

Golden Faith Group Holdings Limited 高豐集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2863

2022

INTERIM REPORT



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Ko Chun Hay Kelvin (*Chairman*)
Mr. Chan Cho Chak (*Chief Financial Officer*)
Mr. Han Zhenghai
(resigned on 28 January 2022)

Non-executive Directors

Mr. Yung On Wah (*Vice Chairman*)
Ms. Wong Cheuk Wai, Helena
Mr. Li Kar Fai, Peter

Independent Non-executive Directors

Mr. Chan Wing Fai
Mr. Yeung Wai Lung
Mr. Ng Man Li

AUDIT COMMITTEE

Mr. Yeung Wai Lung (*Chairman*)
Mr. Chan Wing Fai
Mr. Ng Man Li

REMUNERATION COMMITTEE

Mr. Chan Cho Chak (*Chairman*)
Mr. Ko Chun Hay Kelvin
Mr. Chan Wing Fai
Mr. Yeung Wai Lung
Mr. Ng Man Li

NOMINATION COMMITTEE

Mr. Chan Wing Fai (*Chairman*)
Mr. Ko Chun Hay Kelvin
Mr. Chan Cho Chak
Mr. Yeung Wai Lung
Mr. Ng Man Li

RISK MANAGEMENT COMMITTEE

Mr. Chan Cho Chak (*Chairman*)
Mr. Ko Chun Hay Kelvin
Mr. Chan Wing Fai
Mr. Yeung Wai Lung
Mr. Ng Man Li

COMPANY SECRETARY

Mr. Chan Cho Chak

AUTHORISED REPRESENTATIVES

Mr. Ko Chun Hay Kelvin
Mr. Chan Cho Chak

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

15/F, Honest Building
9-11 Leighton Road
Causeway Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Union Registrars Limited
Suites 3301-04, 33/F
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

LEGAL ADVISER

Fairbairn Catley Low & Kong

PRINCIPAL BANKERS

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

WEBSITE ADDRESS

www.goldenfaith.hk

STOCK CODE

2863

Management Discussion and Analysis

BUSINESS REVIEW

During the Period, the Group worked on two business segments including electric and maintenance (E&M) engineering service business and rental income from investment property. The Group continued to engage in providing large scale E&M engineering service in major construction projects both in private and public sector in Hong Kong. We have started four E&M engineering projects encompassing hospitals, government office complex and departmental headquarter during the Period. Those projects have contributed approximately HK\$122.3 million, accounted for 83.0% of total revenue of E&M engineering service business for the Period.

FINANCIAL REVIEW

Results Analysis

The Group's revenue for the Period was approximately HK\$148.1 million, representing an increase of approximately HK\$44.6 million or 43.0% as compared to that in the corresponding period in 2021. The increase is mainly due to the normal running of the four projects during the Period, after preparation working being completed in the last period.

The Group's gross profit for the Period increased by approximately HK\$10.7 million which was mainly due to the increase of turnover and cost savings during the Period. The average gross profit ratio increased to approximately 16.7% (31 March 2021: 13.5%).

Administrative expenses

For the Period, the administrative expenses increased by approximately HK\$0.68 million as compared to the corresponding period in 2021 which was mainly due to the net effect of an increase in staff costs and a decrease in professional fee, business entertainment and expected credit losses.

Finance costs

The Group's finance costs represented interest on bank borrowings and lease interest and the increase in amount was mainly due to increase of lease interest.

Profit and total comprehensive income

For the Period, the increase in profit and total comprehensive income of approximately HK\$4.9 million was due to the normal running of a few projects after preparation works being finished in the last period causing increase of turnover, and an improvement of cost savings.

FINANCIAL RESOURCES REVIEW

Liquidity, Financial Position and Capital Structure

As at 31 March 2022, the total number of issued shares of the Company was 665,701,000.

As at 31 March 2022, the Group has bank and cash balance of approximately HK\$133.66 million (30 September 2021: HK\$112.23 million).

The gearing ratio, defined as the ratio of total borrowings less bank and cash balances to equity attributable to owners of the Company. As the Group did not have any borrowings, the Group was in a net cash position (30 September 2021: net cash position).

Foreign Exchange Risk Management

The Group's monetary assets, liabilities and transactions are principally denominated in Hong Kong dollars. The Group is not significantly exposed to foreign exchange risk arising from monetary assets and liabilities that are denominated in currencies other than the functional currencies of the respective group entities.

The Group currently does not have a foreign currency hedging policy as the foreign exchange risk is considered to be insignificant. However, the management will continue to closely monitor the Group's foreign exchange risk exposure and will consider hedging significant foreign exchange exposure when necessary.

Charges on Assets

As at 31 March 2022, leasehold land and buildings with carrying amount of approximately HK\$1.3 million (30 September 2021: HK\$1.3 million) has been pledged to secure a banking facility granted to the Group.

Management Discussion and Analysis

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2022, the Group employs 76 long term employees (30 September 2021: 77) and 593 short term employees (30 September 2021: 210). The Group believes that its success and long-term growth depend primarily on the quality, performance and commitment of its employees. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Discretionary bonuses and share options are offered to qualified employees based on individual and the Group's performance.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

To the best knowledge of the Directors, the Group has complied with all the relevant laws and regulations that have a significant impact on the Group in relation to its business including health and safety, workplace conditions, employment and the environment.

COMMITMENTS

As at 31 March 2022, the Group did not have any capital commitment (30 September 2021: Nil).

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 March 2022.

SIGNIFICANT INVESTMENTS HELD

Except for investments in its subsidiaries, the Group did not hold any significant investments as at 31 March 2022.

MATERIAL ACQUISITIONS OR DISPOSALS

The Group did not have any significant material acquisitions or disposals as at 31 March 2022.

INTERIM DIVIDEND

The Directors of the Company do not recommend the payment of an interim dividend for the Period.

PROSPECTS AND OUTLOOK

The Group continued to engage in providing large scale E&M engineering services in major construction projects mainly in the public sector in Hong Kong. Our project portfolio encompassed hospitals and government office complex. Recently, we have completed three cabin hospitals projects for Hong Kong Government. By leveraging on our extensive experience and well reputation in the field together with well management in field work, the Group has successfully won a number of long-term contracts contributing to the Group's stable income for the next few years.

Looking forward, associated with global trade frictions, geopolitical uncertainties and the global epidemic of COVID-19, the business environment is difficult and construction projects may be slowed down which will unavoidably affect the performance of the Group. The Group will look for diversification of business so as to minimize business risk. Bearing in mind the associated business risk, the Group may consider other business opportunities which may be beneficial to the Group's development in long run.

CORPORATE GOVERNANCE PRACTICES

The Board has always recognized the importance of shareholders' accountability and transparency and is committed to maintaining high standards of corporate governance. The Company has, throughout the Period, applied the principles and complied with the requirements of the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules except for the following deviation.

Although the Company does not officially have a position of chief executive, the executive Director has effectively performed the role of chief executive leading the Board to work effectively. All important issues are discussed in the regular monthly Board meeting. The day-to-day management of the Group's business is handled by the executive Directors. The Board believes that the present arrangement is adequate to ensure an effective management and control of the Group's business operations. The Board will continue to review the effectiveness of the Group's structure as business continues to grow in order to assess whether any changes, including the appointment of a chief executive, are necessary.

Management Discussion and Analysis

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transaction by Directors. The Company, having made specific enquiry, confirms that all Directors have complied with the Model Code throughout the Period.

AUDIT COMMITTEE

The Audit Committee is responsible for reviewing the accounting principles and practices adopted by the Group, as well as discussing and reviewing the risk management and internal control systems and financial reporting matters of the Company. The audit committee of the Company has reviewed the Group’s condensed consolidated financial statements for the Period, including the accounting principles and practices adopted by the Group.

As at 31 March 2022, the Audit Committee comprised three Independent Non-executive Directors, namely Mr. Yeung Wai Lung (Chairman), Mr. Ng Man Li and Mr. Chan Wing Fai. No member of the Audit Committee is a member of the former or existing auditor of the Company.

REVIEW OF INTERIM RESULTS

The interim results of the Group for the Period have not been audited, but have been reviewed by the audit committee of the Company.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2022, the interests of the Directors and chief executives and their associates of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules, were as follows:

Long positions in ordinary shares of the Company

Name of Directors	Capacity	Notes	Number of ordinary shares held (long position)	Number of underlying shares held (long position)	% of the Company's issued share capital
Mr. Ko Chun Hay, Kelvin	Beneficial owner	1	117,658,000	5,370,000	18.48%
	Interests of controlled corporation	2	302,747,000	–	45.48%
Mr. Yung On Wah	Beneficial owner		39,424,000	–	5.92%
Mr. Li Kar Fai, Peter	Beneficial owner	1	12,801,000	2,949,000	2.36%

Notes:

- Details of the underlying shares of the Company held by the Directors are set out in the section headed "Share Option Scheme".
- These shares are held by Greatly Success Investment Trading Limited which is wholly-owned by Mr. Ko Chun Hay, Kelvin.

Save as disclosed above, none of the Directors nor chief executives and their associates of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 31 March 2022, as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Other Information

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in section headed "Shares Option Scheme" below at no time during the six months ended 31 March 2022 was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors or their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SHARE OPTION SCHEME

Details of the Share Option Scheme are set out in the published annual report of the Company for the year ended 30 September 2021.

Details of the movements of share options granted, exercised or cancelled/lapsed during the six months period and outstanding as at 31 March 2022 are as follows:

Grantee	Date of grant of share options	Exercise price of share options HK\$	Closing price immediately before date of grant HK\$	Exercise period (both dates inclusive)	At 1 October 2021	Granted during the Period	Exercised during the Period	Cancelled/lapsed during the Period	Outstanding at 31 March 2022
Mr. Ko Chun Hay Kelvin	5 August 2019	0.50	0.50	5 August 2019 to 4 August 2025	5,370,000	-	-	-	5,370,000
	3 March 2022	0.276	0.26	3 March 2022 to 2 March 2027	-	6,510,000	6,510,000	-	-
Mr. Li Kar Fai, Peter	19 March 2019	0.50	0.49	19 March 2019 to 18 March 2024	1,749,000	-	-	-	1,749,000
	3 March 2022	0.276	0.26	3 March 2022 to 2 March 2027	-	4,200,000	3,000,000	-	1,200,000
Mr. Chan Cho Chak	3 March 2022	0.276	0.26	3 March 2022 to 2 March 2027	-	500,000	-	-	500,000
Employees	3 March 2022	0.276	0.26	3 March 2022 to 2 March 2027	-	500,000	-	-	500,000
Total					7,119,000	11,710,000	9,510,000	-	9,319,000

For the Period, the Group had granted share options and share option expenses, HK\$1.3 million (31 March 2021: HK\$0.9 million) had been recognised in the condensed consolidated statement of profit or loss and other comprehensive income.

DISCLOSABLE INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS UNDER THE SFO

Save as disclosed in the section headed “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures” above, as at 31 March 2022, the following corporation, other than a Director or chief executive of the Company, had the following interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholder	Capacity	Long/Short position	Number of shares held	% of the total number of issued shares of the Company
Greatly Success Investment Trading Limited (<i>Note 1</i>)	Beneficial owner	Long position	302,747,000	45.48%

Notes:

- Greatly Success Investment Trading Limited is wholly-owned by Mr. Ko Chun Hay Kelvin.

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 31 March 2022.

EVENT AFTER THE REPORTING PERIOD

Subsequent to the date of this report, the Board is not aware of any significant events after the Period that requires disclosure.

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

There was no purchase, sale or redemption of the Company’s listed securities by the Company or any of its subsidiaries during the six months ended 31 March 2022.

On behalf of the Board

Ko Chun Hay Kelvin
Executive Director

Hong Kong, 16 May 2022

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 March 2022

	NOTES	Six months ended 31 March	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	3	148,144	103,577
Costs of sales		(123,464)	(89,588)
Gross profit		24,680	13,989
Other gains and losses	4	(1,955)	2,181
Administrative expenses		(13,022)	(12,347)
Finance costs	5	(69)	(55)
Profit before taxation	6	9,634	3,768
Taxation	7	(1,617)	(692)
Profit and total comprehensive income for the period		8,017	3,076
Profit and total comprehensive income for the period attributable to:			
Owners of the Company		6,755	2,638
Non-controlling interests		1,262	438
		8,017	3,076
Earnings per share	8		
Basic (HK\$)		0.010	0.004
Diluted (HK\$)		0.010	0.004

Condensed Consolidated Statement of Financial Position

At 31 March 2022

	NOTES	31 March 2022 HK\$'000 (Unaudited)	30 September 2021 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	9	1,824	1,999
Right-of-use assets		2,174	3,032
Investment properties		54,970	54,970
Deferred tax assets		132	187
Deposits and prepayments	12	332	331
		59,432	60,519
Current assets			
Trade receivables	11	0	24,132
Other receivables, deposits and prepayments	12	11,674	1,696
Contract assets	13	111,289	119,523
Financial assets at fair value through profit or loss ("FVTPL")		9,480	2,348
Tax recoverable		0	448
Short term bank deposits		26,659	5,220
Bank balances and cash		107,003	107,011
		266,105	260,378
Current liabilities			
Trade payables	14	13,344	9,210
Other payables and accrued charges	15	8,280	12,500
Contract liabilities	13	1,320	1,663
Lease liabilities		1,065	1,904
Tax liabilities		11	5,404
		24,020	30,681
Net current assets		242,085	229,697
Total assets less current liabilities		301,517	290,216

Condensed Consolidated Statement of Financial Position

At 31 March 2022

	NOTES	31 March 2022 HK\$'000 (Unaudited)	30 September 2021 HK\$'000 (Audited)
Non-current liabilities			
Provisions		1,071	1,070
Rental deposits received		349	345
Lease liabilities		1,123	1,123
		2,543	2,538
Net assets		298,974	287,678
Capital and reserves			
Share capital	16	6,657	6,562
Reserves		290,475	280,556
Equity attributable to owners of the Company		297,132	287,118
Non-controlling interests		1,842	560
Total equity		298,974	287,678

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 March 2022

Attributable to owners of the Company

	Share capital	Share premium	Other reserves	Share options reserve	Retained profits	Sub-total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 October 2020 (audited)	6,436	121,767	5,955	2,514	128,254	264,926	304	265,230
Profit and total comprehensive income for the period	-	-	-	-	2,638	2,638	430	3,068
Issue of share upon exercise of share options	126	4,526	-	(181)	-	4,471	-	4,471
At 31 March 2021 (unaudited)	6,562	126,293	5,955	2,333	130,892	272,035	734	272,769
At 1 October 2021 (audited)	6,562	127,189	5,955	1,844	145,568	287,118	560	287,678
Profit and total comprehensive income for the period	-	-	-	-	6,755	6,755	1,282	8,037
Issue of share upon exercise of share options	95	2,688	-	476	-	3,259	-	3,259
At 31 March 2022 (unaudited)	6,657	129,877	5,955	2,320	152,323	297,132	1,842	298,974

Condensed Consolidated Statement of Cash Flows

For the six months ended 31 March 2022

	Six months ended 31 March	
	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)
Net cash from operating activities	27,076	11,553
Net cash used in investing activities	(6,534)	(68,527)
Net cash from financing activities	889	(55)
Net increase in cash and cash equivalents	21,431	(57,029)
Cash and cash equivalents at beginning of the period	112,231	197,084
Cash and cash equivalents at end of the period, represented by	133,662	140,055
Bank balances and cash	107,003	92,535
Short term bank deposits with maturity less than three months	26,659	47,520
	133,662	140,055

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

1. GENERAL

The Company is incorporated and registered as an exempted company incorporated in the Cayman Islands on 12 October 2016 and its shares were listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 11 August 2017. The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business is 15/F, Honest Building, 9-11 Leighton Road, Causeway Bay, Hong Kong.

The Company is an investment holding company. The Group’s principal activity is the provision of electrical engineering services in Hong Kong.

The condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the functional currency of the Company.

2. BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements have been prepared using the principles of merger accounting in accordance with the Accounting Guideline 5 “Merger Accounting for Common Control Combinations” (the “**Accounting Guideline 5**”) issued by Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The Group has consistently adopted all Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA that are effective for the Group’s accounting period beginning on 1 October 2016 for both current and prior period. In addition, the condensed consolidated financial statements include applicable disclosures required by the Rules Govern the Listing of Securities on the Stock Exchange (“**Listing Rules**”).

The condensed consolidated financial statements have been prepared on the historical cost which is generally based on fair value of the consideration given in exchange for goods or services.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

2. BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA.

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the Related Amendments
HKFRS 16	Leases
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 “Financial Instruments” with HKFRS 4 “Insurance Contracts”
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

The application of the amendments to HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

2. BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 17 to the condensed consolidated financial statements.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straightline basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve).

At the end of the reporting period, the Company revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimates, with a corresponding adjustment to share options reserve.

For share options that vest immediately at the date of grant, the fair value of share options granted is expensed immediately to profit or loss. When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained earnings.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services rendered, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the services.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

3. REVENUE AND SEGMENT INFORMATION

Segment information

The Group's reportable and operating segments during the Period are as follows:

- (i) Electric and maintenance engineering services; and
- (ii) Rental income from investment properties.

The following is an analysis of the Group's revenue and results by operating and reportable segments during the Period:

	Electric and maintenance engineering services HK\$'000 (Unaudited)	Rental income HK\$'000 (Unaudited)	Consolidated HK\$'000 (Unaudited)
Revenue			
Segment revenue	147,431	713	148,144
Segment results	15,671	713	16,384
Bank interest income			64
Other gains and losses			(2,132)
Administrative expenses			(4,652)
Finance costs			(30)
Profit before taxation			9,634

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

All of the segment revenue reported above is from external customers.

During the Period, the Group's operations are derived from electric and maintenance engineering services and rental income from investment properties. Therefore, the Group presents two operating segments.

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies during the Period. Segment profit represents the profit earned by each segment excluding bank interest income, other gains and losses, certain administrative expenses, finance costs and income tax expense. This is the measure reported to the Group's management for the purpose of resource allocation and performance assessment.

No analysis of segment asset and segment liability as at 31 March 2022 and 31 March 2021 is presented as the chief operating decision maker does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented during the Period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Geographical information

As at 31 March 2022, the Group's property, plant and equipment amounting to HK\$1,824,000 (2021: HK\$1,999,000) and deposits of HK\$332,000 (2021: HK\$331,000) are all located in Hong Kong by geographical location of assets.

Information about major customers

Revenue attributed from customers that accounted for 10% or more of the Group's total revenue during the Period is as follows:

	Six months ended 31 March	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Customer A	69,745	63,300
Customer B	65,292	24,469

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

4. OTHER GAINS AND LOSSES

	Six months ended 31 March	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Interest income	68	104
Employment support scheme	0	4,639
(Loss)/gain on fair value adjustment of financial assets	(2,131)	0
Net exchange (loss)/gain	(26)	1
Others	134	(2,563)
	(1,955)	2,181

5. FINANCE COSTS

	Six months ended 31 March	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Interest on bank borrowings	0	9
Lease interest	69	46
	69	55

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

6. PROFIT BEFORE TAXATION

	Six months ended 31 March	
	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)
Profit before taxation for the period has been arrived at after charging:		
Staff cost:		
Directors' remuneration	3,529	3,485
Other staff costs	64,256	39,317
Contribution to retirement benefit schemes	2,201	1,505
	69,986	44,307
Depreciation of property, plant and equipment	352	314
Depreciation of right-of-use assets	858	733
(Loss)/gain on disposal of property, plant and equipment	0	(8)

7. TAXATION

	Six months ended 31 March	
	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)
Hong Kong profits tax	1,617	692

Under the two-tiered profits tax regime, profits tax rate for the first HK\$2.0 million of assessable profits of qualifying corporations established in Hong Kong will be lowered to 8.25%, and profits above that amount will be subject to the tax rate of 16.5%.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

8. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following data:

	Six months ended 31 March	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Earnings for the purpose of calculating basic and diluted earnings per share and total comprehensive income for the period attributable to owners of the Company	6,755	2,638

Number of shares:

	Six months ended 31 March	
	2022 '000 (Unaudited)	2021 '000 (Unaudited)
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	659,028	656,191
Shares deemed to be issued in respect of share option (<i>Note</i>)	66	9,699
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	659,094	665,890

Note: The effects of potential ordinary shares are anti-dilutive for the period ended 31 March 2022.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group paid approximately HK\$177,000 (2020: HK\$1,381,000) for acquisition of furniture, equipment and motor vehicle.

10. DIVIDENDS

No dividends were paid, declared or proposed during the Period. The Directors of the Company do not recommend the payment of an interim dividend.

11. TRADE RECEIVABLES

The Group grants credit terms of 0 to 30 days to its customers from the date of invoices on progress payments of engineering service works. During the Period, all of the trade receivables had been settled.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	31 March 2022 HK\$'000 (Unaudited)	30 September 2021 HK\$'000 (Audited)
Rental and other deposits	338	503
Deposits for materials purchase	10,860	593
Prepayments and others	808	931
	12,006	2,207
Presented as non-current assets	332	331
Presented as current assets	11,674	1,696
	12,006	2,027

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

13. CONTRACT ASSETS AND CONTRACT LIABILITIES

	31 March 2022 HK\$'000 (Unaudited)	30 September 2021 HK\$'000 (Audited)
Contract assets		
– Engineering service contracts	116,696	120,631
Less: allowance for credit losses	(5,407)	(1,108)
	111,289	119,253
Contract liabilities		
– Engineering service contracts	1,320	1,663

14. TRADE PAYABLES

The credit period on purchases and subcontracting of contract work services is 30 to 90 days. The following is an ageing analysis of trade payables presented based on the invoice date at the end of the Period:

	31 March 2022 HK\$'000 (Unaudited)	30 September 2021 HK\$'000 (Audited)
0-30 days	9,527	7,738
31-60 days	3,575	1,472
61-90 days	242	0
	13,344	9,210

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

15. OTHER PAYABLES AND ACCRUED CHARGES

	31 March 2022 HK\$'000 (Unaudited)	30 September 2021 HK\$'000 (Audited)
Accrued charges for engineering service	3,508	1,870
Retention payables (<i>Note</i>)	0	771
Accrued payroll and bonus	4,180	8,732
Other accrued charges	592	1,127
	8,280	12,500

Note: Retention payables to subcontractors of contract works are unsecured, interest-free and recoverable after the completion of defect liability period of the relevant contracts or in accordance with the terms specified in the relevant contracts, ranging from 1 to 2 years from the date of completion of respective engineering service projects.

16. SHARE CAPITAL

	Number of shares '000 (Unaudited)	Amount HK\$'000 (Unaudited)
Ordinary shares of HK\$0.01 each		
Authorised: At 31 March 2022	10,000,000	100,000
Issued and fully paid: At 31 March 2022	665,701	6,657