



Milestone Builder Holdings Limited

進階發展集團有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限責任公司)

Stock code 股份代號：1667

Interim Report

中期報告 2017/2018



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CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. Leung Kam Fai (*Chairman*)

Mr. Lam Ka Ho

Independent Non-Executive Directors

Mr. Keung Kwok Hung

Ms. Lau Suk Han Loretta

Mr. Poon Man Hong[#]

Mr. Fong Man Fu Eric*

Audit Committee

Mr. Keung Kwok Hung (*Chairman*)

Ms. Lau Suk Han Loretta

Mr. Poon Man Hong[#]

Mr. Fong Man Fu Eric*

Remuneration Committee

Mr. Keung Kwok Hung (*Chairman*)

Mr. Leung Kam Fai

Mr. Poon Man Hong[#]

Mr. Fong Man Fu Eric*

Nomination Committee

Mr. Poon Man Hong (*Chairman*)[#]

Mr. Fong Man Fu Eric (*Chairman*)*

Mr. Leung Kam Fai

Mr. Keung Kwok Hung

Authorised Representatives

Mr. Leung Kam Fai

Mr. Lam Ka Ho

Company Secretary

Mr. Wong Chi On

Compliance Advisor

Ample Capital Limited

Auditor

PricewaterhouseCoopers

Registered Office

P.O. Box 10008, Willow House

Cricket Square

Grand Cayman KY1-1001

Cayman Islands

Head Office and Principal Place of Business

14/F, 9 Po Lun Street

Lai Chi Kok, Kowloon

Hong Kong

Cayman Islands Principal Share Registrar and Transfer Office

Tricor Services (Cayman Islands) Limited

P.O. Box 10008, Willow House

Cricket Square

Grand Cayman KY1-1001

Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited

Level 22, Hopewell Centre

183 Queen's Road East

Hong Kong

Principal Bankers

Bank of China (Hong Kong) Limited

Nanyang Commercial Bank Limited

Shanghai Commercial Bank Limited

The Hongkong and Shanghai Banking Corporation Limited

Stock Code

01667

Website

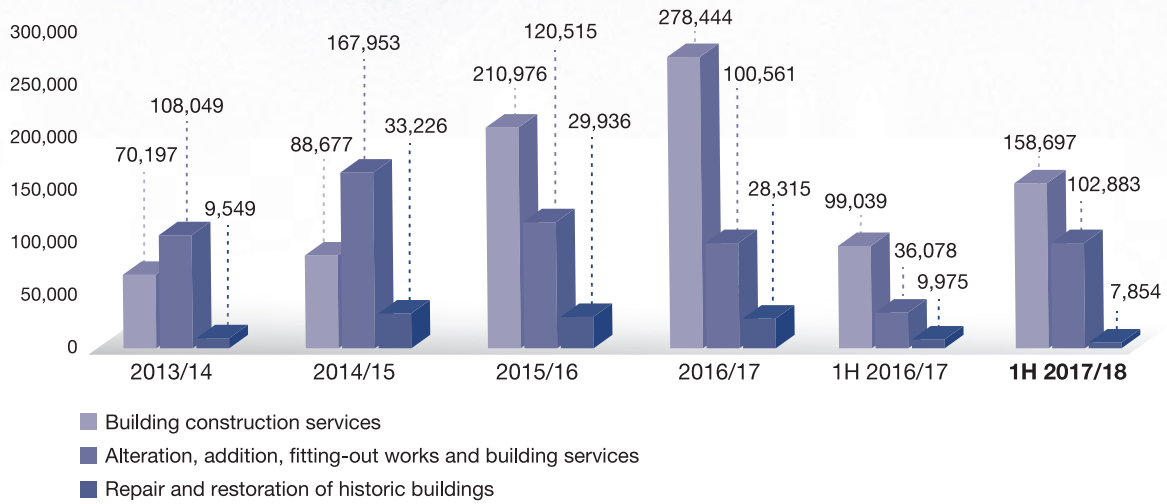
<http://milestone.hk>

[#] Resigned on 29 June 2017

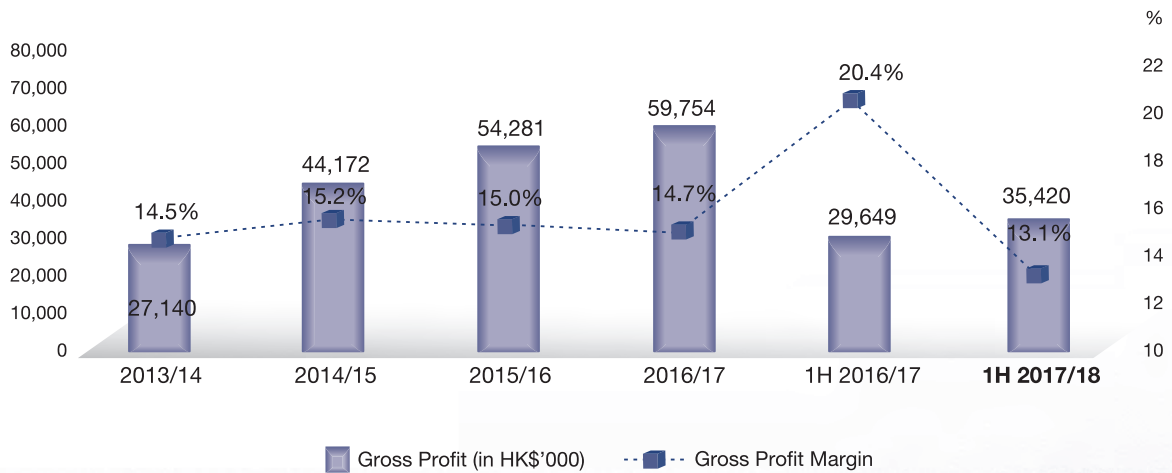
* Appointed on 29 June 2017

FINANCIAL HIGHLIGHTS

Consolidated Revenue (HK\$'000)

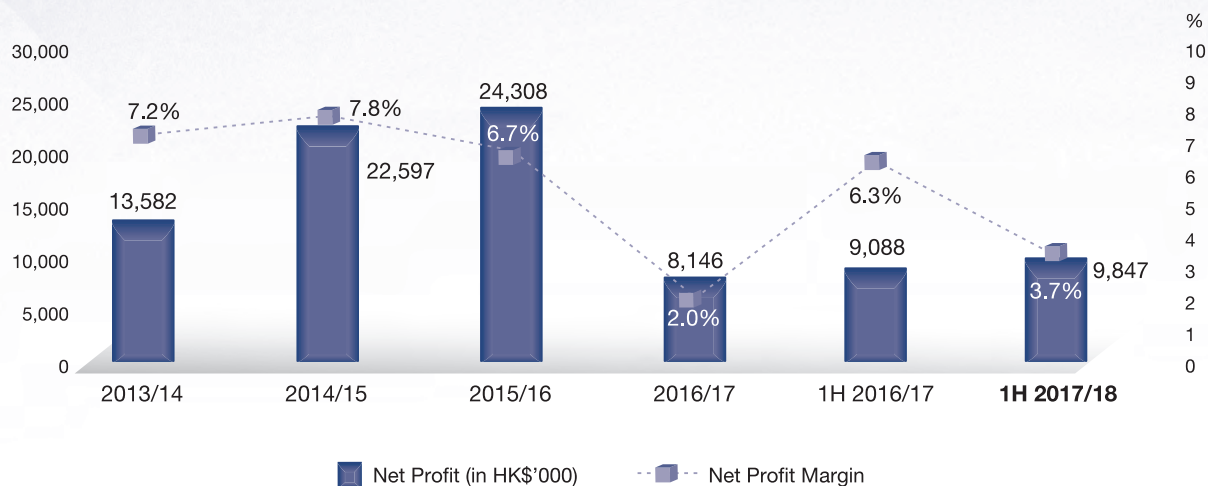


Gross Profit & Gross Profit Margin

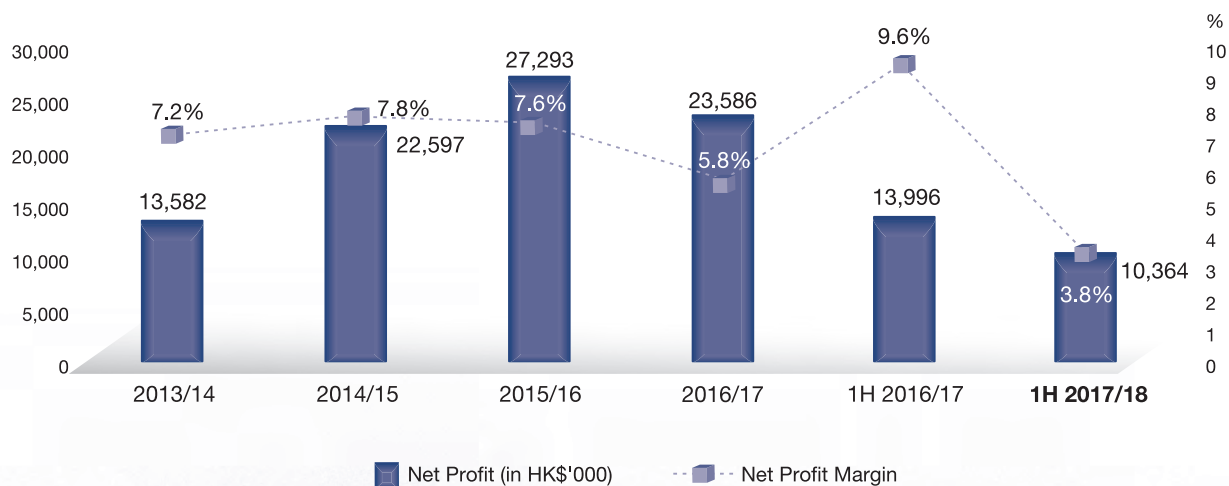


FINANCIAL HIGHLIGHTS (CONTINUED)

Net Profit & Net Profit Margin



Net Profit & Net Profit Margin (excluding non-recurring listing expenses)



MANAGEMENT DISCUSSION AND ANALYSIS

Business and Financial Review

The Group is an established contractor with job references in both private and public sectors in (i) building construction services; (ii) alteration, addition, fitting-out works and building services; and (iii) repair and restoration of historic buildings.

Business Review

The following table sets out a breakdown of our total revenue during the six months ended 30 September 2017 and the comparative period according to our three major types of services:

	Six months ended 30 September			
	2017		2016	
	HK\$'000	%	HK\$'000	%
Building construction services	158,697	58.9	99,038	68.2
Alteration, addition, fitting-out works and building services	102,883	38.2	36,078	24.9
Repair and restoration of historic buildings	7,854	2.9	9,975	6.9
Total	269,434	100.0	145,091	100.0

As at 30 September 2017, there were 6, 30 and 2 on-going projects in progress, pertaining to (i) building construction services, (ii) alteration, addition, fitting-out works and building services, and (iii) repair and restoration of historic buildings, respectively. We had no major projects awarded to us but yet to commence as at 30 September 2017.

As at 30 September 2017, the aggregate amount of revenue expected to be recognised after 30 September 2017 of our on-going projects was approximately HK\$311.2 million.

The following table sets out our completed contracts during the six months ended 30 September 2017 with contract sum of HK\$3 million or above:

Particulars of project	Main category of works	Expected project period ^(Note 1)
Design and construction for new artificial turf system for a soccer field in a school in Kowloon	Building construction services	June 2016 to October 2016
Construction of new buildings in Mong Kok	Building construction services	September 2015 to December 2016
Design and construction for a proposed recreational ground in a school	Building construction services	May 2016 to November 2016

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Particulars of project	Main category of works	Expected project period ^(Note 1)
Alteration and addition works of a club in Causeway Bay	Alteration, addition, fitting-out works and building services	August 2015 to January 2017
Lobby and driveway renovation of a hotel in Tsim Sha Tsui	Alteration, addition, fitting-out works and building services	August 2016 to December 2016
Enabling works for network in Hung Hom	Alteration, addition, fitting-out works and building services	September 2016 to November 2016
Fitting-out works for a delivery office in Tseung Kwan O	Alteration, addition, fitting-out works and building services	November 2016 to January 2017
Refurbishment of seats & carpets in an auditorium in Kwai Chung	Alteration, addition, fitting-out works and building services	March 2017 to August 2017
Advance works for utility diversion for extension of a clubhouse in Happy Valley	Alteration, addition, fitting-out works and building services	December 2016 to April 2017
Fitting-out works to lift lobby and atrium for a commercial development in Shek Mun	Alteration, addition, fitting-out works and building services	April 2016 to September 2016
Revitalisation and conservation for a cluster of house in Wan Chai	Repair and restoration of historic buildings	September 2013 to April 2017

The following table sets out brief details of our projects in progress as at 30 September 2017 with contract sum of more than HK\$3 million:

Particulars of project	Main category of works	Expected project period ^(Note 1)
Hong Kong, Zhuhai, Macao Bridge ancillary building works	Building construction services	August 2015 to October 2017
Hong Kong, Zhuhai, Macao Bridge boundary crossing facilities	Building construction services	July 2016 to August 2017
Hong Kong, Zhuhai, Macao Bridge steel and metal works	Building construction services	July 2016 to August 2017
Design and build for school extension and improvement projects	Building construction services	August 2016 to August 2018
Upgrading two artificial turfs of a university	Building construction services	December 2016 to March 2018

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Particulars of project	Main category of works	Expected project period ^(Note 1)
Plumbing and drainage installation works	Alteration, addition, fitting-out works and building services	March 2016 to June 2017
Electricity works of a water treatment plant in Tai Po	Alteration, addition, fitting-out works and building services	September 2016 to July 2017
Replacement of existing lifting machines in Yuen Long	Alteration, addition, fitting-out works and building services	September 2016 to May 2017
Alteration & additional works for a retail network project in Hung Hom	Alteration, addition, fitting-out works and building services	November 2016 to July 2017
Provision of children's play equipment and facilities for the elderly in sitting-out area in Tuen Mun	Alteration, addition, fitting-out works and building services	January 2017 to December 2017
Electrical works for a holiday camp in Sai Kung	Alteration, addition, fitting-out works and building services	September 2016 to December 2017
Plumbing, sanitaryware and above ground drainage installation in a redevelopment project in Wan Chai	Alteration, addition, fitting-out works and building services	October 2016 to October 2017
Alteration and addition works for a project in Yuen Long	Alteration, addition, fitting-out works and building services	March 2017 to June 2018
Plumbing, sanitaryware and above ground drainage installation for a campus in Tai Po	Alteration, addition, fitting-out works and building services	February 2017 to April 2018
Conservation works for the revitalisation at a former magistracy in Fanling	Repair and restoration of historic buildings	July 2016 to May 2017

Note:

1. Expected project period generally refers to the period in the original work programme of the project or the period stated in the contract or letter of acceptance or tender or order to commence or architects instruction and is subject to changes in the course of works.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Major Licenses, Qualifications and Certifications

As at 30 September 2017, our Group has obtained the following major licenses, qualifications and certifications in Hong Kong:

Relevant authority/ Organisation	Relevant list/Category	License	Holder	Date of first grant/ Registration	Expiry date for existing license	Authorised contract value
WBDB ¹	Approved Contractors for Public Works — Buildings Category	Group A (probation) ²	Milestone Builder Engineering Limited (“Milestone Builder”)	2 May 2012	Not Applicable	Contracts of value up to HK\$100 million
WBDB	Approved Suppliers of Materials and Specialist Contractors for Public Works — Repair and Restoration of Historic Buildings Category ³	—	Milestone Builder	4 June 2013	Not Applicable	Not Applicable
WBDB	Approved Suppliers of Materials and Specialist Contractors for Public Works — Repair and Restoration of Historic Buildings Category ³	—	Milestone Specialty Engineering Limited (“Milestone Specialty”)	7 September 2017	Not Applicable	Not Applicable
WBDB	Approved Suppliers of Materials and Specialist Contractors for Public Works — Electrical Installation Category	Group II of Electrical Installation (probation)	Speedy Engineering & Trading Company Limited (“Speedy Engineering”)	21 June 2016	Not Applicable	Contracts/ sub-contracts of value up to HK\$5.7 million
WBDB	Approved Suppliers of Materials and Specialist Contractors for Public Works — Plumbing Installation Category	Group I of Plumbing Installation	Speedy Engineering	25 May 2017	Not Applicable	Contracts/ sub-contracts of value up to HK\$2.3 million
Buildings Department	Certificate of Registration of General Building Contractor ⁴	—	Milestone Builder	29 October 2008	14 October 2020	Not Applicable
Buildings Department	Certificate of Registration of Registered Minor Works Contractor ^{5,6}	Type A–D, F, G (Class I, II, III) ^{7,8}	Milestone Builder	2 September 2011	2 September 2020	Not Applicable
Buildings Department	Certificate of Registration of Specialist Contractor ⁹	Site Formation Works ¹⁰	Milestone Builder	27 September 2006	10 September 2018	Not Applicable
Buildings Department	Certificate of Registration of Registered Minor Works Contractor	Type A, B, D, G (Class II & III)	Speedy Engineering	7 March 2013	7 March 2019	Not Applicable

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

- 1 WBDB refers to the Works Branch Development Bureau (發展局工務科) of the Government. The Development Bureau has maintained the Contractor List and the Specialist List to monitor the eligibility of a contractor to tender for Government contracts.
- 2 A Group A (probation) contractor may tender for any number of Group A contracts (i.e. contracts of value up to HK\$100 million) in the same category, provided the total value of works in the Group A contracts that it already holds and the Group A contract being procured under the same category does not exceed HK\$100 million.
- 3 A Repair and Restoration of Historic Buildings Category contractor is eligible to tender for Government contracts relating to repair and restoration of historic buildings and structures.
- 4 The current license was granted on 4 July 2017 and will expire on 14 October 2020.

(Registered general building contractors (RGBC) may carry out general building works and street works which do not include any specialized works in the designated categories).
- 5 Minor Works Contractors are eligible to carry out various types of minor works.
- 6 Minor works are classified into three classes according to their scale, complexity and risk to safety and are subject to different degree of control. Minor works are grouped into seven types (i.e. Types A, B, C, D, E, F and G) according to their nature.
- 7 Type A (Alteration and Addition Works); Type B (Repair Works); Type C (Works relating to Signboards); Type D (Drainage Works); Type E (Works relating to Structures for Amenities); Type F (Finishes Works); and Type G (Demolition Works).
- 8 Class I (High degree of complexity and risk with 44 minor works items); Class II (Medium degree of complexity and risk with 40 minor works items); and Class III (Low degree of complexity and risk with 42 minor works items).
- 9 Registered specialist contractors may carry out specialized works in their corresponding categories in the sub-registers in which they have been entered. There are five categories of works designated as specialized works: demolition works, foundation works, ground investigation field works, site formation works and ventilation works.
- 10 All site formation works are specialized works of the site formation category save for the circumstances specified by the Buildings Department.

Development of the Group

The shares of the Company were listed on the Stock Exchange (the "Listing") on 7 April 2017 (the "Listing Date"). The Listing enhances the Group's financial capabilities in business operation, and brings a positive effect on the Group's position and business opportunities in the market.

Financial Review

Revenue

Our overall revenue increased by approximately HK\$124.3 million, or approximately 85.7%, from approximately HK\$145.1 million for the six months ended 30 September 2016 to approximately HK\$269.4 million for the six months ended 30 September 2017. The growth in our revenue was mainly attributable to contract works undertaken for private customers, for the service category of building construction services with our Group acting as subcontractors for these projects.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Gross Profit and Gross Profit Margin

The Group's gross profit increased from approximately HK\$29.6 million during the six months ended 30 September 2016 to approximately HK\$35.4 million during the six months ended 30 September 2017. In addition, the Group's gross profit margin decreased from approximately 20.4% during six months ended 30 September 2016 to approximately 13.1% during the six months ended 30 September 2017 as the gross profit was affected by a predominant project with higher gross profit margin in the past period. The Directors consider that the overall gross profit margin has been maintained at a healthy position as such gross profit margin is similar with previous years' margin which ranged from approximately 14% to 15%.

Administrative Expenses

The Group's administrative expenses were increased from approximately HK\$18.0 million during the six months ended 30 September 2016 to approximately HK\$22.8 million during the six months ended 30 September 2017 and such increase was mainly attributable to the increase in staff costs and Directors' remuneration totalling approximately HK\$4.0 million during the six months ended 30 September 2017 as compared with the previous period.

Net Profit and Adjusted Net Profit

During the six months ended 30 September 2017, the Group reported a net profit of approximately HK\$9.8 million (30 September 2016: approximately HK\$9.1 million), representing an increase of approximately 7.6% as compared with the previous period. If the non-recurring Listing expenses were excluded, the Group's adjusted net profit during the six months ended 30 September 2017 would be revised to approximately HK\$10.7 million (30 September 2016: approximately HK\$14.0 million), representing a decrease of approximately 23.6%.

Note: the calculation of the adjusted net profit disregards tax effect.

Principal Risks and Uncertainties

— Fluctuating cash flows pattern

Our Group may incur net cash outflows at the early stage of carrying out our works when we are required to pay the setting up expenditures (such as purchase of materials) and/or our subcontractors prior to payment received from our customers. Our customers will pay progress payments after our works commence and after such works and payments have been confirmed and certified by our customers. Accordingly, our Group may experience net cash outflows to pay certain set-up expenditures and/or subcontractors' fees in which the respective progress payments may not be received for the same periods. If during any particular period of time, there exists too many projects which require substantial cash outflows while we have significantly less cash inflows during that period, our cash flow position may be adversely affected.

— Inaccurate estimation on the estimated time and costs

As contracts from public and private customers are normally awarded through successful tendering and acceptance of quotation offer, our Group needs to estimate the time and costs based on the tender documents or quotation requests provided in order to determine the tender price or quotation before submitting the tender or providing the quotation. There is no assurance that the actual execution time and costs of the project would not exceed our Group's estimation.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The actual time taken and costs involved in completing contracts undertaken by our Group may be adversely affected by a number of factors, such as shortage or cost escalation of materials and labour, adverse weather conditions, additional variations to the work plans requested by our customers, delays in obtaining any required permits or approvals, disputes with our subcontractors or other parties, accidents, changes in the Government's and our customers' priorities and any other unforeseen problems and circumstances. Any of the aforementioned factors may give rise to delays in completion of works or cost overruns or even termination of projects by our customers, which in turn may adversely affect our Group's profitability and liquidity.

Further, delay in the process of obtaining specific licences, permits or approvals from the Government agencies or authorities in carrying out any particular project could also increase the costs or delay the progress of a project. Failure to complete construction according to specifications and quality standards on a timely basis may result in disputes, contract termination, liabilities and/or lower returns than anticipated on the construction project concerned. Such delay or failure to complete and/or termination of a project by our customers may cause our revenue or profitability to be lower than what we have expected.

— **Failure to obtain new projects**

Our Group provides services to our customers generally on a project-by-project basis, and the duration of our projects is normally less than two years. Our revenue from our projects is not recurring in nature. We cannot guarantee that we will continue to secure new projects from our customers after the completion of the existing awarded projects.

— **Irregular profit margin**

The Directors believe that the profit margin of each project significantly depends on various factors, such as the terms of the contracts, the length of the contractual period, the efficiency of implementation of the contractual works and the general market conditions which are beyond our Group's control. As a result, the income flow and the profit margin of each project, which are largely dependable on the terms of the work contracts, may not be entirely regular and consistent and there is no assurance that the profitability of a project can be maintained or estimated at any level. If the profit margin of the project significantly deviates from the estimation of the Directors, our Group's financial position could be adversely affected.

— **Reduction of construction works in Hong Kong**

During the last three financial years, all of our revenue was derived in Hong Kong. The future growth and level of profitability of the construction industry in Hong Kong depends on, among other factors, the availability of major construction projects. The nature, extent and timing of such projects will, however, be determined by the interplay of a variety of factors, in particular, the spending patterns of the Government for the construction industry, the investments of property developers and the general conditions and prospects of local economy. These factors may affect the availability of the building construction works, alteration, addition, fitting-out and building works, and repair and restoration of historic buildings works from our customers. In the event that there is a downturn in the economy of Hong Kong, our results of operations and financial performance could be severely affected.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Debts and Charge on Assets

The total interest bearing bank borrowings of the Group, including bank loans and finance leases, was approximately HK\$53.9 million as at 30 September 2017, decreased from approximately HK\$63.1 million as at 31 March 2017. These banking facilities were secured by the Group's assets which details disclosed in note 17 to the condensed consolidated interim financial information. Borrowings were denominated mainly in Hong Kong dollars and interest rate of bank borrowings were charged at 3.6%–6.5% per annum. The Group currently does not have an interest rate hedging policy while the Group monitors interest rate risks continuously.

Save as disclosed above, we did not have, at the closure of business on 30 September 2017, any loan capital issued nor any outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, finance lease commitments, guarantees or other material contingent liabilities except those disclosed in notes 19 and 20 to the condensed consolidated interim financial information.

Liquidity, Financial Resources and Capital Structure

The Group has normally funded the liquidity and capital requirements primarily through capital contributions from the shareholders, bank borrowings and net cash generated from the operating activities.

As at 30 September 2017, the Group had cash and cash equivalents (excluding bank overdrafts) of approximately HK\$33.3 million (31 March 2017: approximately HK\$12.0 million). The Group's gearing ratio and current ratio are as follows:

	As at	
	30 September 2017	31 March 2017
Current ratio	1.9	1.2
Gearing ratio	12%	51%

Current ratio is calculated based on the total current assets divided by the total current liabilities.

Gearing ratio is calculated based on the net debt (total debts including borrowings and obligation under finance leases, less cash and cash equivalents (excluding bank overdrafts)) divided by total capital (summation of equity plus net debt).

The financial resources presently available to the Group include bank borrowings, and we have sufficient working capital for our future requirements. During the six months ended 30 September 2017, the Group has not employed any financial instrument for hedging purposes.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Use of net proceeds from the Listing

As disclosed in the Company's prospectus dated 22 March 2017 (the "Prospectus"), the Group intends to apply the net proceeds from the share offer, after deducting related underwriting fees and Listing expenses amounted to approximately HK\$75.9 million, as follows:

	Proposed application (HK\$ million)	Actual usage up to 30 September 2017 (HK\$ million)
Financing the capital input and upfront costs to upcoming projects	36.0	12.0
Purchase of surety bonds	13.0	—
Increasing the employed capital of the Group	11.4	11.4
Repayment of current bank borrowings of the Group	4.3	4.3
Employing additional staff	3.3	1.1
Investing in building information modelling software	0.5	—
General working capital of the Group	7.4	7.4
	75.9	36.2

The unutilized proceeds of HK\$39.7 million were placed with licensed banks in Hong Kong and will be applied in the manner consistent with that mentioned in the Prospectus.

Prospects

The Group expects a steady growth in the construction industry in Hong Kong in view of the Government's policy in infrastructure development plans. Moreover, the Government's policies to stimulate urban renewal plans and to revitalise old industrial buildings provide greater market opportunities to public contractors in Hong Kong.

We will continue to leverage on our various licenses and qualifications and extensive experience in construction industry and to participate in the forthcoming projects in order to strengthen our position in the Hong Kong market. We also intend to enhance our information technology system and database by implementing the Building Information Modelling software for better project monitoring and control and will continue to invest in our employees, and to recruit and train suitable personnel for our business.

Foreign Exchange Exposure

Most of the income and expenditures of the Group are denominated in Hong Kong dollars, being the functional currency of the Group, and hence, the Group does not have any material foreign exchange exposure. As at 30 September 2017 and for the six months ended 30 September 2017, the Group has not implemented or entered into any type of instruments or arrangements to hedge against currency exchange fluctuations.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Significant Investment, Material Acquisition and Disposal of Subsidiaries and Associated Companies

There were no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during the six months ended 30 September 2017.

Capital Commitments

The Group had no material capital commitments as at 30 September 2017.

Lease Commitments

The Group leases car parking spaces, office premises and warehouses under non-cancellable operating lease agreements. The lease terms are 2 to 3 years and the lease arrangements are renewable at the end of the lease period at market rate. For details of the lease commitments, please refer to note 19 to the condensed consolidated interim financial information.

Contingent Liabilities

Save as disclosed in note 20 to the condensed consolidated interim financial information, the Group had no other contingent liabilities as at 30 September 2017.

Event after the Reporting Period

Save as disclosed elsewhere in this report, there is no material subsequent event undertaken by the Company or by the Group after 30 September 2017 and up to the date of this interim report.

Employees and Remuneration Policy

As at 30 September 2017, the Group had 441 employees (31 March 2017: 558 employees). Most of the Group's employees were site workers in Hong Kong. The remuneration policy and package of the Group's employees were periodically reviewed. Apart from Mandatory Provident Fund, salaries increment and discretionary bonuses may be awarded to employees according to the assessment of individual performance. The total staff costs incurred by the Group during the six months ended 30 September 2017 was approximately HK\$57.3 million (six months ended 30 September 2016: approximately HK\$37.2 million).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Share Option Scheme

A share option scheme (the “Scheme”) was conditionally adopted pursuant to a shareholders’ written resolution of the Company passed on 13 March 2017 for the purpose of recognising and motivating the contributions that the eligible participants have made or may make to the Group.

Pursuant to the Scheme, the Company may grant options to any employees (including any executive director but excluding any non-executive director) and any directors (including non-executive and independent non-executive directors), any supplier, any customer, any shareholder, any advisor or consultant of the Group or any entity in which the Group holds at least 20% of its issued share capital (the “Invested Entity”), any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity and any other group or class of participants who the Board considers, in its sole discretion, have contributed or will contribute to the Group, to subscribe for shares in the Company in accordance with the terms of the Scheme. The options granted must be accepted within 21 days from the date of offer with a remittance of HK\$1.00. The subscription price of a share shall be at least the highest of (i) the closing price of the Company’s shares as stated in The Stock Exchange’s daily quotations sheet on the date of an offer for the grant of the option; (ii) the average of the closing prices of the shares of the Company as stated in The Stock Exchange’s daily quotations sheets for the five trading days immediately preceding the date of an offer for the grant of the option; and (iii) the nominal value of the shares of the Company on the date of an offer for the grant of the option.

The share options granted are exercisable at any time during a period as the Directors may determine which shall not exceed 10 years from the date of an offer for the grant of the option, subject to the provisions for early termination contained in the Scheme, and provided that the Directors may determine the minimum period for which an option has to be held or other restrictions before its exercise.

The maximum number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes must not, in aggregate, exceed 10% of the number of shares of the Company in issue on the Listing Date (i.e. 80,000,000 shares). The total number of shares issued and to be issued upon exercise of the options granted to each participant (including exercised, cancelled and outstanding options) in any 12-month period up to the date of grant shall not exceed 1% in aggregate of the shares of the Company in issue. The maximum number of shares which may be allotted and issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company must not, in aggregate, exceed 30% of the shares of the Company in issue from time to time.

The Scheme will remain in force for a period of 10 years after the date of adoption.

No share options have been granted, exercised or cancelled under the Scheme since its adoption date and up to the date of this interim report and the total number of shares available for grant under the scheme was 80,000,000 shares, representing 10% of the issued share capital of the Company as at the date of this interim report.

DISCLOSURE OF INTERESTS

As at 30 September 2017, the interests and short positions of the Directors and chief executives of the Company in the 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 maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules, were as follows:

(a) Directors’ Interests in Shares, Underlying Shares and Debentures:

Name	Capacity/Nature of Interest	Number of shares held (Note 1)	Approximate percentage of the issued share capital of the Company
Mr. Leung Kam Fai	Beneficial owner ^(Note 2)	285,660,000 (L)	
	Person acting in concert ^(Note 2)	314,340,000 (L)	
		600,000,000 (L)	75.00%
Mr. Lam Ka Ho	Beneficial owner ^(Note 2)	285,660,000 (L)	
	Person acting in concert ^(Note 2)	314,340,000 (L)	
		600,000,000 (L)	75.00%

Notes:

- The letter “L” denotes “long position” in such shares.
- Mr. Leung Kam Fai, Mr. Lam Ka Ho, Mr. Leung Chin Hung Aaron and Mr. Lui Sum Wah are personally interested in 285,660,000 shares, 285,660,000 shares, 23,280,000 shares and 5,400,000 shares representing 35.71%, 35.71%, 2.91% and 0.68% of the total issued share capital of the Company. Pursuant to the Concert Party Deed dated 27 September 2016 executed by them, Mr. Leung Kam Fai, Mr. Lam Ka Ho, Mr. Leung Chin Hung Aaron and Mr. Lui Sum Wah are parties acting in concert (having the meaning ascribed to it under the Takeovers Code). As such, each of Mr. Leung Kam Fai, Mr. Lam Ka Ho, Mr. Leung Chin Hung Aaron and Mr. Lui Sum Wah is deemed to be interested in 600,000,000 shares held by them in aggregate under the SFO.

Save as disclosed above, as at 30 September 2017, neither the Directors nor the 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 SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DISCLOSURE OF INTERESTS (CONTINUED)

(b) Shareholders' Interests in Shares and Underlying Shares

So far as the Directors are aware, as at 30 September 2017, the interests and short positions of the persons, other than the Directors or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Name	Capacity/Nature of Interest	Number of shares held (Note 1)	Approximate percentage of the issued share capital of the Company
Mr. Leung Chin Hung Aaron	Beneficial owner ^(Note 2)	23,280,000 (L)	
	Person acting in concert ^(Note 2)	576,720,000 (L)	
		600,000,000 (L)	75.00%
Mr. Lui Sum Wah	Beneficial owner ^(Note 2)	5,400,000 (L)	
	Person acting in concert ^(Note 2)	594,600,000 (L)	
		600,000,000 (L)	75.00%

Notes:

- The letter "L" denotes "long position" in such shares.
- Mr. Leung Kam Fai, Mr. Lam Ka Ho, Mr. Leung Chin Hung Aaron and Mr. Lui Sum Wah are personally interested in 285,660,000 shares, 285,660,000 shares, 23,280,000 shares and 5,400,000 shares representing 35.71%, 35.71%, 2.91% and 0.68% of the total issued share capital of the Company. Pursuant to the Concert Party Deed dated 27 September 2016 executed by them, Mr. Leung Kam Fai, Mr. Lam Ka Ho, Mr. Leung Chin Hung Aaron and Mr. Lui Sum Wah are parties acting in concert (having the meaning ascribed to it under the Takeovers Code). As such, each of Mr. Leung Kam Fai, Mr. Lam Ka Ho, Mr. Leung Chin Hung Aaron and Mr. Lui Sum Wah is deemed to be interested in 600,000,000 shares held by them in aggregate under the SFO.

The Company's controlling shareholders have not pledged all or part of their interest in the Company's shares to secure the Company and its subsidiaries' debts or to secure guarantees or other support of their obligations.

Save as disclosed above, as at 30 September 2017, the Directors are not aware of any other persons who have interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the six months ended 30 September 2017.

DISCLOSURE OF INTERESTS (CONTINUED)

Directors' Interests in Competing Business

During the six months ended 30 September 2017 and up to the date of this report, none of the Directors are considered to have interests in any business which competes or is likely to compete with the businesses of the Group as required to be disclosed pursuant to the Listing Rules.

Deed of Non-Competition

The controlling shareholders of the Company, namely Mr. Leung Kam Fai, Mr. Lam Ka Ho, Mr. Leung Chin Hung Aaron and Mr. Lui Sum Wah, have confirmed to the Company of their compliance with the non-competition undertakings provided to the Company under the Deed of Non-competition dated 16 March 2017.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Results and Dividends

The results of the Group for the six months ended 30 September 2017 are set out in interim condensed consolidated statement of comprehensive income on page 21 of this interim report.

The Board has resolved not to declare any payment of interim dividend for the six months ended 30 September 2017.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities since the Listing Date up to 30 September 2017.

Change of Directors' Information

During the six months ended 30 September 2017 and up to the date of this interim report, each of Mr. Leung Kam Fai and Mr. Lam Ka Ho received bonus of HK\$290,000 for the year ended 31 March 2017 in July 2017.

Corporate Governance Practices

The Board recognises the importance of corporate transparency and accountability. The Company is committed to achieving a high standard of corporate governance and leading the Group to attain better results and improve its corporate image with effective corporate governance procedures.

The Company has applied the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") since the Listing Date.

Throughout the period from the Listing Date to 30 September 2017, the Board is of the opinion that the Company had complied with the applicable code provisions as set out in the CG Code except for the deviation from code provision A.2.1 of the CG Code.

According to code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Leung Kam Fai, the Chairman who performs the duty of chief executive officer since the Listing Date under code provision A.2.1 of the CG Code, is responsible for the financial and operational aspects of our Group and the formulation of business development strategies of our Group. The Board believes that vesting the roles of both Chairman and chief executive officer in Mr. Leung Kam Fai has the benefit of ensuring consistent and continuous planning and execution of the Company's strategies. The Board considers that the balance of power and authority, accountability and independent decision-making under the present arrangement will not be impaired in light of the diverse background and experience of the independent non-executive Directors, and the composition of the Board which comprises three independent non-executive Directors and two executive Directors also provides added independence to the Board. Further, the audit committee of the Company (the "Audit Committee") composed exclusively of independent non-executive Directors has free and direct access to the Company's external auditors and independent professional advisers when it considers necessary.

CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules upon the Listing. All the Directors confirmed that they had complied with the required standard set out in the Model Code during the period from the Listing Date to the date of this interim report in response to the specific enquiry made by the Company.

The Board has established written guidelines no less exacting than the Model Code for relevant employees in respect of their dealings in the securities of the Company as required under the CG Code. No incident of non-compliance of such guidelines by the relevant employees was noted by the Company since the Listing.

Audit Committee and Review of Interim Results

The Company has established the Audit Committee which currently consists of three independent non-executive Directors with written terms of reference which deal clearly with its authority and duties.

The Group's condensed consolidated interim financial information for the six months ended 30 September 2017 have been reviewed by the Audit Committee.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 30 September	
		2017 HK\$'000 (Unaudited)	2016 HK\$'000 (audited)
Revenue	6	269,434	145,091
Cost of sales	8	(234,014)	(115,442)
Gross profit		35,420	29,649
Other income	6	1,006	462
Other (losses)/gains, net	7	(57)	766
Administrative expenses	8	(22,840)	(17,961)
Operating profit		13,529	12,916
Finance income	9	74	31
Finance costs	9	(1,366)	(1,066)
Finance costs, net		(1,292)	(1,035)
Profit before income tax		12,237	11,881
Income tax expenses	10	(2,390)	(2,793)
Profit and total comprehensive income attributable to equity holders of the Company		9,847	9,088
		HK cents	HK cents
Earnings per share for profit attributable to equity holders of the Company:			
Basic	11	1.24	1.51
Diluted	11	1.24	1.51

The notes on pages 26 to 48 are an integral part of condensed consolidated interim financial information.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		As at	
	Note	30 September 2017 HK\$'000 (Unaudited)	31 March 2017 HK\$'000 (audited)
ASSETS			
Non-current assets			
Investment properties	12	649	654
Property, plant and equipment	13	14,524	15,665
Deferred income tax assets		1,223	1,335
Long-term deposits and prepayments	14	660	660
		17,056	18,314
Current assets			
Trade, retention and other receivables, deposits and prepayments	14	105,433	92,343
Amounts due from customers for contract works		129,184	111,644
Amounts due from related companies	21	—	3,276
Current income tax recoverable		581	4,583
Pledged deposits		15,003	5,000
Cash and cash equivalents (excluding bank overdrafts)		33,311	11,988
		283,512	228,834
Total assets		300,568	247,148
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	15	80,000	1
Share premium	15	12,791	—
Reserves		57,065	49,618
Total equity		149,856	49,619

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

	Note	As at	
		30 September 2017 HK\$'000 (Unaudited)	31 March 2017 HK\$'000 (audited)
LIABILITIES			
Non-current liabilities			
Obligations under finance leases		1,007	1,131
Deferred income tax liabilities		897	897
		1,904	2,028
Current liabilities			
Trade and other payables and accruals	16	82,907	119,652
Amounts due to customers for contract work		12,682	13,883
Amounts due to related companies	21	—	10
Current income tax payables		371	—
Borrowings	17	51,675	60,820
Current portion of obligations under finance leases		1,173	1,136
		148,808	195,501
Total liabilities		150,712	197,529
Total equity and liabilities		300,568	247,148

The notes on pages 26 to 48 are an integral part of condensed consolidated interim financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company				
	Share capital HK\$'000	Share premium HK\$'000	Other reserves HK\$'000	Retained earnings HK\$'000	Total equity HK\$'000
For the six months ended 30 September 2016					
Balance at 1 April 2016	—	—	4,790	53,441	58,231
Comprehensive income					
Profit for the period	—	—	—	9,088	9,088
Total comprehensive income	—	—	—	9,088	9,088
Transactions with owners					
Dividends (Note 18)	—	—	—	(16,758)	(16,758)
Total transactions with owners, recognised directly in equity	—	—	—	(16,758)	(16,758)
Balance at 30 September 2016 (audited)	—	—	4,790	45,771	50,561
For the six months ended 30 September 2017					
Balance at 1 April 2017	1	—	4,789	44,829	49,619
Comprehensive income					
Profit for the period (unaudited)	—	—	—	9,847	9,847
Total comprehensive income	—	—	—	9,847	9,847
Transactions with owners					
Dividends (Note 18)	—	—	—	(2,400)	(2,400)
Issuance of shares (Note 15)	79,999	12,791	—	—	92,790
Total transactions with owners, recognised directly in equity	79,999	12,791	—	(2,400)	90,390
Balance at 30 September 2017 (unaudited)	80,000	12,791	4,789	52,276	149,856

The notes on pages 26 to 48 are an integral part of condensed consolidated interim financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Six months ended 30 September	
		2017 HK\$'000 (Unaudited)	2016 HK\$'000 (audited)
Cash flows from operating activities			
Net cash (used in)/generated from operations		(52,424)	(2,983)
Income tax paid		—	(213)
Income tax refund		1,599	—
Net cash (used in)/generated from operating activities		(50,825)	(3,196)
Cash flows from investing activities			
Purchase of property, plant and equipment		(207)	(596)
Proceeds from disposals of property, plant and equipment		92	449
Cash advances to shareholders		—	(506)
Interest received		74	31
Net cash used in investing activities		(41)	(622)
Cash flows from financing activities			
Interest paid for bank borrowings		(1,364)	(1,061)
Proceed from bank borrowings		171,705	64,093
Repayment of bank borrowings		(178,231)	(63,175)
Repayment of finance lease obligations		(678)	(977)
Increase in pledged deposits		(10,003)	—
Proceeds from issuance of ordinary shares		104,000	—
Dividends paid		(2,400)	—
Payment of listing expenses		(8,221)	—
Net cash generated from financing activities		74,808	(1,120)
Net increase/(decrease) in cash and cash equivalents		23,942	(4,938)
Cash and cash equivalents at beginning of the period		3,215	7,228
Cash and cash equivalents at end of period		27,157	2,290
Analysis of the bank balances of cash and cash equivalents			
Bank balances and cash		33,311	5,424
Bank overdrafts		(6,154)	(3,134)
		27,157	2,290

The notes on pages 26 to 48 are an integral part of condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 General information and basis of presentation

1.1 General information of the Group

Milestone Builder Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 8 June 2016 as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands. The address of the Company’s registered office is P.O. Box 10008, Willow House, Cricket Square, Grand Cayman KY1-1001, Cayman Islands.

The Company is an investment holding company and its subsidiaries (together the “Group”) provide (i) building construction services; (ii) alteration, addition, fitting-out works and building services; and (iii) repair and restoration of historic buildings in Hong Kong (the “Business”).

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 7 April 2017 (the “Listing”). On the same date, the Company issued additional 599,990,000 shares, credited as fully paid, to the Controlling Shareholders of the Company, by way of capitalisation of HK\$59,999,000 standing to the credit of the Company’s share premium account. In connection with the Listing completed on 7 April 2017, the Company issued a total of 200,000,000 shares at a price of HK\$0.52 per share for a total proceeds (before related fees and expenses) of HK\$104,000,000.

The condensed consolidated interim financial information is presented in thousands of Hong Kong dollars (“HK\$’000”), unless otherwise stated.

This condensed consolidated interim financial information was approved for issue by the board of directors (the “Board”) of the Company on 27 November 2017.

This condensed consolidated interim financial information has not been audited.

The defined terms used in this condensed consolidated interim financial information have the same meaning as those set out in the Group’s Annual Report 2016/17 published on 31 July 2017 (the “Annual Report 2016/17”), unless otherwise stated.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

1 General information and basis of presentation (Continued)

1.2 Reorganisation and basis of presentation

In preparing for the Listing, the Group have undergone the Reorganisation to transfer the Business to the Company. For details of the Reorganisation, please refer to note 1.2 to the consolidated financial statements in the Annual Report 2016/17.

Immediately prior to and after the Reorganisation, the Business has been conducted by the Operating Companies. Pursuant to the Reorganisation, the Business were transferred to and held by the Company. The Company has not been involved in any other business prior to the Reorganisation and does not meet the definition of a business. The Reorganisation is merely a reorganisation of the Listing Business with no change in management of such business and the ultimate owners of the Listing Business remain the same. Accordingly, the condensed consolidated interim financial information is prepared in accordance with HKFRS 10, Consolidated Financial Statements, issued by the HKICPA, using the carrying values of the Business under the Controlling Shareholders for all the years presented, or since the respective dates of incorporation/establishment of the subsidiaries within the Group, or since the date when the subsidiaries within the Group first came under the control of the Controlling Shareholders, whichever is later.

Intercompany transactions, balances and unrealised gains/losses on transactions between subsidiaries now comprising the Group are eliminated upon consolidation.

2 Basis of preparation and summary of significant accounting policies

2.1 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 September 2017 has been prepared in accordance with HKAS 34, Interim Financial Reporting. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2017, which have been prepared in accordance with HKFRSs.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

2 Basis of preparation and summary of significant accounting policies (Continued)

2.2 Summary of significant accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2017, as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of amendments to HKFRSs effective for the financial year ending 31 March 2018.

(a) New and amended standards adopted by the Group:

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning 1 April 2017:

HKAS 12 (Amendment)	Income taxes
HKAS 7 (Amendment)	Statement of cash flows
HKFRS 12 (Amendment)	Disclosure of interest in other entities

The adoption of these amendments did not have any material impact to the financial statements of the Group.

(b) New standards and amendments to existing standards not yet adopted:

The following are new standards and amendments to existing standards that have been published but are not yet effective for the annual periods beginning after 1 April 2017 and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
HKAS 28 (Amendment)	Investment in associate and joint venture	1 January 2018
HKFRS 1 (Amendment)	First time adoption of HKFRS	1 January 2018
HKFRS 4 (Amendment)	Insurance contracts	1 January 2018
HKFRS 9	Financial instruments	1 January 2018
HKFRS 15	Revenue from contracts with customers	1 January 2018
HK(IFRIC) 22	Foreign currency transactions and advance consideration	1 January 2018
HKFRS 16	Leases	1 January 2019
HKFRS 10 and HKAS 28 (Amendment)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

2 Basis of preparation and summary of significant accounting policies (Continued)

2.2 Summary of significant accounting policies (Continued)

(b) New standards and amendments to existing standards not yet adopted (Continued):

Management is in the process of assessing the impact of these new standards and amendments to existing standards and set out below are the expected impact on the Group's financial performance and position:

HKFRS 9 "Financial instrument" addresses the classification, measurement and recognition of financial assets and liabilities. The complete version of HKFRS 9 was issued in July 2014. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair values with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss. For financial liabilities, there are two classification categories: amortised cost and fair value through profit or loss. Where non-derivative financial liabilities are designated at fair value through profit or loss, the changes in the fair value due to changes in the liability's own credit risk are recognised in the other comprehensive income, unless such changes in fair value would create an accounting mismatch in profit or loss, in which case, all fair value movements are recognised in profit or loss. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and the "hedged ratio" to be the same as that used by management for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under HKAS 39. The Group considers that there will be no material adverse change in the credit risks in respect of the Group's future financial assets and the adoption of the new expected credit losses model under HKFRS 9 will not have significant impact on its financial performance and position. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted.

HKFRS 15 "Revenue from contracts with customers" replaces the previous revenue standards HKAS 18 "Revenue" and HKAS 11 "Construction Contracts" and the related interpretations on revenue recognition. HKFRS 15 establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach: (i) identify the contract(s) with customer; (ii) identify separate performance obligations in a contract; (iii) determine the transaction price; (iv) allocate transaction price to performance obligations; and (v) recognise revenue when performance obligation is satisfied. The core principle is that a company should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. It moves away from a revenue recognition model based on an "earnings processes" to an "asset-liability" approach based on transfer of control.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

2 Basis of preparation and summary of significant accounting policies (Continued)

2.2 Summary of significant accounting policies (Continued)

(b) New standards and amendments to existing standards not yet adopted (Continued):

HKFRS 15 provides specific guidance on capitalisation of contract cost and license arrangements. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. Under HKFRS 15, an entity normally recognises revenue when a performance obligation is satisfied. Impact on the revenue recognition may arise when multiple performance obligation are identified. The adoption of HKFRS 15 will have an impact on the Group's revenue recognition of construction contracts and the Group expects that it may have impact on the amounts and disclosures made in the Group's financial statements and is not yet in a position to provide quantified information. The new standard is not expected to apply until the financial year ended 31 March 2019.

HKFRS 16 "Leases" addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from HKFRS 16 is that most operating leases will be accounted for on balance sheet for lessees. The Group is a lessee of various properties which are currently classified as operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments, which are not reflected in the interim condensed consolidated balance sheet, of HK\$6,119,000, see Note 19(a).

The accounting for lessors will not significantly change.

HKFRS 16 provides new provisions for the accounting treatment of leases and will in the future no longer allow lessees to recognise certain leases outside of the consolidated balance sheet. Instead, when the Group is the lessee, almost all leases must be recognised in the form of an asset (for the right of use) and a financial liability (for the payment obligation). Thus, each lease will be mapped in the Group's consolidated balance sheet. Short-term leases of less than twelve months and leases of low-value assets are exempt from the reporting obligation. The new standard will therefore result in an increase in assets and financial liabilities in the consolidated balance sheet. As for the financial performance impact in the consolidated statement of comprehensive income, rental expenses will be replaced with straight-line depreciation expense on the right-of-use asset and interest expenses on the lease liability. The combination of the straight-line depreciation of the right-of-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to profit or loss in the initial years of the lease, and decreasing expenses during the latter part of the lease term. The new standard is not expected to apply until the financial year ended 31 March 2020, and management expects the impacts on the Group's financial results and position upon the adoption of HKFRS 16 are not material.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including cash flow and fair value interest rate risk and foreign currency risk), credit risk and liquidity risk.

The condensed consolidated interim financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 March 2017.

There have been no change in the risk management policies since year end.

3.2 Liquidity risk

Compare to the year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

As at 30 September 2017, the Group's total available banking facilities amounted to approximately HK\$107,199,000 (31 March 2017 : HK\$87,105,000), of which approximately HK\$78,985,000 (31 March 2017: HK\$79,970,000), has been utilised.

3.3 Fair value estimation

The carrying amounts of the Group's financial assets including "trade, retention and other receivables and deposits", "amounts due from related companies", "amounts due from shareholders", "pledged deposits" and "cash and cash equivalents (excluding bank overdrafts)"; and financial liabilities including "trade and other payables and accruals", "amounts due to related companies", "borrowings" and "obligations under finance leases" approximate their fair values due to their short maturities. The fair values of financial instruments that are not traded in an active market is determined by using valuation techniques.

As at 30 September 2017 and 31 March 2017, the Group has no financial assets and liabilities that are measured at fair value.

There were no transfers among levels 1, 2 and 3 during the six months ended 30 September 2017.

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(c) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The following table represents the changes in level 3 instruments for the six months ended 30 September 2016 and 2017.

	Six months ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (audited)
At beginning of the period	—	10,696
Fair value gain/(loss) on revaluation recognised in the interim condensed consolidated statement of comprehensive income	—	744
At end of the period	—	11,440
Total gains for the period included in the interim condensed consolidated statement of comprehensive income for assets held at the end of the period	—	744
Changes in unrealised gains for the period included in the interim condensed consolidated statement of comprehensive income at the end of the period	—	744

These unlisted insurance policy investments in level 3 represent key management insurance contracts. Their fair value is determined by income approach with reference to the expected returns from such policies which are primarily based on the financial performance and market price of the underlying portfolio taking into consideration the respective guaranteed minimum returns. Consideration is also placed on the pattern of crystallising the contracts and surrender charges, if any.

Management estimated the impact of a reasonable change in the unobservable inputs based on valuation performed by an independent qualified actuary.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

4 Critical accounting estimates and judgement

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2017, with the exception of changes in estimates that are required in determining the provision of income taxes.

5 Segment information

The chief operating decision-makers have been identified as the executive directors of the Company. The executive directors consider the segment from a business perspective. As the Group has only one operating segment that qualifies as reporting segment under HKFRS 8 and the information that is regularly reviewed by the executive directors for the purposes of allocating resources and assessing performance of the operating segment is the Group as a whole, no separate segmental analysis is presented.

The executive directors assess the performance based on a measure of profit after income tax, and consider all business is included in a single operating segment.

Revenue reported in Note 6 below represented transactions with third parties and are reported to the executive directors in a manner consistent with that in the interim condensed consolidated statement of comprehensive income.

All of the Group's activities are carried out in Hong Kong and all of the Group's assets and liabilities are located in Hong Kong. Accordingly, no analysis by geographical basis is presented.

The Group is domiciled in Hong Kong and all revenue are derived from external customers in Hong Kong.

No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the executive directors.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

6 Revenue and other income

The Group's revenue and other income recognised during the relevant periods are as follows:

	Six months ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (audited)
Revenue:		
Building construction services	158,697	99,038
Alteration, addition, fitting-out works and building services	102,883	36,078
Repair and restoration of historic buildings	7,854	9,975
	269,434	145,091
Other income:		
— Rental income	77	69
— Sundry income	929	393
	1,006	462

7 Other (losses)/gains, net

	Six months ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (audited)
(Losses)/gains on disposals of property, plant and equipment	(57)	22
Fair value gain on financial assets at fair value through profit or loss	—	859
Fair value losses on non-current assets held for distribution	—	(115)
	(57)	766

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

8 Expenses by nature

Expenses included in cost of sales and administrative expenses are analysed as follows:

	Six months ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (audited)
Construction cost recognised in cost of sales	233,880	115,301
Auditor's remuneration		
— Audit services	900	95
— Non-audit services	—	—
Depreciation of property, plant and equipment	1,765	1,483
Employee benefit expenses recognised in administrative expenses (including directors' emoluments)	9,972	6,002
Operating lease rentals in respect of car parking spaces, office premises and warehouses	1,564	471
Entertainment expenses	2,512	1,595
Staff welfare and messing	257	292
Motor vehicle expenses	1,532	861
Bank charges	419	336
Office expenses	392	370
Listing expenses	821	4,908
Others	2,840	1,689
Total cost of sales and administrative expenses	256,854	133,403

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

9 Finance income and costs

	Six months ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (audited)
Interest income:		
— Bank interest income	74	31
Finance income	74	31
Interest expenses:		
— Borrowings	(1,300)	(990)
— Obligations under finance lease	(64)	(71)
Foreign exchange losses, net	(2)	(5)
Finance costs	(1,366)	(1,066)
Finance costs, net	(1,292)	(1,035)

10 Income tax expenses

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%).

The amount of income tax expenses charged to the interim condensed consolidated statement of comprehensive income represents:

	Six months ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (audited)
Current tax:		
Hong Kong profits tax on profits for the period	2,278	2,336
Deferred tax	112	457
Income tax expenses	2,390	2,793

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

11 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the respective periods. The weighted average number of ordinary shares used for such purpose has been retrospectively adjusted for the effects of the issue of shares in connection with the Reorganisation completed on 18 November 2016 and the Capitalisation Shares (as defined in Note 15) which took place on 7 April 2017. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Six months ended 30 September	
	2017 (Unaudited)	2016 (audited)
Earnings:		
Profit attributable to equity holders of the Company (HK\$'000)	9,847	9,088
Number of shares:		
Weighted average number of ordinary shares in issue (thousands)	793,443	600,000
Effect of dilutive potential ordinary shares from over-allotment option granted	55	—
Weighted average number of ordinary shares in issue for the purpose of diluted earnings per share (thousands)	793,498	600,000
Basic earnings per share (HK cents)	1.24	1.51
Diluted earnings per share (HK cents)	1.24	1.51

There were no potentially dilutive ordinary share outstanding as at 30 September 2016.

12 Investment properties

	Six months ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (audited)
Opening balance	654	—
Depreciation	(5)	—
Closing balance	649	—

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

13 Property, plant and equipment

	Six months ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (audited)
Opening balance	15,665	14,075
Additions	773	1,453
Disposals	(149)	(427)
Depreciation	(1,765)	(1,483)
Closing balance	14,524	13,618

14 Trade, retention and other receivables, deposits and prepayments

	As at	
	30 September 2017 HK\$'000 (Unaudited)	31 March 2017 HK\$'000 (audited)
Current portion		
Trade receivables (Note (a))	66,846	55,950
Retention receivables (Note (b))	34,028	25,977
	100,874	81,927
Prepayments, deposits and other receivables:		
Prepayments	1,801	242
Deferred listing expenses	—	5,607
Deposits	2,407	4,213
Other receivables	352	354
	4,559	10,416
	105,433	92,343
Non-current portion		
Long-term deposits and prepayments	660	660
Total	106,093	93,003

The carrying amounts approximate their fair values. The carrying amounts of the trade and other receivables and deposits are denominated in HK\$.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

14 Trade, retention and other receivables, deposits and prepayments (Continued)

(a) Trade receivables

The Group's credit terms to trade debtors other than retention receivables are generally 30 days. The ageing analysis of the trade receivables, based on invoice date, is as follows:

	As at	
	30 September 2017 HK\$'000 (Unaudited)	31 March 2017 HK\$'000 (audited)
Less than 30 days	38,928	52,693
31 – 60 days	24,862	952
61 – 90 days	292	302
Over 90 days	2,764	2,003
	66,846	55,950

(b) Retention receivables

Retention receivables are settled in accordance with the terms of the respective contracts. The terms and conditions in relation to the release of retention vary from contract to contract, which is subject to practical completion, the expiry of the defect liability period or a pre-agreed time period. In the interim condensed consolidated balance sheet, retention receivables were classified as current assets. The ageing analysis of these retention receivables based on the terms of related contracts was as follows:

	As at	
	30 September 2017 HK\$'000 (Unaudited)	31 March 2017 HK\$'000 (audited)
Will be recovered within twelve months	16,630	16,840
Will be recovered more than twelve months after the end of the year	17,398	9,137
	34,028	25,977

The Group does not hold any collateral as security.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

15 Share capital and share premium

	No. of ordinary shares	Nominal value of ordinary shares HK\$'000	
Authorised:			
At 8 June 2016 (date of incorporation) and 30 September 2016, at HK\$0.1 each	3,800,000	380	
Increase in authorised shares	1,996,200,000	199,620	
<hr/>			
At 31 March 2017 (audited) and 30 September 2017 (unaudited), at HK\$0.1 each	2,000,000,000	200,000	
<hr/>			
	No. of ordinary shares	Nominal value of ordinary shares HK\$'000	Share premium HK\$'000
Issued and fully paid:			
At 8 June 2016 (date of incorporation) and 30 September 2016	1	—	—
Shares issued pursuant to the Reorganisation	9,999	1	—
<hr/>			
At 31 March 2017 (audited)	10,000	1	—
Shares issued pursuant to the Capitalisation Issue	599,990,000	59,999	(59,999)
Shares issued pursuant to the share offer in Listing	200,000,000	20,000	84,000
Share issuance costs	—	—	(11,210)
<hr/>			
At 30 September 2017 (unaudited)	800,000,000	80,000	12,791

On 13 March 2017, the authorised share capital of the Company was increased from HK\$380,000 to HK\$200,000,000 by the creation of an additional 1,996,200,000 shares of HK\$0.10 each.

By a shareholder's written resolution dated 13 March 2017 and conditional on the share premium account of the Company being credited as a result of issue of new shares pursuant to the proposed offering of the Company's shares, the Company will issue additional 599,990,000 shares (the "Capitalisation Shares"), credited as fully paid, to the Controlling Shareholders of the Company, by way of capitalisation of HK\$59,999,000 standing to the credit of the Company's share premium account.

On 7 April 2017, the Company issued the Capitalisation Shares, credited as fully, paid, to the Controlling Shareholders of the Company, by way of capitalisation of HK\$59,999,000 standing to the credit of the Company's share premium account.

On 7 April 2017, the shares of the Company were listed on the Main Board of the Stock Exchange. In connection with the Listing completed on 7 April 2017, the Company issued a total of 200,000,000 shares at a price of HK\$0.52 per share for a total proceeds (before related fees and expenses) of HK\$104,000,000.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

15 Share capital and share premium (Continued)

(a) Share options of the Company

The Company operates a share option scheme (the “Scheme”) for the purpose of recognising and motivating the contributions that the eligible participants have made or may make to the Group. Eligible participants of the Scheme include but not limited to the Group’s employees and Executive and non-Executive Directors. The Scheme has been conditionally approved and adopted on 13 March 2017 and unless otherwise cancelled or amended, will remain valid and effective for a period of 10 years from that date. No share options have been granted, exercised or cancelled under the Scheme since its adoption date.

16 Trade and other payables and accruals

	As at	
	30 September 2017 HK\$'000 (Unaudited)	31 March 2017 HK\$'000 (audited)
Trade payables (Note (a))	53,704	75,092
Bills payables (Note (b))	18,847	11,415
	72,551	86,507
Other payables and accruals (Note (c))	10,356	33,145
	82,907	119,652

Trade and bills payables and other payables and accruals approximate their fair values and are denominated in HK\$.

(a) Trade payables

Credit terms granted to us by our suppliers and subcontractors vary from contract to contract. Our suppliers and subcontractors, on average, grant us a credit period of mostly 30 days to 60 days upon the issue of an invoice.

The ageing analysis of the trade payables, based on invoice date, is as follows:

	As at	
	30 September 2017 HK\$'000 (Unaudited)	31 March 2017 HK\$'000 (audited)
1 – 30 days	18,401	26,580
31 – 60 days	14,310	18,314
61 – 90 days	8,614	9,771
Over 90 days	12,379	20,427
	53,704	75,092

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

16 Trade and other payables and accruals (Continued)

(b) Bills payables

The balance represents bank acceptance notes with maturity dates within three months.

The maturity profile of the bills payables of the Group is as follows:

	As at	
	30 September 2017 HK\$'000 (Unaudited)	31 March 2017 HK\$'000 (audited)
Due within 30 days	3,401	7,976
Due within 31 to 60 days	8,011	—
Due within 61 to 90 days	7,435	3,439
	18,847	11,415

(c) Other payables and accruals

	As at	
	30 September 2017 HK\$'000 (Unaudited)	31 March 2017 HK\$'000 (audited)
Accrued staff costs and pension obligations	6,106	13,831
Receipt in advance from customers	—	2,448
Accrued expenses	2,488	2,772
Accrued listing expenses	—	11,379
Other payables	1,762	2,715
	10,356	33,145

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

17 Borrowings

	As at	
	30 September 2017 HK\$'000 (Unaudited)	31 March 2017 HK\$'000 (audited)
Bank borrowings	45,521	52,047
Bank overdrafts	6,154	8,773
	51,675	60,820

Bank borrowings due for repayment after one year which contain a repayment on demand clause are classified as current liabilities.

Movements in bank borrowings is analysed as follows:

	Six months ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (audited)
Opening balance	52,047	31,215
Repayments of bank borrowings	(178,231)	(63,175)
Proceeds from bank borrowings	171,705	64,093
Reclass to liabilities held for distribution	—	(5,779)
Closing balance	45,521	26,354

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

17 Borrowings (Continued)

As at 30 September 2017, the bank borrowings facilities granted to the Group are secured by the following:

- (a) Pledged deposits of HK\$15,000,000;
- (b) Pledged of the Group's certain land and buildings (Notes 12 and 13); and
- (c) Corporate guarantees executed by the Company and certain subsidiaries of the Group.

The carrying amounts of bank borrowings approximate their fair values.

These borrowing carry floating rates at Prime Rate or Hong Kong Interbank Offered Rate ("HIBOR") plus or minus a margin and the exposure of these bank borrowings to interest rate charges and the contractual repricing dates are six months or less. The weighted average interest rates are 4.6% per annum (31 March 2017: 4.8% per annum) as at 30 September 2017.

As at 30 September 2017, total undrawn bank facilities amounted to approximately HK\$28,214,000 (31 March 2017: HK\$7,135,000).

18 Dividends

The Board has resolved not to declare any payment of interim dividend for the six months ended 30 September 2017.

The dividends paid during the periods were as follows:

	Six months ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (audited)
Final dividend of HK0.3 cent per ordinary share relating to the year ended 31 March 2017	2,400	—
Dividend paid by the subsidiaries of the Group to their then shareholders	—	16,758

On 15 September 2016, Milestone Builder declared an interim dividend of HK\$16,758,000, of which HK\$10,982,000 has been set off against the then amounts due from shareholders. The remaining dividend payable of HK\$5,776,000 has been dealt with by way of assigning the Group's financial assets at fair value through profit or loss (amounted to HK\$11,555,000); and related bank borrowings (amounted to HK\$5,779,000) against which these financial assets has been pledged, to the shareholders.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

19 Commitments

(a) Operating lease commitments – Group company as lessee

The Group leases car parking spaces, office premises and warehouses under non-cancellable operating lease agreements. The lease terms are ranged from 2 to 3 years and the lease arrangements are renewable at the end of the lease period at market rate.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	As at	
	30 September 2017 HK\$'000 (Unaudited)	31 March 2017 HK\$'000 (audited)
No later than 1 year	3,039	3,158
Later than 1 year and no later than 5 years	3,080	4,400
	6,119	7,558

(b) Operating lease commitments – Group company as lessor

The Group had contracted with a lessee for leasing a warehouse under a non-cancellable operating lease agreement. The lease term is 3 years and the lease arrangement is renewable at the end of the lease period at market rate.

The future aggregate minimum lease payments under the non-cancellable operating lease are as follows:

	As at	
	30 September 2017 HK\$'000 (Unaudited)	31 March 2017 HK\$'000 (audited)
No later than 1 year	57	57
Later than 1 year and no later than 5 years	86	114
	143	171

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

20 Contingencies

The Group's contingent liabilities were as follows:

	As at	
	30 September 2017 HK\$'000 (Unaudited)	31 March 2017 HK\$'000 (audited)
Surety bonds (Note)	8,463	12,889

Note: As at 30 September 2017, the Group provided guarantees of surety bonds in respect of 4 (31 March 2017: 5) construction contracts of the Group in its ordinary course of business. The surety bonds are expected to be released in accordance with the terms of the respective construction contracts.

21 Related parties balances and transactions

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

- (a) The directors of the Company are of the view that the following companies were related parties that had transactions or balances with the Group:

Name of the related party	Relationship with the Group
Frankstone Builder Engineering Limited [#]	Controlled by certain shareholders of the Company
Spartan Construction Materials Limited	Controlled by certain shareholders of the Company
Spartan Lighting Limited	Controlled by certain shareholders of the Company
Prime League Holdings Limited	Controlled by certain shareholders of the Company
Wah Cheong Engineering (H.K.) Limited*	Significantly influenced by a shareholder of the Company

[#] Ceased to be a related party starting from 23 September 2016 as it is no longer controlled by certain shareholders of the Company

* Ceased to be a related party starting from 27 September 2016 as it is no longer significantly influenced by a shareholder of the Company

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

21 Related parties balances and transactions (Continued)

(b) Transactions

Save as disclosed elsewhere in the condensed consolidated interim financial information, the following transactions were carried out with related parties at terms mutually agreed by both parties:

	Six months ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (audited)
Received from related parties:		
Rental income from		
— Spartan Construction Materials Limited (Note (i))	29	54
Paid to related party for:		
Purchase of materials and consumables from		
— Spartan Construction Materials Limited (Note (ii))	115	704
Paid to related parties for:		
Subcontractor fees paid to		
— Frankstone Builder Engineering Limited (Note (ii))	—	658
Received from related party:		
Revenue from construction contracts from		
— Wah Cheong Engineering (H.K.) Limited (Note (ii))	—	6,427

Notes:

- (i) The rental income was determined based on terms mutually agreed between parties involved.
- (ii) The pricing of these transactions was determined based on mutual negotiation between the Group and the related parties.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

21 Related parties balances and transactions (Continued)

(c) Key management compensation

Key management includes executive and non-executive directors and the senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	Six months ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (audited)
Salaries, allowances and benefits in kind	5,265	2,812
Retirement benefit costs — defined contribution plans	63	63
	5,328	2,875

(d) Balances

	As at	
	30 September 2017 HK\$'000 (Unaudited)	31 March 2017 HK\$'000 (audited)
Amounts due from related companies		
Spartan Construction Materials Limited	—	2,372
Spartan Lighting Limited	—	904
	—	3,276
Amounts due to related companies		
Spartan Construction Materials Limited	—	(10)
	—	(10)

The balances due from/(to) the above related parties were unsecured, interest free, repayable on demand and denominated in HK\$.



Milestone Builder Holdings Limited
進階發展集團有限公司