended 31 January	
		2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
<b>Revenue</b>	3	<b>59,944</b>	56,963	<b>129,430</b>	123,512
Direct costs		<b>(55,260)</b>	(52,155)	<b>(119,334)</b>	(111,007)
<b>Gross profit</b>		<b>4,684</b>	4,808	<b>10,096</b>	12,505
Other income	4	<b>12</b>	124	<b>14</b>	320
Administrative expense		<b>(2,202)</b>	(625)	<b>(6,260)</b>	(3,623)
Finance cost	5	<b>(66)</b>	–	<b>(149)</b>	–
<b>Profit before income tax</b>	6	<b>2,428</b>	4,307	<b>3,701</b>	9,202
Income tax expense	7	<b>(598)</b>	(810)	<b>(1,054)</b>	(1,812)
<b>Profit and total comprehensive income/(expense) for the period attributable to equity holders of the Company</b>		<b>1,830</b>	3,497	<b>2,647</b>	7,390
		<b>HK cents</b>	HK cents	<b>HK cents</b>	HK cents
<b>Earnings per share attributable to equity holders of the Company</b>					
– Basic and diluted	9	<b>0.23</b>	0.44	<b>0.33</b>	0.92

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE NINE MONTHS ENDED 31 JANUARY 2019

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000 (Note)	Retained earnings HK\$'000	Total HK\$'000
Balance as at 1 May 2017	8,000	54,718	10,101	16,636	89,455
Profit and total comprehensive income for the period	—	—	—	7,390	7,390
Balance as at 31 January 2018 (unaudited)	<u>8,000</u>	<u>54,718</u>	<u>10,101</u>	<u>24,026</u>	<u>96,845</u>
<b>Balance as at 1 May 2018</b>	<b>8,000</b>	<b>54,718</b>	<b>10,101</b>	<b>27,598</b>	<b>100,417</b>
<b>Profit and total comprehensive income for the period</b>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,647</u>	<u>2,647</u>
<b>Balance as at 31 January 2019 (unaudited)</b>	<b><u>8,000</u></b>	<b><u>54,718</u></b>	<b><u>10,101</u></b>	<b><u>30,245</u></b>	<b><u>103,064</u></b>

Note: Capital reserve represents the difference between the share capital issued by the Company for acquisition of the subsidiaries pursuant to the reorganisation for the Listing and the aggregate capital of the subsidiaries being acquired at the time of the reorganisation.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

Tai Kam Holdings Limited was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (as revised) of the Cayman Islands on 1 April 2016. The address of registered office is located at Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company is located at Room 1101, 11/F, Wealth Commercial Centre, 48 Kwong Wa Street, Mong Kok, Kowloon, Hong Kong.

The Company is an investment holding company, its subsidiaries (collectively referred to as the "Group") are principally engaged in construction for undertaking slope works and renovation works in Hong Kong and investment holding.

The Company's shares are listed on the GEM of The Stock Exchange on 28 October 2016.

### 2. BASIS OF PREPARATION AND REORGANISATION

The unaudited condensed consolidated financial statements for the nine months ended 31 January 2019 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the same functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousands ("HK\$'000"), except where otherwise indicated.

The unaudited condensed consolidated financial statements should be read in conjunction with the annual combined financial statement for the year ended 30 April 2018.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis. The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the Group's annual consolidated financial statement for the year ended 30 April 2018, except for the adoption of the new and revised standards, amendments and interpretations issued by the HKICPA that are relevant to the Group's operations and mandatory for accounting periods beginning on 1 May 2018. The effect of the adoption of these new and revised standards, amendments and interpretations was not material to the Group's results of operations or financial position.

The Group has not early adopted the new or amended Hong Kong Financial Reporting Standards ("HKFRSs") that have been issued but are not yet effective for the current accounting period.

### 3. REVENUE AND SEGMENT INFORMATION

Revenue represents receipts from the provision of undertaking slope works in Hong Kong as main contractor.

	For the three months ended 31 January		For the nine months ended 31 January	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Contract revenue	<u>59,944</u>	<u>56,963</u>	<u>129,430</u>	<u>123,512</u>

The chief operating decision-maker ("CODM") has been identified as the executive Directors of the Company. The CODM regards the Group's business of construction in Hong Kong as a single operating segment and reviews the overall results of the Group as a whole to make decisions about resource allocation. Accordingly, no segment analysis information is presented.

An analysis of the Group's revenue and contribution to profit from operating activities from undertaking slope works and renovation works in Hong Kong in the ordinary course of business for the three months and nine months ended 31 January 2019 and 2018 are as follows:

	For the three months ended 31 January		For the nine months ended 31 January	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Slope works	<u>56,142</u>	<u>56,963</u>	<u>124,001</u>	<u>123,512</u>
Renovation works	<u>3,802</u>	<u>–</u>	<u>5,429</u>	<u>–</u>
	<u>59,944</u>	<u>56,963</u>	<u>129,430</u>	<u>123,512</u>

#### (a) Geographical information

No separate analysis of segment information by geographical segment is presented as the Group's revenue and non-current assets are principally attributable to a single geographical region, which is Hong Kong.



### 3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

#### (b) Major customers

Revenue from customers which individually contributed over 10% of the Group's revenue is as follows:

	For the three months ended 31 January		For the nine months ended 31 January	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Customer A	19,223	49,572	54,112	113,634
Customer B	29,077	N/A*	56,359	N/A*
Customer C	7,842	N/A*	13,530	N/A*

\* The corresponding revenue did not individually contribute over 10% of the Group's revenue for the corresponding periods.

### 4. OTHER INCOME

	For the three months ended 31 January		For the nine months ended 31 January	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Bank interest income	2	24	4	220
Gain on disposal on plant and equipment	10	100	10	100
	<u>12</u>	<u>124</u>	<u>14</u>	<u>320</u>

## 5. FINANCE COST

	For the three months ended 31 January		For the nine months ended 31 January	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Interest expenses on other borrowings	<u>66</u>	<u>–</u>	<u>149</u>	<u>–</u>

## 6. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(loss) before income tax is stated after charging:

	For the three months ended 31 January		For the nine months ended 31 January	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
<b>(a) Staff costs (including directors' remuneration)</b>				
Salaries, wages and other benefits	10,094	9,005	23,462	19,124
Contributions to defined contribution retirement plans	<u>378</u>	<u>291</u>	<u>828</u>	<u>705</u>
	<u>10,472</u>	<u>9,296</u>	<u>24,290</u>	<u>19,829</u>
<b>(b) Other items</b>				
Depreciation	461	372	1,397	858
Operating lease charges in respect of:				
– Premises	134	108	980	336
– Machinery (included in direct costs)	5	16	10	20
Subcontracting charges (included in direct costs)	<u>41,828</u>	<u>36,202</u>	<u>87,870</u>	<u>80,637</u>

## 7. INCOME TAX EXPENSE

	For the three months ended 31 January		For the nine months ended 31 January	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Current tax in Hong Kong – Profits Tax	<b>598</b>	810	<b>1,054</b>	1,812

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at 16.5%. Pursuant to the enactment of two-tiered profit tax rates by the Inland Revenue Department, for the nine months ended 31 January 2019, Hong Kong Profits Tax of Tai Kam Construction Engineering Company Limited ("Tai Kam Construction"), a subsidiary of the Group, is calculated in accordance with the two-tiered profits tax rates regime.

For the corresponding period ended 31 January 2018, Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profit for the period.

No deferred tax has been provided in the unaudited condensed consolidated financial statements as there is no material temporary difference movement during the Reporting Period.

## 8. DIVIDEND

The Directors do not recommend a payment of an interim dividend for the nine months ended 31 January 2019 (2018: nil).

## 9. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to equity holders of the Company is based on the following:

	For the three months ended 31 January		For the nine months ended 31 January	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
<b>Earnings</b>				
Profit for the period attributable to equity holders of the Company	<u>1,830</u>	<u>3,497</u>	<u>2,647</u>	<u>7,390</u>
<b>Number of shares</b>				
Weighted average number of ordinary shares (in thousands)	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>

The weighted average number of ordinary shares used to calculate the basic earnings per share for the nine months ended 31 January 2019 and 2018 represents 800,000,000 shares in issue throughout the period.

There were no dilutive potential ordinary shares during the nine months ended 31 January 2019 and 2018 and therefore, diluted earnings per share equals to basic earnings per share.