

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



# 亞洲聯合基建控股有限公司

## ASIA ALLIED INFRASTRUCTURE HOLDINGS LIMITED

*(Incorporated in Bermuda with Limited Liability)*

(Stock Code: 00711.HK)

### INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

#### FINANCIAL HIGHLIGHTS

	Six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
Total revenue	<b>4,158,751</b>	3,819,920
Profit attributable to shareholders of the Company	<b>40,410</b>	56,134
Basic earnings per share	<b>HK2.26 cents</b>	HK3.11 cents
Dividend per share	<b>HK0.67 cent</b>	HK0.88 cent

## INTERIM RESULTS

The board of directors (the “Board” or the “Directors”) of Asia Allied Infrastructure Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2022 (the “Review Period”), together with the relevant comparative figures for the corresponding period in 2021 as follows:

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

*For the six months ended 30 September 2022*

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2022</b>	<b>2021</b>
	<i>Notes</i>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
<b>REVENUE</b>	4	<b>4,158,751</b>	3,819,920
Cost of sales		<b>(3,890,540)</b>	(3,528,191)
Gross profit		<b>268,211</b>	291,729
Other income and gains, net	5	<b>48,802</b>	34,125
Selling expenses		–	(760)
Administrative expenses		<b>(219,357)</b>	(225,034)
Reversal of provision/(provision) for litigations		<b>5,000</b>	(7,040)
Other expenses, net		<b>(16,253)</b>	(6,729)
Finance costs	6	<b>(42,880)</b>	(35,220)
Share of profit of a joint venture		<b>1,036</b>	1,662
Share of profits and losses of associates		<b>10,177</b>	6,113
<b>PROFIT BEFORE TAX</b>	7	<b>54,736</b>	58,846
Income tax	8	<b>(7,325)</b>	(8,758)
<b>PROFIT FOR THE PERIOD</b>		<b>47,411</b>	50,088
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>			
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences:			
Translation of foreign operations		<b>(13,901)</b>	7,828
Share of movement in the exchange fluctuation reserve of a joint venture		<b>(851)</b>	(609)
Share of movements in the exchange fluctuation reserves of associates		<b>(15,899)</b>	(30)
<b>OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF INCOME TAX OF NIL</b>		<b>(30,651)</b>	7,189
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>16,760</b>	57,277

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	(Unaudited)
<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>PROFIT FOR THE PERIOD</b>		
<b>ATTRIBUTABLE TO:</b>		
Shareholders of the Company	<b>40,410</b>	56,134
Non-controlling interests	<b>7,001</b>	(6,046)
	<u><b>47,411</b></u>	<u>50,088</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		
<b>FOR THE PERIOD ATTRIBUTABLE TO:</b>		
Shareholders of the Company	<b>9,759</b>	63,323
Non-controlling interests	<b>7,001</b>	(6,046)
	<u><b>16,760</b></u>	<u>57,277</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE</b>		
<b>TO SHAREHOLDERS OF</b>		
<b>THE COMPANY</b>		
	<i>10</i>	
Basic and diluted	<b>2.26</b>	3.11
	<u><b>2.26</b></u>	<u>3.11</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2022

	<b>30 September 2022 (Unaudited) HK\$'000</b>	31 March 2022 (Audited) HK\$'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	<b>303,704</b>	323,874
Investment properties	<b>11,211</b>	11,176
Right-of-use assets	<b>167,350</b>	178,052
Goodwill	<b>102,986</b>	106,790
Intangible assets	<b>2,099</b>	2,284
Investments in joint ventures	<b>12,458</b>	12,272
Investments in associates	<b>482,622</b>	543,900
Land held for property development	<b>164,857</b>	163,638
Deferred tax assets	<b>3,238</b>	2,592
	<b>1,250,525</b>	1,344,578
<b>CURRENT ASSETS</b>		
Land held for property development	<b>43,660</b>	42,676
Inventories	<b>3,010</b>	3,675
Contract assets	<b>3,876,000</b>	3,745,415
Trade receivables	<b>910,441</b>	718,937
Prepayments, deposits and other receivables	<b>1,116,530</b>	1,048,986
Income tax recoverable	<b>21,830</b>	27,803
Equity investments at fair value through profit or loss	<b>2,932</b>	5,623
Restricted cash and pledged deposits	<b>16,161</b>	16,009
Cash and cash equivalents	<b>1,091,137</b>	1,440,057
	<b>7,081,701</b>	7,049,181
Assets of a disposal group classified as held for sale	<b>–</b>	70,321
	<b>7,081,701</b>	7,119,502

		<b>30 September 2022 (Unaudited) HK\$'000</b>	31 March 2022 (Audited) HK\$'000
	<i>Notes</i>		
<b>CURRENT LIABILITIES</b>			
Trade payables	13	1,704,675	1,676,559
Contract liabilities		123,163	110,494
Other payables and accruals		970,410	852,850
Bank borrowings		2,355,397	2,287,112
Lease liabilities		25,117	26,729
Provision for construction works		30,694	115,920
Provision for litigations	14	–	5,000
Income tax payables		90,181	81,444
		<u>5,299,637</u>	<u>5,156,108</u>
Liabilities directly associated with the assets of a disposal group classified as held for sale	12	–	63,625
Total current liabilities		<u>5,299,637</u>	<u>5,219,733</u>
<b>NET CURRENT ASSETS</b>		<u>1,782,064</u>	<u>1,899,769</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,032,589</u>	<u>3,244,347</u>
<b>NON-CURRENT LIABILITIES</b>			
Bank borrowings		597,287	806,216
Lease liabilities		15,046	22,391
Deferred tax liabilities		1,126	2,043
Total non-current liabilities		<u>613,459</u>	<u>830,650</u>
Net assets		<u>2,419,130</u>	<u>2,413,697</u>
<b>EQUITY</b>			
<b>Equity attributable to shareholders of the Company</b>			
Issued capital	15	180,092	180,268
Reserves		2,188,836	2,197,195
		<u>2,368,928</u>	<u>2,377,463</u>
Non-controlling interests		50,202	36,234
Total equity		<u>2,419,130</u>	<u>2,413,697</u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

*For the six months ended 30 September 2022 (Unaudited)*

## 1. BASIS OF PREPARATION

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

## 2. SIGNIFICANT ACCOUNTING POLICIES

This unaudited condensed consolidated interim financial information has been prepared on the historical cost basis, except for (i) investment properties and financial assets at fair value through profit or loss which have been measured at fair value; and (ii) assets of a disposal group classified as held for sale which are stated at the lower of their carrying amounts and fair values less costs to sell.

The accounting policies and methods of computation used in the condensed consolidated interim financial information for the six months ended 30 September 2022 are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2022, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“HKFRSs”) for the first time for the current period’s condensed consolidated interim financial information:

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018–2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* (the “Conceptual Framework”) issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 *Business Combinations* an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or HK(IFRIC)-Int 21 *Levies* if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21, respectively, instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 April 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.
- (b) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 April 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.
- (c) *Annual Improvements to HKFRSs 2018–2020* sets out amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards*, HKFRS 9 *Financial Instruments*, Illustrative Examples accompanying HKFRS 16 *Leases*, and HKAS 41 *Agriculture*. Details of the amendments that are expected to be applicable to the Group are as follows:
- HKFRS 9: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 April 2022. As there was no modification of the Group’s financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.
  - HKFRS 16: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

### 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments.

The chief operating decision maker of the Group has been identified as the executive directors of the Company and certain senior management (collectively referred to as the "CODM"). For the purpose of performance assessment and resource allocation by the CODM, the Group's business activities are categorised under the following five reportable operating segments:

- Construction services – provision of construction and consultancy services in areas of civil engineering, electrical and mechanical engineering, foundation and building construction mainly in Hong Kong
- Property development and assets leasing – development and sale of properties, and leasing of assets in Hong Kong, Mainland China and the United Arab Emirates
- Professional services – provision of security, tunnel and other facility management services in Hong Kong
- Non-franchised bus services – provision of non-franchised bus services in Hong Kong
- Medical technology and healthcare – production and sale of positron emission tomography ("PET") radiopharmaceuticals for medical use in Hong Kong

#### **Segment revenue and results**

Segment results represent the profit generated from each segment, net of selling expenses and administrative expenses directly attributable to each segment without allocation of corporate expenses, interest income, non-lease-related finance costs and interest on unallocated lease liabilities. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

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

**For the six months ended 30 September 2022**

	Construction services (Unaudited) HK\$'000	Property development and assets leasing (Unaudited) HK\$'000	Professional services (Unaudited) HK\$'000	Non- franchised bus services (Unaudited) HK\$'000	Medical technology and healthcare (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
<b>Segment revenue (note 4):</b>						
Sales to external customers	3,648,469	-	489,430	-	20,852	4,158,751
Intersegment sales	-	-	4,355	-	-	4,355
	<u>3,648,469</u>	<u>-</u>	<u>493,785</u>	<u>-</u>	<u>20,852</u>	<u>4,163,106</u>
Reconciliation:						
Elimination of intersegment sales						(4,355)
						<u>4,158,751</u>
<b>Segment results</b>	<u>99,028</u>	<u>1,479</u>	<u>22,963</u>	<u>3,063</u>	<u>6,055</u>	132,588
Interest income						9,130
Corporate and other unallocated expenses						(44,622)
Finance costs (other than interest on segment lease liabilities)						(42,360)
Profit before tax						54,736
Income tax						(7,325)
Profit for the period						<u>47,411</u>
<b>Other segment information:</b>						
Share of profit of a joint venture	1,036	-	-	-	-	1,036
Share of profits of associates	3,974	3,140	-	3,063	-	10,177
Depreciation of property, plant and equipment	(19,275)	(399)	(4,012)	-	(630)	(24,316)
Depreciation of right-of-use assets	(7,041)	(2,708)	(4,893)	-	(1,549)	(16,191)
Amortisation of intangible assets - unallocated assets						(185)
Gain/(loss) on disposal of property, plant and equipment, net	814	-	(26)	-	-	788
Impairment of other receivables	(15,273)	-	-	-	-	(15,273)

For the six months ended 30 September 2021

	Construction services (Unaudited) HK\$'000	Property development and assets leasing (Unaudited) HK\$'000	Professional services (Unaudited) HK\$'000	Non-franchised bus services (Unaudited) HK\$'000	Medical technology and healthcare (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
<b>Segment revenue (note 4):</b>						
Sales to external customers	3,330,601	–	471,405	–	17,914	3,819,920
Intersegment sales	–	–	6,390	–	–	6,390
	<u>3,330,601</u>	<u>–</u>	<u>477,795</u>	<u>–</u>	<u>17,914</u>	<u>3,826,310</u>
Reconciliation:						
Elimination of intersegment sales						<u>(6,390)</u>
						<u>3,819,920</u>
<b>Segment results</b>	<u>109,586</u>	<u>(19,190)</u>	<u>27,375</u>	<u>1,179</u>	<u>6,774</u>	<u>125,724</u>
Interest income						10,805
Corporate and other unallocated expenses						(43,107)
Finance costs (other than interest on segment lease liabilities)						<u>(34,576)</u>
Profit before tax						58,846
Income tax						<u>(8,758)</u>
Profit for the period						<u>50,088</u>
<b>Other segment information:</b>						
Share of profit of a joint venture	1,662	–	–	–	–	1,662
Share of profits of associates	2,323	2,611	–	1,179	–	6,113
Depreciation of property, plant and equipment	(21,457)	(771)	(4,153)	–	(512)	(26,893)
Depreciation of right-of-use assets	(10,744)	(2,586)	(2,855)	–	(488)	(16,673)
Loss on disposal of property, plant and equipment, net	(517)	–	(130)	–	–	(647)
Gain on disposal of right-of-use assets, net	597	–	–	–	–	597
Impairment of other receivables	(5,593)	–	–	–	–	(5,593)
Write-off of property, plant and equipment	(6)	–	–	–	–	(6)
Write-off of investment in an associate	–	(59)	–	–	–	<u>(59)</u>

### Segment assets and liabilities

Information about segment assets and liabilities is not disclosed as it is not regularly reviewed by the CODM.

### Information about a major customer

A summary of revenue earned from an external customer, which contributed more than 10% of the Group's revenue for each of the periods ended 30 September 2022 and 2021, is set out below:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Customer A:		
Contribution to construction services segment	<b>2,046,284</b>	2,034,747
Contribution to professional services segment	<b>196,241</b>	196,241
	<b><u>2,242,525</u></b>	<u>2,230,988</u>

## 4. REVENUE

An analysis of the Group's revenue is as follows:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Revenue from contracts with customers	<b><u>4,158,751</u></b>	<u>3,819,920</u>

## 5. OTHER INCOME AND GAINS, NET

	Six months ended 30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Other income</b>		
Interest income	9,130	10,805
Dividend income	186	65
Other rental income	584	405
Other service income	1,800	1,381
Profit guarantee income	–	13,429
Management fee income	2,297	564
Government subsidies*	28,060	–
Sundry income	2,309	5,833
	<u>44,366</u>	<u>32,482</u>
<b>Gains, net</b>		
Gain on disposal of subsidiaries	3,027	–
Gain on deregistration of subsidiaries, net	–	643
Gain on disposal of property, plant and equipment, net	788	–
Gain on disposal of right-of-use assets, net	–	597
Fair value gain on equity investments at fair value through profit or loss	–	403
Foreign exchange gain, net	621	–
	<u>4,436</u>	<u>1,643</u>
<b>Other income and gains, net</b>	<u><u>48,802</u></u>	<u><u>34,125</u></u>

\* The amount represented subsidies received under the Anti-epidemic Fund and other support scheme in Hong Kong. All conditions relating to these grants have been fulfilled.

## 6. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Interest on:		
Bank borrowings	<b>35,282</b>	26,582
Lease liabilities	<b>890</b>	943
	<hr/>	<hr/>
Total interest expenses	<b>36,172</b>	27,525
Amortisation of ancillary costs incurred in connection with the arrangement of bank loans	<b>8,269</b>	8,269
	<hr/>	<hr/>
Total finance costs	<b>44,441</b>	35,794
Less: Amount included in cost of construction work	<b>(1,561)</b>	(574)
	<hr/>	<hr/>
	<b>42,880</b>	35,220
	<hr/> <hr/>	<hr/> <hr/>

## 7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2022</b>	2021
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cost of construction work	<b>3,395,042</b>	3,074,369
Cost of construction-related consultancy services provided	<b>31,391</b>	24,161
Cost of goods sold	<b>7,717</b>	6,016
Cost of security, tunnel and other facility management services provided	<b>456,390</b>	423,645
Depreciation of property, plant and equipment	<b>24,316</b>	26,893
Less: Amount included in cost of sales	<b>(19,107)</b>	(21,808)
	<u><b>5,209</b></u>	<u>5,085</u>
Depreciation of right-of-use assets	<b>16,191</b>	16,673
Less: Amount included in cost of sales	<b>(3,826)</b>	(2,885)
	<u><b>12,365</b></u>	<u>13,788</u>
Amortisation of intangible assets	<b>185</b>	31
Equity-settled share option expense	<b>1,225</b>	–
Other equity-settled share-based payment expense	<b>2,453</b>	2,797
Impairment of other receivables	<b>15,273</b>	5,593
Write-off of property, plant and equipment	–	6
Write-off of investment in an associate	–	59
	<u><u><b>–</b></u></u>	<u><u>59</u></u>

## 8. INCOME TAX

An analysis of the Group's income tax is as follows:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current – Hong Kong		
Charge for the period	<b>12,012</b>	9,959
Over provision in prior years	<b>(3,316)</b>	(675)
	<u><b>8,696</b></u>	<u>9,284</u>
Current – Mainland China		
Under provision in prior years	–	504
Current – Elsewhere		
Charge for the period	<b>200</b>	927
Over provision in prior years	<b>(22)</b>	(24)
	<u><b>178</b></u>	<u>903</u>
Deferred	<u><b>(1,549)</b></u>	<u>(1,933)</u>
Total tax expense for the period	<u><b>7,325</b></u>	<u>8,758</u>

*Note:* Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2021: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (six months ended 30 September 2021: HK\$2,000,000) of the assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

## 9. DIVIDENDS

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Final dividend recognised as distribution during the period in respect of 2022 of HK1.1 cents (2021: Nil) per ordinary share	<b>19,820</b>	–
Interim dividend declared in respect of six months ended 30 September 2022 of HK0.67 cent (six months ended 30 September 2021: HK0.88 cent) per ordinary share	<u><b>12,040</b></u>	<u>15,921</u>
	<u><b>31,860</b></u>	<u>15,921</u>

## 10. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the period attributable to shareholders of the Company and the weighted average number of ordinary shares used in the calculation is (i) the weighted average number of ordinary shares in issue during the period; less (ii) the weighted average number of ordinary shares held under the share award scheme of the Company during the period.

In respect of the financial period ended 30 September 2022 and 2021, no adjustment has been made to the basic earnings per share amount presented as the share options of the Company outstanding during the financial period had no diluting effect on the basic earnings per share amount presented.

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

### Earnings

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Profit for the period attributable to shareholders of the Company, used in the basic and diluted earnings per share calculation	<u><b>40,410</b></u>	<u>56,134</u>

## Number of shares

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	(Unaudited)
Weighted average number of ordinary shares in issue during the period less weighted average number of ordinary shares held under the share award scheme during the period, used in the basic and diluted earnings per share calculation	<b>1,789,420,568</b>	1,805,271,880

## 11. TRADE RECEIVABLES

	<b>30 September</b>	31 March
	<b>2022</b>	2022
	<b>(Unaudited)</b>	(Audited)
	<b>HK\$'000</b>	HK\$'000
Trade receivables	<b>910,688</b>	719,207
Impairment	<b>(247)</b>	(270)
	<b>910,441</b>	718,937

The Group generally allows a credit period of not exceeding 60 days to its customers. Interim applications for progress payments on construction contracts are normally submitted on a monthly basis and are normally settled within one month.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed periodically. The majority of the Group's trade receivables that are neither past due nor impaired relate to customers that have good credit quality with reference to the respective settlement history.

The ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of impairment, is as follows:

	<b>30 September</b>	31 March
	<b>2022</b>	2022
	<b>(Unaudited)</b>	(Audited)
	<b>HK\$'000</b>	HK\$'000
Within 1 month	<b>687,412</b>	509,321
1 to 2 months	<b>91,091</b>	104,442
2 to 3 months	<b>46,894</b>	27,380
Over 3 months	<b>85,044</b>	77,794
	<b>910,441</b>	718,937

## 12. A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

	31 March 2022 (Audited) HK\$'000
<b>Assets of a disposal group classified as held for sale:</b>	
Property, plant and equipment	16,206
Right-of-use assets	3,899
Inventories	2,239
Contract assets	8,353
Trade receivables	12,100
Other receivables	19,253
Income tax recoverable	918
Restricted cash and pledged deposits	440
Cash and cash equivalents	6,913
	<u>70,321</u>
<b>Liabilities directly associated with the assets of a disposal group classified as held for sale:</b>	
Trade payables	15,307
Other payables	9,367
Bank borrowings	34,908
Lease liabilities	4,043
	<u>63,625</u>

Due to the under-performance of JA & Associate Corporation (“JA”), a 50.99% owned subsidiary of the Group, and its subsidiaries (the “JA Group”), the management had been in negotiation with the non-controlling equity holder of JA for the sale of the JA Group and therefore the JA Group was accounted for as a disposal group classified as held for sale as at 31 March 2022.

On 30 May 2022, the Group entered into a sale and purchase agreement with the aforementioned non-controlling equity holder for the disposal of the JA Group. The transaction was completed on the same date.

## 13. TRADE PAYABLES

	30 September 2022 (Unaudited) HK\$'000	31 March 2022 (Audited) HK\$'000
Trade payables other than retention payables	1,025,743	988,458
Retention payables	678,932	688,101
	<u>1,704,675</u>	<u>1,676,559</u>

The Group's trade payables (other than retention payables) are non-interest bearing and are normally settled on 30-day terms.

An ageing analysis of the Group's trade payables (other than retention payables) as at the end of the reporting period, based on the invoice date, is as follows:

	<b>30 September 2022 (Unaudited) HK\$'000</b>	31 March 2022 (Audited) HK\$'000
Within 1 month	<b>381,532</b>	284,993
1 to 2 months	<b>88,480</b>	198,600
2 to 3 months	<b>115,979</b>	143,419
Over 3 months	<b>439,752</b>	361,446
	<u><b>1,025,743</b></u>	<u>988,458</u>

#### 14. PROVISION FOR LITIGATIONS

	<b>30 September 2022 (Unaudited) HK\$'000</b>	31 March 2022 (Audited) HK\$'000
At beginning of the period	<b>5,000</b>	272,010
Amount utilised during the period/year	–	(93,250)
Reversal of provision	<b>(5,000)</b>	(173,760)
	<u>–</u>	<u>5,000</u>

In or about December 2013 and March 2014, a plaintiff commenced two separate legal proceedings against the Group alleging that the Group's termination of a proposed transaction in relation to the sale of a commercial development at No. 8 Clear Water Bay Road and 49% interest in the car park development at No. 8 Clear Water Bay Road (collectively, the "Properties") was wrongful and in breach of a memorandum entered into between the plaintiff and the Group in September 2013 (the "MOU"). The plaintiff claimed against the Group for the loss of capital appreciation of the Properties.

On 16 June 2021, the Court of First Instance in Hong Kong (the "Court") handed down its judgments on the two legal proceedings against the Group and decided that the Group's termination of the proposed transaction in relation to the sale of the Properties was wrongful and in breach of terms and conditions of the MOU (the "Judgments"). The Court therefore ordered the Group to compensate the plaintiff's loss in the sum of HK\$164.0 million plus interest and the plaintiff's legal costs incurred, which is estimated to be approximately HK\$272.0 million in aggregate as at 31 March 2021.

As advised by the legal advisers to the Group, having considered the Judgments, the Group has a merit in successfully appealing against the Judgments, and, therefore lodged the Notice of Appeal for the two proceedings to the Court of Appeal on 13 July 2021 and 14 July 2021 accordingly. In order to stay the execution of the enforcement of the Judgments pending appeal, the Group also made the applications for stay of execution of the Judgements on 2 July 2021 and 8 July 2021 accordingly. The stay of execution would be determined on paper and all submissions were filed to the Court in end December of 2021. The Notice of Appeal for the two proceedings and all applications relating to the stay of execution of the Judgements filed to the Court of Appeal are collectively hereinafter referred to as the “Legal Actions”.

On 24 March 2022, the Group and the plaintiff entered into an agreement in full and final settlement of the Legal Actions and all related matters with settlement amount of HK\$93.3 million. Pursuant to the settlement agreement, the Group and the plaintiff have been fully and absolutely discharged from all or any liabilities and claims and/or counterclaims, remedies, cause of action of whatever nature, interests, costs, rights and entitlements arising out of or in connection with the Legal Actions, all related applications and appeals as well as the subject matter of the Legal Actions.

## 15. SHARE CAPITAL

	<b>30 September 2022 (Unaudited) HK\$'000</b>	31 March 2022 (Audited) HK\$'000
Authorised:		
5,000,000,000 ordinary shares of HK\$0.1 each	<u><b>500,000</b></u>	<u>500,000</u>
Issued and fully paid:		
1,800,919,847 (as at 31 March 2022):		
1,802,677,847) ordinary shares of HK\$0.1 each	<u><b>180,092</b></u>	<u>180,268</u>

A summary of the movements in the Company’s issued share capital and share premium account during the six months ended 30 September 2022 is as follows:

	<b>Number of ordinary shares in issue (Unaudited)</b>	<b>Issued capital (Unaudited) HK\$'000</b>	<b>Share premium account (Unaudited) HK\$'000</b>	<b>Total (Unaudited) HK\$'000</b>
At 1 April 2022	<b>1,802,677,847</b>	<b>180,268</b>	<b>742,374</b>	<b>922,642</b>
Cancellation of repurchased shares	<u><b>(1,758,000)</b></u>	<u><b>(176)</b></u>	<u><b>(844)</b></u>	<u><b>(1,020)</b></u>
At 30 September 2022	<u><b>1,800,919,847</b></u>	<u><b>180,092</b></u>	<u><b>741,530</b></u>	<u><b>921,622</b></u>

## 16. CONTINGENT LIABILITIES

At the end of the reporting period, the Group had the following contingent liabilities, which have not been provided for in the condensed consolidated interim financial information:

### (a) Corporate guarantees and performance bonds given

	<b>30 September 2022 (Unaudited) HK\$'000</b>	31 March 2022 (Audited) HK\$'000
Indemnities issued to financial institutions for performance bonds in respect of construction and professional services contracts undertaken by:		
– subsidiaries	<b>934,443</b>	963,631
– joint operations	<b>96,044</b>	96,044
– a joint venture	<b>41,173</b>	41,173
	<u><b>1,071,660</b></u>	<u>1,100,848</u>
Guarantees issued to financial institutions to secure credit facilities granted to associates ( <i>note (ii)</i> )	<u><b>595,468</b></u>	<u>1,013,564</u>
	<u><b>1,667,128</b></u>	<u>2,114,412</u>

In addition to the above, corporate guarantees were provided by the Group to two parties to indemnify them any losses and liabilities that they may incur in connection with certain construction works of the Group in which the two parties have involvement. In the opinion of the Directors, the financial impact of the contingent liabilities that may arise from these arrangements is assessed to be minimal.

#### *Notes:*

- (i) In the opinion of the Directors, the fair values of the financial guarantee contracts of the Group are insignificant at initial recognition and the possibility of the default of the parties involved is remote. Accordingly, no value has been recognised in the condensed consolidated statement of financial position in respect of these financial guarantee contracts.
- (ii) At 30 September 2022, the banking facilities granted to associates and guaranteed by the Group were utilised to the extent of HK\$448,374,000 (31 March 2022: HK\$692,911,000).

## (b) Litigations

The legal proceedings arose from four sets of Sale and Purchase Agreement dated 4 August 2011 and 3 March 2012 respectively (the “SPAs”), pursuant to which the Group purchased four flat top barges (the “Vessels”) from a plaintiff. The SPAs stipulated that the plaintiff should buy back the Vessels from the Group in the total consideration of HK\$15,150,000 (the “Buyback”) after 36 months from the Vessels’ respective delivery dates (the “Buyback Dates”). The Buyback did not take place on the Buyback Dates nor after rounds of negotiations in 2015. In May 2018, the Group disposed of the Vessels to a third party.

In June 2021, the plaintiff commenced the legal proceedings alleging that the Group was in breach of the SPAs and claims, *inter alia*, for (i) loss of rental charges beyond the Buyback Dates and (ii) loss of difference between the market price and the buyback price of the Vessels.

The Group counterclaims against the plaintiff for, *inter alia*, (i) the difference between the buyback prices under the SPAs and the selling price to the third party and (ii) the costs of maintaining the Vessels beyond the Buyback Dates until disposal to the third party.

The plaintiff is now claiming loss and damages in the sum of approximately HK\$9,511,000 against the Group while the Group is counterclaiming loss and damages in the sum of approximately HK\$17,496,000.

As advised by the legal advisers to the Group, the Group has a reasonable chance of success in counterclaiming against the plaintiff.

## 17. PLEDGE OF ASSETS

At the end of the reporting period, the following assets were pledged to secure the banking facilities granted to the Group:

	<b>30 September 2022 (Unaudited) HK\$’000</b>	31 March 2022 (Audited) HK\$’000
Property, plant and equipment	75,733	81,170
Investment properties	10,163	11,176
Right-of-use assets	116,504	119,308
Bank deposits	16,161	16,009
	<u>218,561</u>	<u>227,663</u>

In addition to the above, as at 30 September 2022 and 31 March 2022, the Group has pledged the equity interest in a wholly-owned subsidiary to secure a banking facility granted to an associate.

## 18. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period and up to the date of this condensed consolidated interim financial information, 3,930,000 ordinary shares in total were repurchased by the Company on the Stock Exchange for an aggregate consideration of HK\$2,194,520 and all these shares were cancelled accordingly.

Save as disclosed above, there are no other significant events occurred subsequent to the reporting period.

## **BUSINESS REVIEW**

The overall operating environment remained difficult during the Review Period, with labour shortages, rising costs and interest rate hikes all creating further obstacles to the Group's business. As a result, while revenue remained stable, recording a total revenue of approximately HK\$4.16 billion (2021: HK\$3.82 billion), net profit attributable to shareholders of the Company (the "Shareholders") decreased to approximately HK\$40.4 million (2021: HK\$56.1 million), primarily due to increased finance and operating costs.

In face of such challenges, the Group has implemented various strategies during the period to mitigate rising costs, including manpower restructuring and streamlining of different operating units to improve overall efficiency. The management will continue to dedicate efforts in cost management and productivity enhancement to prepare the Group for capturing the opportunities ahead.

In the latest Policy Address, the Hong Kong government proposed a number of policies to promote economic development and improve people's livelihoods, such as accelerating the construction of public housing, expanding transport infrastructure and developing the Northern Metropolis, providing a vast array of new and potentially lucrative opportunities for the city's construction industry and the Group. While we are optimistic about the industry's potential going forward, the management will maintain a prudent approach to the Group's operations in the face of a complex and volatile macro environment.

### **Construction**

The construction segment recorded revenue of HK\$3.65 billion (2021: HK\$3.33 billion) and a segment profit of HK\$99.0 million (2021: HK\$109.6 million) during the Review Period, which reflecting the higher operating and interest costs. As at 30 September 2022, the total value of contracts on hand was HK\$26.61 billion, with ongoing contracts worth HK\$14.90 billion.

The Group secured 15 new contracts during the Review Period, including the Construction of a 30-classroom Primary School and a 6-classroom Kindergarten at Site E-1, Development of Anderson Road Quarry Site, Sai Kung; Uprating of Pui O Raw Water Pumping Station and Pui O No. 2 Raw Water Pumping Station and Laying of Raw Water Mains along South Lantau Road; Drainage Improvement Works in Tsim Sha Tsui; and Sau Nga Road Stormwater Storage Scheme.

In terms of ongoing projects, the construction segment is currently engaged in a total of 70 projects, including the Urban Renewal Authority's composite development project at Ash Street, Tai Kok Tsui, Kowloon; this is one of the first concrete modular integrated construction ("MiC") high-rise residential projects in Hong Kong. Other ongoing projects include the Main Contract Works for Proposed Modular Social Housing at 5-7 Yip Shing Street, Kwai Chung; Fanling North New Development Area, Phase 1: Fanling Bypass Eastern Section (Shek Wu San Tsuen North to Lung Yeuk Tau); Development of Lok Ma Chau Loop: Main Works Package 1 – Contract 1 Site Formation and Infrastructure Works inside Lok Ma Chau Loop and Western Connection Road Phase 1; and Hong Kong Disneyland Resort Project – Arendelle Completion Package.

A number of projects were completed during the Review Period, including Central-Wan Chai Bypass: Tunnel (North Point Section) and Island Eastern Corridor Link; Tseung Kwan O – Lam Tin Tunnel – Tseung Kwan O Interchange and Associated Works; Construction of Government Flying Service Kai Tak Division; and Foundation for Public Housing Development at Anderson Road Quarry Site R2-5 and Demolition for Redevelopment of Mei Tung Estate (Older Part).

The Hong Kong construction industry has faced a number of challenges in the past six months, most notably the continued professional and labour shortage, which led to increasing staff and labour costs. However, the Group will continue to invest in advanced construction technologies such as MiC and ensure it maintains a competitive edge in order to support the government’s plan to enhance high-productivity construction technology. Furthermore, with ongoing infrastructure development and the government’s commitment to increase the housing supply and push ahead the Northern Metropolis development project, all these would present significant opportunities.

Outside Hong Kong, the Group’s Singapore subsidiary R.J. Crocker Consultants Pte. Ltd. is a site supervision expert in civil and structural engineering, as well providing architectural consultancy service, it has secured numerous major infrastructure projects in Singapore, including Land Transport Authority North-South Corridor, Jurong Regional Line, Cross Island Line, and Changi Airport Project, delivered satisfactory performance during the Review Period. During the period, it received the Singapore Prestige Brand Award — Singapore Heritage Brands for being developed and managed effectively through various branding initiatives for more than 25 years in Singapore.

### **Property Development and Assets Leasing**

The performance of property development and assets leasing segment has rebounded in the Review Period as compared with the same period last year. Due to the market conditions remain tough, with consumer confidence and property sales hindered by the poor macroeconomic environment and rising interest rates.

During the Review Period, the Group continued the sales activities at “128 Waterloo” a premium residential property located on Waterloo Road, Ho Man Tin, and “SOYO” the hybrid residential and retail building at Soy Street, Mongkok. With regard to the residential land parcel in Tung Chung, the land exchange application was approved in June 2022 in the District Land Conference and the land premium negotiation is currently in progress. For the development at Nos. 35 and 37 Cameron Road, Tsim Sha Tsui, a new partner, EC Healthcare has joined our joint venture. The intention is to develop a medical centric commercial development. The development is currently under construction stage.

The Hong Kong government has recently introduced several policies to support the property market, notably its plans to refund extra stamp duty paid by eligible incoming talents once they become permanent residents to enhance the city's competitiveness and encourage investment.

While the business environment remains uncertain, the Group will continue to closely monitor the market and act, after careful consideration, once the situation has become more stable. It will also continue to take advantage of joint venture opportunities to minimise risks and regularly review and adjust its property portfolio to maximise its returns.

### **Professional Services**

The professional services segment has achieved revenue of HK\$489.4 million (2021: HK\$471.4 million) and segmental profit of HK\$23.0 million (2021: HK\$27.4 million) during the Review Period.

In addition to retaining its enviable existing client base, which includes prominent companies and organisations such as The Hong Kong Jockey Club and Hong Kong Palace Museum; as well provision of catering services in the Customs Headquarters Building. The Group's security, clubhouse and facility management business secured several new clients during the Review Period.

The tunnel management business continues to provide steady contributions to the Group. During the Review Period, the Group manages several tunnels in Hong Kong and signed a management contract for the Tseung Kwan O – Lam Tin Tunnel, with the related operations to commence in December this year.

### **Non-franchised Bus Services**

Despite the border closure that remained in place during the Review Period, the non-franchised bus services segment recorded stable performance, achieving segmental profit of HK\$3.1 million (2021: HK\$1.2 million). The segment continued to focus its operations on the provision of scheduled services (primarily shuttle bus services for students, employees and residents), which has proved to be an effective strategy in the face of ongoing travel restrictions. The Group maintained sizeable contracts with prestigious organisations, schools and property management companies, and will actively explore potentially lucrative opportunities going forward.

## **Medical Technology and Healthcare**

Hong Kong Cyclotron Laboratories Limited (“HKCL”) achieved a profitable result during the Review Period, with revenue of HK\$20.9 million (2021: HK\$17.9 million) and segmental profit of HK\$6.1 million (2021: HK\$6.8 million), performance exceeding the management’s expectations. HKCL specialises in the production of PET drugs and operates one of the largest PET radiopharmacy distribution networks in Hong Kong. It is also a key supplier of fluorodeoxyglucose for hospitals and clinics in Hong Kong. Leveraging its research and development (“R&D”) capabilities, HKCL is planning the launch of a second laboratory, which will focus on the development of radiation-related medical products. The company boasts a number of famous clients, including the Hong Kong Hospital Authority, CUHK Medical Centre and several private imaging centres, and it also added a handful of new clients during the Review Period.

The Group is hopeful that this business further develop medical technology in Hong Kong, thereby improving patients’ quality of life.

## **Other Business**

The Group’s online building materials procurement and management platform, Mattex Asia Development Limited, continued to make solid progress during the Review Period. The platform enables contractors to source competitively priced materials via a streamlined process, helping them to speed up their procurement process and improve operational efficiency. This business, along with the Group’s construction financing business, continue to provide it with additional income streams through diversified businesses.

## **OUTLOOK AND PROSPECT**

### **Construction**

Given the macroeconomic uncertainties, with the pressure of rising interest rates and staff and labour costs, the Group remains cautious in its outlook for the construction segment. In order to reduce the impact of the interest rate hikes, the Group is taking potent measures to enhance the construction workdone certification rate to improve the realisation process of the recognised contract assets and shorten the collection cycle in improving cashflow. With Hong Kong government’s focus on increasing the land and housing supply, will undoubtedly create new opportunities for the construction industry. In terms of urban planning and infrastructure related works, new railway extensions and large-scale urban development works, including the Northern Metropolis and Kau Yi Chau Artificial Islands, the Northern Metropolis Highway, the Central Rail Link, the Shatin Bypass, the Tseung Kwan O Line Southern Extension, and the Hong Kong-Shenzhen Western Rail Link, all offer great potential.

The brand reputation and advanced construction technologies will allow the Group to seize these opportunities as they emerge. This will include leveraging the Group's status as a leader in MiC to capture opportunities arising from the government's promotion of advanced construction technologies to shorten construction times, reduce labour costs and improve construction site safety. Given the continued uncertainty in the macro environment, the Group will maintain its focus in Hong Kong market.

### **Property Development and Assets Leasing**

With Hong Kong's property market continuing to suffer amid interest rate hikes and cautious buyers, the government is gradually implementing policies to encourage buyers to purchase and improve market sentiment. The Group will follow these market developments closely and maintain a prudent and pragmatic strategy.

### **Professional Services**

The Group will continue to provide quality professional services to new and existing clients. It will actively explore options for business diversification and to create additional income streams. The security and facility management and tunnel management sectors offer potential, the Group will continue to explore opportunities.

### **Non-franchised Bus Services**

The Group's strategy of switching its focus from tourist-related services to scheduled services proved effectual. Consequently, the Group plans to actively expand its customer base by extending the local service routes of its shuttle buses. It is looking forward to delivering better results once the border is reopened.

### **Medical Technology and Healthcare**

Given HKCL's excellent performance during the Review Period, management is optimistic about the prospects of this segment. The launch of the second laboratory will further enhance the company's capabilities. Moreover, HKCL will continue to invest in the R&D of radiation-related medical technologies in Hong Kong and to expand production capacity, providing high-quality products and services with principle of safety and customers orientation.

### **Other Business**

The Group will continue to look for suitable development opportunities to drive further business growth. It will seek new ventures to diversify its operations, expand its income streams and ultimately stimulate long-term growth, but in a cautious, far-sighted manner due to the complex and uncertain macro environment.

## Conclusion

With the gradual relaxation of pandemic-related restrictions, Hong Kong's economy and business environment will gradually recover. In the meantime, the Group has demonstrated strong resilience in the face of the uncertain macro environment, having maintained stable operations while exploring new avenues for business expansion. Going forward, the Group will continue to expand its core businesses while focusing also on cost management, develop advanced construction technologies and seek opportunities to enhance people's lifestyles and quality of life. It will remain committed to reducing costs and increasing efficiency while pursuing new business development in a cautious manner.

## LIQUIDITY AND FINANCIAL RESOURCES

The financial position of the Group remained stable during the period under review. The Group mainly relies upon internally generated funds as well as bank borrowings to finance its operations and expansion, which is supplemented by equity funding when it is required.

At 30 September 2022, the total net debts of the Group amounted to approximately HK\$1,885.5 million, representing total debts of approximately HK\$2,992.8 million less total of cash and bank balances of approximately HK\$1,107.3 million. The debt maturity profile, based on scheduled repayment dates set out in loan agreements of the Group at 30 September 2022, is analysed as follows:

	<b>As at 30 September 2022 (Unaudited) HK\$ million</b>	<b>As at 31 March 2022 (Audited) HK\$ million</b>
Bank borrowings and lease liabilities repayable:		
Within one year or on demand	<b>2,375.2</b>	2,307.7
After one year, but within two years		
– On demand shown under current liabilities	<b>0.6</b>	0.6
– Remaining balances	<b>587.3</b>	794.9
After two years, but within five years		
– On demand shown under current liabilities	<b>1.9</b>	2.0
– Remaining balances	<b>6.1</b>	13.5
Over five years		
– On demand shown under current liabilities	<b>2.7</b>	3.5
– Remaining balances	<b>19.0</b>	20.2
	<hr/>	<hr/>
Total debts	<b>2,992.8</b>	3,142.4
	<hr/> <hr/>	<hr/> <hr/>

The Group has continued to implement a prudent financial management policy, at 30 September 2022, the gearing ratio of the Group, being the proportion of net interest bearing debts to equity attributable to Shareholders, was 0.80 (31 March 2022: 0.71).

To minimise exposure on foreign exchange fluctuations, the Group's bank borrowings and cash balances are primarily denominated in Hong Kong dollars or Renminbi which are the same as the functional currency of the relevant group entities. The Group has no significant exposure to foreign exchange rate fluctuations and shall use derivative contracts to hedge against its exposure to currency risk only when it is required. Furthermore, the Group's bank borrowings have not been hedged by any interest rate financial instruments.

## **CONTINGENT LIABILITIES**

Details of the contingent liabilities of the Group are set out in Note 16 to the condensed consolidated interim financial information.

## **PLEDGE OF ASSETS**

Details of the pledge of assets of the Group are set out in Note 17 to the condensed consolidated interim financial information.

## **EMPLOYEE AND REMUNERATION POLICIES**

The Group had approximately 6,600 employees as at 30 September 2022. Total remuneration of employees for the Review Period amounted to approximately HK\$892.5 million. Employees are remunerated according to their nature of work and the market trend, with merit-based components incorporated in the annual increment review to reward and motivate individual performance. Employee bonus is distributable based on the performance of the respective divisions and the employees concerned. Moreover, the Group also provides in-house training program and sponsorship for external training courses which are complementary to their job functions.

With a view to providing incentive for employees to achieve performance goals and aligning the interests of employees directly to the Shareholders through ownership of shares of the Company, the Company adopted the restricted share award scheme on 1 August 2017, pursuant to which the Company may grant to eligible participants restricted shares of the Company. Such grant shares are acquired by the scheme trustee on the market of the Stock Exchange and held upon trust for the benefit of the grantees and shall become vested in the grantees upon satisfaction of specified vesting criteria.

In addition, the Company had also adopted a share option scheme (the “Share Option Scheme”), under which the Directors are authorised to grant share options to the eligible participants to subscribe for shares of the Company for the purpose of, among other things, providing incentives and rewards to, and recognising the contributions of, the eligible participants. The Share Option Scheme was valid and effective for a period of 10 years commencing on 3 September 2012 and expired on 2 September 2022.

## **INTERIM DIVIDEND**

The Board has declared an interim dividend of HK0.67 cent per share for the six months ended 30 September 2022 (the “Interim Dividend”) (six months ended 30 September 2021: HK0.88 cent), amounting to approximately HK\$12.0 million (six months ended 30 September 2021: HK\$15.9 million), to the Shareholders whose names appear on the register of members of the Company on 21 December 2022. The Interim Dividend will be paid on 3 January 2023.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the entitlement to the Interim Dividend, the register of members of the Company will be closed during the following period:

Latest time to lodge transfer documents for registration	4:30 p.m. on Friday, 16 December 2022
Closure of register of members	Monday, 19 December 2022 to Wednesday, 21 December 2022 (both days inclusive)

In order to be eligible for the entitlement to the Interim Dividend, all completed transfer documents accompanied by the relevant share certificate(s) must be lodged with the Hong Kong Branch Share Registrar of the Company, Tricor Secretaries Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than the latest time as stated above for registration.

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

During the Review Period, the Company repurchased 1,758,000 shares of the Company at an aggregate consideration of HK\$1,019,640 (before expenses) on the Stock Exchange. All the repurchased shares were cancelled during the Review Period.

Particulars of the repurchase during the Review Period are as follows:

<b>Months of share repurchase</b>	<b>Number of shares repurchased</b>	<b>Highest price paid per share</b> <i>HK\$</i>	<b>Lowest price paid per share</b> <i>HK\$</i>	<b>Aggregate consideration paid (before expenses)</b> <i>HK\$</i>
April	798,000	0.58	0.58	462,840
September	960,000	0.58	0.58	556,800
Total	<u>1,758,000</u>			<u>1,019,640</u>

The Directors considered that the repurchases were made with a view to enhancing the net assets value per share and earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Review Period.

## CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions of the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the Review Period.

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, after a specific enquiry made by the Company, that they have fully complied with the required standard set out in the Model Code throughout the Review Period.

## EVENTS AFTER THE REPORTING PERIOD

Details of the significant events of the Group after the reporting period are set out in Note 18 to the condensed consolidated interim financial information.

## **AUDIT COMMITTEE REVIEW**

The Audit Committee of the Board (the “Audit Committee”) comprises five members, namely Mr. Wu William Wai Leung (Chairman of the Audit Committee), Ms. Wong Wendy Dick Yee, Dr. Yim Yuk Lun, Stanley, Mr. Lam Yau Fung, Curt and Mr. Ho Gilbert Chi Hang, all being Non-executive Directors or Independent Non-executive Directors. The Audit Committee has reviewed with the management and given its consent to the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the unaudited condensed consolidated interim financial information of the Group for the Review Period.

By Order of the Board  
**ASIA ALLIED INFRASTRUCTURE  
HOLDINGS LIMITED**  
**Pang Yat Ting, Dominic**  
*Chairman*

Hong Kong, 23 November 2022

*As at the date of this announcement, the executive directors of the Company are Mr. Pang Yat Ting, Dominic, Mr. Xu Jianhua, Jerry, Ir Dr. Pang Yat Bond, Derrick JP, Mr. Shea Chun Lok, Quadrant and Madam Li Wai Hang, Christina, the non-executive directors of the Company are Ms. Wong Wendy Dick Yee and Dr. Yim Yuk Lun, Stanley BBS JP, and the independent non-executive directors of the Company are Mr. Wu William Wai Leung, Mr. Lam Yau Fung, Curt, Mr. Ho Gilbert Chi Hang and Dr. Yen Gordon.*