

# Golden Ponder Holdings Limited 金倫控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1783



**INTERIM REPORT  
2021/22**

## CONTENTS

Corporate Information	2
Financial Highlights	4
Chairman's Statement	5
Auditor's independent Review Report	7
– Condensed Consolidated Statement of Comprehensive Income	9
– Condensed Consolidated Statement of Financial Position	10
– Condensed Consolidated Statement of Changes in Equity	12
– Condensed Consolidated Statement of Cash Flows	13
– Notes to the Condensed Consolidated Interim Financial Statements	14
Management Discussion and Analysis	29
Corporate Governance and Other Information	35

## 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

71 Fort Street

P.O. Box 500

George Town

Grand Cayman KY1-1106

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

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

Appleby Global Services (Cayman) Limited  
71 Fort Street  
P.O. Box 500  
George Town  
Grand Cayman KY1-1106  
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

### COMPANY'S WEBSITE

[www.headfame.com.hk](http://www.headfame.com.hk)  
(the content of which do not form part of this report)

### STOCK CODE

1783

## FINANCIAL HIGHLIGHTS

The Group recorded a revenue amounted to approximately HK\$223.4 million for the six months ended 30 September 2021, representing an increase of approximately HK\$138.8 million, or 164.1% compared to approximately HK\$84.6 million for the six months ended 30 September 2020.

The gross profit for the six months ended 30 September 2021 was approximately HK\$11.6 million, representing an increase of approximately HK\$10.0 million, or 625.0% compared to approximately HK\$1.6 million for the six months ended 30 September 2020. The gross profit margin for the six months ended 30 September 2021 was approximately 5.2%.

The loss attributable to owners of the Company for the six months ended 30 September 2021 was approximately HK\$0.3 million, representing a decrease of approximately HK\$5.7 million, or 95.0% from loss of approximately HK\$6.0 million for the six months ended 30 September 2020.

The basic and diluted loss per share for the six months ended 30 September 2021 were approximately HK0.04 cents whereas the basic and diluted loss per share were approximately HK0.75 cents for the corresponding period in 2020.

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2021 (six months ended 30 September 2020: 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 am delighted to present to you the unaudited condensed consolidated financial results of the Company for the six months ended 30 September 2021 together with the unaudited comparative figures for the corresponding period in 2020.

### OVERVIEW

The Group principally provides superstructure building and repair, maintenance, alteration and addition ("RMAA") works service 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 2021 amounted to approximately HK\$223.4 million, representing an increase of approximately HK\$138.8 million, or 164.1% compared to approximately HK\$84.6 million for the six months ended 30 September 2020. The increase in total revenue was mainly attributable to the increase in superstructure building works of approximately HK\$138.7 million and RMAA works of approximately HK\$0.1 million, respectively.

### OUTLOOK

Looking ahead, the Group will adopt a cautious approach. Firstly, the economy in Hong Kong is expected to recover after dominated effects by the pandemic. There will be more projects available for tender amid of a further competitive environment. The Board foresees the Group's profit and profit margin will continue to be under pressure.

## CHAIRMAN'S STATEMENT

### OUTLOOK (Cont'd)

Within the Group, we are transforming and exploring new business opportunities, including expansion of existing business. With the increasing awareness of environmental protection globally and greater emphasis in environmental, social and governance ("ESG") by stakeholders, it is the trend to construct green buildings. The Group is exploring solutions to integrate environmental technologies with building construction, including research and application of green construction materials, that the Group envisions to develop its unique competitiveness.

On the other hand, the Northern Metropolis Development Strategy mentioned in the latest 2021 Policy Address of Hong Kong will bring Blue Ocean opportunities to the Group. The Group will also proactively explore and expand its financing channels in order to support its business developments.

To conclude, the Group continues to anchor in Hong Kong and expands to Greater Bay Area. The Group will focus on environmental technology and ESG business to enhance business sustainability and deliver better returns to our shareholders.

### APPRECIATION

On behalf of the Board, I would like to express our gratitude to all the stakeholders, including but not limited to the shareholders of the Company, customers, suppliers, banks and business partners 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, 24 November 2021



# AUDITOR'S INDEPENDENT REVIEW REPORT



Tel : +852 2218 8288  
Fax: +852 2815 2239  
[www.bdo.com.hk](http://www.bdo.com.hk)

25<sup>th</sup> Floor Wing On Centre  
111 Connaught Road Central  
Hong Kong

電話 : +852 2218 8288  
傳真 : +852 2815 2239  
[www.bdo.com.hk](http://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 9 to 28 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 2021 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

## 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, 24 November 2021

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2021

	<i>Notes</i>	Six months ended 30 September	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
<b>Revenue</b>	6	<b>223,408</b>	84,585
Cost of services		<u>(211,792)</u>	<u>(82,945)</u>
<b>Gross profit</b>		<b>11,616</b>	1,640
Other income, gains and losses	7	<b>349</b>	2,204
(Provision)/reversal of loss allowance of trade receivables and contract assets, net		<b>(367)</b>	26
Administrative and other expenses		<b>(11,913)</b>	(9,866)
Finance costs	8	<u>(16)</u>	<u>(19)</u>
<b>Loss before income tax expense</b>	9	<b>(331)</b>	(6,015)
Income tax expense	10	<u>–</u>	<u>–</u>
<b>Loss and total comprehensive expense for the period attributable to owners of the Company</b>		<u><b>(331)</b></u>	<u>(6,015)</u>
		<b>HK cents</b>	<b>HK cents</b>
<b>Loss per share, attributable to owners of the Company</b>			
– Basic and diluted	12	<u><b>(0.04)</b></u>	<u>(0.75)</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

		30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment	13	1,125	1,294
Right-of-use assets	13	1,266	483
Intangible asset		1,500	–
Deposits	15	18,678	17,899
Deferred tax assets		1,725	1,725
		<u>24,294</u>	<u>21,401</u>
<b>Current assets</b>			
Trade receivables	14	50,291	10,126
Deposits, prepayments and other receivables	15	35,865	27,644
Contract assets	6	147,691	84,597
Tax recoverable		1,425	1,425
Cash and cash equivalents		49,229	88,960
		<u>284,501</u>	<u>212,752</u>
<b>Current liabilities</b>			
Trade and retention money payables	16	124,515	52,117
Accruals and other payables		15,287	13,557
Lease liabilities		1,265	522
		<u>141,067</u>	<u>66,196</u>
<b>Net current assets</b>		<u>143,434</u>	<u>146,556</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

	30 September 2021	31 March 2021
<i>Notes</i>	HK\$'000 (Unaudited)	HK\$'000 (Audited)
<b>Total assets less current liabilities</b>	<b>167,728</b>	167,957
<b>Non-current liabilities</b>		
Lease liabilities	<u>102</u>	–
<b>NET ASSETS</b>	<b><u>167,626</u></b>	<u>167,957</u>
<b>Capital and reserves</b>		
Share capital	17 <b>8,000</b>	8,000
Reserves	17 <b><u>159,626</u></b>	<u>159,957</u>
<b>TOTAL EQUITY</b>	<b><u>167,626</u></b>	<u>167,957</u>

On behalf of the Board of Directors

---

**Chan Kam Tong**  
Director

---

**Chan Kam Ming**  
Director

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2021

	Attributable to owners of the Company				
	Share capital HK\$'000 <i>(note 17)</i>	Share premium HK\$'000 <i>(note 17)</i>	Capital reserve HK\$'000 <i>(note 17)</i>	Retained earnings HK\$'000 <i>(note 17)</i>	Total HK\$'000
<b>At 1 April 2021 (audited)</b>	8,000	88,035	15,500	56,422	167,957
Loss and total comprehensive expense for the period	—	—	—	(331)	(331)
<b>At 30 September 2021 (unaudited)</b>	<b>8,000</b>	<b>88,035</b>	<b>15,500</b>	<b>56,091</b>	<b>167,626</b>
<b>At 1 April 2020 (audited)</b>	8,000	88,035	15,500	76,736	188,271
Loss and total comprehensive expense for the period	—	—	—	(6,015)	(6,015)
Dividend paid <i>(note 11)</i>	—	—	—	(8,000)	(8,000)
<b>At 30 September 2020 (unaudited)</b>	<b>8,000</b>	<b>88,035</b>	<b>15,500</b>	<b>62,721</b>	<b>174,256</b>

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2021

		Six months ended 30 September	
		2021	2020
		HK\$'000	HK\$'000
	Notes	(Unaudited)	(Unaudited)
<b>Net cash (used in)/generated from operating activities</b>		<b>(38,961)</b>	<b>21,069</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(91)	(73)
Acquisition of intangible asset	21	(150)	–
Interest received		30	533
<b>Net cash (used in)/generated from investing activities</b>		<b>(211)</b>	<b>460</b>
<b>Cash flows from financing activities</b>			
Interest paid		(16)	(19)
Repayments of lease liabilities		(543)	(506)
Dividend paid	11	–	(8,000)
<b>Net cash used in financing activities</b>		<b>(559)</b>	<b>(8,525)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(39,731)</b>	<b>13,004</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>88,960</b>	<b>108,991</b>
<b>Cash and cash equivalents at end of the period</b>		<b>49,229</b>	<b>121,995</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 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 71 Fort Street, P.O. Box 500, George Town, Grand Cayman KY1-1106, 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 service 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 24 November 2021.

These condensed consolidated interim financial statements have been prepared with the same accounting policies adopted in the 2021 annual consolidated financial statements except for the amendments to HKFRS 16 “COVID-19-Related Rent Concessions beyond 30 June 2021” and amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 “Interest Rate Benchmark Reform – Phase 2” which were adopted on 1 April 2021 and 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 judgements 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 2021

## 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 2021 annual 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 2021 annual 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 7 to 8.

## 3. CHANGES IN ACCOUNTING POLICIES

The Group has applied the same accounting policies in these condensed consolidated interim financial statements as in its 2021 annual consolidated financial statements, except that it has adopted the following amendments to HKFRSs:

- Amendments to HKFRS 16 "COVID-19-Related Rent Concessions beyond 30 June 2021"; and
- Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 "Interest Rate Benchmark Reform – Phase 2".

The adoption of amendments to HKFRSs in the current period 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 2021

## 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 2021 annual consolidated financial statements.

## 5. SEGMENT INFORMATION

### (a) Operating segments

During the six months ended 30 September 2021, the Group was principally engaged in the provision of superstructure building and RMAA works service, as a main contractor, in Hong Kong. Information reported to the Group's chief operating decision maker, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole, as the Group's resources are integrated and 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 2021, 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 2021

## 6. REVENUE

Revenue represents amounts received and receivable from construction contract work performed and is recognised over time.

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

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Hong Kong</b>		
Superstructure building works	<b>222,951</b>	84,242
RMAA works	<b>457</b>	343
	<b>223,408</b>	84,585
<b>Timing of revenue recognition</b>		
Over time	<b>223,408</b>	84,585

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2021

### 6. REVENUE (Cont'd)

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

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
<b>Trade receivables (note 14)</b>	<b>50,291</b>	10,126
Contract assets arising from construction services	<b>147,996</b>	84,766
Less: loss allowance	<b>(305)</b>	(169)
<b>Contract assets (note)</b>	<b>147,691</b>	84,597

*Note:* 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 years 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.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 7. OTHER INCOME, GAINS AND LOSSES

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

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Bank interest income	30	533
Compensation income from insurance	319	–
Government subsidies ( <i>note</i> )	–	2,123
Rent concessions	–	105
Bad debt	–	(550)
Write-off of property, plant and equipment	–	(7)
	<u>349</u>	<u>2,204</u>

*Note:* Government subsidies obtained are 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.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 8. FINANCE COSTS

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest expenses on lease liabilities	<b>16</b>	19

## 9. LOSS BEFORE INCOME TAX EXPENSE

Loss before income tax expense is arrived at after charging:

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Material costs (included in cost of services)	<b>28,831</b>	3,715
Depreciation of property, plant and equipment		
– Owned	<b>260</b>	263
– Right-of-use assets	<b>605</b>	579
	<b>865</b>	842
Employee benefit expenses (including directors' remuneration)		
– Wages and salaries	<b>17,356</b>	13,085
– Contributions to defined contribution retirement plans	<b>493</b>	407
– Others	<b>138</b>	50
	<b>17,987</b>	13,542
Machinery rental expenses	<b>8,309</b>	1,786
Short-term lease expenses	<b>468</b>	47

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 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 2021 and 2020 as the Group did not generate any assessable profits in Hong Kong during those periods.

## 11. DIVIDEND

During each of the six months ended 30 September 2021 and 2020, 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 are based on the following data:

	Six months ended 30 September	
	2021	2020
	(Unaudited)	(Unaudited)
<b>Loss per share</b>		
Loss for the purposes of basic loss per share (HK\$'000)	<u>(331)</u>	<u>(6,015)</u>
<b>Number of shares</b>		
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 2021

## 12. LOSS PER SHARE (Cont'd)

For the six months ended 30 September 2021, the calculation of the basic loss per share is based on the loss attributable to owners of the Company of approximately HK\$331,000 (2020: approximately HK\$6,015,000) and the weighted average number of ordinary shares of 800,000,000 (2020: 800,000,000).

Diluted loss per share is same as the basic loss per share as there is no dilutive potential ordinary shares in existence during the six months ended 30 September 2021 and 2020.

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

During the six months ended 30 September 2021, the Group acquired property, plant and equipment with a total cost of approximately HK\$91,000 (six months ended 30 September 2020: approximately HK\$73,000).

During the six months ended 30 September 2021, the Group renewed an existing lease contract and entered into a lease agreement for use of office premises, which resulted in additions of right-of-use assets of approximately HK\$1,388,000 (six months ended 30 September 2020: nil).

## 14. TRADE RECEIVABLES

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Trade receivables	50,690	10,294
Less: loss allowance	(399)	(168)
	<u>50,291</u>	<u>10,126</u>

Trade receivables were mainly derived from provision of building and civil engineering construction works service, 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 2021

### 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 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Less than one month	49,591	9,276
More than one month but less than three months	–	–
More than three months but less than one year	–	–
More than one year but less than five years	700	850
	<u>50,291</u>	<u>10,126</u>

### 15. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
<b>Non-current</b>		
Deposits	<u>18,678</u>	17,899
<b>Current</b>		
Deposits	19,748	10,346
Prepayments	15,150	16,782
Other receivables	<u>967</u>	516
	<u>35,865</u>	<u>27,644</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 2021 and 31 March 2021.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2021

### 16. TRADE AND RETENTION MONEY PAYABLES

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Trade payables	105,242	38,964
Retention money payables ( <i>note</i> )	19,273	13,153
	<u>124,515</u>	<u>52,117</u>

*Note:* 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.

An ageing analysis of trade payables as at the end of the reporting period, based on the invoice dates, is as follows:

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Less than one month	64,954	24,662
More than one month but less than three months	36,551	7,536
More than three months but less than one year	2,811	4,768
More than one year but less than five years	926	1,998
	<u>105,242</u>	<u>38,964</u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 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 2020, 31 March 2021, 1 April 2021 and 30 September 2021	<u>1,500,000,000</u>	<u>15,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
As at 1 April 2020, 31 March 2021, 1 April 2021 and 30 September 2021	<u>800,000,000</u>	<u>8,000</u>

### Reserves

Details of movements of the Group's reserves are set out in the condensed consolidated statement of changes in equity on page 12.

(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 2021

## 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	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Salaries and short-term benefits	2,076	1,127
Post-employment benefits	18	18
	<u>2,094</u>	<u>1,145</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 2021	31 March 2021
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
<b>Financial assets measured at amortised cost</b>		
Trade receivables	50,291	10,126
Deposits and other receivables	39,393	28,761
Cash and cash equivalents	49,229	88,960
	<u>138,913</u>	<u>127,847</u>
<b>Financial liabilities measured at amortised cost</b>		
Trade and retention money payables	124,515	52,117
Accruals and other payables	15,287	13,557
Lease liabilities	1,367	522
	<u>141,169</u>	<u>66,196</u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 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.

## 21. ACQUISITION OF A SUBSIDIARY

Reference is made to the announcement of the Company dated 3 September 2021, Acquire Success Limited ("ASL"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with two individual vendors, pursuant to which the vendors agreed to sell and ASL agreed to purchase all the issued shares of Builders Company Limited (the "Target Company").

On 30 September 2021, the Group completed the acquisition (the "Acquisition") of 100% of equity interest of the Target Company for cash consideration of HK\$1,500,000. The Target Company is currently registered as a registered general building contractor with the Buildings Department, with a qualified individual acting as an authorised signatory.

Under HKFRS 3 (Revised) "Business Combination", business consists of inputs and processes applied to those inputs that have the ability to create outputs. As the Target Company did not operate any business prior to the date of Acquisition, the Acquisition is accounted for as an acquisition of assets. Accordingly, the Company identified and recognised the individual identifiable assets acquired and liabilities assumed. The investment cost shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of acquisition. Such a transaction does not give rise to goodwill.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 21. ACQUISITION OF A SUBSIDIARY (Cont'd)

The relative fair value of assets acquired and liabilities assumed at the acquisition date is analysed as follows:

	HK\$'000 (Unaudited)
Total consideration of the Acquisition ( <i>note</i> )	<u>1,500</u>
Asset	
Intangible asset	<u>1,500</u>
Total identifiable net asset acquired	<u>1,500</u>

*Note:* Pursuant to the sale and purchase agreement, ASL had paid 10% of consideration of HK\$150,000 to the vendors as at 30 September 2021. Up to the date of this report, the balance 90% of consideration of HK\$1,350,000 was fully settled.



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group principally provides superstructure building and RMAA works service 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 2021 amounted to approximately HK\$223.4 million, representing an increase of approximately HK\$138.8 million, or 164.1% compared to approximately HK\$84.6 million for the six months ended 30 September 2020. The increase in total revenue was mainly attributable to the increase in superstructure building works of approximately HK\$138.7 million and RMAA works of approximately HK\$0.1 million, respectively.

### Superstructure building works

During the six months ended 30 September 2021, there were 4 (2020: 3) superstructure building works projects contributing revenue of approximately HK\$223.0 million (2020: approximately HK\$84.3 million) to this business segment.

### RMAA works

During the six months ended 30 September 2021, there were 4 (2020: 3) RMAA works projects contributing revenue of approximately HK\$0.4 million (2020: approximately HK\$0.3 million) to this business segment.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

The Group's revenue for the six months ended 30 September 2021 amounted to approximately HK\$223.4 million, representing an increase of approximately HK\$138.8 million, or 164.1% compared to approximately HK\$84.6 million for the six months ended 30 September 2020. The increase in revenue recognised by the Group for the six months ended 30 September 2021 was substantially due to (a) revenue recognised from three sizeable projects for superstructure building works awarded in 2020 of which the construction works commenced by the year ended 31 March 2021 and were in full swing during the six months ended 30 September 2021; and (b) the increase in value of variation works from one project being approved.

### Gross Profit and Gross Profit Margin

The gross profit of the Group for the six months ended 30 September 2021 amounted to approximately HK\$11.6 million, representing an increase of approximately HK\$10.0 million, or 625.0% compared to approximately HK\$1.6 million for the six months ended 30 September 2020. The overall gross profit margin for the six months ended 30 September 2021 increased to approximately 5.2% as compared to approximately 1.9% for the six months ended 30 September 2020. Such increase in gross profit and gross profit margin was attributable to the increase in the revenue as discussed above.

### Other Income, Gains and Losses

The other income, gains and losses of the Group for the six months ended 30 September 2021 amounted to approximately HK\$0.3 million, representing a decrease of approximately HK\$1.9 million, or 86.4% compared to approximately HK\$2.2 million for the six months ended 30 September 2020. The decrease was mainly due to the net effect of: (i) increase in compensation income from insurance for a completed project in prior years during the period ended 30 September 2021; (ii) decrease in bad debt in the corresponding period in 2020; (iii) decrease in interest income from fixed deposit with licensed bank in Hong Kong for the six months ended 30 September 2021; and (iv) decrease in a series of government subsidies in relation to COVID-19 and one-off 25% rent concession in the corresponding period in 2020. 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 2021 amounted to approximately HK\$11.9 million, representing an increase of approximately HK\$2.0 million, or 20.2% compared to approximately HK\$9.9 million for the six months ended 30 September 2020. The increase was mainly due to: (i) increase in salary, mandatory provident fund contribution and directors' remuneration of approximately HK\$1.8 million; and (ii) increase in miscellaneous expenses of approximately HK\$0.2 million.

### Loss Attributable to Owners of the Company

The Group reported loss attributable to owners of the Company of approximately HK\$0.3 million for the six months ended 30 September 2021, a decrease of approximately HK\$5.7 million, or 95.0% from loss of approximately HK\$6.0 million for the six months ended 30 September 2020. The main reasons for the reduction in loss were discussed in the section "FINANCIAL REVIEW" above.

### Liquidity, Financial Resources and Capital Structure

As at 30 September 2021, the Group had cash and cash equivalents of approximately HK\$49.2 million (31 March 2021: approximately HK\$89.0 million).

Current ratio (total current assets : total current liabilities) decreased from approximately 3.2 as at 31 March 2021 to approximately 2.0 as at 30 September 2021, mainly due to decrease in cash and bank balances, increase in contract assets and trade and retention money payables. Gearing ratio was nil as at 31 March 2021 and 30 September 2021.

The capital structure of the Group consisted of equity of approximately HK\$167.6 million (31 March 2021: approximately HK\$168.0 million) and debts (lease liabilities) of approximately HK\$1.4 million (31 March 2021: approximately HK\$0.5 million) as at 30 September 2021.

### 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 2021. Surplus cash is generally placed in short term deposits with licensed bank in Hong Kong.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 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 2021.

### Capital Expenditures

Total capital expenditure for the six months ended 30 September 2021 was approximately HK\$91,000 (six months ended 30 September 2020: approximately HK\$73,000) 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 2021.

### Capital Commitments

As at 30 September 2021, 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 2021.

Save as disclosed in note 21 to the condensed consolidated interim financial statements in this interim report, there were no material acquisitions or disposals of subsidiaries, associates and joint ventures by the Group during the six months ended 30 September 2021.

### Charges on Assets

As at 30 September 2021, 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 intends 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 2021, all of the Net Proceeds were fully utilised.

An analysis of the utilisation of the Net Proceeds from the date of Listing up to 30 September 2021 is set out below:

	Planned use of Net Proceeds stated in the Prospectus HK\$ million	Actual use of Net Proceeds Up to 30 September 2021 HK\$ million	Unutilised Amount Up to 30 September 2021 HK\$ million
To take out surety bonds for contracts we have secured or plan to secure	54.1	54.1	–
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	4.8	–
To repay bank borrowings	10.2	10.2	–
	<u>78.5</u>	<u>78.5</u>	<u>–</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2021, the Group employed a total of 76 employees (including executive Directors), as compared to a total of 66 employees as at 31 March 2021. The total salaries and related costs (including Directors' remuneration) for the six months ended 30 September 2021 were approximately HK\$18.0 million (six months ended 30 September 2020: approximately HK\$13.5 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.

The emoluments of the Directors 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, the individual performance of the Directors and comparable market statistics, 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 2021 (six months ended 30 September 2020: nil).

### EVENTS AFTER THE REPORTING PERIOD

There is no other material subsequent event undertaken by the Company or the Group after 30 September 2021 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 2021.

### **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 2021.

### **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 the Listing, unless otherwise approved by the Shareholders.

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 2021.



## 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 2021, 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 the 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 2021, the following persons/entities (other than the Directors or chief executives 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 Positions 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 2)	540,000,000	67.5%
Ms. Shu Ah Ping	Interest of spouse (Note 3)	540,000,000	67.5%
Ms. Ng Wing Mui	Interest of spouse (Note 4)	540,000,000	67.5%
UG China Venture II Limited ("UG")	Beneficial owner (Note 5)	40,000,000	5%
UG Capital Limited	Investment manager (Note 6)	40,000,000	5%
Mr. Lau Chi Yin Thomas	Beneficial owner (Note 6)	40,000,000	5%
Ms. Tsui Wing Suen Bernadette	Interest of spouse (Note 7)	40,000,000	5%

#### Notes:

1. All interests stated are long positions.
2. Shiny Golden is the direct Shareholder, 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 the parties acting in concert that to continue to act in the same manner in the 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. 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 held by Mr. KT Chan under the SFO.
4. 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 held by Mr. KM Chan under the SFO.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

5. UG is the direct Shareholder, which is legally owned as to one voting share by UG Capital Limited and 11,600 non-voting shares by other independent third parties.
6. 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.
7. 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 held by Mr. Lau Chi Yin Thomas 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 2021.

### 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 2021 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 2021 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 2021 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.

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **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 2021.

### **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 FINANCIAL STATEMENTS**

The condensed consolidated interim financial statements of the Group for the six months ended 30 September 2021 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.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

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 2021, 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, 24 November 2021

*As at the date of this report, the Board comprises two executive Directors, namely Mr. Chan Kam Tong and Mr. Chan Kam Ming, and three independent non-executive Directors, namely Mr. Hau Wing Shing Vincent, Mr. Szeto Cheong Mark and Mr. Wan Simon.*