

Golden Ponder Holdings Limited 金倫控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1783



2020
INTERIM REPORT

CONTENTS

Corporate Information	2
Financial Highlights	4
Chairman’s Statement	5
Auditor’s Independent Review Report	6
– Condensed Consolidated Statement of Comprehensive Income	8
– Condensed Consolidated Statement of Financial Position	9
– Condensed Consolidated Statement of Changes in Equity	11
– Condensed Consolidated Statement of Cash Flows	12
– Notes to the Condensed Consolidated Interim Financial Statements	13
Management Discussion and Analysis	28
Corporate Governance and Other Information	36

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chan Kam Tong (*Chairman*)
Mr. Chan Kam Ming (*Chief Executive Officer*)

Independent Non-executive Directors

Mr. Hau Wing Shing Vincent
Mr. Szeto Cheong Mark
Mr. Wan Simon

AUDIT COMMITTEE

Mr. Szeto Cheong Mark (*Chairman*)
Mr. Hau Wing Shing Vincent
Mr. Wan Simon

REMUNERATION COMMITTEE

Mr. Wan Simon (*Chairman*)
Mr. Chan Kam Ming
Mr. Szeto Cheong Mark

NOMINATION COMMITTEE

Mr. Chan Kam Tong (*Chairman*)
Mr. Hau Wing Shing Vincent
Mr. Wan Simon

COMPANY SECRETARY

Mr. Wong Chi Chui

AUTHORISED REPRESENTATIVES

Mr. Chan Kam Tong
Mr. Chan Kam Ming

LEGAL ADVISER

As to Hong Kong law
Guantao & Chow Solicitors and Notaries
Suites 1801-03
18/F One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

AUDITOR

BDO Limited
Certified Public Accountants
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

HEADQUARTERS, HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Offices F & G, Floor 23, Maxgrand Plaza
No.3 Tai Yau Street
San Po Kong
Kowloon
Hong Kong

REGISTERED OFFICE

Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

CORPORATE INFORMATION

PRINCIPAL BANKERS

The Bank of East Asia, Limited

G/F, Kalok Building
720-722 Nathan Road
Mongkok
Kowloon
Hong Kong

The Hongkong and Shanghai Banking Corporation Limited

HSBC Main Building
1 Queen's Road Central
Central
Hong Kong

Bank of Communications Co., Ltd.

Hong Kong Branch
20 Pedder Street
Central
Hong Kong

Industrial and Commercial Bank of China (Asia) Limited

34/F, ICBC Tower
3 Garden Road
Central
Hong Kong

COMPANY'S WEBSITE

www.headfame.com.hk
(the content of which do not form part of this report)

STOCK CODE

1783

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

FINANCIAL HIGHLIGHTS

The Group recorded a revenue amounted to approximately HK\$84.6 million for the six months ended 30 September 2020, representing a decrease of approximately HK\$50.6 million or 37.4% compared with the six months ended 30 September 2019.

The gross profit for the six months ended 30 September 2020 was approximately HK\$1.6 million, representing a decrease of approximately 76.5% compared to approximately HK\$6.8 million for the six months ended 30 September 2019. The gross profit margin for the six months ended 30 September 2020 was approximately 1.9%.

The loss attributable to owners of the Company for the six months ended 30 September 2020 was approximately HK\$6.0 million (six months ended 30 September 2019: approximately HK\$2.3 million).

The basic and diluted loss per share for the six months ended 30 September 2020 was approximately HK0.75 cents whereas the basic and diluted loss per share was approximately HK0.28 cents for the corresponding period in 2019.

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2020 (six months ended 30 September 2019: nil).

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Director(s)") of Golden Ponder Holdings Limited (the "Company") and its subsidiaries (collectively the "Group"), I hereby present to you the unaudited condensed consolidated financial results of the Group for the six months ended 30 September 2020 together with the unaudited comparative figures for the corresponding period in 2019.

OVERVIEW

The Group principally provides superstructure building and repair, maintenance, alteration and addition ("RMAA") works services as a main contractor in Hong Kong.

Superstructure building works refer to the building works in relation to the parts of the structure above the ground level and the scope of the Group's superstructure building works contracts mostly consists of development projects for residential and commercial buildings. RMAA works refer to the repair, maintenance, alteration and addition works for an existing structure.

The Group's revenue for the six months ended 30 September 2020 amounted to approximately HK\$84.6 million, representing a decrease of approximately HK\$50.6 million, or 37.4% compared to approximately HK\$135.2 million for the six months ended 30 September 2019. The decrease in total revenue was mainly attributable to decrease from superstructure building work approximately HK\$32.3 million and RMAA works approximately HK\$18.3 million, respectively.

OUTLOOK

The global outbreak of the novel coronavirus ("COVID-19") epidemic in January 2020 has severely buffeted the Hong Kong's business and investment environment. The construction industry has become tough without exception. Coupled with the impact of the trade tension between mainland China and the United States, the investment in the construction industry has been dimming under the uncertain economic conditions. Therefore, it is estimated that the Group's profit and profit margin will be affected due to the significant reduction in the number of projects available for tender under the intense competition. Facing the uncertain economic outlook, the Group is still confident in maintaining the Group's construction business and competitiveness in the future. At the same time, the Group will continuously focus on its core businesses and continue to use its best endeavor and prudence to bid for new major suitable potential projects for sustainable growth. The Group is confident that with the future economic recovery, the construction business and market in Hong Kong will get on track step by step. In addition we are exploring the potential business developments of other construction sectors and investment opportunities to diversify the Company's risk profile and expand the profit base for the shareholders of the Company.

APPRECIATION

On behalf of the Board, I would like to express our gratitude to all the stakeholders, including but not limited to customers, suppliers, banks, business partners and shareholders of the Group for their continuous support. We would also like to thank our team of dedicated staff for their invaluable services and contributions throughout the period.

Chan Kam Tong
Chairman

Hong Kong, 25 November 2020

AUDITOR'S INDEPENDENT REVIEW REPORT



Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話 : +852 2218 8288
傳真 : +852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF GOLDEN PONDER HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated interim financial statements set out on pages 8 to 27 which comprise the condensed consolidated statement of financial position of Golden Ponder Holdings Limited and its subsidiaries (collectively referred to as the "Group") as of 30 September 2020 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and 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 "condensed consolidated interim financial statements"). 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" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the condensed consolidated interim financial statements in accordance with HKAS 34.

Our responsibility is to express a conclusion on the condensed consolidated interim financial statements based on our review. This report is made 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.

AUDITOR'S INDEPENDENT REVIEW REPORT

REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Cont'd)

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 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with HKAS 34.

BDO Limited

Certified Public Accountants

Tang Tak Wah

Practising Certificate Number P06262

Hong Kong, 25 November 2020

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2020

	Notes	Six months ended 30 September	
		2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Revenue	6	84,585	135,212
Cost of services		<u>(82,945)</u>	<u>(128,423)</u>
Gross profit		1,640	6,789
Other income, gains and losses	7	2,230	657
Administrative and other expenses		(9,866)	(9,626)
Finance costs	8	<u>(19)</u>	<u>(96)</u>
Loss before income tax expense	9	(6,015)	(2,276)
Income tax expense	10	<u>–</u>	<u>–</u>
Loss and total comprehensive expense for the period attributable to owners of the Company		<u>(6,015)</u>	<u>(2,276)</u>
		HK cents	HK cents
Loss per share, attributable to owners of the Company			
– Basic and diluted	12	<u>(0.75)</u>	<u>(0.28)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

		30 September 2020 HK\$'000 (Unaudited)	31 March 2020 HK\$'000 (Audited)
	Notes		
Non-current assets			
Property, plant and equipment	13	1,464	1,661
Right-of-use assets	13	1,062	1,641
Deposits	15	–	9,304
		<u>2,526</u>	<u>12,606</u>
Current assets			
Trade receivables	14	23,742	44,584
Deposits, prepayments and other receivables	15	40,522	40,795
Contract assets	6	49,811	75,247
Tax recoverable		4,116	2,729
Cash and cash equivalents		121,995	108,991
		<u>240,186</u>	<u>272,346</u>
Current liabilities			
Trade and retention money payables	16	58,052	84,377
Accruals and other payables		9,264	10,523
Contract liabilities	6	–	30
Lease liabilities		1,140	1,230
		<u>68,456</u>	<u>96,160</u>
Net current assets		<u>171,730</u>	<u>176,186</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

		30 September 2020 HK\$'000 (Unaudited)	31 March 2020 HK\$'000 (Audited)
Total assets less current liabilities		174,256	188,792
Non-current liabilities			
Lease liabilities		—	521
NET ASSETS		174,256	188,271
Capital and reserves			
Share capital	17	8,000	8,000
Reserves	17	166,256	180,271
TOTAL EQUITY		174,256	188,271

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2020

	Attributable to owners of the Company				Total HK\$'000
	Share capital HK\$'000 (note 17)	Share premium HK\$'000 (note 17)	Capital reserve HK\$'000 (note 17)	Retained earnings HK\$'000 (note 17)	
At 1 April 2020 (audited)	8,000	88,035	15,500	76,736	188,271
Loss and total comprehensive expense for the period	–	–	–	(6,015)	(6,015)
Dividend paid (note 11)	–	–	–	(8,000)	(8,000)
At 30 September 2020 (unaudited)	8,000	88,035	15,500	62,721	174,256
At 1 April 2019 (audited)	8,000	88,035	15,500	78,787	190,322
Loss and total comprehensive expense for the period	–	–	–	(2,276)	(2,276)
At 30 September 2019 (unaudited)	8,000	88,035	15,500	76,511	188,046

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2020

	Note	Six months ended 30 September	
		2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Net cash generated from operating activities		21,069	39,751
Cash flows from investing activities			
Purchase of property, plant and equipment		(73)	(10)
Decrease in restricted bank deposit		–	30
Interest received		533	610
Net cash generated from investing activities		460	630
Cash flows from financing activities			
Interest paid		(19)	(96)
Repayments of lease liabilities		(506)	(564)
Dividend paid	11	(8,000)	–
Net cash used in financing activities		(8,525)	(660)
Net increase in cash and cash equivalents		13,004	39,721
Cash and cash equivalents at beginning of the period		108,991	63,380
Cash and cash equivalents at end of the period		121,995	103,101

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2020

1. GENERAL INFORMATION

Golden Ponder Holdings Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands. Its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is located at P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands and its principal place of business in Hong Kong is located at Offices F and G, Floor 23, Maxgrand Plaza, No. 3 Tai Yau Street, San Po Kong, Kowloon, Hong Kong. The Company is an investment holding company and the principal activities of its subsidiaries are provision of superstructure building and RMAA works services as a main contractor in Hong Kong.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”), issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). These condensed consolidated interim financial statements were authorised for issue on 25 November 2020.

These condensed consolidated interim financial statements have been prepared with the same accounting policies adopted in the 2020 consolidated financial statements except for the amendments to HKFRS 16 “COVID-19 – Related Rent Concessions”, which were early adopted before its effective date, and the amendments to HKFRS 3 “Definition of a Business”. Details of any changes in accounting policies are set out in note 3 to the condensed consolidated interim financial statements.

The preparation of these condensed consolidated interim financial statements in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 4 to the condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2020

2. BASIS OF PREPARATION (Cont'd)

These condensed consolidated interim financial statements are presented in Hong Kong Dollars ("HK\$") which is also the functional currency of the Company, and all values are rounded to the nearest thousands, except when otherwise stated. These condensed consolidated interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2020 consolidated financial statements. These condensed consolidated interim financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRSs") and should be read in conjunction with the 2020 consolidated financial statements.

These condensed consolidated interim financial statements are unaudited, but has been reviewed by BDO Limited 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 HKICPA. BDO Limited's independent review report to the Board of Directors is included on pages 6 and 7.

3. CHANGES IN ACCOUNTING POLICIES

The Group has applied the same accounting policies in these condensed consolidated interim financial statements as in its 2020 consolidated financial statements, except that it has adopted the following amendments to HKFRSs:

- Amendments to HKFRS 3 "Definition of a Business", which is first effective for the current accounting period; and
- Amendments to HKFRS 16 "COVID-19 – Related Rent Concessions", which is not yet effective for the current accounting period but early adopted by the Group.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2020

3. CHANGES IN ACCOUNTING POLICIES (Cont'd)

Amendments to HKFRS 16 "COVID-19 – Related Rent Concessions" ("Amendments to HKFRS 16")

Effective 1 June 2020, HKFRS 16 "Leases" ("HKFRS 16") was amended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:

- (a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) The reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (c) There is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not need to assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in HKFRS 16 in accounting for the concession.

The Group has applied the practical expedient for all rent concessions that meet the criteria. The practical expedient has been applied retrospectively, meaning it has been applied to all rent concessions that satisfy the criteria, which in the case of the Group, occurred from April 2020 to September 2020.

Accounting for the rent concessions as lease modifications would have resulted in the Group remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Group is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs. The effect of applying the practical expedient is disclosed in note 7 to the condensed consolidated interim financial statements.

The adoption of Amendments to HKFRS 3 did not have any significant impact on the Group's condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2020

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing this condensed consolidated interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2020 consolidated financial statements.

5. SEGMENT INFORMATION

(a) Operating segments

During the six months ended 30 September 2020, the Group was principally engaged in the provision of superstructure building and RMAA works services in Hong Kong. Information reported to the Group's chief operating decision maker, for the purpose of resources allocation and performance assessment. As the Group's resources are integrated, no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

(b) Geographical information

During the six months ended 30 September 2020, the Group's revenue was derived from Hong Kong, based on the location of the customers, and all of its non-current assets were located in Hong Kong, based on the location of assets. Therefore, no geographical information is presented.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2020

6. REVENUE

Revenue represents amounts received and receivable from construction contract work performed.

An analysis of the Group's revenue from contracts with customers recognised during the reporting period is as follows:

	Six months ended 30 September	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong		
Superstructure building works	84,242	116,642
RMAA works	343	18,570
	84,585	135,212
Timing of revenue recognition		
Over time	84,585	135,212

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2020

6. REVENUE (Cont'd)

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers:

	30 September 2020 HK\$'000 (Unaudited)	31 March 2020 HK\$'000 (Audited)
Trade receivables (note 14)	23,742	44,584
Contract assets arising from construction services	49,911	75,398
Less: loss allowance	(100)	(151)
Contract assets (note (a))	49,811	75,247
Contract liabilities (note (b))	–	30

Note (a): The Group's construction contracts include payment schedules which require stage payments over the construction period once milestones are reached. These payment schedules prevent the build-up of significant contract assets. Additionally, the Group typically agrees one to three year retention period for 5% of the contract sum, which is kept in contract assets until the end of the retention period as the Group's entitlement to it is conditional on the Group's work satisfactorily passing inspection.

Note (b): The contract liabilities mainly related to the advance consideration received from customers. Approximately HK\$30,000 of the contract liabilities as at 31 March 2020 has been recognised as revenue for the six months ended 30 September 2020 from performance obligations satisfied due to the changes in the estimated stage completion of some contract obligations (30 September 2019: nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2020

7. OTHER INCOME, GAINS AND LOSSES

An analysis of the Group's other income, gains and losses is as follows:

	Six months ended 30 September	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Bank interest income	533	610
Government subsidies (note (a))	2,123	–
Rent concessions (note (b))	105	–
Reversal of impairment loss on trade receivables and contract assets	26	–
Bad debt	(550)	–
Write-off of property, plant and equipment	(7)	–
Others	–	47
	<u>2,230</u>	<u>657</u>

Note (a): Government subsidies obtained is mainly relating to supporting the payroll of the Group's employees. The Group has elected to present the government subsidies separately, rather than reducing the related expense. The Group had to commit to spending the assistance on payroll expense, and not reduce employee head count below prescribed levels for a specified period of time.

Note (b): The Group has received a rent forgiveness from landlord due to the COVID-19 pandemic. As discussed in note 3 to the condensed consolidated interim financial statements, the Group has elected to apply the practical expedient introduced by the Amendments to HKFRS 16 and all of the rent concessions entered into during the six months ended 30 September 2020 satisfied the criteria to apply this practical expedient.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2020

8. FINANCE COSTS

	Six months ended 30 September	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest expenses on lease liabilities	19	96

9. LOSS BEFORE INCOME TAX EXPENSE

Loss before income tax expense is arrived at after charging:

	Six months ended 30 September	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment		
– Owned	263	248
– Right-of-use assets	579	585
	842	833
Employee benefit expenses (including directors' remuneration)		
– Wages and salaries	13,085	13,919
– Contributions to defined contribution retirement plans	407	445
– Others	50	85
	13,542	14,449
Machinery rental expenses	1,786	2,238
Minimum lease payments of short-term leases	47	182

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2020

10. INCOME TAX EXPENSE

The Group is subject to income tax on profits arising in or derived from Hong Kong, being its principal place of business.

No provision for Hong Kong profits tax has been made for the six months ended 30 September 2020 and 2019 as the Group did not generate any assessable profits in Hong Kong during the period.

11. DIVIDEND

During each of the six months ended 30 September 2020 and 2019, the Board of Directors does not declare any interim dividend to the shareholders of the Company.

The final dividend of HK1.0 cent per share for the year ended 31 March 2020 was declared and approved by the shareholders of the Company at the annual general meeting of the Company held on 18 August 2020, which was paid on 18 September 2020.

12. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	Six months ended 30 September	
	2020	2019
	(Unaudited)	(Unaudited)
Loss for the purposes of basic loss per share (HK\$'000)	<u>(6,015)</u>	<u>(2,276)</u>
Number of share		
Weighted average number of ordinary shares for the purposes of basic loss per share	<u>800,000,000</u>	<u>800,000,000</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2020

12. LOSS PER SHARE (Cont'd)

For the six months ended 30 September 2020, the calculation of the basic loss per share is based on the loss attributable to owners of the Company of approximately HK\$6,015,000 (2019: approximately HK\$2,276,000) and the weighted average number of 800,000,000 (2019: 800,000,000) ordinary shares.

Diluted loss per share are same as the basic loss per share as there is no dilutive potential ordinary shares in existence during the six months ended 30 September 2020 and 2019.

13. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 September 2020, the Group acquired property, plant and equipment with a total cost of approximately HK\$73,000 (six months ended 30 September 2019: approximately HK\$10,000).

During the six months ended 30 September 2020, no additional right-of-use assets was recognised by the Group (six months ended 30 September 2019: nil).

14. TRADE RECEIVABLES

	30 September 2020 HK\$'000 (Unaudited)	31 March 2020 HK\$'000 (Audited)
Trade receivables	23,991	47,433
Less: loss allowance	(249)	(2,849)
	<u>23,742</u>	<u>44,584</u>

Trade receivables were mainly derived from provision of building and civil engineering construction works, and are non-interest bearing. The Group does not hold any collateral or other credit enhancements over these balances.

The Group grants an average credit period of 30 days to its trade customers of contract works. Application for progress payments of contract works is made on a regular basis.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2020

14. TRADE RECEIVABLES (Cont'd)

The following is an analysis of trade receivables (net of loss allowance) by age, presented based on the invoice dates:

	30 September 2020 HK\$'000 (Unaudited)	31 March 2020 HK\$'000 (Audited)
Less than one month	9,123	20,693
More than one month but less than three months	10,835	1,975
More than three months but less than one year	3,784	8,823
More than one year but less than five years	–	13,093
	<u>23,742</u>	<u>44,584</u>

15. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	30 September 2020 HK\$'000 (Unaudited)	31 March 2020 HK\$'000 (Audited)
Non-current		
Deposits	–	9,304
	<u>–</u>	<u>9,304</u>
Current		
Deposits	32,977	36,550
Prepayments	6,462	3,122
Other receivables	1,083	1,123
	<u>40,522</u>	<u>40,795</u>

The balances of other receivables are unsecured, interest-free and repayable on demand. The Group's other receivables were neither past due nor impaired as at 30 September 2020 and 31 March 2020.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2020

16. TRADE AND RETENTION MONEY PAYABLES

	30 September 2020 HK\$'000 (Unaudited)	31 March 2020 HK\$'000 (Audited)
Trade payables (note (a))	39,822	60,520
Retention money payables (note (b))	18,230	23,857
	58,052	84,377

Note (a): An ageing analysis of trade payables based on the invoice dates is as follows:

	30 September 2020 HK\$'000 (Unaudited)	31 March 2020 HK\$'000 (Audited)
Less than one month	30,054	34,197
More than one month but less than three months	6,840	16,867
More than three months but less than one year	1,870	3,060
More than one year but less than five years	1,058	6,396
	39,822	60,520

Note (b): Retention monies from sub-contractors of contract works are released by the Group after the completion of maintenance period of the relevant contracts or in accordance with the terms specified in the relevant contracts.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2020

17. SHARE CAPITAL AND RESERVES

Share capital

	Number of shares	Amount HK\$'000
Authorised ordinary shares of HK\$0.01 each		
As at 1 April 2019, 31 March 2020, 1 April 2020 and 30 September 2020	1,500,000,000	15,000
Issued and fully paid		
As at 1 April 2019, 31 March 2020, 1 April 2020 and 30 September 2020	800,000,000	8,000

Reserves

Details of movements of the Group's reserves are set out in the condensed consolidated statement of changes in equity on page 11.

(i) **Share premium**

Share premium is the excess of the proceeds received over the nominal value of the shares of the Company issued at a premium, less the amount of expenses incurred in connection with the issue of the shares.

(ii) **Capital reserve**

Capital reserve represents the aggregate of the share capital of Head Fame Company Limited and investment from pre-IPO investors.

(iii) **Retained earnings**

Retained earnings represent the cumulative profit or loss recognised.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2020

18. RELATED PARTY TRANSACTIONS

Key management personnel remuneration

The remuneration of key management personnel of the Group during the period was as follows:

	Six months ended 30 September	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Salaries and short-term benefits	1,127	715
Post-employment benefits	18	18
	<u>1,145</u>	<u>733</u>

19. FINANCIAL INSTRUMENTS

The carrying amounts of each of the categories of financial assets and financial liabilities as at the end of the reporting period are as follows:

	30 September 2020	31 March 2020
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Financial assets measured at amortised cost		
Trade receivables	23,742	44,584
Deposits and other receivables	34,060	46,977
Cash and cash equivalents	121,995	108,991
	<u>179,797</u>	<u>200,552</u>
Financial liabilities measured at amortised cost		
Trade and retention money payables	58,052	84,377
Accruals and other payables	9,264	10,523
Lease liabilities	1,140	1,751
	<u>68,456</u>	<u>96,651</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2020

20. LITIGATION

At the end of the reporting period, the Group was a defendant in a number of claims, lawsuits and potential claims relating to employee's compensation cases and personal injury claims. In the opinion of the Directors, the possibility of any outflow of resources in settling these claims is remote and accordingly no provision for liabilities in respect of these litigation is necessary.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group principally provides superstructure building and RMAA works services as a main contractor in Hong Kong.

Superstructure building works refer to the building works in relation to the parts of the structure above the ground level and the scope of the Group's superstructure building works contracts mostly consists of development projects for residential and commercial buildings. RMAA works refer to the repair, maintenance, alteration and additional works for an existing structure.

The Group's revenue for the six months ended 30 September 2020 amounted to approximately HK\$84.6 million, representing a decrease of approximately HK\$50.6 million, or 37.4% compared to approximately HK\$135.2 million for the six months ended 30 September 2019. The decrease in total revenue was mainly attributable to decrease from superstructure building work approximately HK\$32.3 million and RMAA works approximately HK\$18.3 million, respectively.

Superstructure building works

During the six months ended 30 September 2020, there were 3 (2019: 4) superstructure building works projects contributing revenue of approximately HK\$84.3 million (2019: approximately HK\$116.6 million) to this business segment.

RMAA works

During the six months ended 30 September 2020, there were 3 (2019: 8) RMAA works projects contributing revenue of approximately HK\$0.3 million (2019: approximately HK\$18.6 million) to this business segment.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue for the six months ended 30 September 2020 amounted to approximately HK\$84.6 million, representing a decrease of approximately HK\$50.6 million, or 37.4% compared to approximately HK\$135.2 million for the six months ended 30 September 2019. The decrease in revenue recognised by the Group for the six months ended 30 September 2020 was substantially due to (a) certain on-going projects were at their ending phase and the relevant revenue was already recognised in prior years; (b) two new projects for superstructure building works had been awarded in July 2020 but are still at a preparatory stage prior to construction; and (c) only two newly awarded projects for RMAA works with an aggregated contract amount less than HK\$0.1 million during the current period.

Gross Profit and Gross Profit Margin

The gross profit of the Group for the six months ended 30 September 2020 amounted to approximately HK\$1.6 million, representing a decrease of approximately HK\$5.2 million, or 76.5% compared to approximately HK\$6.8 million for the six months ended 30 September 2019. The overall gross profit margin for the six months ended 30 September 2020 decreased to approximately 1.9% as compared to approximately 5.0% for the six months ended 30 September 2019. Such decrease in gross profit was attributable to the decrease in the revenue as discussed above and the decrease in the Group's gross profit margin. The decline in gross profit margin was mainly due to (i) loss being incurred in the variation order works of certain construction projects, which are still under negotiation with customers; and (ii) most of RMAA works projects of the Group on hands with highest gross profit margin were at their ending phase, with revenue already recognised in prior years.

Other Income, Gains and Losses

The other income, gains and losses of the Group for the six months ended 30 September 2020 amounted to approximately HK\$2.2 million, representing an increase of approximately HK\$1.5 million or 214.3% compared to approximately HK\$0.7 million for the six months ended 30 September 2019, which was mainly due to (i) government subsidies in relation to COVID-19 – related subsidies which was mainly for supporting the payroll of the Group's employees; and (ii) the one-time 25% rent concession; and offset by (iii) reversal of impairment loss on trade receivables and contract assets; and (iv) increase in bad debt. The details of other income, gains and losses were disclosed in note 7 to the condensed consolidated interim financial statements in this interim report.

MANAGEMENT DISCUSSION AND ANALYSIS

Administrative and Other Expenses

The administrative and other expenses of the Group for the six months ended 30 September 2020 amounted to approximately HK\$9.9 million, representing an increase of approximately HK\$0.3 million or 3.1% compared to approximately HK\$9.6 million for the six months ended 30 September 2019. The increase was mainly due to the net off of: (i) increase in salary, mandatory provident fund contribution and director remuneration of approximately HK\$0.8 million; and offset by (ii) decrease in miscellaneous expenses of approximately HK\$0.5 million.

Loss Attributable to Owners of the Company

The Group reported loss attributable to owners of the Company of approximately HK\$6.0 million for the six months ended 30 September 2020 increased by approximately HK\$3.7 million from loss of approximately HK\$2.3 million for the six months ended 30 September 2019. The Board considers that the increase in net loss was primarily attributable to the following combined effects of:

1. decrease in revenue recognised by the Group for the six months ended 30 September 2020 was substantially due to (a) certain on-going projects were at their ending phase and the relevant revenue was already recognised in prior years; (b) two new projects for superstructure building works had been awarded in July 2020 but are still at a preparatory stage prior to construction; and (c) only two newly awarded projects for RMAA works with an aggregated contract amount less than HK\$0.1 million during the current period;
2. decrease in gross profit margin due to loss being incurred in the variation order works of certain construction projects, which are still under negotiation with customers; and
3. most of RMAA works projects of the Group on hands with highest gross profit margin were at their ending phase, with revenue already recognised in prior years.

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity, Financial Resources and Capital Structure

As at 30 September 2020, the Group had cash and cash equivalents of approximately HK\$122.0 million (31 March 2020: approximately HK\$109.0 million).

Current ratio (total current assets : total current liabilities) increased from approximately 2.8 as at 31 March 2020 to approximately 3.5 as at 30 September 2020, mainly due to increase in cash and bank balances and decrease in trade and retention money payables. Gearing ratio was nil as at 31 March 2020 and 30 September 2020.

The capital structure of the Group consisted of equity of approximately HK\$174.3 million (31 March 2020: approximately HK\$188.3 million) and debts (lease liabilities) of approximately HK\$1.1 million (31 March 2020: approximately HK\$1.8 million) as at 30 September 2020.

Treasury Policy

The Group adopts a prudent approach in cash management. Apart from certain debts including leases liabilities, the Group did not have any material outstanding debts as at 30 September 2020. Surplus cash is generally placed in short term deposits with licensed bank in Hong Kong.

Foreign Exchange Exposure

As the Group only operates in Hong Kong and all of the revenue and transactions arising from its operations were settled in Hong Kong dollar, the Board is of the view that the Group's foreign exchange rate risks are insignificant during the six months ended 30 September 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

Capital Expenditures

Total capital expenditure for the six months ended 30 September 2020 was approximately HK\$73,000 (2019: approximately HK\$10,000) on acquisition of property, plant and equipment.

Contingent Liabilities and Claims

Save as disclosed in note 20 to the condensed consolidated interim financial statements in this interim report, the Group had no other contingent liabilities and claims as at 30 September 2020.

Capital Commitments

As at 30 September 2020, there were no significant capital commitments for the Group.

Significant Investment Held, Acquisition and Disposal

Except for investment in its subsidiaries, the Group did not hold any significant investments during the six months ended 30 September 2020.

There were no acquisitions or disposals of subsidiaries, associates and joint ventures by the Group during the six months ended 30 September 2020.

Charges on Assets

As at 30 September 2020, the Group had bank facilities which were guaranteed by the Company. The Group had certain surety bonds being secured by certain deposits payment from a subsidiary of the Group, all of which were guaranteed by the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF NET PROCEEDS

Net proceeds from the listing

The Company successfully listed the ordinary shares of the Company (the “Shares”) on the Main Board of the Stock Exchange on 22 August 2018 (the “Listing”) and a total of 200,000,000 shares by way of public offer and placing at a price of HK\$0.55 each were offered for subscription. The net proceeds from the Listing (the “Net Proceeds”), after deducting the underwriting fees, the Stock Exchange trading fee and Securities and Futures Commission transaction levy and Listing expenses in connection with the Listing, amounted to approximately HK\$78.5 million. The Group intended to apply the Net Proceeds in accordance with the proposed applications set out in the section headed “Future Plans and Use of Proceeds” to the prospectus of the Company dated 7 August 2018 (the “Prospectus”). As at 30 September 2020, the Group had used up approximately HK\$65.8 million of the Net Proceeds.

An analysis of the utilisation of the Net Proceeds from the date of Listing up to 30 September 2020 is set out below:

	Planned use of Net Proceeds stated in the Prospectus HK\$ million	Actual use of Net Proceeds Up to 30 September 2020 HK\$ million	Unutilised Amount Up to 30 September 2020 HK\$ million
To take out surety bonds for contracts we have secured or plan to secure	54.1	44.6	9.5
To finance our upfront cost and working capital requirement for one superstructure building project awarded to us	9.4	9.4	–
To expand our workforce and strengthen our manpower resources	4.8	1.6	3.2
To repay bank borrowings	10.2	10.2	–
	<u>78.5</u>	<u>65.8</u>	<u>12.7</u>

As at the date of this interim report, the unutilised Net Proceeds were placed as interest bearing deposits with licensed bank in Hong Kong.

MANAGEMENT DISCUSSION AND ANALYSIS

The Directors regularly evaluate the Group's business objectives and may change or modify plans against the changing market condition to ascertain the business growth of the Group. During the six months ended 30 September 2020, the Directors considered that no modification of the intended use of proceeds described in the Prospectus was required.

The description of the intended use and expected timeline for utilising the remaining balance of the Net Proceeds from the Listing are as below:

- i) the unutilised Net Proceeds of approximately HK\$9.5 million as at 30 September 2020 were planned to be used for taking out surety bonds for contracts we have secured or plan to secure, all of which are expected to be utilised for taking out surety bond for one awarded contract by 31 December 2020.
- ii) the unutilised Net Proceeds of approximately HK\$3.2 million as at 30 September 2020 were planned to be used for expanding our workforce and strengthening our manpower resources, all of which are expected to be utilised for same specific use by 31 March 2021, subject to change in tender award progress due to the current uncertain economic condition.

The expected timeline for the use of unutilised Net Proceeds is made based on the best estimation of the Company taking into account, among others, prevailing and future market conditions and business developments and need, and therefore is subject to change.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2020, the Group employed a total of 63 employees (including executive Directors), as compared to a total of 62 employees as at 31 March 2020. The total salaries and related costs (including Directors' remuneration) for the six months ended 30 September 2020 were approximately HK\$13.5 million (for the six months ended 30 September 2019: approximately HK\$14.4 million). The remuneration package of the Group offered to the employees includes salary, bonuses and other cash subsidies. In general, the Group would determine each employee's salaries based on their qualifications, position and seniorities. The Group has devised an annual review system to assess the performance of the employees, which forms the basis of the decisions with respect to salary raises, distribution of bonuses and promotions.

MANAGEMENT DISCUSSION AND ANALYSIS

The emoluments of the Directors of the Company are decided by the Board and recommended by the remuneration committee of the Company, having considered the factors such as the Group's financial performance and the individual performance of the Directors, etc.

The Company has adopted a share option scheme as an incentives and rewards to Directors and eligible employees for their contribution to the Group.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2020 (six months ended 30 September 2019: nil).

EVENTS AFTER THE REPORTING PERIOD

There is no other material subsequent event undertaken by the Company or the Group after 30 September 2020 and up to the date of this interim report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' INTERESTS IN CONTRACTS AND CONTRACT OF SIGNIFICANCE

No contracts of significance in relation to the Group's business to which the Company or any of its holding companies, subsidiaries and fellow subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at any time during the six months ended 30 September 2020.

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

Neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2020.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "Share Option Scheme") on 25 July 2018. The principal terms of the Share Option Scheme is summarised in Appendix IV to the Prospectus. The main purpose of the Share Option Scheme is to provide incentives or rewards to participants for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any entity in which the Group holds any equity interest (the "Invested Entity"). Participants include any employee (full-time and part-time), director, supplier, customer, service provider, shareholder, adviser, consultant, business partner or joint venture business partner of any member of the Group or any Invested Entity. The maximum number of shares in respect of which share options may be granted under the Share Option Scheme and any other schemes shall not, in aggregate, exceed 80,000,000 Shares, (representing 10% of the shares in issue as at the date of this interim report), unless otherwise approved by the shareholders of the Company.

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 25 July 2018, and there is no outstanding share option as at 30 September 2020.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 30 September 2020, the interests or 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 Future Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO"), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules, were as follows:

Name of Directors	Nature of interest	Interest in ordinary shares	Approximate percentage of interests in the Company
Mr. Chan Kam Tong ("Mr. KT Chan")	Interest in a controlled corporation	540,000,000 (note)	67.5%
Mr. Chan Kam Ming ("Mr. KM Chan")	Interest in a controlled corporation	540,000,000 (note)	67.5%

Note:

These Shares are held by Shiny Golden Limited ("Shiny Golden"), which is beneficially owned as to 50% by Mr. KT Chan and 50% by Mr. KM Chan. On 26 May 2017, Mr. KT Chan and Mr. KM Chan entered into the Acting in Concert Confirmation to acknowledge and confirm, among other things, that they are parties acting in concert that to continue to act in the same manner in the Company upon the Listing. By virtue of the SFO, Mr. KT Chan and Mr. KM Chan are deemed to be interested in all the Shares held by Shiny Golden.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

So far as the Directors are aware, as at 30 September 2020, the following persons/entities (other than the Directors or chief executive officer of the Company) have interests or short positions in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which recorded in the register required to be kept under Section 336 of the SFO.

Long Position in the Shares of the Company

Name of shareholders	Nature of interest	Total number of ordinary Shares and underlying Shares (Note 1)	Approximate percentage of interests in the Company
Shiny Golden	Beneficial owner (Note 3)	540,000,000	67.5%
Mr. KT Chan	Interest in a controlled corporation (Note2)	540,000,000	67.5%
Ms. Shu Ah Ping	Interest of spouse (Note 4)	540,000,000	67.5%
Mr. KM Chan	Interest in a controlled corporation (Note2)	540,000,000	67.5%
Ms. Ng Wing Mui	Interest of spouse (Note 5)	540,000,000	67.5%
UG China Venture II Limited ("UG")	Beneficial owner (Note 6)	40,000,000	5%
UG Capital Limited	Investment manager (Note 7)	40,000,000	5%
Lau Chi Yin Thomas	Beneficial owner (Note 7)	40,000,000	5%
Tsui Wing Suen Bernadette	Interest of spouse (Note 8)	40,000,000	5%

Notes:

1. All interests stated are long positions.
2. Shiny Golden is beneficially owned as to 50% by Mr. KT Chan and 50% by Mr. KM Chan. On 26 May 2017, Mr. KT Chan and Mr. KM Chan entered into the Acting in Concert Confirmation to acknowledge and confirm, among other things, that they are parties acting in concert that to continue to act in the same manner in our Group upon the Listing. By virtue of the SFO, Mr. KT Chan and Mr. KM Chan are deemed to be interested in all the Shares held by Shiny Golden.
3. Shiny Golden is the direct shareholder of the Company.
4. Ms. Shu Ah Ping is the spouse of Mr. KT Chan. Accordingly, Ms. Shu Ah Ping is deemed or taken to be interested in the Shares Mr. KT Chan is interested in under the SFO.
5. Ms. Ng Wing Mui is the spouse of Mr. KM Chan. Accordingly, Ms. Ng Wing Mui is deemed or taken to be interested in the Shares Mr. KM Chan is interested in under the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

6. UG is the direct shareholder of the Company, which is legally owned as to one voting share by UG Capital Limited and 11,600 non-voting shares by other independent third parties.
7. UG Capital Limited is the investment manager of UG. UG Capital Limited is deemed to be interested in all the Shares in which UG is interested by virtue of the SFO. UG Capital Limited is wholly-owned by Mr. Lau Chi Yin Thomas. To the best knowledge of the Directors, each of UG, UG Capital Limited and Mr. Lau Chi Yin Thomas is an independent third party.
8. Ms. Tsui Wing Suen Bernadette is the spouse of Mr. Lau Chi Yin Thomas. Accordingly, Ms. Tsui Wing Suen Bernadette is deemed or taken to be interested in the Shares Mr. Lau Chi Yin Thomas is interested in under the SFO.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 September 2020.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules during the six months ended 30 September 2020 and up to the date of this interim report.

COMPETING INTERESTS

The Directors confirm that neither the controlling shareholders of the Company nor their respective close associates is interested in a business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the Group's business and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules during the six months ended 30 September 2020 and up to the date of this interim report.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted and complied with applicable code provisions (the "Code Provisions") in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules during the six months ended 30 September 2020 and up to the date of this interim report. The Directors will periodically review on the Company's corporate governance policies and will propose any amendment, if necessary, to ensure compliance with the Code Provisions from time to time.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code contained in Appendix 10 to the Listing Rules as its own code of conduct of dealings in securities of the Company by Directors. All Directors have complied with the required standard of dealings set out therein for the six months ended 30 September 2020.

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT COMMITTEE

The Company established the audit committee (the "Audit Committee") on 25 July 2018 in accordance with Rule 3.21 of the Listing Rules with terms of reference aligned with the provision of the CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Audit Committee are, among other things, (a) making recommendations to the Board on the appointment, re-appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor; (b) reviewing financial statements, annual report and accounts and half-year report and significant financial reporting judgements contained therein; and (c) reviewing financial controls, internal control and risk management systems. The Audit Committee consists of three independent non-executive Directors, namely Mr. Szeto Cheong Mark, Mr. Hau Wing Shing Vincent and Mr. Wan Simon. Mr. Szeto Cheong Mark is the chairman of the Audit Committee.

REVIEW OF INTERIM REPORT

The condensed consolidated interim financial statements of the Group for the six months ended 30 September 2020 are unaudited but have been reviewed and approved by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

The Company's independent auditor, BDO Limited, had conducted a review of the condensed consolidated interim financial statements for the six months ended 30 September 2020, 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 HKICPA.

By order of the Board
Golden Ponder Holdings Limited
Chan Kam Tong
Chairman

Hong Kong, 25 November 2020

As at the date of this interim report, the executive Directors of the Company are Mr. Chan Kam Tong and Mr. Chan Kam Ming, and the independent non-executive Directors of the Company are Mr. Hau Wing Shing Vincent, Mr. Szeto Cheong Mark and Mr. Wan Simon.