



WLS Holdings Limited
滙隆控股有限公司*

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 8021)

Interim Report 2017/2018

* *For identification purpose only*

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The Board of Directors (the “Board”) of WLS Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated financial information of the Company and its subsidiaries (together the “Group”) for the three months and the six months ended 31 October 2017 together with the comparative unaudited figures for the corresponding periods in 2016 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 31 October 2017

	Notes	Three months ended 31 October		Six months ended 31 October	
		2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Turnover	3	31,531	47,856	70,791	86,911
Cost of sales		(23,367)	(34,749)	(46,341)	(58,064)
Gross profit		8,164	13,107	24,450	28,847
Other income	5	1,664	283	2,259	7,607
Other (loss) and gain, net	6	18,531	(4,387)	(82,524)	(7,139)
Operating and administrative expenses		(16,415)	(10,135)	(27,297)	(20,911)
Gain on disposal of property, plant and equipment		338	303	338	303
Finance costs	7(a)	(1,576)	(1,267)	(3,159)	(2,220)
Share of results of associates		–	–	–	176
(Loss)/Profit before taxation	7	10,706	(2,096)	(85,933)	6,663
Taxation	8	(973)	(234)	(2,313)	(1,739)
(Loss)/Profit for the period		9,733	(2,330)	(88,246)	4,924
(Loss)/Profit for the period attributable to:					
Equity holders of the Company		10,180	(3,306)	(88,134)	3,490
Non-controlling interests		(447)	976	(112)	1,434
		9,733	(2,330)	(88,246)	4,924
Dividend	9	–	–	–	–
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss)/Earnings per share					
– basic	10	HK0.080 cent	(HK0.026 cent)	(HK0.690 cent)	HK0.027 cent
– diluted	10	HK0.073 cent	(HK0.026 cent)	(HK0.690 cent)	HK0.027 cent

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the three months and six months ended 31 October 2017

	Three months ended 31 October		Six months ended 31 October	
	2017 (Unaudited) <i>HK\$'000</i>	2016 (Unaudited) <i>HK\$'000</i>	2017 (Unaudited) <i>HK\$'000</i>	2016 (Unaudited) <i>HK\$'000</i>
(Loss)/Profit for the period	9,733	(2,330)	(88,246)	4,924
Other comprehensive (loss)/income:				
<i>Items that may be reclassified to profit or loss:</i>				
Add:				
Exchange difference on translation of financial statement of an associate	-	-	-	13
Change in fair value of available-for-sale investments	3,087	28,839	(46,452)	34,679
Other comprehensive (loss)/income for the period, net of tax	3,087	28,839	(46,452)	34,692
Total comprehensive (loss)/income for the period	12,820	26,509	(134,698)	39,616
Total comprehensive (loss)/income for the period attributable to:				
Equity holders of the Company	13,267	25,533	(134,586)	38,182
Non-controlling interests	(447)	976	(112)	1,434
	12,820	26,509	(134,698)	39,616

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 31 October 2017 (Unaudited) <i>HK\$'000</i>	At 30 April 2017 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
Non-current assets			
Investment properties		44,570	44,570
Property, plant and equipment	11	25,584	30,142
Deferred tax assets		102	102
Other deposit		705	705
Loan and interest receivables	13	126,705	72,190
Available-for-sale investments		30,431	90,633
		228,097	238,342
Current assets			
Financial assets at fair value through profit or loss		66,572	90,240
Trade receivables	12	83,397	64,140
Retention monies receivables		2,443	1,504
Loan and interest receivables	13	349,193	354,663
Amounts due from customers for contract work		7,585	7,705
Inventories		406	299
Prepayments, deposits and other current assets		10,847	5,452
Current tax recoverable		13	13
Bank balances and cash – trust account		7,372	136
Bank balances and cash – general accounts		76,446	190,217
		604,274	714,369
Current liabilities			
Amounts due to customers for contract work		10,393	8,488
Trade and other payables	14	41,714	40,716
Retention monies payables		1,050	1,156
Obligations under finance leases – current portion	15	732	714
Current tax payable		4,814	3,239
Bank loans	16	31,810	32,229
Other loan – secured		20,000	20,000
Bank overdrafts	16	10,836	7,365
		121,349	113,907
Net current assets		482,925	600,462
Total assets less current liabilities		711,022	838,804

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

		At 31 October 2017 (Unaudited) HK\$'000	At 30 April 2017 (Audited) HK\$'000
	<i>Notes</i>		
Non-current liabilities			
Obligations under finance leases			
– non-current portion	<i>15</i>	1,809	2,173
Deferred tax liabilities		374	374
Other borrowing		54,000	54,000
		56,183	56,547
Net assets		654,839	782,257
Capital and reserves			
Share capital	<i>17</i>	127,670	127,670
Reserves		531,150	658,456
Equity attributable to equity holders of the Company		658,820	786,126
Non-controlling interests		(3,981)	(3,869)
Total equity		654,839	782,257

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 October 2017

Attributable to equity holders of the Company

	Share capital	Share premium	Contributed surplus	Merger reserve	Share option reserve	Exchange reserve	Investment revaluation reserve	Accumulated losses	Total	Non-controlling interests	Total
	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>
			(Note 1)	(Note 2)	(Note 3)						
At 1 May 2016 (Audited)	127,670	507,430	191,087	2,222	2,364	(13)	16,352	(45,747)	801,365	(5,178)	796,187
Profit for the period	-	-	-	-	-	-	-	3,490	3,490	1,434	4,924
Other comprehensive income for the period	-	-	-	-	-	13	34,679	-	34,692	-	34,692
Total comprehensive income for the period	-	-	-	-	-	13	34,679	3,490	38,182	1,434	39,616
Share option lapsed during the period	-	-	-	-	(1,731)	-	-	1,731	-	-	-
At 31 October 2016 (unaudited)	127,670	507,430	191,087	2,222	633	-	51,031	(40,526)	839,547	(3,744)	835,803
At 1 May 2017 (Audited)	127,670	507,430	191,087	2,222	-	-	17,054	(59,337)	786,126	(3,869)	782,257
(Loss) for the period	-	-	-	-	-	-	-	(88,134)	(88,134)	(112)	(88,246)
Other comprehensive (loss) for the period	-	-	-	-	-	-	(46,452)	-	(46,452)	-	(46,452)
Total comprehensive (loss) for the period	-	-	-	-	-	-	(46,452)	(88,134)	(134,586)	(112)	(134,698)
Grant of share options	-	-	-	-	7,280	-	-	-	7,280	-	7,280
At 31 October 2017 (unaudited)	127,670	507,430	191,087	2,222	7,280	-	(29,398)	(147,471)	658,820	(3,981)	654,839

Notes:

1. The contributed surplus of the Group represents the amount transferred from share premium amount upon the cancellation of the entire amount standing to the credit of the share premium account as at 28 August 2014 pursuant to a special resolution passed by the shareholders at an extraordinary general meeting held on that date.
2. The merger reserve of the Group represents the difference between the nominal amount of the share capital issued by the Company in exchange for the nominal value for the issued share capital of the subsidiaries acquired pursuant to the Group's reorganisation on 23 November 2001.
3. The share option reserve of the Group represents the fair value of share options granted at the relevant grant dates.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT*For the six months ended 31 October 2017***Six months ended 31 October**

	2017	2016
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash used in operating activities	(108,692)	(54,224)
Net cash used in investing activities		
Purchase of property, plant and equipment	(185)	(2,979)
Proceeds from disposal of property, plant and equipment	420	303
Net cash inflow from disposal of a subsidiary	–	20,000
Investments of available-for-sale investments	(29,541)	(21,000)
Other investing activities	24,680	28
	(4,626)	(3,648)
Net cash (used in)/generated from financing activities		
New bank loan raised	–	31,113
Repayment of bank loans	(1,419)	(30,060)
Proceeds from other borrowing	–	54,000
Other financing activities	(2,505)	(2,220)
	(3,924)	52,833
Net decrease in cash and cash equivalents	(117,242)	(5,039)
Cash and cash equivalents at 1 May	182,852	221,644
Cash and cash equivalents at 31 October	65,610	216,605
Analysis of cash and cash equivalents at end of the period		
Bank balances and cash	76,446	226,533
Bank overdrafts	(10,836)	(9,928)
	65,610	216,605

NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. Corporate information

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and continued in Bermuda and its shares are listed on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company in Hong Kong is located at Rooms 1001–1006, 10th Floor, Tower A, Southmark, 11 Yip Hing Street, Wong Chuk Hang, Aberdeen, Hong Kong.

The principal activities of the Group are the provision of scaffolding and fitting out services, management contracting services and other services for construction and buildings work, money lending business, securities brokerage and margin financing and securities investment business.

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

2. Basis of preparation of the financial statements

The unaudited condensed consolidated financial statements of the Company have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) and the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (“GEM Listing Rules”).

The unaudited condensed consolidated financial statements of the Company have been prepared under the historical cost convention, except for certain financial assets and liabilities which have been measured at fair values. The principal accounting policies used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 30 April 2017 except for the new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA that are adopted for the first time for the current period’s financial statements.

In the current interim period, the Company has applied, for the first time, the following new amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant for the preparation of the Company’s condensed consolidated financial statements:

Amendments to HKAS 7	Disclosure initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014 – 2016 Cycle

The application of the above new amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements. The application of Amendments to HKAS 7 “Disclosure initiative” will result in additional disclosures on the Company’s financing activities, specifically reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities will be provided in the consolidated financial statements for the year ending 30 April 2018 on application.

3. Turnover

	Three months ended 31 October		Six months ended 31 October	
	2017 (Unaudited) <i>HK\$'000</i>	2016 (Unaudited) <i>HK\$'000</i>	2017 (Unaudited) <i>HK\$'000</i>	2016 (Unaudited) <i>HK\$'000</i>
Contract revenue in respect of construction and buildings work for the provision of				
– scaffolding services	18,027	22,918	37,430	42,110
– fitting out services	4,918	12,911	13,475	21,495
Gondolas, parapet railings and access equipment installation and maintenance services	208	2,776	2,423	4,973
Loan interest income	8,238	9,251	17,207	18,333
Securities brokerage and margin financing	140	–	256	–
	31,531	47,856	70,791	86,911

4. Operating information

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used for resources allocation and assessment of performance focuses specifically on the revenue analysis by principal categories of the Group's business and the profit of the Group as a whole. For the six months ended 31 October 2017, the Group has 7 reportable segments – (i) scaffolding services for construction and buildings work, (ii) fitting out services for construction and buildings work, (iii) management contracting services for construction and buildings work, (iv) gondolas, parapet railings and access equipment installation and maintenance services, (v) money lending business, and (vi) securities brokerage and margin financing, (vii) securities investment business. These segments are managed separately as they belong to different industries and require different operating systems and strategies. There are no sales or other transactions between these reportable segments. An analysis of the Group's segment information for the six months ended 31 October 2017 is presented below:

	Scaffolding services for construction and buildings work	Fitting out services for construction and buildings work	Management contracting services for construction and buildings work	Gondolas, parapet railings and access equipment installation and maintenance services	Money lending business	Securities brokerage and margin financing	Securities investment business	Unallocated	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
For the period ended 31 October 2017									
TURNOVER									
External sales	37,430	13,475	-	2,423	17,207	256	-	-	70,791
Other (loss) and gain, net	-	-	-	-	-	-	(82,524)	-	(82,524)
Other income	172	1,400	-	54	-	57	205	297	2,185
Total	37,602	14,875	-	2,477	17,207	313	(82,319)	297	(9,548)
Segment result	(2,861)	987	(12)	342	14,137	(2,365)	(82,716)	(10,698)	(83,186)
Other income									74
Gain on disposal of property, plant and equipment									338
Finance costs									(3,159)
Loss before taxation									(85,933)
Taxation									(2,313)
Loss for the period									(88,246)

4. Operating information (Continued)

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used for resources allocation and assessment of performance focuses specifically on the revenue analysis by principal categories of the Group's business and the profit of the Group as a whole. For the six months ended 31 October 2016, the Group has 6 reportable segments – (i) scaffolding services for construction and buildings work, (ii) fitting out services for construction and buildings work, (iii) management contracting services for construction and buildings work, (iv) gondolas, parapet railings and access equipment installation and maintenance services, (v) money lending business, and (vi) securities investment business. These segments are managed separately as they belong to different industries and require different operating systems and strategies. There are no sales or other transactions between these reportable segments. An analysis of the Group's segment information for the six months ended 31 October 2016 is presented below:

	Scaffolding services for construction and buildings work <i>HK\$'000</i>	Fitting out services for construction and buildings work <i>HK\$'000</i>	Management contracting services for construction and buildings work <i>HK\$'000</i>	Gondolas, parapet railings and access equipment installation and maintenance services <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Securities investment business <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
For the period ended 31 October 2016								
REVENUE								
External sales	42,110	21,495	–	4,973	18,333	–	–	86,911
Other gain and (loss), net	–	–	–	–	–	(9,448)	–	(9,448)
Other income	–	–	–	16	–	7,033	393	7,442
Total	42,110	21,495	–	4,989	18,333	(2,415)	393	84,905
Segment result	(3,158)	2,217	(20)	1,164	16,471	(2,444)	(8,300)	5,930
Other income								165
Gain on disposal of property, plant and equipment								303
Gain on disposal of an associate through a disposal of a subsidiary								2,309
Finance costs								(2,220)
Share of results of associates								176
Profit before taxation								6,663
Taxation								(1,739)
Profit for the period								4,924

5. Other income

	Three months ended 31 October		Six months ended 31 October	
	2017	2016	2017	2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Foreign exchange gain/(loss), net	(109)	–	35	–
Interest income	59	14	76	28
Rental income	160	172	297	393
Dividend income	78	–	204	7,028
Reversal of allowance for bad and doubtful debts	1,425	6	1,578	16
Sundry Income	51	91	69	142
	<u>1,664</u>	<u>283</u>	<u>2,259</u>	<u>7,607</u>

6. Other (loss) and gain, net

	Three months ended 31 October		Six months ended 31 October	
	2017	2016	2017	2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Fair value (loss)/gain on financial assets at fair value through profit or loss, net	18,531	(4,387)	(62,693)	(9,448)
Loss on disposal of an available-for-sale investment	–	–	(19,831)	–
Gain on disposal of a subsidiary	–	–	–	2,309
	<u>18,531</u>	<u>(4,387)</u>	<u>(82,524)</u>	<u>(7,139)</u>

7. (Loss)/profit before taxation

(Loss)/profit before taxation is arrived at after (crediting)/charging the following:

	Three months ended 31 October		Six months ended 31 October	
	2017 (Unaudited) <i>HK\$'000</i>	2016 (Unaudited) <i>HK\$'000</i>	2017 (Unaudited) <i>HK\$'000</i>	2016 (Unaudited) <i>HK\$'000</i>
(a) Finance costs				
Interest on bank loans	477	520	953	1,020
Interest on other loan	519	721	1,045	850
Interest on other borrowing	545	–	1,089	296
Interest on obligations under finance leases	35	26	72	54
	<u>1,576</u>	<u>1,267</u>	<u>3,159</u>	<u>2,220</u>
(b) Depreciation of property, plant and equipment	2,348	2,574	4,651	5,106
Less: Amount capitalised in construction contracts	(1,939)	(2,266)	(3,819)	(4,481)
	<u>409</u>	<u>308</u>	<u>832</u>	<u>625</u>

8. Taxation

Taxation comprises:

	Three months ended 31 October		Six months ended 31 October	
	2017 (Unaudited) <i>HK\$'000</i>	2016 (Unaudited) <i>HK\$'000</i>	2017 (Unaudited) <i>HK\$'000</i>	2016 (Unaudited) <i>HK\$'000</i>
Hong Kong profits tax				
– current period	973	1,793	2,313	3,298
Deferred tax credit				
– current period	–	(1,559)	–	(1,559)
	<u>973</u>	<u>234</u>	<u>2,313</u>	<u>1,739</u>

Provision for Hong Kong Profits Tax has been made at the rate of 16.5% on the estimated assessable profit arising in Hong Kong during the period (six months ended 31 October 2016: 16.5%).

9. Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 31 October 2017 (six months ended 31 October 2016: Nil).

10. (Loss)/Earnings per share

The calculation of the basic (loss)/earnings per share is based on the unaudited net (loss)/profit attributable to equity holders of the Company for the three months and six months ended 31 October 2017 approximately HK\$10,180,000 and (HK\$88,134,000) respectively (unaudited net profit/(loss) attributable to equity holders of the Company for the three months and six months ended 31 October 2016: approximately (HK\$3,306,000) and HK\$3,490,000 respectively). The weighted average numbers of ordinary shares for the purpose of basic and diluted (loss)/earnings per share are as follows:

	Three months ended 31 October		Six months ended 31 October	
	2017	2016	2017	2016
			(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of calculating earnings per share				
Basic	12,767,101,072	12,767,101,072	12,767,101,072	12,767,101,072
Effect of dilutive potential ordinary shares on share options	1,149,030,000	–	–	–
Diluted	<u>13,916,131,072</u>	<u>12,767,101,072</u>	<u>12,767,101,072</u>	<u>12,767,101,072</u>
	<i>HK Cent</i>	<i>HK Cent</i>	<i>HK Cent</i>	<i>HK Cent</i>
(Loss)/Earnings per share				
– Basic	0.080	(0.026)	(0.690)	0.027
– Diluted	<u>0.073</u>	<u>(0.026)</u>	<u>(0.690)</u>	<u>0.027</u>

During the six months ended 31 October 2017, no adjustment has been made to the loss per share amount presented for the period as the impact on the share options has an anti-dilutive effect on the loss per share amount presented.

11. Additions to property, plant and equipment

During the six months ended 31 October 2017, the Group spent approximately HK\$185,000 (six months ended 31 October 2016: HK\$2,979,000) on the acquisition of property, plant and equipment.

12. Trade receivables

The credit terms given to each individual customer were in accordance with the payment terms stipulated in the relevant tenders or contracts. The aged analysis of trade receivables as at the end of the reporting period, based on the invoice date and net of impairment is as follows:

	At 31 October 2017 (Unaudited) <i>HK\$'000</i>	At 30 April 2017 (Audited) <i>HK\$'000</i>
Within 90 days	46,006	43,514
91 to 180 days	1,566	12,749
181 to 365 days	6,220	6,709
Above 1 year	29,605	1,168
	<u>83,397</u>	<u>64,140</u>

As at 31 October 2017, no impairment allowance was made in respect of trade receivables (30 April 2017: HK\$3,596,000).

13. Loan and interest receivables

	At 31 October 2017 (Unaudited) <i>HK\$'000</i>	At 30 April 2017 (Audited) <i>HK\$'000</i>
Amount due within one year	349,193	354,663
Amount due more than one year, but not exceeding two years	126,705	72,190
	<u>475,898</u>	<u>426,853</u>

At the reporting date, loan and interest receivables consisted of:

	At 31 October 2017 <i>HK\$'000</i>	At 30 April 2017 <i>HK\$'000</i>
Amounts secured with guarantor	50,143	18,694
Amounts secured with securities (Note)	304,117	298,882
Amounts secured with guarantor and securities (Note)	–	15,351
Amounts unsecured	121,638	93,926
	<u>475,898</u>	<u>426,853</u>

Note: The securities are the ordinary shares of companies listed in Hong Kong.

13. Loan and interest receivables (Continued)

The table below summarises its credit quality (gross balances net of impairment allowances):

	At 31 October 2017 <i>HK\$'000</i>	At 30 April 2017 <i>HK\$'000</i>
Credit quality		
Neither past due nor individually impaired	366,905	426,853
Less than 1 month past due	41,137	–
1 to 3 months past due	2,850	–
3 to 6 months past due	65,006	–
	475,898	426,853

The Group seeks to maintain strict control over its outstanding loan and interest receivables so as to minimise credit risk. The granting of loans is subject to approval by the management, whilst overdue balances are reviewed regularly for recoverability. Loan and interest receivables are charging on fixed interest rate mutually agreed with the contracting parties, ranging from 8% to 40% (2017: 3% to 12%) per annum.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer.

Loan and interest receivables that were neither pass due nor individually impaired relate to a number of diversified borrowers for whom there was no recent history of default.

Loan and interest receivables that were pass due but not impaired relate to a number of independent borrowers that have good repayment history/or collateral maintained with Group/or subsequently settled after the reporting date. Base on the past experience, the directors of the Company are of the view that no provision of impairment is necessary and the balance is still considered fully recoverable.

As at 31 October 2017, no impairment allowance was made in respect of loan and interest receivables (30 April 2017: Nil).

14. Trade and other payables

Included in trade and other payables are trade payables of HK\$13,304,000 (as at 30 April 2017: HK\$6,903,000) with an aged analysis of trade payables shown as follows:

	At 31 October 2017 (Unaudited) <i>HK\$'000</i>	At 30 April 2017 (Audited) <i>HK\$'000</i>
Within 90 days	7,926	5,434
91 to 180 days	1,085	917
181 to 365 days	4,293	552
Total Trade Payables	13,304	6,903
Other Payables	25,010	29,116
Accruals	3,400	4,697
Total trade and other payables	41,714	40,716

15. Obligations under finance leases

	Minimum lease payments		Present value of minimum lease payments	
	At 31 October 2017 (Unaudited) HK\$'000	At 30 April 2017 (Unaudited) HK\$'000	At 31 October 2017 (Unaudited) HK\$'000	At 30 April 2017 (Audited) HK\$'000
Amount payable under finance lease:				
Within one year	846	838	732	714
In the second to fifth year inclusive	1,914	2,341	1,809	2,173
	<u>2,760</u>	<u>3,179</u>		
Less: future finance charges	(219)	(292)		
Present value of lease obligations	<u>2,541</u>	<u>2,887</u>	<u>2,541</u>	<u>2,887</u>
Less: Amount due within one year shown under current liabilities			(732)	(714)
Amount due after one year			<u>1,809</u>	<u>2,173</u>

16. Bank loans and overdrafts

Bank loans and overdrafts are secured by the Group's properties, trade and retention monies receivables and Company's corporate guarantee and are repayable on demand or repayable within one year. The amounts due are based on scheduled repayment dates set out in the loan agreements.

The directors consider the fair values of the Group's bank loans and overdrafts, determined based on the present value of the estimated future cash flows discounted using the prevailing market rate at the end of the reporting period, approximate the carrying amounts.

17. Share capital

	Par value HK\$	No. of shares	Amount HK\$'000
Authorised:			
At 1 May 2016	0.01	40,000,000,000	400,000
At 30 April 2017, 1 May 2017 and 31 October 2017	0.01	<u>40,000,000,000</u>	<u>400,000</u>
Issued and fully paid:			
At 1 May 2016	0.01	12,767,101,072	127,670
At 30 April 2017, 1 May 2017 and 31 October 2017	0.01	<u>12,767,101,072</u>	<u>127,670</u>

18. Commitments

Operating lease commitments and arrangements

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	At 31 October 2017 (Unaudited) HK\$'000	At 30 April 2017 (Audited) HK\$'000
Within one year	2,591	3,887
In the second to fifth years inclusive	1,967	2,690
	<u>4,558</u>	<u>6,577</u>

Operating lease payments represent rentals payable for certain of its warehouse quarters. Leases are negotiated for terms of one year to three years and rentals are fixed during the lease terms.

The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	At 31 October 2017 (Unaudited) HK\$'000	At 30 April 2017 (Audited) HK\$'000
Within one year	<u>95</u>	<u>83</u>

19. Related party transactions

The remuneration of executive directors and other members of key management during the period was as follows:

	Six months ended 31 October 2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Short term benefits	5,480	4,111
Post-employment benefits	127	107
	<u>5,607</u>	<u>4,218</u>

The remuneration of executive directors and key management is determined by the Remuneration Committee or senior management having regard to the performance of individuals and market trends.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the six months ended 31 October 2017 (herein referred to as the “reporting period”), the turnover of the Group amounted to approximately HK\$70,791,000 (2016: HK\$86,911,000), representing a drop of approximately 19% compared to the corresponding period in 2016. Net (loss)/income attributable to equity holders of the Company for the six months ended 31 October 2017 was approximately (HK\$88,134,000) (2016: HK\$3,490,000). The decrease in turnover was mainly due to the decrease in contract revenue generated from scaffolding business and fitting-out business during the reporting period. Also, the loss incurred in the reporting period was mainly due to the fair value loss of the Group’s financial assets at fair value through profit or loss of approximately HK\$62.7 million (2016: loss of approximately HK\$9.5 million); and loss on disposal of one of the available-for-sale investments of approximately HK\$19.8 million (2016: Nil). During the reporting period, our money lending business continued to contribute stable revenue to the Group and served as one of the major income sources of the Group.

Scaffolding Services

In recent years, a number of transportation and infrastructure projects have been carried out by the Hong Kong Government to help boost the construction and development of Hong Kong’s society. To this end, a multi-pronged strategy has been adopted for maintaining a steady and sustainable land supply in order to meet the demand for private housing, which has, in turn, stimulated the positive growth trend in the construction industry during the period.

However, a primary concern across the entire industry during the past several years has been that construction workers, especially experienced personnel, have been in short supply, causing higher labour costs for employers. As a result, profit margins throughout the industry were lower during the period in addition to intensified competition within the scaffolding sector itself. However, it is worth mentioning that the Group’s patented scaffolding system known as “Pik-Lik” played a crucial role in saving manpower hours and achieving higher efficiency.

Leveraging the widespread recognition of our service quality and the strong relationships we have nurtured with our clientele, the Group continued to receive positive feedback and support as one of the leading scaffolding service providers in Hong Kong. During the period, we provided scaffolding services for 41 ongoing projects, 20 of which were completed on schedule. We also successfully secured 8 new contracts. The overall results for the division during the period had slightly declined with the revenue of HK\$37,430,000, a decrease of 11% compared to the same period in 2016.

Fitting-out Services

Regarding our fitting-out business division, the Group recorded segment revenues of HK\$13,475,000 with 7 new contracts secured during the reporting period.

Sense Key Design Holdings Limited (“Sense Key”), the Group’s 51% owned subsidiary, which provides fitting-out services targeting commercial institutions and luxury residence end-users continued to generate substantial revenues for the Group along with high profit margins. The Group has also extended its scope of services to include ceiling work and to date we have received encouraging feedback from clients.

Due to the keen competition of fitting-out services, comparatively less contract revenue was received during the reporting period. The Group will continue to stay positive to acquiring new contracts.

Gondolas, Parapet Railings, Access Equipment Installation and maintenance Services

In this segment, the Group mainly generated revenues from temporary gondola fleet rental income during the period. The Access Equipment division has also been developing in a stable manner with turnover amounting to approximately HK\$2,423,000, a decrease of approximately 51% compared to the same period last year. Moreover, 10 new projects were secured during the reporting period.

Management Contracting Services

The Group's Management Contracting Division did not generate any revenue for the six months period. The Group is actively seeking for potential projects and is prudently optimistic about this business segment and will continue to actively approach prospective clients.

Money Lending Business

As for money lending operations, the Group has secured a number of short-term and long-term loan agreements and generated a turnover of approximately HK\$17,207,000 during the reporting period, representing approximately 6% slightly drop compared with last period and accounted for approximately 24% of total turnover. The principal amount of the loans ranged from HK\$0.5 million to HK\$40 million with interest rates set between 8% and 40% per annum during the reporting period. In view of the this segment's considerable returns, the money lending segment has already become the cash cow and profit driver of the Group's overall business.

Securities Investment Business

As mentioned above, the Group's securities investment business had recorded a significant loss during the reporting period, which was mainly due to the volatility of the stock market in Hong Kong.

The Group will continue to focus on Hong Kong-listed securities with strict risk control. Due diligence was conducted with every possible investment and each was taken into serious consideration to ensure quality risk control and to maximise shareholders' benefits.

Taking advantage of the global economy recovery for year 2017, the Group's management believes the overall financial environment in Hong Kong will continue to expand and bloom in year 2018, as the Group positions itself to capture the market's long-term potential.

Securities Brokerages and Margin Financing Business

The Group began its securities brokerages operations ever since Ox Financial Securities Limited ("Ox Financial"), its indirect, wholly-owned subsidiary was granted the right to conduct type 1 (dealing in securities) regulated activities by SFC. This business segment contributed revenues of approximately HK\$256,000 during the reporting period.

Business Outlook

The Group expects 2017 to be a busy time for the construction industry. Apart from ten major infrastructure projects, the Hong Kong government is also pressing ahead with other works such as the Liantang/Heung Yuen Wai Boundary Control Point project and the third runway for Hong Kong International Airport. In addition, based on the HKSAR's land supply forecast, a total of 460,000 residential units are expected to be added to the market over the next 10 years, generating a great deal of future construction project work. Therefore, the Group is prudently optimistic about overall prospects for the scaffolding sector. As one of the leading scaffolding sub-contractors in the industry, we are confident about securing more contracts in the coming year.

However, there will also be a shortage of about 10,000 to 15,000 skilled workers in the construction industry. The Group has identified a key market niche and will continue to promote the use of the "Pik Lik" brand scaffolding system to help improve overall efficiency while boosting the revenue and market share of our Scaffolding Services division. At present, there are currently 15 construction projects utilising the Pik Lik scaffolding system, and these projects are still ongoing.

Furthermore, the Group plans to continue expanding those business segments that generate higher profit margins and show ample growth potential such as money lending and securities brokerage operations. In the meantime, the Group will strictly adhere to its cost control policy, and swiftly adjust business strategies to its scaffolding business in response to ever-changing market dynamics in order to generate better financial returns for shareholders.

Finally, we will actively explore all suitable investment opportunities to diversify the Group's business horizons and will work hard to strengthen overall business development. The Group's business strategy is in line with the general direction of the government's overall strategic development plans for property construction, infrastructure investment and financial market development.

Financial Review

For the three months and six months ended 31 October 2017, revenue decreased by approximately 34% and 19% respectively as compared with the corresponding periods in the preceding financial year. To maintain a balanced business portfolio, the management of the Group has been actively looking for other business opportunities and possible geographic diversification in recent years. Projects in the scaffolding and fitting out division and money lending business contributed substantial revenue to maintain the financial stability of the Group in anticipation of future growth.

Due to ongoing business expansion and diversification, operating and administrative expenses increased from approximately HK\$20,911,000 to approximately HK\$27,297,000. Finance costs increased from approximately HK\$2,220,000 to approximately HK\$3,159,000. The increase in operating and administrative expenses was mainly due to the share based payments of approximately HK\$7,280,000 (2016: Nil) in respect of share options during the reporting period. The Group continued to adopt its policy of vigilant cost control for the ensuing periods. Funds generated from financing activities strengthened the working capital of the Group in anticipation of further investment and diversification opportunities in the future.

Capital Structure

As at 31 October 2017, the Group had shareholders' equity of approximately HK\$658,820,000 (30 April 2017: approximately HK\$786,126,000).

FINANCING

Previous fund raising activity of the Company

Date of announcement	Fund raising activities	Intended use of net proceeds as at the date of this announcement	Actual use of the net proceeds as at the date of this announcement
21 January 2015 and 27 March 2015	Placing of 540,000,000 new shares pursuant to the specific mandate granted to the Directors by the Shareholders at the special general meeting of the Company held on 5 March 2015	The aggregate net proceeds of approximately HK\$159.76 million was intended to be used as follows:	The aggregate net proceeds of HK\$156.25 million have been used as follows:
		(i) approximately HK\$30.00 million for repayment of bank loans and other loans;	(i) approximately HK\$30.00 million has been utilised for repayment of bank loans and other loans;
		(ii) approximately HK\$33.00 million for repayment of the convertible bonds and the payment of interest accrued thereon;	(ii) approximately HK\$31.78 million has been utilised for repayment of the convertible bonds and the payment of interest accrued thereon, and remaining balance of approximately HK\$1.22 million has been reallocated as general working capital of the Group;
		(iii) approximately HK\$30.00 million for financing the development of the money lending business;	(iii) approximately HK\$30.00 million has been utilised for financing the money lending business;
		(iv) approximately HK\$25.00 million for purchase of factory unit for warehouse storage purpose;	(iv) approximately HK\$17.00 million has been utilised for expansion of design and fitting out services of the Group; and
		(v) approximately HK\$17.00 million for expansion of design and fitting out services of the Group; and	(v) approximately HK\$25.98 million has been applied as general working capital of the Group, of which was utilised as to (a) approximately HK\$12.18 million for the purchase of raw material for the segment of scaffolding services for construction and building work; (b) approximately HK\$6.45 million for the salaries and wages for the employees of the Group; (c) approximately HK\$2.03 million for the legal and professional fees incurred by the Group; and (d) approximately HK\$5.32 million for other administrative expenses of the Group.
		(vi) the remaining balance of approximately HK\$24.76 million for general working capital of the Group.	

Date of announcement	Fund raising activities	Intended use of net proceeds as at the date of this announcement	Actual use of the net proceeds as at the date of this announcement
			<p data-bbox="781 185 1040 612">To enhance the efficiency of the deployment of the net proceeds and to maximise the returns to the shareholders of the Company, the remaining balance of approximately HK\$25.00 million originally allocated for purchase of factory unit for warehouse storage purpose, was reallocated to the general working capital of the Group and utilised as to (i) approximately HK\$9.06 million for salaries and wages for the employees of the Group; and (ii) approximately HK\$12.43 million for other administrative expenses of the Group, further details are set out in the announcement of the Company dated 19 June 2017.</p> <p data-bbox="781 644 1040 734">The remaining balance of approximately HK\$3.51 million has not been utilised and remains in the bank for intended use.</p>

Significant investments

As at 31 October 2017, the available-for-sale investments (“AFSs”) of the Group amounted to approximately HK\$30.43 million and financial assets at fair value through profit or loss (“FVTPL”) of the Group amounted to approximately HK\$66.57 million. Given that securities investment is one of the Group’s ordinary principal businesses, the Directors consider that (i) investments with a carrying amount that account for more than 5% of the Group’s unaudited net assets as at 31 October 2017; or (ii) investment with a carrying amount that account for more than 5% of the Group’s total securities investment; or (iii) investments held by the Group contributed realised or unrealised gain/(loss) or impairments or increase/(decrease) in investment revaluation reserve of over HK\$6.5 million during the reporting period as significant investments.

Description of investments	Notes	Carrying amount as at 30 April 2017	Acquired during reporting period	Disposal during reporting period	Increase/(decrease) in investment revaluation reserve	Loss on disposal of AFS	Fair value gain/(loss)	Carrying amount as at 31 October 2017	Percentage to the Group’s unaudited net assets as at 31 October 2017	Percentage to the Group’s unaudited total assets as at 31 October 2017	Percentage to the Group’s total securities investment as at 31 October 2017
		(Audited) HK\$’000	(Unaudited) HK\$’000	(Unaudited) HK\$’000	(Unaudited) HK\$’000	(Unaudited) HK\$’000	(Unaudited) HK\$’000	(Unaudited) HK\$’000	(Unaudited) %	(Unaudited) %	(Unaudited) %
AFS											
Capital VC Limited (“Capital VC”) (stock code: 2324)	(a)	15,221	-	-	(9,992)	-	-	5,229	0.80%	0.63%	5.39%
China Kingstone Mining Holdings Limited (“CKMH”) (stock code: 1380)	(b)	-	10,118	-	(1,180)	-	-	8,938	1.37%	1.07%	9.21%
KPM Holding Limited (“KPM”) (stock code: 8027)	(c)	19,500	-	-	(16,120)	-	-	3,380	0.52%	0.41%	3.49%
QPL International Holdings Limited (“QPL”) (stock code: 243)	(d)	34,456	19,423	(18,280)	(15,768)	(19,831)	-	-	-	-	-
Equity securities listed in Hong Kong	(e)	10,275	-	-	(3,362)	-	-	6,913	1.05%	0.83%	7.13%
Unlisted investment funds, at cost		9,181	-	(5,180) ⁽¹⁾	(30)	-	-	3,971	0.61%	0.48%	4.09%
Unlisted investment, at cost		2,000	-	-	-	-	-	2,000	0.31%	0.24%	2.06%
		<u>90,633</u>	<u>29,541</u>	<u>(23,460)</u>	<u>(46,452)</u>	<u>(19,831)</u>	<u>-</u>	<u>30,431</u>	<u>4.66%</u>	<u>3.66%</u>	<u>31.37%</u>
Financial assets at FVTPL											
Convertible bonds (“CB”) of China e-Wallet Payment Group Limited (formerly known as RCG Holdings Limited) (“China e-Wallet”) (stock code: 802)	(f)	35,400	-	-	-	-	(7,200)	28,200	4.31%	3.39%	29.07%
China Investments and Finance Group Limited (“CIFL”) (stock code: 1226)	(g)	24,380	-	-	-	-	(17,296)	7,084	1.08%	0.85%	7.30%
China Jicheng Holdings Limited (“CJHL”) (stock code: 1027)	(h)	-	14,254	(916)	-	-	(13,338)	-	-	-	-
Hao Wen Holdings Limited (“Hao Wen”) (stock code: 8019)	(i)	16,363	-	-	-	-	(10,675)	5,688	0.87%	0.68%	5.86%
Link Holdings Limited (“Link”) (stock code: 8237)	(j)	7,074	-	-	-	-	(823)	6,251	0.95%	0.75%	6.45%
Major Holdings Limited (“MHL”) (stock code: 1389)	(k)	-	9,865	(1,678)	-	-	(8,187)	-	-	-	-
Wan Cheng Metal Packaging Company Limited (“Wan Cheng”) (stock code: 8291)	(l)	-	2,334	-	-	-	4,128	6,462	0.99%	0.78%	6.66%
Equity securities listed in Hong Kong	(m)	7,023	23,592	(8,426)	-	-	(9,302)	12,887	1.97%	1.55%	13.29%
		<u>90,240</u>	<u>50,045</u>	<u>11,020</u>	<u>-</u>	<u>-</u>	<u>(62,693)</u>	<u>66,572</u>	<u>10.17%</u>	<u>8.00%</u>	<u>68.63%</u>
		<u>180,873</u>	<u>79,586</u>	<u>(34,480)</u>	<u>(46,452)</u>	<u>(19,831)</u>	<u>(62,693)</u>	<u>97,003</u>	<u>14.83%</u>	<u>11.66%</u>	<u>100.00%</u>

Note (1): this represent capital refunds during the reporting period

Notes:

- (a) Capital VC and its subsidiaries (collectively referred to as the “Capital VC Group”) were principally engaged in investing in listed and unlisted companies mainly.

As at 31 October 2017, the Group held 93,380,000 shares of Capital VC, which represented approximately 3.39% of total issued share capital of Capital VC at the same date.

As disclosed in the interim report of Capital VC for the six months ended 31 March 2017, Capital VC expected that (i) the investment environment in the US and other advanced economies will be relatively stable; (ii) the anticipated mild and slow interest rate normalisation will not cause significant influence of global investment market; and (iii) in the East, as the China economy is maturing and a more sustainable development is desired, slower future growth levels are to be expected. Accordingly, the directors of Capital VC will continue to adopt cautious measures to manage the Capital VC Group’s investment portfolio.

- (b) CKMH and its subsidiaries (collectively referred to as the “CKMH Group”) were principally engaged in the production and sale of marble and marble related products mainly in China.

As at 31 October 2017, the Group held 84,320,000 shares of CKMH, which represented approximately 2.98% of total issued share capital of CKMH at the same date.

As disclosed in the interim report of CKMH for the six months ended 30 June 2017, CKMH expected that the property developer will invest less in new construction projects. The marble stone business of the CKMH Group is still full of challenges. The CKMH Group will continue to carry out the further development of the mine to lower benches for a higher quality large block production. In short terms, the CKMH Group may rely on the sales of marble slabs through the stripping of overburden and cracked limestone and sourcing the marble slabs from other supplier for its customers.

- (c) KPM and its subsidiaries (collectively referred to as the “KPM Group”) were principally engaged in the design, fabrication, installation and maintenance of signage and related products.

As at 31 October 2017, the Group held 26,000,000 shares of KPM, which represented approximately 0.81% of total issued share capital of KPM at the same date.

As disclosed in the interim report of KPM for the six months ended 30 June 2017, KPM expected that the demand in private sector construction activities has declined which would adversely affect the KPM’s revenue, yet the increased demand in public sector construction, in particular in road infrastructure, is anticipated to present more business opportunity for the KPM Group in due course. The KPM Group will continue to manage its expenditures, review the business strategy constantly and look for other business opportunities to cope with existing market environment in a cautious and prudent manner.

- (d) QPL and its subsidiaries were principally engaged in the manufacture and sale of integrated circuit leadframes, heatsinks, stiffeners and related products and investment holding.

During the reporting period, the Group disposed all of 88,397,000 shares of QPL, which contributed a loss on disposal of approximately HK\$19,831,000 to the Group accordingly.

(e) As at 31 October 2017, equity securities listed in Hong Kong under the category of available-for-sale investments represented the Group's investments in two companies whose shares are listed on the Main Board of the Stock Exchange. Each of such investments has a carrying amount that account for (i) less than 5% of the Group's unaudited net assets as at 31 October 2017 and (ii) less than 5% of the Group's total securities investment as at 31 October 2017, and each of such investment does not contribute over HK\$6.5 million of movement in investment revaluation reserve during the reporting period.

(f) This investment represented the subscription of CB of China e-Wallet in total amount of HK\$15,000,000 with interest rate of 2.5% per annum on the principal amounts and the conversion price is HK\$0.25 per conversion share. The maturity date of the CB is the date falling 36 months from the issuing date. As at 31 October 2017, the fair value of the CB subscribed by the Group was approximately HK\$28,200,000 which was based on the valuation report prepared by a professional valuer.

China e-Wallet and its subsidiaries (collectively referred to as the "China e-Wallet Group") were principally engaged in the provision of internet and mobile application and related services.

As disclosed in the interim report of China e-Wallet for the six months ended 30 June 2017, China e-Wallet Group had continued the efforts to consolidate and realign its businesses to enable the China e-Wallet Group to achieve improvements in its financial position. China e-Wallet Group will continue to work towards, attaining a stable platform for sustainability and basis for continuous growth.

(g) CIFL and its subsidiaries (collectively referred to as the "CIFL Group") were principally engaged in securities trading and investment holding.

As at 31 October 2017, the Group held 92,000,000 shares of CIFL, which represented approximately 4.08% of total issued share capital of CIFL at the same date.

As disclosed in the interim report of CIFL for the six months ended 30 September 2017, CIFL expected that (i) the global market will continue to face greater challenges and full of uncertainty, developed economies are beginning to have signs of recovery, but the developing economies also have trends of adjustment and (ii) meanwhile, China is also facing a slowdown in economic growth, economic structure has undergone significant changes during the transition from medium to long term, crisis and opportunities coexist. Accordingly, the directors of CIFL will continue to take a prudent approach in managing the CIFL Group's investment portfolio and develop the investment strategies. Given the increasing influence of China against the global economy, the CIFL Group will still be based mainly on Chinese economy, the CIFL Group will continue to look for investment opportunities which offer outstanding returns under the acceptable risk in the portfolio of the CIFL Group.

(h) CJHL and its subsidiaries were principally engaged in the manufacture and sale of umbrella.

During the reporting period, the Group acquired 54,150,000 shares of CJHL and disposed all of 54,150,000 shares of CJHL within the same reporting period due to a significant downward of its share price.

- (i) Hao Wen and its subsidiaries (collectively referred to as the “Hao Wen Group”) were principally engaged in money lending business, trading of electronic parts and trading and manufacturing of biomass fuel.

As at 31 October 2017, the Group held 87,500,000 shares of Hao Wen, which represented approximately 4.08% of total issued share capital of Hao Wen at the same date.

As disclosed in the interim report of Hao Wen for the six months ended 30 June 2017, the Hao Wen Group will devote its resources to expand its business in a proactive yet cautious manner, especially in money lending business in Hong Kong. The management of Hao Wen will continue to closely monitor the credit risk of its loan portfolio on an ongoing basis. The Hao Wen Group will also explore other potential investment opportunities with positive prospects in order to broaden their income sources and enhance the value of both the Hao Wen Group and its shareholders of Hao Wen.

- (j) Link and its subsidiaries (collectively referred to as the “Link Group”) were principally engaged in hotel ownership, operation of hotel services and property investment.

As at 31 October 2017, the Group held 8,226,000 shares of Link, which represented approximately 0.24% of total issued share capital of Link at the same date.

As disclosed in the interim report of Link for the six months ended 30 June 2017, Link intends to expand its business horizon to the Greater China region and other Asian countries and The Link Group will further seek potential acquisition opportunities to maximise its shareholder’s value.

- (k) MHL and its subsidiaries were principally engaged in sale and distribution of premium wine and spirit products and wine accessory products in Hong Kong.

During the reporting period, the Group acquired 8,624,000 shares of MHL and disposed all of 8,624,000 shares of MHL within the same reporting period due to a significant downward of its share price.

- (l) Wan Cheng and its subsidiaries (collectively referred to as the “Wan Cheng Group”) were principally engaged in manufacturing and sale of tinplate packaging products based in China.

As at 31 October 2017, the Group held 3,590,000 shares of Wan Cheng, which represented approximately 0.90% of total issued share capital of Wan Cheng at the same date.

As disclosed in the interim report of Wan Cheng for the six months ended 30 June 2017, the Wan Cheng Group will attend certain exhibition for coatings and coating related products. The Wan Cheng Group also plan to expand the sales team with experienced staff in order to focus on the soliciting of new customers for its product portfolio. The Wan Cheng Group aim to achieve stable growth and reduce the concentration risk in any single customer group by the expansion of the customer base. With the Wan Cheng Group’s experienced management team and reputation in the market, the directors of Wan Cheng consider the Wan Cheng Group to be well-positioned to compete against its competitors and future challenges.

- (m) Equity securities listed in Hong Kong under the category of financial assets at FVTPL represented the Group’s investments in over twenty companies whose shares are listed on the Main Board or the GEM of the Stock Exchange during the reporting period. Each of such investments has a carrying amount that account for (i) less than 5% of the Group’s unaudited net assets as at 31 October 2017 and (ii) less than 5% of the Group’s total securities investment as at 31 October 2017, and each of such investment does not contribute over HK\$6.5 million of realised or unrealised gain/(loss) during the reporting period.

Liquidity, financial resources and gearing ratio

During the period under review, the Group financed its operations by internally generated cash flow, banking facilities, other borrowings and finance leases provided by banks and finance companies.

As at 31 October 2017, the Group's consolidated shareholders' funds, current assets, net current assets and total assets were approximately HK\$658,820,000 (as at 30 April 2017: approximately HK\$786,126,000), approximately HK\$604,274,000 (as at 30 April 2017: approximately HK\$714,369,000), approximately HK\$482,925,000 (as at 30 April 2017: approximately HK\$600,462,000) and approximately HK\$832,371,000 (as at 30 April 2017: approximately HK\$952,711,000) respectively.

As at 31 October 2017, the Group's consolidated bank overdrafts and bank loans were approximately HK\$10,836,000 (as at 30 April 2017: approximately HK\$7,365,000) and approximately HK\$31,810,000 (as at 30 April 2017: approximately HK\$32,229,000) respectively. As at 31 October 2017, the Group's other loan was approximately HK\$20,000,000 (as at 30 April 2017: HK\$20,000,000). As at 31 October 2017, obligations under finance leases amounted to approximately HK\$2,541,000 (as at 30 April 2017: approximately HK\$2,887,000). As at 31 October 2017, the Group's other borrowing, representing the 4% coupon bonds issued by Gold Medal, an indirect wholly-owned subsidiary of the Company, on 12 September 2016, amounted to HK\$54,000,000 (as at 30 April 2017: HK\$54,000,000).

As at 31 October 2017, the Group's bank and cash balances amounted to approximately HK\$76,446,000 (as at 30 April 2017: approximately HK\$190,217,000). As at 31 October 2017, the Group's gearing ratio (total borrowings and obligations under finance leases divided by shareholders' fund) was approximately 18% (as at 30 April 2017: approximately 15%).

Most of the Group's bank and cash balances, bank and other borrowings, and obligations under finance leases are denominated in Hong Kong dollars. Most of the bank borrowings bear interest at market rates and are repayable by on demand or within one year. Obligations under finance leases have an average lease term of 4 years. All such leases have interest rates fixed at the contract date and fixed repayment bases. The other loan bears an interest rate of 10.5% (as at 30 April 2017: 10.5%) per annum for the year and is repayable within one year. The coupon bonds bears interest at 4% per annum and will be matured in two years from the issue date.

Segmental information

Operating segments

The Group is currently organised into 7 segments – (i) scaffolding services for the construction and buildings work, (ii) fitting out services for construction and buildings work, (iii) management contracting services for construction and buildings work, (iv) gondolas parapet railing and access equipment installation and maintenance services, (v) money lending business, (vi) securities brokerage and margin financing, and (vii) securities investment business. Details of results by Operating Segments are shown in note above.

Material acquisitions and disposals

There were no material acquisitions and disposals by the Group during the reporting period.

Charges on assets

The details of the Group's assets pledged as securities for general banking facilities were as follows:

	At 31 October 2017 (Unaudited) HK\$'000	At 30 April 2017 (Audited) HK\$'000
Investment properties	44,570	44,570
Leasehold land and buildings	7,702	7,409
Trade receivables	12,620	16,540
Retention receivables	–	38
	=====	=====

Foreign exchange and interest rate exposure

During the period ended 31 October 2017, the business activities of the Group were mainly denominated in Hong Kong dollars.

When appropriate and at times of interest rate or exchange rate uncertainties or volatility, hedging instruments including swaps and forwards will be used by the Group in the management of exposure affecting interest rates and foreign exchange rate fluctuations.

Contingent liabilities

At 31 October 2017, the Group did not have any material contingent liabilities or guarantees (30 April 2017: Nil).

Capital and other commitments

Save as disclosed in note 18 “Commitments”, the Group did not have any capital or other commitments as at 31 October 2017 (30 April 2017: Nil).

Employees and remuneration policies

The total number of full-time employees in the Group was 112 as at 31 October 2017 (as at 30 April 2017: 118). The Group remunerated its employees on the basis of performance, experience, and the prevailing industry practice. In addition to salaries, employee benefits included medical scheme, insurance, mandatory provident fund and share option schemes.

Interim dividend

The Board does not recommend the payment of an interim dividend for the six months ended 31 October 2017 (six months ended 31 October 2016: Nil).

Share option scheme

The share option scheme adopted by the Company on 25 November 2001 was terminated by a written resolution passed by the shareholders of the Company at the annual general meeting of the Company held on 30 August 2011. Upon termination of this share option scheme, no further share options under this scheme could be granted, but the provisions of this share option scheme will remain in full force and effect to the extent necessary to give effect to the exercise of those share options granted prior to its termination.

Under the terms of the Share Option Scheme adopted by the Company on 30 August 2011 (the “Option Scheme”), for the primary purpose of providing incentive to directors, eligible employees and consultants, the board of directors of the Company (the “Board”) may, at its absolute discretion, offer full-time employees of the Company or any of its subsidiaries, including executive, non-executive and independent non-executive directors of the Company or any of its subsidiaries or any consultants or advisors of any member of the Group, to take up options to subscribe for shares of the Company. The maximum aggregate number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Option Scheme and any other share option schemes of the Company must not, subject to the conditions set out in the Option Scheme, exceed 30% of the issued share capital of the Company from time to time.

The maximum number of shares issued and to be issued on the exercise of options granted and to be granted (including both exercised and outstanding options) to a grantee in any 12-month period must not exceed 1% of the total issued share capital of the Company in issue, unless (a) a shareholder circular is despatched to the shareholders; and (b) the shareholders approve the grant of the options in excess of the limit referred to herein. A nominal consideration of HK\$1 is payable on acceptance of each grant.

The subscription price was determined by the Board, but may not be less than the highest of (a) the closing price of the Company's shares on the GEM as stated in the Stock Exchange's daily quotation sheet on the date of offer of the options or, where certain conditions set out in the Option Scheme apply, on the date of the Board proposing such grant; (b) the average of the closing prices of the Company's shares on the GEM as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of offer of the options or, where certain conditions set out in the Option Scheme apply, the average of the closing prices of the Company's shares on the GEM as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the Board proposing such grant; and (c) the nominal value of the shares.

An option may be exercised in whole or in part in accordance with the terms of the Option Scheme at any time during a period to be notified by the Board to each grantee that the period within which the option may be exercised shall not be more than 10 years from the date on which the offer of the grant of the options is made in accordance with the terms of the Option Scheme. There is no general requirement on the minimum period for which an option must be held before an option can be exercised under the terms of the Option Scheme.

Date of grant	Exercisable period	Exercise price per shares <i>HK\$</i>	Outstanding at 1 May 2017	Number of share options				Outstanding as at 31 October 2017
				Granted during the period	Lapsed during the period	Cancelled during the period	Exercised during the period	
Consultants	15 September 2017 to 28 September 2019	0.0186	-	1,149,030,000	-	-	-	1,149,030,000

Pre-Emptive rights

There is no provision for pre-emptive rights under the Company's by law or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Management contract

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or in existence during the six months period ended 31 October 2017.

Directors' interests in contracts of significance

No contracts of significance to which the Company or its subsidiaries was a party and in which a Director had a material interest subsisted at the end of the six months period or at any time during the six months period ended 31 October 2017.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 October 2017, the interests of the Directors and the chief executive of the Company in 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 under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to the Rule 5.46 of the GEM Listing Rules were as follows:

Long positions in shares and underlying shares of the Company

Name of director	Number of ordinary shares held/ underlying shares held		Approximately percentage of the issued share capital of the Company as at 31 October 2017
	Personal interest	Total interest (inclusive of deemed interest)	
Dr. So Yu Shing	3,320,000	6,640,000 (<i>note a</i>)	0.05%
Ms. Lai Yuen Mei, Rebecca	3,320,000	6,640,000 (<i>note b</i>)	0.05%
Mr. Kong Kam Wang	1,778,000	–	0.01%
Mr. So Wang Chun, Edmond	880,000	–	0.01%

Ms. Lai Yuen Mei, Rebecca is the spouse of Dr. So Yu Shing.

Mr. So Wang Chun, Edmond is the son of Dr. So Yu Shing and Ms. Lai Yuen Mei, Rebecca.

Notes:

- (a) Inclusive of interest in 3,320,000 shares and underlying share held by Ms. Lai Yuen Mei, Rebecca.
- (b) Inclusive of interest in 3,320,000 shares and underlying share held by Dr. So Yu Shing.

Save as disclosed above, none of the Directors or the chief executive of the Company had any interests or short positions in shares, underlying shares or debentures of the Company or its associated corporations as at 31 October 2017.

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

As at 31 October 2017, so far as are known to any Directors or chief executive of the Company, the following parties (other than the Directors or chief executive of the Company) had interests in the shares of the Company as recorded in the register required to be kept pursuant to section 336 of the SFO:

Long positions

Name	Capacity/Nature of Interest	Number of ordinary shares in the Company	Approximate percentage of the issued share capital of the Company as at 31 October 2017
Avant Capital Management (Hong Kong) Limited	Investment manager	1,868,700,000 (<i>note a</i>)	14.64%
Avant Capital Eagle Fund	Investment manager	1,644,000,000 (<i>note b</i>)	12.88%

Notes:

- (a) according to the disclosure of interests notice filed by Avant Capital Management (Hong Kong) Limited on 13 December 2016, such shares include interest in 1,490,700,000 shares held by Avant Capital Eagle Fund and 378,000,000 shares held by Avant Capital SPC-Avant Capital Dragon Fund SP.
- (b) as recorded in the disclosure of interests notice filed by Avant Capital Eagle Fund on 25 August 2016.

Save as disclosed above, as at 31 October 2017, the Directors were not aware of any other person (other than a Director or the chief executive of the Company) who had an interest or short position in the shares or underlying shares in the Company as recorded in the register required to be kept under section 336 of the SFO.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed above, at no time during the period was the Company or its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the directors or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the period.

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

During the six months ended 31 October 2017, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The corporate governance principles of the Company emphasise a quality Board, sound internal controls, transparency and accountability to all shareholders. By applying rigorous corporate governance practices, the Company believes that its accountability and transparency will be improved thereby instilling confidence to shareholders and the public. Throughout the interim period, the Company has complied with the code provisions in the Corporate Governance Code ("CG Code") set out in Appendix 15 of the GEM Listing Rules except for the deviation as disclosed below:

Code Provision of A.2.7 of the CG Code requires the chairman of the Board to hold meetings at least annually with the non-executive Directors (including independent non-executive Directors) without the executive Directors present. As Dr. So Yu Shing, the chairman of the Board, is also an executive Director, the Company has deviated from this code provision as it is not applicable. The Board has continued to monitor and review the Company's progress in respect of corporate governance practices to ensure compliance. Meetings were held throughout the half year period and where appropriate, circulars and other guidance notes were issued to Directors and senior management of the Company to ensure awareness to issues regarding corporate governance practices.

Following the resignation of Mr. Chan Ngai Sang, Kenny, ("Mr. Chan") as the independent non-executive director of the Company, on 1 December 2017, the Company has only two independent non-executive directors and two members of the Audit Committee, which fall below the minimum number requirement under Rules 5.05(1) and 5.28 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited ("**GEM Listing Rules**").

The Company is endeavoring to identify a suitable candidate to fill the above vacancies within three months from the effective date of the resignation of Mr. Chan. Further announcement will be made by the Company when the relevant appointments are made.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 31 October 2017, the Company had adopted a code of conduct regarding directors' securities transactions as set out in Rules 5.46 to 5.68 of the GEM Listing Rules. The Company had also made specific enquiry of all directors and was not aware of any non-compliance with the required standard of dealings and the code of conduct regarding securities transactions by directors.

COMPETING INTERESTS

During the reporting period, according to the GEM Listing Rules, the following directors have interests in the following businesses which are considered to compete or likely to compete, either directly or indirectly, with the business of the Group other than those businesses where the directors of the Company were appointed as Directors to represent the interests of the Company and/or the Group:

Name of Director	Name of entity which are considered to compete or likely to compete with the business of the Group	Description of competing business	Nature of interests
Kong Kam Wong	KNK Holdings Limited (Stock Code: 8039)	Provision of comprehensive architectural and structural engineering consultancy service	Independent non-executive director
Ng Tang (resigned on 11 August 2017)	Jun Yang Financial Holdings Limited (Stock Code: 397) ("Jun Yang")	Asset investments and money lending business	Executive director and chief executive officer and interest in approximately 1.67% of issued share capital of Jun Yang as at 31 July 2017 (resigned on 31 August 2017)
Yuen Chun Fai	Rui Kang Pharmaceutical Group Investments Limited (Stock Code: 8037)	Trading of securities in Hong Kong	Independent non-executive director (resigned on 28 August 2017)
Chan Ngai Sang, Kenny (resigned on 1 December 2017)	AMCO United Holding Limited (Stock Code: 630)	Provision of construction services in building construction, building maintenance and improvement works, project management, renovation and decoration works, money lending business and securities investment business	Independent non-executive director (resigned on 1 August 2017)

Name of Director	Name of entity which are considered to compete or likely to compete with the business of the Group	Description of competing business	Nature of interests
	Combest Holdings Limited (Stock Code: 8190)	Money lending	Independent non-executive director
	Convoy Global Holdings Limited (Stock Code: 1019)	Money lending business and securities dealing business	Independent non-executive director (resigned on 29 November 2017)
	Sing On Holdings Limited (Stock Code: 8352)	Provision of concrete demolition services in Hong Kong and Macau mainly as a subcontractor	Independent non-executive director
Law Man Sang	KGI Asia Limited	Securities brokerage	Executive director

As the board of directors of the Company is independent of the boards of the above-mentioned entities and the above director cannot control the Board of the Company, the Group is therefore capable of carrying its business independently of and at arm's length from the businesses of these entities.

Save as disclosed above, the directors are not aware of any business and interest of the Directors nor the controlling shareholder of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interests which any such person has or may have with the Group during the reporting period.

AUDIT COMMITTEE

The Company established an audit committee of the Board ("Audit Committee") with written terms of reference that clearly establish the Audit Committee's authority and duties. The Audit Committee currently comprises 2 independent non-executive Directors, namely Mr. Law Man Sang and Ms. Lam Wai Yu.

The primary duties of the Audit Committee are to review the Company's annual report and accounts, half-year report and quarterly reports and provide advice and comments thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the financial reporting process and internal control procedures of the Group.

The Group's unaudited condensed consolidated interim results for the six months ended 31 October 2017 have not been audited by the Company's auditor, but have been reviewed by the audit committee which was of the opinion that the results complied with applicable accounting standards, the GEM Listing Rules and legal requirements and that adequate disclosure had been made.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within knowledge of the Directors, the Company has maintained the prescribed public float under the GEM Listing Rules as at the date of this report.

On behalf of the Board

So Yu Shing
Chairman

Hong Kong, 12 December 2017

As at the date of this report, the Board comprises Dr. So Yu Shing (Chairman and Executive Director), Mr. Kong Kam Wang (Executive Director and Chief Executive Officer), Ms. Lai Yuen Mei, Rebecca (Executive Director), Mr. So Wang Chun, Edmond (Executive Director), Mr. Yuen Chun Fai (Executive Director), Mr. Law Man Sang (Independent Non-executive Director), and Ms. Lam Wai Yu (Independent Non-executive Director).