Silver Tide Holdings Limited
銀濤控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1943)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

The board (the "**Board**") of directors (the "**Directors**") of Silver Tide Holdings Limited (the "**Company**") presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 September 2022 together with the comparative figures in 2021, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2022

	Notes	**2022 (Unaudited)** ***HK$'000***	2021 (Unaudited) *HK$'000*
Revenue	*6*	**102,818**	191,270
Cost of sales		**(97,603)**	(208,486)
Gross profit/(loss)		**5,215**	(17,216)
Other income and gains	*6*	**4,137**	1,435
Administrative expenses		**(10,042)**	(7,771)
Other losses		**(10,641)**	—
Finance costs	*7*	**(80)**	(64)
Loss before income tax	*8*	**(11,411)**	(23,616)
Income tax credit	*9*	**—**	22
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(11,411)**	(23,594)
Loss and total comprehensive loss attributable to owners of the Company		**(11,411)**	(23,594)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	*11*	**(HK$1.1 cents)**	(HK$2.4 cents)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	Notes	**30 September 2022 (Unaudited) *HK$'000***	31 March 2022 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*12*	**16,967**	20,005
Trading right		**500**	500
Prepayments, other receivables and other assets		**109**	210
Deferred tax assets		**5,045**	5,045
Statutory deposits		**205**	205
Total non-current assets		**22,826**	25,965
CURRENT ASSETS			
Contract assets	*13*	**110,611**	109,205
Trade receivables	*14*	**9,619**	24,761
Amount due from the ultimate holding company		**—**	298
Amount due from a related party		**—**	124
Prepayments, other receivables and other assets		**21,715**	11,209
Financial assets at fair value through profit or loss ("FVTPL")		**24,373**	35,213
Trust bank balances held on behalf of customers		**30,634**	44,676
Cash and cash equivalents		**38,207**	30,973
Tax recoverable		**9**	300
Total current assets		**235,168**	256,759
CURRENT LIABILITIES			
Trade payables	*15*	**51,801**	61,229
Other payables and accruals		**5,237**	4,728
Lease liabilities		**692**	2,451
Total current liabilities		**57,730**	68,408
NET CURRENT ASSETS		**177,438**	188,351
TOTAL ASSETS LESS CURRENT LIABILITIES		**200,264**	214,316
NON-CURRENT LIABILITIES			
Lease liabilities		**533**	3,174
Total non-current liabilities		**533**	3,174
NET ASSETS		**199,731**	211,142
EQUITY			
Equity attributable to owners of the parent			
Share capital		**10,000**	10,000
Reserves		**189,731**	201,142
TOTAL EQUITY		**199,731**	211,142

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

Silver Tide Holdings Limited (the "**Company**") is an exempted company incorporated in the Cayman Islands on 24 July 2018 with limited liability. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of operations of the Company is located at Room A–B, 14F, Skyline Tower, No.18 Tong Mi Road, Mongkok, Hong Kong.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 28 June 2019 (the "**Listing Date**").

The principal activity of the Company is investment holding. The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in providing construction services, including traditional formwork using timber and plywood, system formwork using aluminium and steel, ancillary works such as concrete works and reinforcement works for the public and private sectors in Hong Kong and business of securities dealing and broking.

In the opinion of the directors, the immediate holding company and the ultimate holding company of the Company is Central Force Premium Group Limited ("**Central Force Premium**"), which is incorporated in the British Virgin Islands ("**BVI**").

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Forest Honour Limited	BVI	US$1	100	—	Investment holding
Hop Fat Yuk Ying Engineering Limited	Hong Kong	HK$2,000,000	—	100	Construction services
Titan Hwaks Limited	BVI	US$1	100	—	Investment holding
Yellow River Securities Limited	Hong Kong	HK$11,000,000	—	100	Securities dealing and broking
Sun Range International Limited	BVI	US$1	100	—	Inactive

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 Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. These condensed consolidated interim financial statements were authorised for issue on 30 November 2022.

These condensed consolidated interim financial statements have been prepared with the same accounting policies adopted in the 2022 annual financial statements, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 January 2022. Details of any changes in accounting policies are set out in note 3. The adoption of the new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") have no material effect on these condensed consolidated interim financial statements. The Group has not early adopted any new and revised HKFRSs that has been issued but not yet effective in the current accounting period.

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 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 the Group's annual financial statements for the year ended 31 March 2022.

These condensed consolidated interim financial statements are presented in Hong Kong Dollars ("**HK$**"), unless 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. These condensed consolidated interim financial statements and notes do not include all of the information required for a complete set of condensed consolidated interim financial statements prepared in accordance with HKFRSs and should be read in conjunction with the 2022 consolidated financial statements.

These condensed consolidated interim financial statements are unaudited, but have been reviewed by the Audit Committee of the Company.

3. CHANGES IN ACCOUNTING POLICIES

The Group has applied the same accounting policies in these condensed consolidated interim financial statements as in its 2022 annual consolidated financial statements.

The new or amended HKFRSs that are effective from 1 January 2022 did not have any significant impact on the Group's accounting policies.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to HKAS 37

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). 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 applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period. Prior to the application of the amendments, the Group had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts. As a result of the amendments, certain other directly related costs have been included by the Group in determining the costs of fulfilling the contracts. The Group has therefore recognised an onerous contract provision, which remained unchanged as of 31 March 2022 as the Group had not yet fulfilled its obligations under the contract. In accordance with the transitional provisions, the Group applies the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application) and has not restated its comparative information.

Reference to the Conceptual Framework – Amendments to HKFRS 3

The amendments replace a reference to a previous version of the HKASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements. The amendments add an exception to the recognition principle of HKFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of HKAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in HKAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to HKFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to HKAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

HKFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of HKFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to HKFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of HKFRS 1. These amendments had no impact on the interim condensed consolidated financial statements of the Group as it is not a first-time adopter.

HKFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment 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. There is no similar amendment proposed for HKAS 39 Financial Instruments: Recognition and Measurement. These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no modifications of the Group's financial instruments during the period.

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these unaudited 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 the annual financial statements for the year ended 31 March 2022.

5. OPERATING SEGMENT INFORMATION

The information reported to the directors of the Group, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance contain discrete operating segment financial information and the directors review the financial results of the of these components' performance.

During the six months ended 30 September 2022, the Group has identified two reportable segments. The Group's reportable segments are i) Construction services and ii) Dealing and broking. The segments are managed separately as each business offers different services and requires different business strategies.

Segment revenues and results

For the six months ended 30 September 2022 (Unaudited)

	Construction services	**Dealing and broking**	**Unallocated**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Revenue to external customers	**101,387**	**1,431**	**—**	**102,818**
Segment profit/(loss) before tax	**1,058**	**129**	**(12,598)**	**(11,411)**

For the six months ended 30 September 2021 (Unaudited)

	Construction services	Dealing and broking	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Revenue to external customers	191,214	56	—	191,270
Segment (loss) before tax	(22,163)	(456)	(997)	(23,616)

(b) Other segment information included in segment profit or segments assets

For the six months ended 30 September 2022 (Unaudited)

	Construction services *HK$'000*	**Dealing and broking** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Interest income	**(4)**	**—**	**—**	**(4)**
Government grants	**(3,724)**	**(119)**	**(86)**	**(3,929)**
Finance costs	**80**	**—**	**—**	**80**
Addition in property, plant and equipment	**5,348**	**—**	**—**	**5,348**
Depreciation of right-of-use-assets	**1,236**	**—**	**—**	**1,236**
Depreciation of property, plant and equipment	**4,016**	**11**	**—**	**4,027**
Gain on early termination of lease	**(113)**	**—**	**—**	**(113)**
Unrealised loss arising from change in fair value of financial assets at FVTPL	**—**	**—**	**6,456**	**6,456**
Realised loss arising from financial assets at FVTPL	**—**	**—**	**4,076**	**4,076**

For the six months ended 30 September 2021 (Unaudited)

	Construction services *HK$'000*	Dealing and broking *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Interest income	(14)	—	(235)	(249)
Government grants	(415)	—	—	(415)
Finance costs	61	—	3	64
Income tax credit	(22)	—	—	(22)
Addition in property, plant and equipment	687	53	—	740
Additions in right-of-use-assets	7,414	—	—	7,414
Depreciation of right-of-use-assets	1,193	—	—	1,193
Depreciation of property, plant and equipment	5,198	6	—	5,204
Donation	480	—	—	480

(c) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

	As at 30 September 2022 (Unaudited) *HK$'000*	As at 31 March 2022 (Audited) *HK$'000*
Assets		
Construction services	**191,958**	188,322
Dealing and broking	**40,844**	55,965
Segment assets	**232,802**	244,287
Unallocated	**25,192**	38,437
Total assets	**257,994**	282,724

	As at 30 September 2022 (Unaudited) *HK$'000*	As at 31 March 2022 (Audited) *HK$'000*
Segment liabilities		
Construction services	**27,289**	25,419
Dealing and broking	**30,761**	46,032
Segment liabilities	**58,050**	71,451
Unallocated	**213**	131
Total liabilities	**58,263**	71,582

Geographical information

No geographical information is presented as the Group's revenue was solely derived from customers and operations based in Hong Kong and the non-current assets of the Group were all located in Hong Kong.

Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue for the six months ended 30 September 2022 is set out below:

	For six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Customer I	**16,792**	80,575
Customer II	**72,778**	63,586
Customer III	*	37,075

Except for the aforesaid, no revenue from other single external customer accounted for 10% or more of the Group's revenue.

* *Less than 10% of the Group's revenue*

6. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold or services rendered and earned by the Group. All the Group's revenue is derived from contracts with customers. The geographical regions of the sales to external customers are based on the locations where the services are rendered. All the Group's services are rendered in Hong Kong.

An analysis of revenue, other income and gains is as follows:

	For six months ended 30 September 2022 HK$'000 (Unaudited)	2021 HK$'000 (Unaudited)
Revenue from contracts with customers		
Construction services		
Private sector	**88,307**	179,729
Public sector	**13,080**	11,485
	101,387	191,214
Dealing and broking		
Brokerage commission	**1,379**	42
Interest income	**52**	14
	1,431	56
	102,818	191,270
Timing of revenue recognition		
Over time		
Construction services	**101,387**	191,214
Point in time		
Dealing and broking	**1,431**	56
	102,818	191,270
Other income and gains		
Bank interest income	**4**	249
Rental income	**86**	304
Government grants	**3,929**	415
Exchange gains, net	**—**	373
Sundry	**5**	94
Others	**113**	—
	4,137	1,435

7. FINANCE COSTS

	For six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
An analysis of finance costs is as follows:		
Interest on bank loans	**—**	3
Interest on lease liabilities	**80**	61
	80	64

8. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	For six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Contract costs	**97,478**	208,486
Depreciation of property, plant and equipment[1]	**4,027**	5,204
Depreciation of right of use assets[1]	**1,236**	1,193
Donation[2]	**—**	480
Gain on early termination of lease	**(113)**	(118)
Rental expenses — Short term lease[3]	**1,450**	1,764
Employee benefit expense (excluding directors' and chief executive's remuneration)		
Wages and salaries[4]	**5,780**	5,538
Pension scheme contributions[4]	**300**	288
Other benefit	**1,118**	690
Government grants[5]	**(3,929)**	(415)

1 During the period, depreciation of HK$4,856,000 (six months ended 30 September 2021: HK$5,985,000) is included in contract costs as disclosed above.

2 The Group made donations to Hong Kong Formwork Contractors Association Limited amounting to approximately HK$Nil (six months ended 30 September 2021: HK$480,000).

3 During the period, rental expenses of HK$978,000 (six months ended 30 September 2021: HK$1,654,000) are included in contract costs as disclosed above.

4 During the period, wages and salaries of HK$2,264,000 (six months ended 30 September 2021: HK$3,329,000) and pension scheme contributions of HK$100,000 (six months ended 30 September 2021: HK$147,000), respectively, are included in contract costs disclosed above.

[5] Grants have been received from the Construction Industry Council, an institution established by the Government of the Hong Kong Special Administrative Region, for strengthening hygienic control measures, providing on-the-job training for graduate engineers and trainees during both six months ended 30 September 2022 and 2021. Grants have been received from the Government subsidies under Employee Support Scheme for the Covid-19 pandemic during six months ended 30 September 2021. There were no unfulfilled conditions or contingencies relating to these grants.

9. INCOME TAX

	For six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current — Hong Kong		
Charge for the period	**—**	—
Deferred tax	**—**	(22)
Total tax credit for the period	**—**	(22)

For the six months ended 30 September 2022 and 2021, Hong Kong profits tax is calculated in accordance with the two-tiered profits tax rates regime. Under two-tiered profit tax rates regime which was effective on 28 March 2019, the first HK$2 million of assessable profits of the elected subsidiary will be taxed at 8.25%, and assessable profits above HK$2 million will be taxed at 16.5%.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

10. DIVIDENDS

The board of directors does not recommend the payment of any interim dividend for the six months ended 30 September 2022 and 2021.

11. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company and the weighted average number of 750,000,000 ordinary shares in issue during the six months ended 30 September 2022.

The number of ordinary shares used to calculate the basic earnings per share for the six months ended 30 September 2022 was based on 1,000,000,000 ordinary shares of the Company.

No adjustment has been made to the basic earnings per share amounts presented for the periods ended 30 September 2022 and 30 September 2021 as the Group had no potentially dilutive ordinary shares in issue during these periods.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2022, the Group acquired assets with a cost of HK$5,348,000 (six months ended 30 September 2021: HK$687,000).

During the six months ended 30 September 2022, right-of-use assets amounted to approximately HK$2,059,000 has been recognised (six months ended 30 September 2021: HK$7,414,000). In addition, there are right-of-use assets with carrying amount of HK$3,123,000 were disposed during the six months ended 30 September 2022 (six months ended 30 September 2021: HK$3,595,000), resulting in a gain on early termination of lease of HK$113,000 during the six months ended 30 September 2022 (six months ended 30 September 2021: HK$118,000).

13. CONTRACT ASSETS

	30 September 2022	31 March 2022
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Contract assets		
Unbilled revenue	**24,572**	30,075
Retention receivables	**86,039**	79,130
	110,611	109,205

Movements in contract assets:

	30 September 2022	31 March 2022
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
At the beginning of the period/year	**109,205**	144,710
Addition in contract assets	**26,338**	36,261
Transfer to accounts receivables	**(24,932)**	(71,766)
Balance at end of the period/year	**110,611**	109,205

Unbilled revenue included in contract assets represents the Group's right to receive consideration for work completed and not yet billed because the rights are conditional upon the quality and quantity check by the customers on the construction work completed by the Group and the work is pending for the certification by the customers. The contract assets are transferred to the accounts receivable when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed construction work from the customers.

Retention receivables included in contract assets represent the Group's right to consideration for work performed but not yet collectible because the rights are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. The contract assets are transferred to the accounts receivable when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the construction work performed by the Group.

14. TRADE RECEIVABLES

Trade receivables represented receivables for contract works. Management generally submit interim payment applications to customers on a monthly basis containing a statement setting out management's estimation of the valuation of the works completed in the preceding month. Upon receiving the interim payment application, the architect or the consultant of the customer will verify such valuation of works completed and issue an interim payment certificate within 30 to 60 days. Within 30 to 60 days after the issuance of the interim payment certificate, the customer will make payment to the Group based on the certified amount stipulated in such certificate, deducting any retention money in accordance with the contract. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables based on the progress payment certificate date is as follows:

	30 September 2022	31 March 2022
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 30 days	**3,850**	22,530
31 to 60 days	**—**	1,526
61 to 90 days	**1,081**	1
Over 90 days	**4,688**	704
	9,619	24,761
Impaired	**—**	—

15. TRADE PAYABLES

	30 September 2022	31 March 2022
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade payables arising from the business of:		
Construction services	**21,078**	15,319
Arising from securities of cash customers	**30,723**	44,676
Arising from securities of HKSCC	**—**	1,234
	51,801	61,229

The settlement terms of trade payables, except for margin clients, arising from the business of dealing in securities are two days after trade date and trade payables arising from the business of dealing in futures contracts are one day after trade date. No ageing analysis is disclosed as in the opinion of the executive directors of the Group, the ageing analysis does not give additional value in view of the nature of this business.

An ageing analysis of the trade payables for construction service as at the end of the reporting period, based on the invoice date or the progress payment certificate date, is as follows:

	30 September 2022 *HK$'000* **(Unaudited)**	31 March 2022 *HK$'000* (Audited)
Within 30 days	**51,640**	61,002
31 to 60 days	**3**	227
61 to 90 days	**4**	—
Over 90 days	**154**	—
	51,801	61,229

Trade payables are non-interest-bearing. The payment terms of trade payables are stipulated in the relevant contracts with credit periods of 30 days in general.

16. EVENTS AFTER THE REPORTING PERIOD

There is no significant event after the end of the reporting period of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Our revenue decreased from approximately HK$191.3 million for the six months ended 30 September 2021 to approximately HK$102.8 million for the six months ended 30 September 2022, representing a decrease of approximately 46%. Such decrease was mainly due to:

(i) a significant decrease in revenue derived from five projects which contributed revenue of approximately HK$7.3 million for the six months ended 30 September 2022 (for the six months ended 30 September 2021: HK$153.2 million), of which three projects were completed by 31 March 2022; and

(ii) partially offset by an increase in revenue derived from a project with an initial contract sum of approximately HK$137.2 million which contributed revenue of approximately HK$48.9 million for the six months ended 30 September 2022 that commenced in November 2021.

Gross profit/(loss) and gross profit/(loss) margin

The gross profit of the Group for the six months ended 30 September 2022 amounted to approximately HK$5.2 million, representing an increase of approximately 130% as compared to approximately HK$17.2 million gross loss for the six months ended 30 September 2021. The Group's gross profit margin for the six months ended 30 September 2022 was approximately 5%, as compared to gross loss margin approximately 9% for the six months ended 30 September 2021. The increase in gross profit mainly resulted from (i) a decrease in material and consumables costs due to less amount of construction materials and consumables under the completion stage for certain projects during the six months ended 30 September 2022; (ii) a decrease in the subcontracting charges due to the effectiveness of project management on certain projects commenced during the six months ended 30 September 2022.

Other income and gains

Other income and gains increased by approximately HK$2.7 million from approximately HK$1.4 million for the six months ended 30 September 2021 to approximately HK$4.1 million for the six months ended 30 September 2022, representing an increase of approximately 188%. Such increase was mainly attributable to the increase in government subsidies of approximately HK$3.9 million for the six months ended 30 September 2022 (for the six months ended 30 September 2021: HK$0.4 million).

Administrative expenses

Administrative expenses increased by approximately HK$2.3 million to approximately HK$10.0 million for the six months ended 30 September 2022 as compared with the administrative expense of approximately HK$7.7 million for the six months ended 30 September 2021. Such increase was mainly attributable to the increase in staff cost due to salary increment for the six months ended 30 September 2022.

Finance costs

Finance costs increased from approximately HK$64,000 for the six months ended 30 September 2021 to approximately HK$80,000 for the six months ended 30 September 2022, representing a increase of approximately 25%. Such increase was mainly attributable to the increase in interest expense on right-of-use-assets during the six months ended 30 September 2022.

Income tax

For the reporting period, the Group's income tax credit amount to approximately HK$Nil as compared with approximately HK$22,000 of income tax credit for the six months ended 30 September 2021, representing a decrease of approximately 100%. Such income tax credit for the six months ended 30 September 2021 was primarily attributable to the recognition of deferred income tax of unused tax loss recorded.

Loss attributable to owners of the parent

As a result of the foregoing, the loss attributable to owners of the parent amounted to approximately HK$11.4 million for the six months ended 30 September 2022 as compared to loss attributable to owners of the parent of approximately HK$23.6 million for the six months ended 30 September 2021.

Interim dividend

The Board has resolved not to recommend the declaration of any interim dividend for the six months ended 30 September 2022 (for the six months ended 30 September 2021: nil).

Liquidity and financial resources

Our primary uses of capital are to satisfy our working capital needs and to fund our construction projects. We financed our working capital primarily from (i) cash generated from operating activities, which primarily comprised cash payments we received from our revenue from the provision of formwork works and other construction works; (ii) bank borrowings; and (iii) proceeds from issuance of new shares. In managing our liquidity, our management monitors and maintains a reasonable level of cash and cash equivalents which are deemed adequate by our management to finance our operations and to mitigate the impacts of fluctuations in cash flows. We rely on cash and cash equivalents on hand and the cash generated from operating activities as the main sources of liquidity. As at 30 September 2022, the cash and cash equivalents, net current assets and total assets less current liabilities were HK$38.2 million (as at 31 March 2022: HK$31.0 million), HK$177.4 million (as at 31 March 2022: HK$188.4 million) and HK$200.3 million (as at 31 March 2022: HK$214.3 million), respectively.

Contingent liabilities

As at 30 September 2022, the Group did not have any material contingent liabilities (as at 31 March 2022: nil).

Capital commitments

As at 30 September 2022, the Group had capital commitments of approximately HK$2.8 million (as at 31 March 2022: approximately HK$4.7 million) contracted but not provided for the acquisition of property, plant and equipment.

Funding and treasury policy

The Group maintains a prudent funding and treasury policy. Surplus funds are maintained in the form of cash deposits with licensed banks. To manage liquidity risk, the Board of Directors closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Foreign currency risk

The Group has no significant exposure to foreign currency risk because almost all of the Group's transactions are denominated in Hong Kong dollars. The management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should and when appropriate.

Gearing ratio

As at 30 September 2022, the Group's gearing ratio was nil (as at 31 March 2021: nil), representing total bank and other borrowings as a percentage of total equity.

Segment information

Save as disclosed in note 5 to the unaudited condensed consolidated interim financial statements in this announcement, the Group's business was regarded as a single operating segment and the Group had no geographical segment information presented as at 30 September 2022.

BUSINESS REVIEW

The Group is principally engaged in the provision of formwork works services to both the public and private sectors in the construction industry in Hong Kong. The formwork business undertaken by our Group mainly include (i) traditional formwork using timber and plywood; and (ii) system formwork using aluminium and steel. The Group started its formwork works since 1998 and has more than 24 years of experience in the provision of its services in Hong Kong. In August 2021, the Group diversified the business to dealing and broking service in Hong Kong. Our revenue decreased by HK$89.8 million from approximately HK$191.3 million for the six months ended 30 September 2021 to approximately HK$101.5 million for the six months ended 30 September 2022.

FUTURE PROSPECT

During the year, the Group was principally engaged in the provision of formwork work services and the securities dealing and broking business in Hong Kong. Looking forward, the Directors are of the view that the coming year will remain challenging for the Group's business due to the intensified competition, shortage of skilled labour and increasing cost of labour, while the Hong Kong economy is still in recovery after the outbreak of COVID-19.

Having said that, the Directors believe that the increase in land supply in the medium to long term and the continuous effort in developing land resources (as supported by the Government's 2020 Policy Address) offers emerging opportunities of business development of the Group. Considering such challenges and competition, the Group will take appropriate measures to improve operating efficiency and a prudent approach in tendering projects in order to lessen any adverse impacts on the Group. To stay competitive in the industry, the Group will (i) enhance its communication with those subcontractors on the schedule of the Group's projects for arranging construction workers; (ii) continue to locate alternative reliable subcontractors of construction workers to mitigate possible impact of factors which are beyond control of the Group such as illness of workers due to COVID-19 pandemic; and (iii) designate more staff to closely monitor the construction progress in construction site of the Group's projects who are responsible to report to and communicate with the management of the Group about the progress and problems encountered in the construction sites, so that the problems can be dealt with promptly, thus operating efficiency and service quality of the Group in delivering its services can be enhanced.

In respective of the securities dealing and broking business acquired in August 2021, the Group intends to increase manpower to source underwriting deals of share placement by Hong Kong-listed companies with an aim to increase commission income of the Group. Also, the Group has been exploring other business opportunities in dealing and broking services in Hong Kong to enhance our future development and to strengthen the revenue bases of the Group. The Directors expect that diversification of our business will provide a better return to the Shareholders.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the reporting period, the Group did not have any material acquisitions or disposals of subsidiaries or associated companies.

SIGNIFICANT INVESTMENT HELD

During the reporting period, the Group had no significant investment held.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

During the reporting period, save as disclosed in the Prospectus, the Group does not have other plans for material investments and capital assets.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2022, the Group employed 40 employees in Hong Kong (as at 31 March 2022: 42 employees). The remuneration package that our Group offers to employees includes salary, bonuses and other cash subsidies. In general, our Group determines employee salaries based on each employee's qualifications, position and seniority. As required by Hong Kong laws, we have enrolled all of our full time staff in the Mandatory Provident Fund Scheme. We intend to maintain our remuneration package competitive in order to attract and retain talented labour, and we regularly carry out staff evaluation to assess their performance.

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The shares of the Company (the "**Shares**") have been listed and traded on the Main Board of the Stock Exchange since 28 June 2019 (the "**Listing**"). The net proceeds from the Listing amounted to approximately HK$86.8 million as disclosed in the "Announcement of Offer Price and Allocation Results" (the "**Announcement**") dated 27 June 2019.

The utilisation of net proceeds raised by the Group from the Listing Date up to 30 September 2022 is as below.

Business strategies as stated in the Prospectus		**Planned use of net proceeds as stated in the Prospectus**	**Actual use of net proceeds up to 30 September 2022**	**Unutilised balance up to 30 September 2022**	**Expected timeframe for remaining unused net proceeds** *(Note)*
	%	*HK$ million*	*HK$ million*	*HK$ million*	
Financing the startup costs for projects commencing from the calendar year 2019	89.9	78.0	78.0	—	—
Purchasing metal scaffold equipment and related expenses	10.1	8.8	8.8	—	—
Total	100.0	86.8	86.8	— *(Note)*	

Note: The amount of the net proceeds of approximately HK$86.8 million was fully utilized as at 30 September 2022.

COMPETITION AND CONFLICT OF INTERESTS

During the six months ended 30 September 2022, none of the Directors or the controlling shareholders of the Company and their respective associates (as defined under the Listing Rules) had any interests in a business, apart from the business of the Group, which competes or may compete with the business of the Group or has any other conflict of interest with the Group which would be required to be disclosed under Rule 8.10 of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code (the "**Model Code**") set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry, all Directors have fully complied with the required standards set out in the Model Code during the six months ended 30 September 2022.

CORPORATE GOVERNANCE PRACTICE

The Company and the Board are devoted to achieve and maintain high standards of corporate governance, as the Board believes that good and effective corporate governance practices are fundamental to obtain and maintain the trust and safeguarding interest of the shareholders and other stakeholders of the Company. The Company has adopted the principles and code provisions set out in the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 of the Listing Rules.

To the best knowledge of the Board, except for the deviation from the code provision C.2.1 of the CG Code, the Company has complied with the code provisions in the CG Code during the six months ended 30 September 2022.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. However, having considered (i) the nature and extent of the Group's operations; (ii) Mr. Ip Chi Ming's in-depth knowledge and experience in the construction industry and familiarity with the operations of the Group; (iii) that all major decisions are made in consultation with members of the Board and relevant Board committees; and (iv) that there are three independent non-executive Directors on the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers and authorities between the Board and management of the Company and that it was in the best interest of the Group to have Mr. Ip Chi Ming take up both roles. As such, the roles of chairman and chief executive officer of the Group were not separated in accordance with code provision C.2.1 of the CG Code.

The Board will continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") was established on 6 June 2019. The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code.

The primary duties of the Audit Committee are to review, supervise, and assist our Board in providing an independent view of, our financial reporting processes, and internal control and risk management systems, as well as to oversee the audit process, review our annual and interim financial statements, provide advice and comments to the Board on matters related to corporate governance, and perform other duties and responsibilities as assigned by our Board from time to time.

The Audit Committee has reviewed the Group's unaudited condensed consolidated financial statements for the six months ended 30 September 2022 and this announcement and is of the opinion that the relevant unaudited condensed consolidated financial statements have been prepared in compliance with the applicable accounting standards and the requirements under the Listing Rules and that adequate disclosure has been made.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2022.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme on 8 June 2019 ("**Share Option Scheme**") in which certain participants, including any employee (full-time or part-time), director, consultant, adviser or substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group, may be granted options to subscribe for the Shares. The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to above parties and to promote the success of the business of the Group. The Share Option Scheme shall expire at the close of business on 7 June 2029 unless terminated earlier by the shareholders of the Company (the "**Shareholders**") in general meeting. The Directors believe that the Share Option Scheme is important for the recruitment and retention of quality executives and employees.

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of:

(i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day;

(ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and

(iii) the nominal value of a Share on the date of grant of the option.

The maximum number of Shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of this Company (excluding, for this purpose, Shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of the Shares in issue as at the Listing Date. Therefore, the Company may grant options in respect of up to 100,000,000 Shares (or such numbers of Shares as shall result from a sub-division or a consolidation of such 100,000,000 Shares from time to time) to the participants under the Share Option Scheme.

An offer for the grant of options must be accepted within seven days from and inclusive of the day on which such offer is made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK$1. The total number of Shares issued and to be issued upon exercise of options granted to any grantee (including both exercised and outstanding options) under the Share Option Scheme or any other share option schemes of the Company in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of options in excess of such limit must be separately approved by Shareholders in general meeting with such grantee and his associates abstaining from voting.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

During the six months period ended 30 September 2022, no share option was granted, exercised, cancelled or lapsed and there is no outstanding share option under the Share Option Scheme.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement will be published on the respective websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company's website (www.silvertide.hk). The interim report for the six months ended 30 September 2022 containing all the information required by the Listing Rules will be published on the websites of the Company and the Hong Kong Exchanges and Clearing Limited and despatched to the shareholders in due course.

SUBSEQUENT EVENTS AFTER THE SIX MONTHS ENDED 30 SEPTEMBER 2022

The event that has a significant impact on the Group and occurred since 30 September 2022 and up to the date of this announcement has been stated in the paragraphs headed "Business Review" and "Future Prospect" under the section headed "Management Discussion and Analysis — Business Review and Future Prospect" above.

By order of the Board
Silver Tide Holdings Limited
Wang Jianfeng
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 30 November 2022

As at the date of this announcement, the Board of the Company comprises Mr. Wang Jianfeng (Chairman and Chief Executive Officer) as executive Director, Mr. Cai Huihui, Ms. Liu Jingna and Mr. Ruan Dongdong as non-executive Directors, and Mr. Wang Wenxing, Mr. Xu Da and Ms. Florence Ng as independent non-executive Directors.