

Man King Holdings Limited 萬景控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 2193



2020 INTERIM REPORT



Man King
萬景控股

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Lo Yuen Cheong (*Chairman*)
Lo Yick Cheong

Non-executive Director

Chan Wai Ying

Independent non-executive Directors

Leung Wai Tat Henry
Lo Man Chi
Chau Wai Yung

AUDIT COMMITTEE

Leung Wai Tat Henry (*Chairman*)
Chan Wai Ying
Chau Wai Yung
Lo Man Chi

REMUNERATION COMMITTEE

Chau Wai Yung (*Chairman*)
Lo Yuen Cheong
Leung Wai Tat Henry
Lo Man Chi

NOMINATION COMMITTEE

Lo Yuen Cheong (*Chairman*)
Lo Yick Cheong
Chau Wai Yung
Leung Wai Tat Henry
Lo Man Chi

COMPANY SECRETARY

Wan Ho Yin

SOLICITORS

CFN Lawyers in association
with Broad & Bright
Maples and Calder

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited

Industrial and Commercial Bank of China
(Asia) Limited

REGISTERED OFFICE

PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

PRINCIPAL OFFICE

Unit D, 10/F
Skyline Tower
18 Tong Mi Road
Mongkok, Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093
Boundary Hall, Cricket Square
Grand Cayman
KY1-1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODE

2193

WEBSITE

<http://www.manking.com.hk>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in providing civil engineering services in Hong Kong as a main contractor.

The engineering works undertaken by the Group are mainly related to (i) roads and drainage (including associated building works and electrical and mechanical works); (ii) site formation (including associated infrastructure works); and (iii) port works (including barging facilities for marine logistics of construction materials). The Group undertakes engineering projects in both public and private sectors and, being a main contractor, participates in the procurement of materials, machineries and equipment, selection of subcontractors, carrying out on-site supervision, monitoring work progress and overall co-ordination of day-to-day work of the projects.

As at 30 September 2020, the Group had six projects in progress, and several completed projects yet to receive the final contract sum, with a total estimated outstanding contract sum and work order value of approximately HK\$548.4 million. Subsequent to 30 September 2020, we have secured two new contracts from the public sector with total contract sum of approximately HK\$467.3 million.

The diversified coal transshipment business of the Group through its 20.3% owned One Belt One Road project in Pakistan continued to bring positive return to the Group. During the six months ended 30 September 2020, the Company received cash dividend from this One Belt One Road project totaling US\$1,319,500 (equivalent to approximately HK\$10,226,000).

FUTURE OUTLOOK

The HKSAR Legislative Council has approved funding for Public Works in the amount of approximately HK\$180 billion immediately after our last annual results announcement in mid-June 2020, poising benefits to the Hong Kong construction industry with upcoming infrastructure projects. The Group has secured two new public work contracts since October 2020 and is likely to secure a few more in the coming months, which all together help the Group's local growth and competitiveness to bolster its expanding operation scale in the next few years.

The unprecedented COVID-19 pandemic has posed both the health and economic challenges to the construction industry. Contractors are used to risks and our teams across the Group have actively managed these risks and are generally adaptive to such pandemic environment. The Group's performance in contract execution is to a lesser extent being adversely hit.

The 20.3% owned One Belt One Road project in Pakistan has commenced its second coal transshipment operation season since late September 2020. In response to the global coronavirus outbreak which affect the health and wellbeing of seafarers, our local management, working together with the clients, has implemented a series of comprehensive measures with standard operating procedures and strict quarantine policies focusing on health, safety and wellbeing of all operatives and crew members to ensure all works are carried out safely during these challenging times. The transshipment operations have not been hindered by this pandemic, and we expect coal transshipment will continue as scheduled. Up to the date of this report, over 600,000 tons of coal were transshipped from four ocean going vessels to the jetty.

We will continuously monitor and proactively get involved in the development and operation of this One Belt One Road project aiming for diversification and stable income for the Group in a long term. The Group would recommend cash distribution as appropriate when profit earning is in line with our expectation.

Whilst the Group anticipates that the effects of COVID-19 will continue, the commitment to maximise the shareholder interest remains our top priority. The start of the year has been exceptionally tough but we have all pulled together to make it work.

FINANCIAL REVIEW

Condensed consolidated interim statement of profit or loss

Revenue

The Group's revenue for the six months ended 30 September 2020 was approximately HK\$119.9 million, representing an increase of approximately 8.5% from approximately HK\$110.5 million in the same period of the last financial year. This increase was mainly due to the combined effect of:

- (i) higher revenue of approximately HK\$35.2 million for six projects in progress during the six months ended 30 September 2020; and
- (ii) lower revenue of approximately HK\$8.7 million and HK\$17.1 million for a project completed during the six months ended 30 September 2020 and projects completed before 2020, respectively.

Gross profit and gross profit margin

The Group's gross profit for the six months ended 30 September 2020 was approximately HK\$12.9 million, representing an increase of approximately 3.1% from approximately HK\$12.5 million in the same period of the last financial period.

The gross profit margin decreased from approximately 11.3% for the six months ended 30 September 2019 to approximately 10.7% for the six months ended 30 September 2020. The decrease is primarily due to substantial completion of projects on hand with higher profit margin and less additional contract sums agreed at the final stage were recognised for the six months ended 30 September 2020. The expected gross profit margin for new projects is lower than those undertaken in previous years which reflects keen competition in the construction industry.

Other income

Other income was approximately HK\$988,000 and HK\$1,161,000 for the six months ended 30 September in 2020 and 2019, respectively. The decrease was mainly due to the decrease in interest income earned from bank deposits and debt investment.

Other losses — net

Other losses decreased from approximately HK\$632,000 for the six months ended 30 September 2019 to approximately HK\$211,000 for the six months ended 30 September 2020, primarily due to decrease in net change in fair value of financial assets at fair value through profit or loss of approximately HK\$152,000 and the net exchange gain of approximately HK\$85,000 recognised for the six months ended 30 September 2020 while we incurred net exchange loss of approximately HK\$184,000 for the six months ended 30 September 2019.

Administrative expenses

Administrative expenses for the six months ended 30 September 2020 were approximately HK\$12.3 million, representing an increase of 11.3% from approximately HK\$11.1 million in same period of the last financial year. This was mainly attributable to the loss on disposal of property, plant and equipment and the provisions of long service payment.

Finance costs

During the six months ended 30 September 2020, bank loan interest expenses were approximately HK\$41,000 (2019: HK\$83,000) and interest expenses on the lease liabilities were approximately HK\$11,000 (2019: HK\$24,000). Therefore, total finance costs was approximately HK\$52,000 (2019: HK\$107,000).

Share of profit of an associate

Share of profit of an associate relates to the Group's 20.3% interest in an associate for the provision of bareboat charter and coal transshipment services in Pakistan. The Group's share of profit of an associate for the six months ended 30 September 2020 was approximately HK\$2,665,000 (2019: HK\$1,060,000).

Income tax expense

The Group recorded income tax expense of approximately HK\$181,000 for the six months ended 30 September 2020 (2019: tax credit of HK\$73,000) and the effective tax rate was approximately 4.6%.

Profit for the period

For the six months ended 30 September 2020, the Group recorded net profit of approximately HK\$3.8 million, as compared to a net profit of approximately HK\$3.0 million for the corresponding period in the last financial year. The increase was mainly due to increase in share of profit of an associate during the six months ended 30 September 2020.

Condensed consolidated interim statement of financial position

Net assets of the Group slightly increased 1.6% from approximately HK\$238.5 million as at 31 March 2020 to approximately HK\$242.3 million as at 30 September 2020.

Non-current assets decreased by 7.2% from approximately HK\$117.9 million to approximately HK\$109.4 million, primarily due to the dividend received from an associate offset with the effect on share of profit of an associate during the six months ended 30 September 2020.

Net current assets increased by 10.8% from approximately HK\$120.6 million to approximately HK\$133.7 million, primarily due to the increase in trade receivables, an decrease in trade and other payables, and the repayments of amounts due to other partners of joint operations and bank borrowings.

Liquidity and financial resources

As at 30 September 2020, the Group had bank balances and cash of approximately HK\$59.5 million (31 March 2020: HK\$54.5 million), which were mainly denominated in Hong Kong dollars , United States dollars and British Pound. The Group continues to adopt prudent financing and treasury policies by closely monitoring liquidity risk, finance costs and currency risk. The Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates and has not adopted any currency hedging policy or other hedging instruments. The Group will continue to monitor its exposure to the currency risks closely.

As at 30 September 2020, the Group had interest bearing borrowings of approximately HK\$2.5 million (31 March 2020: HK\$3.8 million) with a repayable on demand clause. Such borrowing were denominated in Hong Kong dollars, carried at variable interest rate and had no financial instrument for hedging purpose.

The Group had available unutilised bank borrowings facilities of approximately HK\$35.5 million as at 30 September 2020 (31 March 2020: HK\$54.5 million).

Capital structure and gearing ratio

As at 30 September 2020, the Group's total equity was approximately HK\$242.3 million (31 March 2020: HK\$238.5 million) comprising ordinary share capital, share premium and reserves.

The gearing ratio of the Group, defined as a percentage of interest bearing liabilities divided by the total equity, is approximately 1.0% as at 30 September 2020 (31 March 2020: 1.6%).

For details of pledged assets and performance bonds and contingent liability of the Group, please refer to notes 18 and 23 to the condensed consolidated interim financial information accordingly.

New business

During the six months ended 30 September 2020, the Company did not commence any new type of business.

Significant investment for the purpose of paragraph 32(4A) of Appendix 16 of the Listing Rules

The Group holds a 20.3% equity interest (comprising 2,030 ordinary shares) in River King Management Holdings Limited ("River King" and together with its subsidiaries, the "River King Group") through Rich Partner Global Limited, a direct wholly-owned subsidiary of the Company. The River King Group is principally engaged in a One Belt One Road project involving the bareboat charter hiring and transshipment of coal by vessels owned or built by the River King Group to a coal fired power station located in Pakistan. The Group's total investment in River King up to 30 September 2020 was approximately HK\$96.7 million. No market fair value was available for this private investment as at 30 September 2020. The Group invested in River King with a view to maintaining a sustainable growth and maximizing shareholder return through business diversification. To that end, the Group has been actively involved in the development and operation of the coal transshipment project since its participation. In particular, executive Directors Mr. Lo Yick Cheong and Mr. Lo Yuen Cheong were integral to the successful implementation of the coal transshipment project in early October 2019, following which the financial performance of River King has improved substantially. During the six months ended 30 September 2020, the Group's share of results and reserves attributable to its investment in River King was approximately HK\$11.2 million and it received cash dividends from the project totaling US\$1,319,500 (equivalent to approximately HK\$10,226,000). Please refer to the section headed "Management Discussion and Analysis — Future Outlook" of this report for further information on the Group's future strategies in respect of this project.

Save as aforesaid, the Company did not hold any other significant investment during the six months ended 30 September 2020.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the six months ended 30 September 2020, there was no material acquisition or disposal of subsidiaries and associated companies by the Company.

DISCLOSURE OF INTERESTS

DIRECTORS' AND THE CHIEF EXECUTIVE'S INTERESTS IN THE SHARES OF THE COMPANY

As at 30 September 2020, the interests and/or short positions of the Directors and Chief Executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), which or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name of Director and Group member/associated corporation	Capacity/nature	Number of issued ordinary shares held (long position)	Percentage of the issued share capital of the company
Lo Yuen Cheong of the Company	Beneficiary and co-founder of a discretionary trust, interest in a controlled corporation and interest in spouse ^(Note)	300,372,000	71.55%
	Beneficial owner	4,636,000	1.10%
Lo Yick Cheong of the Company	Beneficiary and co-founder of a discretionary trust, interest in a controlled corporation and interest in spouse ^(Note)	300,372,000	71.55%

Name of Director and Group member/associated corporation	Capacity/nature	Number of issued ordinary shares held (long position)	Percentage of the issued share capital of the company
Chan Wai Ying of the Company	Beneficial owner	1,500,000	0.36%
Leung Wai Tat Henry of the Company	Beneficial owner	100,000	0.02%
Lo Yuen Cheong of Jade Vantage Holdings Limited	Beneficiary and co-founder of a discretionary trust, interest in a controlled corporation and interest in spouse ^(Note)	50,000 of US\$1 each	100%
Lo Yick Cheong of Jade Vantage Holdings Limited	Beneficiary and co-founder of a discretionary trust, interest in a controlled corporation and interest in spouse ^(Note)	50,000 of US\$1 each	100%

Note: Jade Vantage Holdings Limited, which owns 71.55% of the issued share capital of our Company, is owned as to 100% by LOs Brothers (PTC) Limited, the trustee of the Los Family Trust. Mr. Lo Yuen Cheong, Mr. Lo Yick Cheong and each of their spouses are co-founders of the Los Family Trust, which holds the entire issued share capital of Jade Vantage Holdings Limited, which holds 300,372,000 Shares. By virtue of the SFO, Mr. Lo Yuen Cheong and Mr. Lo Yick Cheong are deemed to be interested in the Shares in which Jade Vantage Holdings Limited is interested.

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

None of the Directors nor the Chief Executive (including their spouse and children under 18 years of age) had any interest in, or had been granted, or exercised, any rights to subscribe for the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) during the six months ended 30 September 2020.

SUBSTANTIAL SHAREHOLDERS AND OTHER INTERESTS

As at 30 September 2020, so far as the Directors are aware, the following persons (not being a Director or a Chief Executive of the Company) will have an interest or short position in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of shareholder	Nature of interest	Number of issued ordinary shares held (long position)	Percentage of the issued share capital of the Company
LOs Brothers (PTC) Limited	Interest in a controlled corporation	300,372,000	71.55%
Jade Vantage Holdings Limited	Beneficial owner	300,372,000	71.55%
Tam Wai Sze, Vera	Beneficiary and co-founder of a discretionary trust, interest in a controlled corporation and interest in spouse	300,372,000	71.55%
	Beneficial owner	2,008,000	0.48%
Cheung Suk Ching, Savonne	Beneficiary and co-founder of a discretionary trust, interest in a controlled corporation and interest in spouse	300,372,000	71.55%

Note: Jade Vantage Holdings Limited, which owns 71.55% of the issued share capital of our Company, is owned as to 100% by LOs Brothers (PTC) Limited, the trustee of the Los Family Trust. Mr. Lo Yuen Cheong, Mr. Lo Yick Cheong and each of their spouses are co-founders of the Los Family Trust, which holds the entire issued share capital of Jade Vantage Holdings Limited, which holds 300,372,000 Shares. By virtue of the SFO, Mr. Lo Yuen Cheong and Mr. Lo Yick Cheong are deemed to be interested in the Shares in which Jade Vantage Holdings Limited is interested.

Save as disclosed above, no other person (other than Directors or Chief Executive of the Company) has an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

SHARE OPTION SCHEME

The Company conditionally adopted the share option scheme on 3 June 2015, and such scheme has become effective on the listing of the Company on the Stock Exchange on 3 July 2015 (the “Share Option Scheme”). The purpose of the Share Option Scheme is to recognise and acknowledge the contribution of the eligible participants made to the Group. The Board may, at its discretion, grant options pursuant to the Share Option Scheme to Directors (including the independent non-executive Directors), the Company’s subsidiaries, employees of the Group and other persons the Board considers have contributed or will contribute to the Group. The maximum number of shares in respect of which options may be granted under the Share Option Scheme must not in aggregate exceed 10% of the issued share capital of the Company at the grant date, unless otherwise approved by the shareholders of the Company in general meeting and/or other requirements prescribed under the Listing Rules. The subscription price of a share in respect of a particular option shall be not less than the highest of (a) the official closing price of the Shares on the daily quotation sheet of the Stock Exchange; (b) the average official closing price of the shares on the daily quotation sheet of the Stock Exchange for the five business days immediately preceding the date of grant; and (c) the nominal value of a share. The Share Option Scheme shall remain effective within a period of 10 years from that date.

No option was outstanding, granted, exercised or lapsed during the six months ended 30 September 2020.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE CODE

The Company has adopted, applied and complied with the code provisions of the Corporate Governance Code (the “CG Code”) set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange for the six months ended 30 September 2020, except for provision A.2.1 in respect of the separate roles of the chairman and chief executive officer.

According to provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Lo Yuen Cheong is the Chairman and Chief Executive Officer of the Company, responsible for the financial and operational aspects of the Group, and is jointly responsible for the formulation of business development strategies of the Group. The Board believes that vesting the roles of both Chairman and Chief Executive Officer has the benefit of managing the Group’s business and overall operation in an efficient manner. The Board considers that the balance of power and authority under the present arrangement will not be impaired in light of the operations of the Board with half of them being independent non-executive Directors. The Company will review the structure from time to time and shall adjust the situation when suitable circumstance arises.

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 own code of conduct for dealing in securities of the Company by the Directors.

Upon specific enquiry with each of the Directors, all Directors confirmed that they have complied with the required standards set out in the Model Code for the six months ended 30 September 2020.

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

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

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 September 2020.

REVIEW OF INTERIM RESULTS

The Audit Committee of the Company and the Company's external auditor have reviewed the accounting policies adopted by the Group and the unaudited consolidated interim financial results for the six months ended 30 September 2020.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the management on the basis of their merit, qualifications and competence.

The Remuneration Committee considers and makes recommendations to the Board on the remuneration and other benefits paid by the Company to the Directors by reference to the Company's operating results, individual performance and comparable market rates. The remuneration of all Directors is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate.

As at 30 September 2020, the Group had an aggregate of 115 full-time employees (31 March 2020: 120 full-time employees). Employee costs excluding directors' emoluments totalled HK\$26.3 million for the six months ended 30 September 2020 (six months ended 30 September 2019: HK\$30.6 million). The Group recruited and promoted individual persons according to their strength and development potential. The Group determined the remuneration packages of all employees including the Directors with reference to individual performance and current market salary scale.

By Order of the Board

Lo Yuen Cheong

Chairman and Executive Director

30 November 2020

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



羅兵咸永道

TO THE BOARD OF DIRECTORS OF MAN KING HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 17 to 44, which comprises the condensed consolidated interim statement of financial position of Man King Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 September 2020 and the condensed consolidated interim statement of profit or loss and other comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “*Interim Financial Reporting*”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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SCOPE OF REVIEW

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

CONCLUSION

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

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 30 November 2020

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

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

		Unaudited		
		Six months ended 30 September		
		2020	2019	
<i>Note</i>		HK\$'000	<i>HK\$'000</i>	
	Revenue	6	119,922	110,487
	Cost of services		(107,043)	(97,996)
	Gross profit		12,879	12,491
	Other income	7	988	1,161
	Other losses — net	8	(211)	(632)
	Administrative expenses		(12,305)	(11,053)
	Finance costs		(52)	(107)
	Share of profit of an associate		2,665	1,060
	Profit before income tax	9	3,964	2,920
	Income tax (expense)/credit	10	(181)	73
	Profit and total comprehensive income for the period attributable to owners of the Company		3,783	2,993
	Earnings per share attributable to owners of the Company			
	Basic and diluted (HK cents per share)	11	0.90	0.71

The above condensed consolidated interim statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2020

		Unaudited 30 September 2020 <i>HK\$'000</i>	Audited 31 March 2020 <i>HK\$'000</i>
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	13	9,953	12,058
Right-of-use assets	13	1,816	607
Investments in an associate	14	97,659	105,220
		<u>109,428</u>	<u>117,885</u>
		-----	-----
Current assets			
Inventories		4,360	4,477
Contract assets	15	44,509	49,775
Trade receivables	16	26,400	18,872
Other receivables, deposits and prepayments	16	22,453	22,564
Amounts due from joint operations	17	16,755	19,556
Tax recoverable		672	957
Financial assets at fair value through profit or loss ("FVTPL")	5	3,323	3,537
Pledged bank deposits	18	5,206	5,206
Bank balances and cash	18	59,531	54,506
		<u>183,209</u>	<u>179,450</u>
		-----	-----
Total assets		<u>292,637</u>	<u>297,335</u>

The above condensed consolidated interim statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION *(Continued)*

AS AT 30 SEPTEMBER 2020

		Unaudited 30 September 2020 <i>HK\$'000</i>	Audited 31 March 2020 <i>HK\$'000</i>
	<i>Note</i>		
EQUITY			
Equity attributable to owners of the Company			
Share capital	19	4,198	4,198
Share premium and other reserves		106,573	106,573
Retained earnings		131,508	127,725
		<hr/>	<hr/>
Total equity		242,279	238,496
		<hr/>	<hr/>
LIABILITIES			
Non-current liabilities			
Lease liabilities		802	–
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Current liabilities			
Contract liabilities		3,759	3,356
Trade payables	20	11,793	15,789
Other payables and accruals	20	18,403	20,371
Amounts due to other partners of joint operations	17	11,969	14,422
Bank borrowings	21	2,477	3,805
Lease liabilities		1,001	604
Tax payable		154	492
		<hr/>	<hr/>
		49,556	58,839
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total liabilities		50,358	58,839
		<hr/>	<hr/>
Total equity and liabilities		292,637	297,335
		<hr/>	<hr/>

The above condensed consolidated interim statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

	Unaudited					
	Attributable to owners of the Company					
	Share capital	Share premium	Property revaluation reserves	Other reserve	Retained earnings	Total
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 April 2019	4,198	71,780	1,193	33,600	124,776	235,547
Comprehensive income:						
Profit and total comprehensive income for the period	-	-	-	-	2,993	2,993
At 30 September 2019	<u>4,198</u>	<u>71,780</u>	<u>1,193</u>	<u>33,600</u>	<u>127,769</u>	<u>238,540</u>
At 1 April 2020	4,198	71,780	1,193	33,600	127,725	238,496
Comprehensive income:						
Profit and total comprehensive income for the period	-	-	-	-	3,783	3,783
At 30 September 2020	<u>4,198</u>	<u>71,780</u>	<u>1,193</u>	<u>33,600</u>	<u>131,508</u>	<u>242,279</u>

Note: As part of the group reorganisation, there are series of restructuring within Man King Holdings Limited (the "Company") and its subsidiaries mainly involved interspersing investment holding entities between the operating subsidiaries and investment holding companies. The difference between the Company's share capital and the combined share capital of Concentric Construction Limited ("Concentric") and Peakco Engineering Co. Limited ("Peakco"), the indirect wholly-owned subsidiaries of the Company, was credited to other reserve on 31 December 2014.

The above condensed consolidated interim statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

	Unaudited	
	Six months ended 30 September	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cash flows from operating activities		
Cash used in operations	(5,366)	(5,585)
Tax paid	(433)	(312)
Tax refunded	199	–
	<hr/>	<hr/>
Net cash used in operating activities	(5,600)	(5,897)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Cash flows from investing activities		
Payment for acquisition of an associate	–	(29,020)
Capital contribution to an associate	–	(12,722)
Purchase of property, plant and equipment	(896)	(403)
Proceeds from disposal of property, plant and equipment	43	–
Interest received	120	295
Advances to joint operations	(4,330)	(3,134)
Repayment from joint operations	7,105	4,362
Dividend from an associate	10,226	–
	<hr/>	<hr/>
Net cash generated from/(used in) investing activities	12,268	(40,622)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS *(Continued)*

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

	Unaudited	
	Six months ended 30 September	
	2020	2019
	HK\$'000	HK\$'000
Cash flows from financing activities		
Proceeds from bank borrowings	–	4,400
Repayment of bank borrowings	(1,328)	(1,166)
Advances from other partners of a joint operation	437	284
Interest paid	(41)	(83)
Payment of principal elements of lease liabilities	(703)	(690)
Payment of interest elements of lease liabilities	(11)	(24)
	<hr/>	<hr/>
Net cash (used in)/generated from financing activities	(1,646)	2,721
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net increase/(decrease) in cash and cash equivalents	5,022	(43,798)
Cash and cash equivalents at beginning of the period	54,506	96,909
Currency translation difference	3	(184)
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	59,531	52,927
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

The above condensed consolidated interim statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

Man King Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 12 November 2014 as an exempted company with limited liability under the Companies Law, (Cap. 22, Law 3 of 1961, as combined and revised) of the Cayman Islands. The address of the Company’s registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “Group”) are principally engaged in the provision of civil engineering works.

The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Its ultimate holding company is LOs Brothers (PTC) Limited and its immediate holding company is Jade Vantage Holdings Limited.

The condensed consolidated interim financial information is presented in Hong Kong dollars (“HK\$”), unless otherwise stated. This condensed consolidated interim financial information was approved for issue by the Board of Directors on 30 November 2020.

The condensed consolidated interim financial information has been reviewed, but not audited.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

2 BASIS OF PREPARATION

The condensed consolidated interim financial information has been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The condensed consolidated interim financial information does not include all the notes of the type normally included in the annual financial statements. Accordingly, the condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2020, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”). The condensed consolidated interim financial information has been prepared on the historical cost basis except for certain financial assets at fair value through profit or loss (“FVTPL”), which are measured at fair values.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2020, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) New and amended standards adopted by the Group

The following new standards and amendments to standards are mandatory for the financial year beginning on or after 1 April 2020:

HKAS 1 and HKAS 8 (Amendments)	Definition of Material
HKAS 39, HKFRS 7 and HKFRS 9 (Amendment)	Interest Rate Benchmark Reform
HKFRS 3 (Amendment)	Definition of a Business
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting

These new standards and amendments to standards did not have material impact on the Group’s accounting policies and did not require any adjustments.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(b) New and amended standards issued but not yet applied by the Group

The following new standards and amendments to standards have been issued but are not yet effective for the financial period of the Group beginning on 1 April 2020 and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
HKFRS 16 (Amendment)	COVID-19 Related Rent Concessions	1 June 2020
HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 (Amendment)	Interest Rate Benchmark Reform — Phase 2	1 January 2021
HKAS 16 (Amendment)	Proceeds before Intended Use	1 January 2022
HKAS 37 (Amendment)	Onerous Contracts — Costs of Fulfilling a Contract	1 January 2022
HKFRSs (Amendment)	Annual Improvements to HKFRSs 2018 to 2020 Cycle	1 January 2022
HKFRS 3 (Amendment)	Reference to the Conceptual Framework	1 January 2022
HKAS 1 (Amendment)	Classification of Liabilities as Current or Non-current	1 January 2023
HKFRS 17	Insurance Contracts	1 January 2023
HKFRS 10 and HKAS 28 (Amendment)	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

None of these HKFRSs is expected to have any significant effect on the financial statements of the Group.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

4 ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of the Group for the year ended 31 March 2020.

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk, price risk), credit risk and liquidity risk.

The condensed consolidated interim financial information do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2020.

There have been no changes in the risk management since year end or in any risk management policies.

5.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

5 FINANCIAL RISK MANAGEMENT *(Continued)*

5.3 Fair value estimation

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly (for example, as prices) or indirectly (for example, derived from prices).
- (iii) Level 3: inputs for the asset or liability that are not based on observable market data.

The following table presents the Group's assets that are measured at fair value at 30 September 2020.

	Level 1	Unaudited Level 2	Total
	HK\$'000	HK\$'000	HK\$'000
Assets			
Financial assets at FVTPL			
— listed equity securities	1,114	–	1,114
— unlisted fund investment	–	2,209	2,209
	<u>1,114</u>	<u>2,209</u>	<u>3,323</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

5 FINANCIAL RISK MANAGEMENT *(Continued)*

5.3 Fair value estimation *(Continued)*

The following table presents the Group's assets that are measured at fair value at 31 March 2020.

	Level 1 <i>HK\$'000</i>	Audited Level 2 <i>HK\$'000</i>	Total <i>HK\$'000</i>
Assets			
Financial assets at FVTPL			
— listed securities	1,346	–	1,346
— unlisted fund investment	<u>–</u>	<u>2,191</u>	<u>2,191</u>
	<u>1,346</u>	<u>2,191</u>	<u>3,537</u>

There were no transfers between Levels 1 and 2 and there were no changes in valuation techniques during the period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

6 REVENUE AND SEGMENT INFORMATION

The Company is an investment holding company and the Group is principally engaged in providing civil engineering services in Hong Kong as main contractor ("Civil Engineering Works").

The chief operating decision-maker has been identified as the Directors of the Company. The Directors review the Group's internal reporting in order to assess performance and allocate resources. The Directors have determined the operating segment based on these reports.

The Directors consider the Group's operation from a business perspective and determine that the Group has one reportable operating segment being the Civil Engineering Works.

The Directors assess the performance of the operating segment based on a measure of revenue and gross profit.

During the six months ended 30 September 2020 and 2019, all the Group's revenue were from contracts with customers and were recognised over time and derived from operations in Hong Kong.

As at 30 September 2020 and 31 March 2020, the Group's non-current assets are all located in Hong Kong except for the investments in an associate. The Group's associate is incorporated in Hong Kong and principally domiciled in Pakistan.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

7 OTHER INCOME

	Unaudited	
	Six months ended 30 September	
	2020	2019
	HK\$'000	<i>HK\$'000</i>
Bank interest income	120	243
Interest income from debt investment	–	105
Dividend income from financial assets at FVTPL	151	216
Management fee income	512	512
Others	205	85
	988	1,161

8 OTHER LOSSES — NET

	Unaudited	
	Six months ended 30 September	
	2020	2019
	HK\$'000	<i>HK\$'000</i>
Change in fair value of financial assets at FVTPL, net	(296)	(448)
Net exchange gains/(losses)	85	(184)
	(211)	(632)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

9 PROFIT BEFORE INCOME TAX

	Unaudited	
	Six months ended 30 September	
	2020	2019
	HK\$'000	HK\$'000
Profit before income tax is arrived at after charging:		
Directors' remuneration	3,820	3,827
Other staff salaries and allowances <i>(Note)</i>	26,299	30,628
Loss on disposal of property, plant and equipment	313	–
Depreciation of property, plant and equipment	2,645	2,615
Depreciation of right-of-use assets	693	694
Cost of construction materials	8,722	11,994
Subcontracting charges	72,341	52,996

Note: For the six months ended 30 September 2020, the government grants of HK\$4,136,000 (six months ended 30 September 2019: Nil) from the employment support schemes have been offset in "other staff salaries and allowances".

10 INCOME TAX (EXPENSE)/CREDIT

	Unaudited	
	Six months ended 30 September	
	2020	2019
	HK\$'000	HK\$'000
Hong Kong profits tax	(181)	(34)
Deferred income tax	–	107
Income tax (expense)/credit	(181)	73

Income tax (expense)/credit is recognised based on management's best estimate of the projected annual effective income tax rate which is expected for the full financial year.

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2019: 16.5%) on the estimated assessable profit for the period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

11 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Unaudited	
	Six months ended 30 September	
	2020	2019
Profit attributable to equity holders of the Company <i>(HK\$'000)</i>	3,783	2,993
Weighted average number of ordinary shares in issue <i>(in thousands)</i>	419,818	419,818
Basic earnings per share <i>(HK cents)</i>	0.90	0.71

The Company had no dilutive potential shares for the six months ended 30 September 2020 and 2019.

12 DIVIDENDS

The Board does not recommend the distribution of an interim dividend for the six months ended 30 September 2020 (six months ended 30 September 2019: Nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

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

	Unaudited		
	Property, plant and equipment <i>HK\$'000</i>	Right-of-use assets <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 31 March 2019			
Opening net book amount	16,159	–	16,159
Adjustment on adoption of HKFRS 16	–	1,994	1,994
	<u>16,159</u>	<u>1,994</u>	<u>18,153</u>
At 1 April 2019	16,159	1,994	18,153
Additions	403	–	403
Depreciation <i>(Note 9)</i>	(2,615)	(694)	(3,309)
	<u>13,947</u>	<u>1,300</u>	<u>15,247</u>
At 30 September 2019	<u>13,947</u>	<u>1,300</u>	<u>15,247</u>
At 1 April 2020			
Opening net book amount	12,058	607	12,665
Additions	896	1,902	2,798
Disposals	(356)	–	(356)
Depreciation <i>(Note 9)</i>	(2,645)	(693)	(3,338)
	<u>9,953</u>	<u>1,816</u>	<u>11,769</u>
At 30 September 2020	<u>9,953</u>	<u>1,816</u>	<u>11,769</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

14 INVESTMENTS IN AN ASSOCIATE

	Unaudited	Audited
	As at	As at
	30 September	31 March
	2020	2020
	HK\$'000	HK\$'000
Unlisted investments in an associate, at cost	96,712	96,712
Share of post-acquisition results and reserves	11,173	8,508
Dividend received from an associate	(10,226)	–
	97,659	105,220

Details of the Group's associate at the end of the reporting period are as follows:

Name of entity	Country of incorporation and operation	Proportion ownership interest held by the Group		Principal activity
		30 September 2020	31 March 2020	
River King Management Holdings Limited and its subsidiaries ("River King")	Hong Kong, Malta and Pakistan	20.3%	20.3%	Provision of bareboat charter hire services and coal transshipment services

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

15 CONTRACT ASSETS

	Unaudited 30 September 2020 HK\$'000	Audited 31 March 2020 HK\$'000
Analysed as current:		
Unbilled revenue of civil engineering works (<i>Note a</i>)	36,755	41,424
Retention receivables of civil engineering works (<i>Note b</i>)	7,754	8,351
	44,509	49,775
Retention receivables of civil engineering works		
Due within one year	2,445	3,180
Due after one year	5,309	5,171
	7,754	8,351

Notes:

- (a) Unbilled revenue included in contract assets represents the Group's right to receive consideration for work completed but not yet billed because the rights are conditional upon the satisfaction by the customers on the work completed by the Group and the work is pending for the certification by the customers. The contract assets are transferred to trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed work from the customers.
- (b) Retention receivables included in contract assets represents the Group's right to receive consideration for work performed and not yet billed because the rights are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. The contract assets are transferred to trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the work performed by the Group.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

16 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Unaudited 30 September 2020 HK\$'000	Audited 31 March 2020 HK\$'000
Trade receivables	<u>26,400</u>	<u>18,872</u>
Other receivables, deposits and prepayments:		
— Deposits <i>(Note)</i>	4,394	4,720
— Other receivables	1,760	745
— Prepaid expenses	<u>16,299</u>	<u>17,099</u>
	<u>22,453</u>	<u>22,564</u>
	48,853	41,436

Note: As at 30 September 2020, deposits included an amount of HK\$3,348,000 (31 March 2020: HK\$3,348,000) which has been placed and pledged to insurance institutions to secure performance bonds amounting to HK\$3,348,000 (31 March 2020: HK\$3,348,000) issued by these institutions to customers of the Group (Note 23) and a rental deposit of HK\$238,000 (31 March 2019: HK\$238,000) paid to C & P (Holdings) Hong Kong Limited, which is a related company of the Group (Note 22).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

16 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS *(Continued)*

The Group allows credit period up to 60 days to certain customers. The aging analysis of the Group's trade receivables based on certification date at the end of each reporting period is follows:

	Unaudited 30 September 2020 HK\$'000	Audited 31 March 2020 HK\$'000
0–30 days	25,949	16,694
31–60 days	451	2,178
	<hr/> 26,400 <hr/>	<hr/> 18,872 <hr/>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

17 BALANCES WITH JOINT OPERATIONS AND OTHER PARTNERS OF JOINT OPERATIONS

- (i) The amounts due from joint operations comprise:

	Unaudited 30 September 2020 HK\$'000	Audited 31 March 2020 HK\$'000
Trade related <i>(Note a)</i>	320	346
Non-trade related <i>(Note b)</i>	16,435	19,210
	16,755	19,556

Notes:

- (a) The Group allows credit period of up to 60 days on amounts due from joint operations. The aging analysis of the Group's trade-related amounts due from joint operations based on invoice date at the end of each reporting period is as follows:

	Unaudited 30 September 2020 HK\$'000	Audited 31 March 2020 HK\$'000
0–30 days	320	346

- (b) The amounts are unsecured, interest-free and repayment on demand.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

17 BALANCES WITH JOINT OPERATIONS AND OTHER PARTNER OF JOINT OPERATIONS *(Continued)*

(ii) The amounts due to other partners of joint operations comprise:

	Unaudited 30 September 2020 HK\$'000	Audited 31 March 2020 HK\$'000
Trade related <i>(Note a)</i>	8,796	11,686
Non-trade related <i>(Note b)</i>	3,173	2,736
	11,969	14,422

Notes:

(a) The credit period on trade-related amounts due to other partners of joint operations is up to 60 days. The aging analysis of the Group's trade-related amounts due to other partners of joint operations based on invoice date at the end of each reporting period is as follows:

	Unaudited 30 September 2020 HK\$'000	Audited 31 March 2020 HK\$'000
0–30 days	2,744	2,383
31–60 days	–	226
61–90 days	99	–
Over 90 days	5,953	9,077
	8,796	11,686

(b) The amounts are unsecured, interest-free and repayable on demand.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

18 PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

	Unaudited 30 September 2020 HK\$'000	Audited 31 March 2020 HK\$'000
Pledged bank deposits	<u>5,206</u>	<u>5,206</u>
Bank balances and cash	<u>59,531</u>	<u>54,506</u>

The pledged bank deposits of the Group are pledged to a bank for securing performance bond issued by the bank to a customer on one of the construction projects on behalf of the Group as a guarantee (see Note 23). The project is expected to complete within one year after the end of the reporting period.

The bank balances comprise cash held by the Group and other short-term bank deposits with an original maturity of three months or less.

19 SHARE CAPITAL

	Number of ordinary shares	Amount <i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2019, 31 March 2020 and 30 September 2020	<u>200,000,000,000</u>	<u>2,000,000</u>
Issued and fully paid:		
At 1 April 2019, 31 March 2020 and 30 September 2020	<u>419,818,000</u>	<u>4,198</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

20 TRADE AND OTHER PAYABLES AND ACCRUALS

	Unaudited 30 September 2020 HK\$'000	Audited 31 March 2020 HK\$'000
Trade payables	11,793	15,789
Retention payables	13,322	11,445
Other payables and accruals:		
— Accrued wages and other staff benefits	1,221	4,073
— Accrued operating expenses	180	99
— Other payables	3,680	4,754
	<u>30,196</u>	<u>36,160</u>

The credit period on trade purchases is 30 to 60 days. The aging analysis of the Group's trade payables based on invoice date at the end of each reporting period is as follows:

	Unaudited 30 September 2020 HK\$'000	Audited 31 March 2020 HK\$'000
0–30 days	8,437	7,292
31–60 days	2,705	8,338
61–90 days	377	5
Over 90 days	274	154
	<u>11,793</u>	<u>15,789</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

20 TRADE AND OTHER PAYABLES AND ACCRUALS *(Continued)*

	Unaudited 30 September 2020 HK\$'000	Audited 31 March 2020 HK\$'000
Retention payables:		
Due within one year	3,225	3,319
Due after one year	10,097	8,126
	13,322	11,445

21 BANK BORROWINGS

During the current interim period, the Group did not obtain any new bank loan (six months ended 30 September 2019: HK\$4,400,000). The loans carry interest at variable market rate of 1.75% per annum above the Hong Kong Inter-bank Offered Rate and 3% per annum below the Best Lending Rate. Both are repayable by instalments of 36 months that contains a repayable on demand clause. Repayment amounting to HK\$1,328,000 (six months ended 30 September 2019: HK\$1,166,000) has been made to the bank during current interim period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

22 SIGNIFICANT RELATED PARTY DISCLOSURES

Other than those transactions or balances disclosed elsewhere in the condensed consolidated interim financial information, the following transactions were carried out with related parties in the normal course of the Group's business during the period:

(i) Transactions

The Group had the following transactions with related parties during the current interim period:

Name of related party	Nature of transaction	Unaudited	
		Six months ended 30 September 2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
C&P (Holdings) Hong Kong Limited <i>(Note)</i>	Interest expense on lease liabilities	11	24
	Repayment of lease liabilities	703	690
River King	Management fee income	210	210

Note: C&P (Holdings) Hong Kong Limited is a related company in which a sibling of the executive director and the spouse of an executive director collectively own its entire interest.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

22 SIGNIFICANT RELATED PARTY DISCLOSURES *(Continued)*

(ii) Compensation of key management personnel

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

	Unaudited	
	Six months ended 30 September	
	2020	2019
	HK\$'000	<i>HK\$'000</i>
Short term benefits	6,023	5,670
Post-employment benefits	41	45
	6,064	5,715

23 PERFORMANCE BONDS AND CONTINGENT LIABILITIES

Certain customers of construction contracts undertaken by the Group require the group entities to issue guarantees for the performance of contract works in the form of performance bonds and secured either by other deposits and pledged bank deposits (Notes 16 and 18). The performance bonds are released when the construction contracts are completed or substantially completed.

	Unaudited	Audited
	30 September	31 March
	2020	2020
	HK\$'000	<i>HK\$'000</i>
Issued by the Group's banks <i>(Note 18)</i>	5,206	5,206
Issued by an insurance institution <i>(Note 16)</i>	3,348	3,348
	8,554	8,554