

**Creative Enterprise Holdings Limited**

**創毅控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

Stock code: 3992



INTERIM  
REPORT  
2018



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. POON Kin Leung (*Chairman*)  
Mr. LEE Siu Wah Albert  
Mr. LAM Siu Hung Christopher  
Mr. WONG King Cheung  
Mr. LAI Wai Man  
Mr. WU Ka Chai

#### Independent Non-Executive Directors

Mr. WONG Chung Kin Quentin  
Mr. TANG Yiu Ming  
Mr. WONG Si Yuen

### BOARD COMMITTEES

#### Audit Committee

Mr. WONG Chung Kin Quentin (*Chairman*)  
Mr. TANG Yiu Ming  
Mr. WONG Si Yuen

#### Remuneration Committee

Mr. TANG Yiu Ming (*Chairman*)  
Mr. WONG Chung Kin Quentin  
Mr. WONG Si Yuen

#### Nomination Committee

Mr. WONG Si Yuen (*Chairman*)  
Mr. TANG Yiu Ming  
Mr. WONG Chung Kin Quentin

### COMPANY SECRETARY

Mr. LEUNG Man Fai

### AUTHORISED REPRESENTATIVES

Mr. POON Kin Leung  
Mr. LEE Siu Wah Albert

### AUDITOR

PricewaterhouseCoopers (*Certified Public Accountants*)  
22/F, Prince's Building  
Central  
Hong Kong

### LEGAL ADVISOR

#### As to Hong Kong law

Li & Partners  
22/F, World-Wide House  
Central  
Hong Kong

### REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

### HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units E & F, 25/F, Block 2  
Vigor Industrial Building  
49–53 Ta Chuen Ping Street  
Kwai Chung  
New Territories  
Hong Kong

## CORPORATE INFORMATION



### CAYMAN ISLANDS SHARE REGISTRAR

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
PO Box 2681, Grand Cayman  
KY1-1111, Cayman Islands

### HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited  
Level 22, Hopewell Centre  
183 Queen's Road East, Hong Kong

### PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking Corporation Limited  
DBS Bank (Hong Kong) Limited  
Bank of China (Hong Kong) Limited

### COMPLIANCE ADVISER

First Shanghai Capital Limited  
19/F., Wing On House  
71 Des Voeux Road Central  
Hong Kong

### STOCK CODE

3992

### COMPANY'S WEBSITE

[www.cpsc.hk](http://www.cpsc.hk)





## FINANCIAL HIGHLIGHTS

The Board is pleased to present the unaudited interim results of the Group for the six months ended 30 September 2018, together with the comparative figures for the corresponding period of 2017. The interim results and condensed consolidated interim financial information have not been audited but have been reviewed by the Company's audit committee and independent auditor.

As a result of the continued increase in property management services contracts obtained throughout the period of the six months ended 30 September 2018, the Group recorded an unaudited revenue of approximately HK\$352.5 million for the six months ended 30 September 2018 (six months ended 30 September 2017: approximately HK\$327.1 million), representing an increase of approximately 7.8% over the six months ended 30 September 2017.

The unaudited profit of the Group for the six months ended 30 September 2018 was approximately HK\$8.9 million (six months ended 30 September 2017: approximately HK\$7.8 million), representing an increase of approximately 14.1%.

The basic earnings per share for the six months ended 30 September 2018 was HK\$2.36 cents (six months ended 30 September 2017: basic earnings per share of HK\$2.08 cents).

# MANAGEMENT DISCUSSION AND ANALYSIS



## BUSINESS REVIEW

The Company is an investment holding company. The Group is principally engaged in providing property management services and other related services.

The Company provides property management services and other related services in Hong Kong for both public and private properties which include (i) property management services comprising general management, tenancy management (which is for public estates only), rent and management fees collection services, security, cleaning, minor repair and maintenance, project management services as well as legal and administrative support services (which are for private estates only); (ii) stand-alone security services; (iii) secondment services; and (iv) other services (namely, stand-alone cleaning services and window inspection services).

## BUSINESS PROSPECTS

In order to enhance the growth of our property management business and increase our market share, and to achieve our goal, the Company intends to:

- (i) tender for additional property management services contracts, stand-alone security services contracts and stand-alone cleaning services contracts from the Hong Kong Housing Authority;
- (ii) expand our service for Home Ownership Scheme estates, non-residential properties and private housing estates; and
- (iii) upgrade our computer system and accounting system. Our Directors believe that our computer system and accounting system are essential to our business operation in order to enhance our overall efficiency.

In addition to organic growth, we also plan to grow our business through acquisition of property management company(ies) which provide property management services in the private sector in Hong Kong.

We intend to look for acquisition opportunities in the future and will select potential targets based on our industry experience and the following selection criteria :

- **Management team:** We plan to continue to seek potential acquisition targets with an experienced management team with relevant experience to develop property management business.
- **Business focus:** We target property management companies with a business focus on the provision of property management services to private residential and non-residential properties and a good reputation.
- **Target size and scale of operation:** We primarily look for small-to-medium-sized property management companies which have the potential for future growth. Our Directors believe that it is easier to have favourable acquisition terms with these companies than with larger companies.
- **Financial condition and profitability:** We take into account of the financial condition and profitability of the potential targets and assess if there was an upward trend of financial results in the preceding three years.



## MANAGEMENT DISCUSSION AND ANALYSIS

## MAJOR SERVICES CONTRACTS ACQUIRED/RENEWED

In the six months ended 30 September 2018, we have been successful in our acquisition of 3 new contracts (1 private property contract, and 2 Urban Renewal Authority contracts).

In addition to the new contracts above, we are able to extend all of our existing property management services contracts and stand-alone security services contracts with initial terms expired. The 100% extension rate for our existing contracts is a proof that our quality performance is duly recognized by our clients. We have 10 contracts successfully extended during the six months ended 30 September 2018.

## FINANCIAL REVIEW

	Six months ended 30 September 2018 HK\$'000	Six months ended 30 September 2017 HK\$'000	Change HK\$'000	%
Revenue	<b>352,525</b>	327,066	25,459	8%
Other income and gains, net	<b>925</b>	295	630	214%
Employee benefits expenses	<b>(281,834)</b>	(266,353)	(15,481)	6%
Subcontracting costs	<b>(33,242)</b>	(30,742)	(2,500)	8%
Other operating expenses	<b>(18,475)</b>	(19,342)	867	-4%
Listing expenses	<b>(7,126)</b>	—	(7,126)	100%
Operating profit	<b>12,773</b>	10,924	1,849	17%
Finance costs, net	<b>(821)</b>	(925)	104	-11%
Profit before income tax	<b>11,952</b>	9,999	1,953	20%
Income tax expense	<b>(3,092)</b>	(2,195)	(897)	41%
Profit for the period	<b>8,860</b>	7,804	1,056	14%

During the six months ended 30 September 2018, the Group continued to record strong growth in its core businesses. Revenue increased by approximately 7.8% from approximately HK\$327.1 million for the six months ended 30 September 2017 to approximately HK\$352.5 million for the six months ended 30 September 2018. Such increase was primarily due to the increase in revenue generated from the provision of property management services and stand-alone security services, and was partially offset by the decrease in revenue generated from the provision of secondment services.

## MANAGEMENT DISCUSSION AND ANALYSIS

## Revenue

	Six months ended 30 September 2018	Six months ended 30 September 2017	Change
Property management services income	283,844	249,274	14%
Security services income	66,480	62,525	6%
Secondment services income	—	14,377	-100%
Others	2,201	890	147%
	<b>352,525</b>	327,066	8%

## Property management services

As reported under the section “Major Services Contracts Acquired/Renewed”, the Group continues to increase its portfolio through securing new contracts and renewing existing contracts. For its property management services, revenue increased by approximately 13.8% from approximately HK\$249.3 million for the six months ended 30 September 2017 to approximately HK\$283.8 million for the six months ended 30 September 2018. Such increase was primarily due to (i) the increase in revenue of approximately HK\$17.9 million attributable to one new property management services contract obtained from the Hong Kong Housing Authority that commenced in the second half of FY2018; and (ii) the increase in revenue of approximately HK\$10.4 million attributable to two new property management services contracts obtained from private properties that commenced at the end of FY2018 and in the first half of FY2019 respectively.

## Stand-alone security services

Revenue increased by approximately 6.4% from approximately HK\$62.5 million for the six months ended 30 September 2017 to approximately HK\$66.5 million for the six months ended 30 September 2018. Such increase was primarily due to the upward price adjustment on our services to some public properties under the adjustment mechanism.

## Secondment services

Revenue amounted to approximately HK\$14.4 million for the six months ended 30 September 2017 and nil for the six months ended 30 September 2018. Such decrease was primarily attributable to the expiry of all secondment services contracts in FY2018.

## Other income and gains, net

Other income and gains, net increased by approximately 2.1 times from approximately HK\$0.3 million for the six months ended 30 September 2017 to approximately HK\$0.9 million for the six months ended 30 September 2018. Such increase was primarily due to the fair value gain on our investment property of approximately HK\$0.8 million.

## Employee benefits expenses

Employee benefits expenses continue to represent one of the major expenses. Such expenses increased by approximately 5.8% from approximately HK\$266.4 million for the six months ended 30 September 2017 to approximately HK\$281.8 million for the six months ended 30 September 2018. Such increase was primarily due to (i) increased number of staff hired in 2018 to accommodate new contracts awarded and as a result of the business growth of the Group; and (ii) a general increase in the average salary of our staff.





## MANAGEMENT DISCUSSION AND ANALYSIS

### Subcontracting costs

Subcontracting costs increased by approximately 8.1% from approximately HK\$30.7 million for the six months ended 30 September 2017 to approximately HK\$33.2 million for the six months ended 30 September 2018. Such increase was primarily due to (i) the increase in cleaning subcontracting fee from approximately HK\$22.7 million for the six months ended 30 September 2017 to approximately HK\$23.9 million for the six months ended 30 September 2018 as a result of upward price adjustments for four subcontracting cleaning services contracts; and (ii) the increase in other subcontracting fee from approximately HK\$8.1 million for the six months ended 30 September 2017 to approximately HK\$9.3 million for the six months ended 30 September 2018 which was in line with the increase in window inspection income for the six months ended 30 September 2018.

### Other operating expenses

Other operating expenses accounted for approximately 5.9% and 5.2% of our total revenue for the six months ended 30 September 2017 and 30 September 2018 respectively. There are no significant change in the cost control policy of the Group and the other operating expenses remained relatively stable.

### Operating profit and operating profit margin

As a result of the foregoing, operating profit increased by approximately 17.4% from approximately HK\$10.9 million for the six months ended 30 September 2017 to approximately HK\$12.8 million for the six months ended 30 September 2018. Despite the keen competition and rising costs, the Group successfully maintained a stable operating profit margin amounted to approximately 3.3% for the six months ended 30 September 2017 and approximately 3.6% for the six months ended 30 September 2018.

### Finance costs, net

Finance costs, net was approximately HK\$0.8 million for the six months ended 30 September 2018 and remained stable as compared with that of approximately HK\$0.9 million for the six months ended 30 September 2017.

## CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The shares of the Company were successfully listed on Main Board of the Stock Exchange on 11 December 2018. There has been no change in the capital structure of the Group since then. The capital of the Company only comprises of ordinary shares.

The Group finances its liquidity and capital requirements primarily through cash generated from operations, bank borrowings and equity contribution from shareholders.

Cash and cash equivalents were cash and bank balances deducted by bank overdrafts balances. As at 30 September 2018, the Group had cash and cash equivalents of approximately HK\$17.5 million (31 March 2018: approximately HK\$33.8 million), which were comprised of cash and bank balances of approximately HK\$34.6 million (31 March 2018: approximately HK\$34.1 million) and bank overdrafts of approximately HK\$17.1 million (31 March 2018: approximately HK\$0.3 million).

Our gearing ratio, which is calculated by total borrowings divided by total equity, was approximately 35% and 31% as at 30 September 2018 and 31 March 2018 respectively. During the period of six months ended 30 September 2018, we have increased our bank borrowings by approximately HK\$8.8 million. The gearing remained low due to our low level of bank borrowings as well as the increase in our equity contributed by our profitable operations.

## MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth a summary of our cash flows for the periods indicated:

	<b>Six months ended 30 September 2018 HK\$'000 (Unaudited)</b>	Six months ended 30 September 2017 HK\$'000 (Unaudited)
Net cash flows generated from operating activities	<b>1,843</b>	2,008
Net cash flows generated from/(used in) investing activities	<b>820</b>	(17,195)
Net cash flows used in financing activities	<b>(18,955)</b>	(2,647)
Net decrease in cash and cash equivalents	<b>(16,292)</b>	(17,834)
Cash and cash equivalents at beginning of period	<b>33,808</b>	43,299
Cash and cash equivalents at end of the period	<b>17,516</b>	25,465

## FOREIGN CURRENCY RISK

The Group has no significant exposure to foreign currency risk because almost all of the Group's transactions are denominated in Hong Kong Dollar (HKD). The Group has not maintained any hedging policy against the foreign currency risk. The management will consider hedging significant currency exposure should the need arise.

## CHARGES ON ASSETS

As at 30 September 2018, certain insurance policies, property, plant and equipment, bank deposits of the Group with net book value of approximately HK\$47.3 million (31 March 2018: HK\$37.7 million) were pledged to banks to secure credit facilities granted.

## SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this interim report, there was no significant investment held, material acquisition and disposal of subsidiaries and associates by the Group during the six months ended 30 September 2018. Save as disclosed in the Prospectus, there was no future plan for material investments or capital assets by the Group.

## CONTINGENT LIABILITY

As at 30 September 2018, the Company did not have any significant contingent liabilities.



## MANAGEMENT DISCUSSION AND ANALYSIS

### SIGNIFICANT LITIGATION

On 23 November 2017, Creative Property as plaintiff commenced a legal action in the High Court of Hong Kong against the incorporated owners of a private housing estate in Hong Kong (the "Defendant") for its failure in paying our invoices in a total sum of approximately HK\$6.0 million. On 18 January 2018, the Defendant filed its defence and counterclaim without particularising the loss and damages they alleged to suffer.

As at the date of this interim report, a case management conference for the said ongoing material litigation has been fixed on 20 February 2019.

After consulting our legal counsel, our Directors are of the view that Creative Property has a strong case in claiming for the outstanding service fees in a total sum of approximately HK\$6.0 million against the Defendant. Further, after consulting our legal counsel, based on the provisions in the professional liability insurance taken out by Creative Property and the insurer's confirmation letter, our Directors are of the view that the counterclaim will be covered by the said professional liability insurance.

Save as disclosed above, no member of the Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

### EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2018, the Group employed a total workforce of approximately 4,100 staff members.

Apart from basic salaries, discretionary bonus and contribution to retirement benefits schemes, share options may also be granted to staff with reference to the individual's performance. Moreover, the Group also provides internal and external training to its staff to enable them to achieve self-improvement and to enhance their job related skills.

## MANAGEMENT DISCUSSION AND ANALYSIS

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

So far as is known to the Directors, as at the date of this interim report, the following persons/entities had an interest or a short position in the shares or the underlying shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or as recorded in the register of the Company required to be kept under Section 336 of the SFO as follows:

## Long position in ordinary shares of our Company

Name of shareholder	Capacity and nature of interest	Number of Shares	As at the date of this interim report
			Approximate percentage of shareholding in the Company
GGL (Note 1)	Beneficial owner	267,562,500	53.51%
Mr. Lee Siu Wah Albert	Interest of a controlled corporation	267,562,500	53.51%
Ms. Chiu Yuet Ying Jennifer (Note 2)	Interest of spouse	267,562,500	53.51%
Mr. Poon Kin Leung	Interest of a controlled corporation	267,562,500	53.51%
Ms. Poon Tang Hou Chi (Note 3)	Interest of spouse	267,562,500	53.51%
Mr. Wu Ka Chai	Interest of a controlled corporation	267,562,500	53.51%
Ms. Chiu Shuk Yi Lydia (Note 4)	Interest of spouse	267,562,500	53.51%
Mr. Lai Wai Man	Interest of a controlled corporation	267,562,500	53.51%
Ms. Wong Pui Yan (Note 5)	Interest of spouse	267,562,500	53.51%
Mr. Wong Wai Hung	Interest of a controlled corporation	267,562,500	53.51%
Ms. Lai Kam Ho Rose (Note 6)	Interest of spouse	267,562,500	53.51%
Mr. Ho lo Tong	Interest of a controlled corporation	267,562,500	53.51%
Ms. Cheng Shun Wa Esther (Note 7)	Interest of spouse	267,562,500	53.51%
Mr. Lam Siu Hung Christopher	Interest of a controlled corporation	267,562,500	53.51%
Ms. Kwok Kuen (Note 8)	Interest of spouse	267,562,500	53.51%
Mr. Tang Kin Sing	Interest of a controlled corporation	267,562,500	53.51%
Ms. Ma Wai Kwan (Note 9)	Interest of spouse	267,562,500	53.51%
Mr. Wong King Cheung	Interest of a controlled corporation	267,562,500	53.51%
Ms. Lam Siu Fong (Note 10)	Interest of spouse	267,562,500	53.51%
Mr. Poon Sing Chit	Interest of a controlled corporation	267,562,500	53.51%
Ms. Chan Miu Hung (Note 11)	Interest of spouse	267,562,500	53.51%
Ms. So Yee Nga Eva	Beneficial owner	32,812,500	6.56%

Notes:

- The issued shares of GGL are owned as to approximately 17.17%, 16.26%, 14.02%, 11.21%, 10.51%, 7.00%, 7.00%, 6.31%, 5.61% and 4.91% by Mr. Lee Siu Wah Albert, Mr. Poon Kin Leung, Mr. Wu Ka Chai, Mr. Lai Wai Man, Mr. Wong Wai Hung, Mr. Ho lo Tong, Mr. Lam Siu Hung Christopher, Mr. Tang Kin Sing, Mr. Wong King Cheung and Mr. Poon Sing Chit respectively. Pursuant to the Acting in Concert Confirmation, each of the said persons confirm their acting-in-concert agreement. Under the SFO, each of Mr. Lee Siu Wah Albert, Mr. Poon Kin Leung, Mr. Wu Ka Chai, Mr. Lai Wai Man, Mr. Wong Wai Hung, Mr. Ho lo Tong, Mr. Lam Siu Hung Christopher, Mr. Tang Kin Sing, Mr. Wong King Cheung and Mr. Poon Sing Chit is taken to be interested in the Shares beneficially owned by GGL.



MANAGEMENT DISCUSSION AND ANALYSIS

2. Ms. Chiu Yuet Ying Jennifer is the spouse of Mr. Lee Siu Wah Albert. Under the SFO, she is taken to be interested in the Shares in which Mr. Lee Siu Wah Albert is interested.
3. Ms. Poon Tang Hou Chi is the spouse of Mr. Poon Kin Leung. Under the SFO, she is taken to be interested in the Shares in which Mr. Poon Kin Leung is interested.
4. Ms. Chiu Shuk Yi Lydia is the spouse of Mr. Wu Ka Chai. Under the SFO, she is taken to be interested in the Shares in which Mr. Wu Ka Chai is interested.
5. Ms. Wong Pui Yan is the spouse of Mr. Lai Wai Man. Under the SFO, she is taken to be interested in the Shares in which Mr. Lai Wai Man is interested.
6. Ms. Lai Kam Ho Rose is the spouse of Mr. Wong Wai Hung. Under the SFO, she is taken to be interested in the Shares in which Mr. Wong Wai Hung is interested.
7. Ms. Cheng Shun Wa Esther is the spouse of Mr. Ho Io Tong. Under the SFO, she is taken to be interested in the Shares in which Mr. Ho Io Tong is interested.
8. Ms. Kwok Kuen is the spouse of Mr. Lam Siu Hung Christopher. Under the SFO, she is taken to be interested in the Shares in which Mr. Lam Siu Hung Christopher is interested.
9. Ms. Ma Wai Kwan is the spouse of Mr. Tang Kin Sing. Under the SFO, she is taken to be interested in the Shares in which Mr. Tang Kin Sing is interested.
10. Ms. Lam Siu Fong is the spouse of Mr. Wong King Cheung. Under the SFO, she is taken to be interested in the Shares in which Mr. Wong King Cheung is interested.
11. Ms. Chan Miu Hung is the spouse of Mr. Poon Sing Chit. Under the SFO, she is taken to be interested in the Shares in which Mr. Poon Sing Chit is interested.

Save as disclosed above and so far as is known to the Directors, as at the date of this interim report, no other interests or short positions in the shares or underlying shares of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or were recorded in the register required to be kept by the Company under section 336 of the SFO.

## MANAGEMENT DISCUSSION AND ANALYSIS

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

As at the date of this interim report, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO), or as recorded in the register maintained by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to the Listing Rules were as follows:

Name of Director	Nature of interest/Capacity	As at the date of this interim report	
		Number of shares held (L) <sup>(Note 1)</sup>	Approximate percentage of shareholding
Mr. Lee Siu Wah Albert	Interest of a controlled corporation <sup>(Note 2)</sup>	267,562,500	53.51%
Mr. Poon Kin Leung	Interest of a controlled corporation <sup>(Note 2)</sup>	267,562,500	53.51%
Mr. Wu Ka Chai	Interest of a controlled corporation <sup>(Note 2)</sup>	267,562,500	53.51%
Mr. Lai Wai Man	Interest of a controlled corporation <sup>(Note 2)</sup>	267,562,500	53.51%
Mr. Lam Siu Hung Christopher	Interest of a controlled corporation <sup>(Note 2)</sup>	267,562,500	53.51%
Mr. Wong King Cheung	Interest of a controlled corporation <sup>(Note 2)</sup>	267,562,500	53.51%

Notes:

- The letter "L" denotes long position in ordinary shares of our Company.
- The Company was directly owned as to 53.51% (being 267,562,500 Shares) by GGL. The issued shares of GGL are owned as to approximately 17.17%, 16.26%, 14.02%, 11.21%, 10.51%, 7.00%, 7.00%, 6.31%, 5.61% and 4.91% by Mr. Lee Siu Wah Albert, Mr. Poon Kin Leung, Mr. Wu Ka Chai, Mr. Lai Wai Man, Mr. Wong Wai Hung, Mr. Ho lo Tong, Mr. Lam Siu Hung Christopher, Mr. Tang Kin Sing, Mr. Wong King Cheung and Mr. Poon Sing Chit respectively. Pursuant to the Acting in Concert Confirmation, each of the said persons confirm their acting-in-concert agreement. Under the SFO, each of Mr. Lee Siu Wah Albert, Mr. Poon Kin Leung, Mr. Wu Ka Chai, Mr. Lai Wai Man, Mr. Wong Wai Hung, Mr. Ho lo Tong, Mr. Lam Siu Hung Christopher, Mr. Tang Kin Sing, Mr. Wong King Cheung and Mr. Poon Sing Chit is taken to be interested in the Shares beneficially owned by GGL.

Save as disclosed above, as at the date of this interim report, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to the Listing Rules, to be notified to the Company and the Stock Exchange.



## MANAGEMENT DISCUSSION AND ANALYSIS

### SHARE OPTION SCHEME

A share option scheme was conditionally adopted on 15 November 2018 (the "Share Option Scheme"), which became effective on the Listing Date. The Share Option Scheme is a share incentive scheme and is established to reward the contributions that the eligible participants (as defined in the Prospectus) had or may have made to the Group. Subject to the terms and conditions of the Share Option Scheme, the maximum numbers of shares in respect of which options may be granted under the Share Option Scheme and any other schemes shall not, in aggregate, exceed 10% of the Shares in issue as at the Listing Date (i.e. 50,000,000 shares) unless approved by the shareholders of the Company. Subject to earlier termination by the Company in general meeting or by the Directors, the Share Option Scheme shall be valid and effective for a period of ten years from the date of adoption. No share option has been granted under the Share Option Scheme up to the date of this interim report.

### USE OF PROCEEDS FROM LISTING

On the Listing Date, our shares of the Company were listed on the Main Board of the Stock Exchange. The net proceeds from the Listing (after deducting the underwriting fees and other listing expenses borne by the Company) amounted to approximately HK\$99.4 million which will be used for the intended purposes as set out in the section headed "Future Plans and Use of Proceeds" of the Prospectus. As at the date of this interim report, the Company has not applied any of the net proceeds from the share offer.

### PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim report of the Company for the six months ended 30 September 2018 will be dispatched to the shareholders of the Company.

Should the shareholders of the Company have any difficulties in accessing the corporate communications electronically, please request the printed interim report, free of charge, at any time by writing to the Company or to Tricor Investor Services Limited, the Company's Hong Kong Share Registrar.

### DIVIDENDS

The Board does not recommend the payment of interim dividend by the Company for the six months ended 30 September 2018 (six months ended 30 September 2017: Nil).

A special dividend of approximately HK\$5.0 million was declared on 30 June 2018 and was paid by Creative Property to its then equity holders in August 2018.

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

As the shares of the Company were not yet listed on the Stock Exchange as at 30 September 2018, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2018.

## MANAGEMENT DISCUSSION AND ANALYSIS

### SECURITIES TRANSACTIONS BY THE DIRECTORS

As the shares of the Company were not yet listed on the Stock Exchange as at 30 September 2018, the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules (the "Model Code") was not applicable to the Company during the six months ended 30 September 2018. The Company has adopted the Model Code as the guidelines for the directors' dealings in the securities of the Company since the Listing Date. Specific enquiry has been made to each Director and all Directors have confirmed that they have complied with the applicable standards set out in the Model Code since the Listing Date.

### CORPORATE GOVERNANCE CODE

As the shares of the Company were not yet listed on the Stock Exchange as at 30 September 2018, the principles and code provisions of the Corporate Governance Code contained in Appendix 14 to the Listing Rules (the "CG Code") were not applicable to the Company during the six months ended 30 September 2018. The Company is committed to the principles of corporate governance and corporate responsibility consistent with prudent management. Since the Listing Date, the Company has been in full compliance with all applicable code provisions of the CG Code.

### CHANGES TO INFORMATION IN RESPECT OF THE DIRECTORS

Since the Listing Date, there was no change to the information required to be disclosed by the Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules where applicable.

### REVIEW OF INTERIM RESULTS

The independent auditor of the Company, namely, PricewaterhouseCoopers has carried out a review of the interim condensed financial information in accordance with the Hong Kong Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

The audit committee of the Company has jointly reviewed with the management and the independent auditors of the Company, the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the unaudited interim results for the six months ended 30 September 2018) of the Group. The audit committee considered that the interim results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

On behalf of the Board  
**Creative Enterprise Holdings Limited**  
**Poon Kin Leung**  
Chairman

Hong Kong, 24 December 2018

*As at the date of this report, the executive Directors are Mr. Poon Kin Leung, Mr. Lee Siu Wah Albert, Mr. Lam Siu Hung Christopher, Mr. Wong King Cheung, Mr. Lai Wai Man and Mr. Wu Ka Chai. The independent non-executive Directors are Mr. Wong Chung Kin Quentin, Mr. Tang Yiu Ming and Mr. Wong Si Yuen.*





# CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Note	<b>Unaudited Six months ended 30 September 2018 HK\$'000</b>	2017 HK\$'000
Revenue	6	<b>352,525</b>	327,066
Other income and gains, net	7	<b>925</b>	295
Employee benefits expenses	8	<b>(281,834)</b>	(266,353)
Subcontracting costs		<b>(33,242)</b>	(30,742)
Other operating expenses		<b>(18,475)</b>	(19,342)
Listing expenses		<b>(7,126)</b>	—
<b>Operating profit</b>		<b>12,773</b>	10,924
Finance income		<b>14</b>	7
Finance costs		<b>(835)</b>	(932)
Finance costs, net	9	<b>(821)</b>	(925)
Profit before income tax	10	<b>11,952</b>	9,999
Income tax expense	11	<b>(3,092)</b>	(2,195)
<b>Profit for the period</b>		<b>8,860</b>	7,804
<b>Profit is attributable to:</b>			
Owners of the Company		<b>8,860</b>	7,807
Non-controlling interests		<b>—</b>	(3)
		<b>8,860</b>	7,804
<b>Earnings per share (HK cents)</b>	12	<b>2.36</b>	2.08
<b>Other comprehensive loss:</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of employee benefit obligations		<b>(908)</b>	—
Other comprehensive loss for the period, net of tax		<b>(908)</b>	—
<b>Total comprehensive income for the period</b>		<b>7,952</b>	7,804
<b>Total comprehensive income/(loss) is attributable to:</b>			
Owners of the Company		<b>7,952</b>	7,807
Non-controlling interests		<b>—</b>	(3)
		<b>7,952</b>	7,804

CONDENSED CONSOLIDATED INTERIM STATEMENT OF  
FINANCIAL POSITION

	Note	Unaudited 30 September 2018 HK\$'000	31 March 2018 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		22,056	22,478
Investment properties	13	—	8,200
Investment in insurance contracts	14	23,946	21,397
Trade and other receivables	15	2,197	1,998
Deferred tax assets		12	—
		48,211	54,073
<b>Current assets</b>			
Trade and other receivables	15	162,424	152,490
Amounts due from related parties	21	1	78
Pledged bank deposits	16	19,064	9,551
Cash and bank balances		34,583	34,098
		216,072	196,217
<b>Total assets</b>		<b>264,283</b>	250,290
<b>EQUITY</b>			
Share capital	17	100	—
Reserves		142,689	139,837
Equity attributable to owners of the Company		142,789	139,837
Non-controlling interests		—	—
<b>Total equity</b>		<b>142,789</b>	139,837
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	19	544	443
Long service payment liabilities		10,452	9,157
Deferred tax liabilities		—	121
		10,996	9,721



## CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	<b>Unaudited 30 September 2018 HK\$'000</b>	31 March 2018 HK\$'000
<b>Current liabilities</b>			
Trade and other payables	18	<b>56,009</b>	55,248
Borrowings	19	<b>49,598</b>	40,867
Loan from a related party		—	1,800
Taxation payable		<b>4,845</b>	2,575
Amount due to related parties	21	<b>46</b>	242
		<b>110,498</b>	100,732
Total liabilities		<b>121,494</b>	110,453
Total equity and liabilities		<b>264,283</b>	250,290

CONDENSED CONSOLIDATED INTERIM STATEMENT OF  
CHANGES IN EQUITY

	Attributable to the equity holder of the Company						
	Share capital HK\$'000	Capital reserve HK\$'000	Retained earnings HK\$'000	Property Revaluation reserve HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$
<b>Balance as at 31 March 2018</b>	—	100	139,061	676	139,837	—	139,837
Profit for the period	—	—	8,860	—	8,860	—	8,860
Other comprehensive income: Remeasurements of employee benefit obligations	—	—	(908)	—	(908)	—	(908)
Total comprehensive income	—	—	7,952	—	7,952	—	7,952
Transfer of property revaluation reserve on disposal of an investment property	—	—	676	(676)	—	—	—
Issuance of share capital (Note 17)	100	(100)	—	—	—	—	—
Dividend declared	—	—	(5,000)	—	(5,000)	—	(5,000)
<b>Balances at 30 September 2018 (unaudited)</b>	100	—	142,689	—	142,789	—	142,789



CONDENSED CONSOLIDATED INTERIM STATEMENT OF  
CHANGES IN EQUITY

	Attributable to the equity holder of the Company							Non-controlling interests	Total equity
	Share capital	Capital reserve	Retained earnings	Property Revaluation reserve	Financial assets at fair value through other comprehensive income revaluation reserve	Sub-total			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$	
<b>Balance as at 31 March 2017</b>	—	100	110,753	676	(240)	111,289	745	112,034	
Profit for the period	—	—	7,807	—	—	7,807	(3)	7,804	
Total comprehensive income	—	—	7,807	—	—	7,807	(3)	7,804	
Dividend declared	—	—	(2,000)	—	—	(2,000)	—	(2,000)	
<b>Balances at 30 September 2017 (unaudited)</b>	—	100	116,560	676	(240)	117,096	742	117,838	

CONDENSED CONSOLIDATED INTERIM STATEMENT OF  
CASH FLOWS

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2018</b>	2017
	<b>HK\$'000</b>	HK\$'000
<b>Cash flows from operating activities</b>		
Net cash generated from operations	2,798	2,008
Hong Kong profits tax paid	(955)	—
<b>Net cash generated from operating activities</b>	<b>1,843</b>	2,008
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(276)	(136)
Proceeds from disposal of property, plant and equipment	4,177	—
Proceeds from disposal of an investment property	9,000	—
Increase in pledged deposits	(9,499)	—
Deposit paid for insurance contracts	(2,582)	(17,059)
Acquisition of additional interests in a non-wholly owned subsidiary	(860)	—
<b>Net cash generated from/(used in) investing activities</b>	<b>(40)</b>	(17,195)
<b>Cash flows from financing activities</b>		
Drawdown of bank borrowings	93,854	53,753
Repayment of bank borrowings	(101,878)	(50,715)
Repayment of finance lease liabilities	(238)	(403)
Drawdown of loans from shareholders	—	49,300
Repayment of loans from shareholders	—	(51,650)
Repayment of loan from a related party	(1,800)	—
Interest paid	(835)	(932)
Advance from related parties	77	—
Advance to related parties	(196)	—
Dividend paid	(5,000)	(2,000)
Prepayment of listing expenses	(2,079)	—
<b>Net cash used in financing activities</b>	<b>(18,095)</b>	(2,647)
Net decrease in cash and cash equivalents	(16,292)	(17,834)
<b>Cash and cash equivalents at beginning of the period</b>	<b>33,808</b>	43,299
<b>Cash and cash equivalents at end of the period</b>	<b>17,516</b>	25,465



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 16 May 2018 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of property management and related services in Hong Kong.

This unaudited condensed consolidated interim financial information is presented in thousands of Hong Kong dollars (HK\$), unless otherwise stated, and was approved for issue by the Board on 24 December 2018.

## 2 REORGANISATION

In preparation for the listing of the shares of the Company on the Main Board of the Stock Exchange of Hong Kong Limited, the Company and other companies now comprising the Group have undergone a reorganisation (the "Reorganisation") pursuant to which companies engaged in the listing business were transferred to the Company.

Before the Reorganisation, the listing business was mainly carried out by Creative Property Services Consultants Limited ("Creative Property"), which was directly owned by 10 shareholders (the "10 Shareholders") with total shareholding of 71.35% and another 33 shareholders (the "33 Shareholders") with total shareholding of 28.65% (the 10 Shareholders and the 33 Shareholders are collectively referred as to the "Shareholders"). Upon the completion of the Reorganisation, Creative Property is a wholly owned subsidiary of the Company. The Company is directly owned by Genesis Group Limited ("GGL"), which was directly owned by the 10 Shareholders, with a shareholding of 71.35%, and the 33 Shareholders with total shareholding of 28.65%. Details are as follows:

- (a) Upon incorporation of the Company on 16 May 2018, 1 subscriber share was allotted, issued and transferred to Genesis Group Limited ("GGL"). On the same date, the Company further allotted and issued 713,499 and 286,500 nil-paid shares to GGL and the 33 Shareholders of Creative Property based on their relative shareholdings.
- (b) On 17 May 2018, Creative (International) Limited ("CIL") was incorporated in the British Virgin Islands. On the same date, 100 shares were allotted and issued to the Company. Since then, CIL is a direct wholly owned subsidiary of the Company.
- (c) On 27 September 2018, CIL acquired 100% equity interest in Creative Property at a consideration of issuing and allotting 9,000,000 shares of the Company to the Shareholders. Since then, Creative Property is an indirect wholly owned subsidiary of the Company.

Subsequent to 30 September 2018, on 11 December 2018, a sum standing to the credit of the share premium account (being credited from the proceeds of the share offer) of the Company was capitalised and applied to paying up in full 365,000,000 shares allotted and issued to all the then existing Shareholders in proportion to their then shareholdings in the Company ("Capitalisation Issue").

On the same date and upon listing of the Company, the issue and allotment of 125,000,000 shares in the company (being 25% of the total issued share capital of the Company) for subscription by the public in Hong Kong and placing to professional, institutional and individual investors under the share offer (the "Share Offer") became unconditional.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 3 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial information for the six months ended 30 September 2018 has been prepared in accordance with HKAS 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants. The condensed consolidated interim financial information should be read in conjunction with the Company's combined financial statements for the year ended 31 March 2018 and period ended 30 June 2018, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA, as set out in the Prospectus.

Pursuant to the Reorganisation as set out in the Prospectus, which was completed on 27 September 2018, the Company became the holding company of its subsidiaries now comprising the Group. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 11 December 2018. The condensed consolidated interim financial information of the Group have been prepared as if the Group had always been in existence throughout both years presented, or since the respective dates of incorporation or establishment of the group companies, rather than from the date when the Company became the holding company pursuant to the Reorganisation.

The accounting policies applied are consistent with the accountant's report included in the Prospectus, as described in those historical financial information.

### 4 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: credit risk, interest rate risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group does not use financial derivative to hedge its financial risk exposures.

Management regularly manages the financial risks of the Group. Because of the simplicity of the financial structure and the current operations of the Group, no hedging activities are undertaken by management.

The Group adopts prudent liquidity risk management which includes maintaining sufficient bank balances and cash, and having available funding through an adequate amount of committed credit facilities. Cash flow forecast is performed at Group level taking into account the Group's history of refinancing, its available banking facilities and its assets backing. Corporate finance team monitors forecasts of the Group's liquidity requirements to ensure the Group has sufficient cash to operate and meet its liabilities as and when they fall due.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the accountant's report included in the Prospectus.

### 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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 expenses. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgments 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 accountant's report included in the Prospectus.





## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 6 REVENUE

Revenue represents income from (i) property management services; (ii) security services; (iii) secondment services; (iv) other services such as cleansing services and window inspection services. An analysis of the Group's revenue is as follows:

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2018</b>	2017
	<b>HK\$'000</b>	HK\$'000
Property management services income	<b>283,844</b>	249,274
Security services income	<b>66,480</b>	62,525
Secondment services income	—	14,377
Others	<b>2,201</b>	890
	<b>352,525</b>	327,066

The executive directors have been identified as the chief operating decision-makers ("CODM") of the Group who review the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The CODM assesses the performance based on a measure of operating profit.

The Group is engaged in the provision of property management service in Hong Kong. Since the CODM considers all business is included in a single operating segment and the operation of provision of property management services is attributable to all of the Group's revenue, and all of the results and assets, no operating segment analysis is presented accordingly.

The Group's revenue is derived from customers in Hong Kong. All the assets of the Group are also located in Hong Kong. Accordingly, no analysis by geographical information is provided.

All of the Group's revenue are recognised over time.

### 7 OTHER INCOME AND GAINS, NET

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2018</b>	2017
	<b>HK\$'000</b>	HK\$'000
(Loss)/gain on disposal of property, plant and equipment	<b>(23)</b>	69
Rental income	—	101
Fair value gain on an investment property	<b>800</b>	100
Others	<b>148</b>	25
	<b>925</b>	295

NOTES TO THE CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION

## 8 EMPLOYEE BENEFITS EXPENSES

	Unaudited Six months ended 30 September	
	2018 HK\$'000	2017 HK\$'000
Wages, salaries and other allowances (including directors' emoluments)	269,603	254,153
Pension costs — defined contribution plan	11,021	10,924
Accrual for unutilised annual leave	761	965
Provision for long service payment	449	311
	<b>281,834</b>	266,353

## 9 FINANCE COSTS, NET

	Unaudited Six months ended 30 September	
	2018 HK\$'000	2017 HK\$'000
Bank interest income	14	7
Interests on borrowings	(507)	(523)
Interests on finance lease liabilities	(27)	(31)
Interests on loans from shareholders	—	(378)
Guarantee fees to shareholders (Note 19(a))	(301)	—
	<b>(835)</b>	(932)
	<b>(821)</b>	(925)



NOTES TO THE CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION**10 PROFIT BEFORE INCOME TAX**

Profit before income tax is arrived at after charging/(crediting):

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2018</b>	2017
	<b>HK\$'000</b>	HK\$'000
Employee benefit expenses	<b>281,834</b>	266,353
Depreciation of property, plant and equipment	<b>905</b>	1,002
Operating lease rentals for premises	<b>112</b>	53
Provision for impairment of trade receivables	<b>(7)</b>	(10)

**11 INCOME TAX EXPENSE**

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2018</b>	2017
	<b>HK\$'000</b>	HK\$'000
Current income tax	<b>3,225</b>	2,273
Deferred income tax	<b>(133)</b>	(78)
	<b>3,092</b>	2,195

**12 EARNINGS PER SHARE**

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2018</b>	2017
Profit for the period (HK\$'000)	<b>8,860</b>	7,807
Number of ordinary shares for the purpose of basic earnings per share (thousand share)	<b>375,000</b>	375,000
Earnings per share (HK cents)	<b>2.36</b>	2.08

After the completion of Reorganisation and Capitalisation Issue as set out in Note 2, the total number of ordinary shares in issue was 375,000,000. In determining the numbers of ordinary shares in issue for the period ended 30 September 2018 and 30 September 2017, a total of 375,000,000 ordinary shares were deemed in issue since 1 April 2017.

No diluted earnings per share was presented as there was no potential dilutive potential shares outstanding during the above respective periods.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION**13 INVESTMENT PROPERTIES**

In June 2018, the Group entered into a sale and purchase agreement to dispose of an investment property for a consideration of HK\$9,000,000. The disposal was completed in July 2018.

**14 INVESTMENT IN INSURANCE CONTRACTS**

Investment in insurance contracts represent life insurance policies for key management staff (the "Insurance Policies"). The Group is the beneficiary of the Insurance Policies. As at 30 September 2018 and 31 March 2018, the Insurance Policies of approximately HK\$12,172,000 and HK\$11,954,000 were pledged to a bank to secure banking facilities of the Group, which include performance bonds and loan facilities granted to the Group as set out in Note 19(a) to the condensed consolidated interim financial information.

**15 TRADE AND OTHER RECEIVABLES**

	<b>Unaudited 30 September 2018 HK\$'000</b>	31 March 2018 HK\$'000
Non-current: Retention money receivables	<b>2,197</b>	1,998
Current: Trade and unbilled receivables Less: allowance for impairment	<b>151,557 (1,013)</b>	138,655 (1,020)
Trade and unbilled receivables — net (Note)	<b>150,544</b>	137,635
Reimbursement receivables Less: allowance for impairment	<b>6,665 (406)</b>	8,703 (406)
Reimbursement receivables — net	<b>6,259</b>	8,297
Utilities deposits Prepaid insurance Prepayment Other receivables	<b>529 1,418 3,646 28</b>	348 764 1,189 4,257
Total prepayments, deposits and other receivables	<b>11,880</b>	14,855
	<b>162,424</b>	152,490
Total trade and other receivables	<b>164,621</b>	154,488

Note: The trade receivables are generally on credit terms ranging from 14 to 60 days.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 15 TRADE AND OTHER RECEIVABLES (Continued)

The following is an aging analysis of trade and unbilled receivables, presented based on the invoice date at the end of the reporting period:

	<b>Unaudited 30 September 2018 HK\$'000</b>	31 March 2018 HK\$'000
Unbilled (Note)	<b>18,265</b>	17,387
Trade receivables:		
0 to 30 days	<b>52,984</b>	53,418
31 to 90 days	<b>64,122</b>	54,508
91 to 180 days	<b>8,010</b>	4,352
Over 180 days	<b>8,176</b>	8,990
	<b>133,292</b>	121,268
Total trade and unbilled receivables	<b>151,557</b>	138,655

Note: Unbilled receivables include the project management fees to be billed for completed project management services for maintenance works under property management service contracts. Billings to customers will normally be issued when the contractors for the maintenance work submit their final billings. These balances are reviewed regularly by management. No allowance for impairment of unbilled receivables is considered necessary by the directors with reference to the historical experience in collection of these balances once billed and the financial capability of the customer.

### 16 PLEDGED BANK DEPOSITS

Pledged bank deposits represent deposits pledged to a bank to secure banking facilities of the Group, which include performance bonds and loan facilities granted to the Group as set out in Note 19(a) to the condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION**17 SHARE CAPITAL**

The Company is incorporated in the Cayman Islands on 16 May 2018. Details of Reorganisation was set out in Note 2 to the condensed consolidated interim financial information.

The movement of share capital is as follows:

	Number of shares '000	Share capital HK\$'000
Authorised shares:		
At 16 May 2018 (date of incorporation) and 30 September 2018	<b>10,000</b>	<b>100</b>
Issue and fully paid:		
At 16 May 2018 (date of incorporation)	—	—
Issuance of share capital, ordinary shares of HK\$0.01 each (Note 2(a), 2(c))	10,000	100
At 30 September 2018	<b>10,000</b>	<b>100</b>

**18 TRADE AND OTHER PAYABLES**

	Unaudited 30 September 2018 HK\$'000	31 March 2018 HK\$'000
Trade payables	<b>10,101</b>	12,036
Provision for unutilised annual leave	<b>8,683</b>	7,922
Accrued wages, salaries and pensions	<b>33,740</b>	31,510
Other accrued expenses and deposits received	<b>3,485</b>	3,780
Total other payables	<b>45,908</b>	43,212
	<b>56,009</b>	55,248



NOTES TO THE CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION**18 TRADE AND OTHER PAYABLES** (Continued)

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

	<b>Unaudited 30 September 2018 HK\$'000</b>	31 March 2018 HK\$'000
0 to 90 days	<b>10,051</b>	11,562
91 to 180 days	<b>50</b>	474
	<b>10,101</b>	12,036

**19 BORROWINGS**

	<b>Unaudited 30 September 2018 HK\$'000</b>	31 March 2018 HK\$'000
<b>Non-current</b>		
Finance lease liabilities	<b>544</b>	443
<b>Current</b>		
Bank borrowings	<b>49,297</b>	40,544
Finance lease liabilities	<b>301</b>	323
	<b>49,598</b>	40,867
Total borrowings	<b>50,142</b>	41,310

NOTES TO THE CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION**19 BORROWINGS** (Continued)**(a) Bank borrowings**

	<b>Unaudited 30 September 2018 HK\$'000</b>	31 March 2018 HK\$'000
<b>Current:</b>		
Bank overdrafts	<b>17,067</b>	290
Bank loans due for repayment within one year	<b>22,109</b>	26,623
Bank loans due for repayment after one year which contain a repayment on demand clause	<b>10,121</b>	13,631
<b>Total bank borrowings</b>	<b>49,297</b>	40,544

The fair value of the borrowings approximates their carrying amounts, as their interest rates are considered current market rates. As at 30 September 2018 and 31 March 2018, the bank borrowings are denominated in HK\$.

As at 30 September 2018, the bank borrowings bear interest at floating rates and the effective interest rates of 2.25%–4.50% (31 March 2018: 2.25%–3.99%).

The bank borrowings of the Group are secured by the Group's leasehold land and building of HK\$16,033,000 (31 March 2018: HK\$16,206,000), pledged bank deposits (Note 16), unlimited personal guarantee executed by certain directors and shareholders of the Group, investment properties of HK\$Nil (31 March 2018: HK\$8,200,000) and investment in insurance contracts (Note 14).

**(b) Finance lease liabilities**

	<b>Unaudited 30 September 2018 HK\$'000</b>	31 March 2018 HK\$'000
Gross finance lease liabilities — minimum lease payments		
— No later than 1 year	<b>330</b>	347
— Later than 1 year and no later than 5 years	<b>572</b>	469
	<b>902</b>	816
Future finance charges on finance leases	<b>(57)</b>	(50)
<b>Present value of finance lease liabilities</b>	<b>845</b>	766





NOTES TO THE CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION**19 BORROWINGS** (Continued)**(b) Finance lease liabilities** (Continued)

	<b>Unaudited</b> <b>30 September</b> <b>2018</b> <b>HK\$'000</b>	31 March 2018 HK\$'000
The present value of finance lease liabilities is as follows:		
— No later than 1 year	<b>544</b>	323
— Later than 1 year and no later than 5 years	<b>301</b>	443
	<b>845</b>	766

The finance lease liabilities were secured by certain motor vehicles of HK\$1,271,000 (31 March 2018: HK\$1,282,000).

**20 OPERATING LEASE COMMITMENTS**

The future aggregate minimum lease rental expenses under non-cancellable operating leases payable are as follows:

	<b>Unaudited</b> <b>30 September</b> <b>2018</b> <b>HK\$'000</b>	31 March 2018 HK\$'000
Within one year	<b>192</b>	192
Later than one year but not later than five years	<b>64</b>	160
	<b>256</b>	352

NOTES TO THE CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION**21 RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, to joint control over the party or exercise significant influence over the other party in making financial and operation decisions, or vice versa. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

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

<b>Name of the related party</b>	<b>Relationship with the Group</b>
Power Development (International) Limited ("Power Development")	Common director and shareholder
Mr. Tsang Sai Keung ("Mr. Tsang")	Shareholder of the Company
Ms. So Yee Nga, Eva ("Ms. So")	Shareholder of the Company
Mr. Lai Wai Man ("Mr. Lai")	Director and shareholder of the Company
Mr. Wu Ka Chai ("Mr. Wu")	Director and shareholder of the Company

**(b) Transactions with related parties**

In addition to the transactions detailed elsewhere in the condensed consolidated interim financial information, the Group had the following material transaction with related parties during the period:

	<b>Unaudited Six months ended 30 September</b>	
	<b>2018 HK\$'000</b>	2017 HK\$'000
Guarantee fees to shareholders	<b>301</b>	—

Guarantee fees were paid to shareholders for their unlimited personal guarantee executed (Note 19(a)), and were charged based on terms mutually agreed between both parties.



NOTES TO THE CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION**21 RELATED PARTY TRANSACTIONS** (Continued)**(c) Balances with related parties**

The Group had the following balances with related parties:

	<b>Unaudited 30 September 2018 HK\$'000</b>	31 March 2018 HK\$'000
<b>Non-trade</b>		
Amount due from Power Development	—	74
Amount due from Mr. Tsang	—	2
Amount due from Ms. So	—	2
Amount due from Mr. Wu	<b>1</b>	—
	<b>1</b>	78

	<b>Unaudited 30 September 2018 HK\$'000</b>	31 March 2018 HK\$'000
<b>Non-trade</b>		
Amount due to Mr. Lai	—	242
Amount due to Ms. So	<b>46</b>	—
	<b>46</b>	242

The balances are interest-free, unsecured and receivable/payable on demand. The carrying amounts of the balances approximate their fair values and are denominated in HK\$.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION**21 RELATED PARTY TRANSACTIONS** (Continued)**(d) Prepaid directors' fees**

As at 30 September 2018, prepayment as set out in Note 15 includes directors' fees prepaid to its directors for their services render for the year ending 31 March 2019.

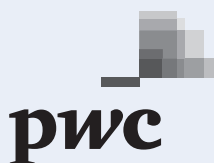
	<b>Unaudited 30 September 2018 HK\$'000</b>	31 March 2018 HK\$'000
Poon Kin Leung	<b>90</b>	—
Lee Siu Wah Albert	<b>72</b>	—
Lam Siu Hung Christopher	<b>54</b>	—
Wong King Cheung	<b>54</b>	—
Lai Wai Man	<b>54</b>	—
Wu Ka Chai	<b>54</b>	—
	<b>378</b>	—

**22 DIVIDENDS**

No dividends had been paid or declared by the Company for the six months ended 30 September 2018 (2017: Nil). Dividend declared during the period represents dividend declared by Creative Property before the completion of Reorganisation to its then shareholders.



# REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



羅兵咸永道

**To the Board of Directors of Creative Enterprise Holdings Limited**  
*(incorporated in the Cayman Islands with limited liability)*

## INTRODUCTION

We have reviewed the interim financial information set out on pages 16 to 35, which comprises the interim condensed consolidated statement of financial position of Creative Enterprise Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 September 2018 and the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



### OTHER MATTER

The comparative information for the interim condensed consolidated statement of financial position is based on the audited financial statements as at 31 March 2018. The comparative information for the interim condensed consolidated statements of comprehensive income, changes in equity and cash flows, and related explanatory notes, for the period ended 30 September 2017 has not been audited or reviewed.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 24 December 2018



## DEFINITIONS

In this interim report, the following expressions have the meanings set out below unless the context requires otherwise.

“Acting in Concert Confirmation”	the deed of acting in concert dated 5 November 2018 executed by Mr. Lee Siu Wah Albert, Mr. Poon Kin Leung, Mr. Wu Ka Chai, Mr. Lai Wai Man, Mr. Wong Wai Hung, Mr. Ho lo Tong, Mr. Lam Siu Hung Christopher, Mr. Tang Kin Sing, Mr. Wong King Cheung and Mr. Poon Sing Chit, in relation to their confirmation of the existence of certain acting in concert arrangements
“Board”	the board of Directors of the Company
“Company”	Creative Enterprise Holdings Limited (創毅控股有限公司), an exempted company incorporated in the Cayman Islands under the Companies Law with limited liability on 16 May 2018 and whose Shares are listed on the Stock Exchange
“Creative Property”	Creative Property Services Consultants Limited (創毅物業服務顧問有限公司), a company incorporated under the laws of Hong Kong on 1 September 2000 with limited liability and an indirect wholly owned subsidiary of our Company
“Director(s)”	the director(s) of the Company
“FY2017”	the financial year ended 31 March 2017
“FY2018”	the financial year ended 31 March 2018
“FY2019”	the financial year ended 31 March 2019
“GGL”	Genesis Group Limited, a company incorporated in the British Virgin Islands with limited liability on 3 May 2018
“Group”	the Company and its subsidiaries
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing”	listing of our Shares on the Stock Exchange
“Listing Date”	11 December 2018, being the date on which the Shares were listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Prospectus”	the prospectus issued by the Company on 29 November 2018 in connection with the Listing
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) with nominal value of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited