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## **GOLDEN PONDER HOLDINGS LIMITED**

### **金倫控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1783)**

## **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

### **FINANCIAL HIGHLIGHTS**

- The Group recorded a revenue amounted to approximately HK\$223.4 million for the six months ended 30 September 2021, representing an increase of approximately HK\$138.8 million or 164.1% compared to approximately HK\$84.6 million for the six months ended 30 September 2020.
- The gross profit for the six months ended 30 September 2021 was approximately HK\$11.6 million, representing an increase of approximately HK\$10.0 million, or 625.0% compared to approximately HK\$1.6 million for the six months ended 30 September 2020. The gross profit margin for the six months ended 30 September 2021 was approximately 5.2%.
- The loss attributable to owners of the Company for the six months ended 30 September 2021 was approximately HK\$0.3 million, representing a decrease of approximately HK\$5.7 million, or 95.0% from loss of approximately HK\$6.0 million for the six months ended 30 September 2020.
- The basic and diluted loss per share for the six months ended 30 September 2021 were approximately HK0.04 cents whereas the basic and diluted loss per share were approximately HK0.75 cents for the corresponding period in 2020.
- The Board has resolved not to declare any interim dividend for the six months ended 30 September 2021 (six months ended 30 September 2020: nil).

The board (“Board”) of directors (the “Directors”) of Golden Ponder Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2021 together with the unaudited comparative figures for the corresponding period in 2020, as follows:

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 30 SEPTEMBER 2021*

	<i>Notes</i>	<b>30 September 2021 HK\$'000 (Unaudited)</b>	31 March 2021 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment		1,125	1,294
Right-of-use assets		1,266	483
Intangible asset		1,500	–
Deposits	14	18,678	17,899
Deferred tax assets		1,725	1,725
		<u>24,294</u>	<u>21,401</u>
<b>Current assets</b>			
Trade receivables	13	50,291	10,126
Deposits, prepayments and other receivables	14	35,865	27,644
Contract assets	6	147,691	84,597
Tax recoverable		1,425	1,425
Cash and cash equivalents		49,229	88,960
		<u>284,501</u>	<u>212,752</u>
<b>Current liabilities</b>			
Trade and retention money payables	15	124,515	52,117
Accruals and other payables		15,287	13,557
Lease liabilities		1,265	522
		<u>141,067</u>	<u>66,196</u>
<b>Net current assets</b>		<u>143,434</u>	<u>146,556</u>
<b>Total assets less current liabilities</b>		167,728	167,957
<b>Non-current liabilities</b>			
Lease liabilities		102	–
<b>NET ASSETS</b>		<u>167,626</u>	<u>167,957</u>
<b>Capital and reserves</b>			
Share capital	16	8,000	8,000
Reserves		159,626	159,957
<b>TOTAL EQUITY</b>		<u>167,626</u>	<u>167,957</u>

# **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

*FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021*

## **1. GENERAL INFORMATION**

Golden Ponder Holdings Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands. Its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is located at 71 Fort Street, P.O. Box 500, George Town, Grand Cayman KY1-1106, Cayman Islands and its principal place of business in Hong Kong is located at Offices F and G, Floor 23, Maxgrand Plaza, No. 3 Tai Yau Street, San Po Kong, Kowloon, Hong Kong. The Company is an investment holding company and the principal activities of its subsidiaries are provision of superstructure building and repair, maintenance, alteration and addition (“RMAA”) works service as a main contractor in Hong Kong.

## **2. BASIS OF PREPARATION**

These condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”), issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). These condensed consolidated interim financial statements were authorised for issue on 24 November 2021.

These condensed consolidated interim financial statements have been prepared with the same accounting policies adopted in the 2021 annual consolidated financial statements except for the amendments to HKFRS 16 “COVID-19-Related Rent Concessions beyond 30 June 2021” and amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 “Interest Rate Benchmark Reform – Phase 2” which were adopted on 1 April 2021 and set out in note 3 to the condensed consolidated interim financial statements.

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

These condensed consolidated interim financial statements are presented in Hong Kong Dollars (“HK\$”) which is also the functional currency of the Company, and all values are rounded to the nearest thousands, except when otherwise stated. These condensed consolidated interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2021 consolidated financial statements. These condensed consolidated interim financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRSs”) and should be read in conjunction with the 2021 consolidated financial statements.

These condensed consolidated interim financial statements are unaudited, but has been reviewed by BDO Limited in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the HKICPA.

### **3. CHANGES IN ACCOUNTING POLICIES**

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

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

The adoption of amendments to HKFRSs in the current period did not have any significant impact on the Group’s condensed consolidated interim financial statements.

### **4. USE OF JUDGEMENTS AND ESTIMATES**

In preparing this condensed consolidated interim financial statements, the significant judgements made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2021 annual consolidated financial statements.

## 5. SEGMENT INFORMATION

### (a) Operating segments

During the six months ended 30 September 2021, the Group was principally engaged in the provision of superstructure building and RMAA works service, as a main contractor, in Hong Kong. Information reported to the Group's chief operating decision maker, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole, as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

### (b) Geographical information

During the six months ended 30 September 2021, the Group's revenue was derived from Hong Kong, based on the location of the customers, and all of its non-current assets were located in Hong Kong, based on the location of assets. Therefore, no geographical information is presented.

## 6. REVENUE

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

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

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

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

	<b>30 September</b>	31 March
	<b>2021</b>	2021
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Audited)
<b>Trade receivables (note 13)</b>	<b><u>50,291</u></b>	<u>10,126</u>
Contract assets arising from construction services	<b>147,996</b>	84,766
Less: loss allowance	<u>(305)</u>	<u>(169)</u>
<b>Contract assets (note)</b>	<b><u>147,691</u></b>	<u>84,597</u>

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

## 7. OTHER INCOME, GAINS AND LOSSES

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

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

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

## 8. FINANCE COSTS

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

## 9. LOSS BEFORE INCOME TAX EXPENSE

Loss before income tax expense is arrived at after charging:

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

## 10. INCOME TAX EXPENSE

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

No provision for Hong Kong profits tax has been made for the six months ended 30 September 2021 and 2020 as the Group did not generate any assessable profits in Hong Kong during those periods.

## 11. DIVIDEND

During each of the six months ended 30 September 2021 and 2020, the Board of Directors does not declare any interim dividend to the shareholders of the Company.

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

## 12. LOSS PER SHARE

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

	Six months ended	
	30 September	
	2021	2020
	(Unaudited)	(Unaudited)
<b>Loss per share</b>		
Loss for the purposes of basic loss per share ( <i>HK\$'000</i> )	<u>(331)</u>	<u>(6,015)</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic loss per share	<u>800,000,000</u>	<u>800,000,000</u>

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

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

## 13. TRADE RECEIVABLES

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

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

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

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

	<b>30 September</b>	31 March
	<b>2021</b>	2021
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Audited)
Less than one month	<b>49,591</b>	9,276
More than one month but less than three months	–	–
More than three months but less than one year	–	–
More than one year but less than five years	<b>700</b>	850
	<b>50,291</b>	10,126

#### 14. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

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

The balances of other receivables are unsecured, interest-free and repayable on demand. The Group's other receivables were neither past due nor impaired as at 30 September 2021 and 31 March 2021.

## 15. TRADE AND RETENTION MONEY PAYABLES

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

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

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

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

## 16. SHARE CAPITAL

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

## 17. LITIGATION

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

## 18. ACQUISITION OF A SUBSIDIARY

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

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

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

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

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

*Note:*

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

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

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

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

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

#### **Superstructure building works**

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

#### **RMAA works**

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

## **OUTLOOK**

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

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

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

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

## **FINANCIAL REVIEW**

### **Revenue**

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

### **Gross Profit and Gross Profit Margin**

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

### **Other Income, Gains and Losses**

The other income, gains and losses of the Group for the six months ended 30 September 2021 amounted to approximately HK\$0.3 million, representing a decrease of approximately HK\$1.9 million or 86.4% compared to approximately HK\$2.2 million for the six months ended 30 September 2020. The decrease was mainly due to the net effect of: (i) increase in compensation income from insurance for a completed project in prior years during the period ended 30 September 2021; (ii) decrease in bad debt in the corresponding period in 2020; (iii) decrease in interest income from fixed deposit with licensed bank in Hong Kong for the six months ended 30 September 2021; and (iv) decrease in a series of government subsidies in relation to COVID-19 and one-off 25% rent concession in the corresponding period in 2020. The details of other income, gains and losses were disclosed in note 7 to the condensed consolidated interim financial statements in this announcement.

## **Administrative and Other Expenses**

The administrative and other expenses of the Group for the six months ended 30 September 2021 amounted to approximately HK\$11.9 million, representing an increase of approximately HK\$2.0 million or 20.2% compared to approximately HK\$9.9 million for the six months ended 30 September 2020. The increase was mainly due to: (i) increase in salary, mandatory provident fund contribution and directors' remuneration of approximately HK\$1.8 million; and (ii) increase in miscellaneous expenses of approximately HK\$0.2 million.

## **Loss Attributable to Owners of the Company**

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

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

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

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

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

## **TREASURY POLICY**

The Group adopts a prudent approach in cash management. Apart from certain debts including leases liabilities, the Group did not have any material outstanding debts as at 30 September 2021. Surplus cash is generally placed in short term deposits with licensed bank in Hong Kong.

## **FOREIGN EXCHANGE EXPOSURE**

As the Group only operates in Hong Kong and all of the revenue and transactions arising from its operations were settled in Hong Kong dollar, the Board is of the view that the Group's foreign exchange rate risks are insignificant during the six months ended 30 September 2021.

## **CAPITAL EXPENDITURES**

Total capital expenditure for the six months ended 30 September 2021 was approximately HK\$91,000 (six months ended 30 September 2020: approximately HK\$73,000) on acquisition of property, plant and equipment.

## **CONTINGENT LIABILITIES AND CLAIMS**

Save as disclosed in note 17 to the condensed consolidated interim financial statements in this announcement, the Group had no other contingent liabilities and claims as at 30 September 2021.

## **CAPTIAL COMMITMENTS**

As at 30 September 2021, there were no significant capital commitments for the Group.

## **SIGNIFICANT INVESTMENT HELD, ACQUISITION AND DISPOSAL**

Except for investment in its subsidiaries, the Group did not hold any significant investments during the six months ended 30 September 2021.

Save as disclosed in note 18 to the condensed consolidated interim financial statements in this announcement, there were no material acquisitions or disposals of subsidiaries, associates and joint ventures by the Group during the six months ended 30 September 2021.

## **CHARGES ON ASSETS**

As at 30 September 2021, the Group had bank facilities which were guaranteed by the Company. The Group had certain surety bonds being secured by certain deposits payment from a subsidiary of the Group, all of which were guaranteed by the Company.

## USE OF NET PROCEEDS

### Net proceeds from the listing

The Company successfully listed the ordinary shares of the Company on the Main Board of the Stock Exchange on 22 August 2018 (the “Listing”) and a total of 200,000,000 shares by way of public offer and placing at a price of HK\$0.55 each were offered for subscription. The net proceeds from the Listing (the “Net Proceeds”), after deducting the underwriting fees, the Stock Exchange trading fee and Securities and Futures Commission transaction levy and listing expenses in connection with the Listing, amounted to approximately HK\$78.5 million. The Group intends to apply the Net Proceeds in accordance with the proposed applications set out in the section headed “Future Plans and Use of Proceeds” to the prospectus of the Company dated 7 August 2018 (the “Prospectus”). As at 30 September 2021, all of the Net Proceeds were fully utilised.

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

	<b>Planned use of Net Proceeds stated in the Prospectus <i>HK\$ million</i></b>	<b>Actual use of Net Proceeds Up to 30 September 2021 <i>HK\$ million</i></b>	<b>Unutilised Amount Up to 30 September 2021 <i>HK\$ million</i></b>
To take out surety bonds for contracts we have secured or plan to secure	54.1	54.1	–
To finance our upfront cost and working capital requirement for one superstructure building project awarded to us	9.4	9.4	–
To expand our workforce and strengthen our manpower resources	4.8	4.8	–
To repay bank borrowings	10.2	10.2	–
	<u>78.5</u>	<u>78.5</u>	<u>–</u>

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 September 2021, the Group employed a total of 76 employees (including executive Directors), as compared to a total of 66 employees as at 31 March 2021. The total salaries and related costs (including Directors' remuneration) for the six months ended 30 September 2021 were approximately HK\$18.0 million (six months ended 30 September 2020: approximately HK\$13.5 million). The remuneration package of the Group offered to the employees includes salary, bonuses and other cash subsidies. In general, the Group would determine each employee's salaries based on their qualifications, position and seniorities. The Group has devised an annual review system to assess the performance of the employees, which forms the basis of the decisions with respect to salary raises, distribution of bonuses and promotions.

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

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

## **INTERIM DIVIDEND**

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2021 (six months ended 30 September 2020: nil).

## **EVENTS AFTER THE REPORTING PERIOD**

There is no other material subsequent event undertaken by the Company or the Group after 30 September 2021 and up to the date of this interim results announcement.

## **PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2021.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules during the six months ended 30 September 2021 and up to the date of this announcement.

## **COMPETING INTERESTS**

The Directors confirm that neither the controlling shareholders of the Company nor their respective close associates is interested in a business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the Group's business and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules during the six months ended 30 September 2021 and up to the date of this announcement.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company has adopted and complied with applicable code provisions (the "Code Provisions") in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules during the six months ended 30 September 2021 and up to the date of this announcement. The Directors will periodically review on the Company's corporate governance policies and will propose any amendment, if necessary, to ensure compliance with the Code Provisions from time to time.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code contained in Appendix 10 to the Listing Rules as its own code of conduct of dealings in securities of the Company by Directors. All Directors have complied with the required standard of dealings set out therein for the six months ended 30 September 2021.

## **AUDIT COMMITTEE**

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

## **REVIEW OF INTERIM RESULTS**

The interim financial results of the Group for the six months ended 30 September 2021 are unaudited but have been reviewed and approved by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

The Company’s independent auditor, BDO Limited, had conducted a review of the condensed consolidated interim financial statements for the six months ended 30 September 2021, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is published on the Company’s website at [www.headfame.com.hk](http://www.headfame.com.hk) and the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk). The interim report of the Company for the six months ended 30 September 2021 containing all the information required by Listing Rules will be despatched to shareholders and will also be published on the websites of both the Stock Exchange and the Company in due course.

## **APPRECIATION**

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

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

Hong Kong, 24 November 2021

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