

專業旅運(亞洲)企業有限公司 Travel Expert (Asia) Enterprises Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1235)



Interim Report
2023/2024

專業旅運[®]
Travel **Expert**

Pinpoints
**YOUR
JOURNEY**



CONTENTS

Pages

02	Corporate Information
03	Financial Highlights
04	Chairman's Statement
06	Management Discussion and Analysis
12	Other Information
18	Condensed Consolidated Statement of Comprehensive Income
20	Condensed Consolidated Statement of Financial Position
22	Condensed Consolidated Statement of Changes in Equity
23	Condensed Consolidated Statement of Cash Flows
24	Notes to the Condensed Consolidated Interim Financial Statements



CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Ko Wai Ming, Daniel (*Chairman*)
Ms. Cheng Hang Fan
(*Chief Executive Officer*)

Independent Non-executive Directors

Mr. Chau Kwok Wing, Kelvin
Mr. Mak King Sau
Mr. Tse Kam Tim

AUDIT COMMITTEE

Mr. Mak King Sau (*Chairman*)
Mr. Chau Kwok Wing, Kelvin
Mr. Tse Kam Tim

NOMINATION COMMITTEE

Mr. Chau Kwok Wing, Kelvin (*Chairman*)
Mr. Ko Wai Ming, Daniel
Mr. Mak King Sau
Mr. Tse Kam Tim

REMUNERATION COMMITTEE

Mr. Tse Kam Tim (*Chairman*)
Mr. Chau Kwok Wing, Kelvin
Ms. Cheng Hang Fan
Mr. Mak King Sau

COMPANY SECRETARY

Ms. Cheng Yin Wah

AUDITOR

BDO Limited

PRINCIPAL BANKER

Hang Seng Bank Limited

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

8th Floor, Guangdong Finance Building
88 Connaught Road West
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3, Building D
P. O. Box 1586, Gardenia Court
Camana Bay, Grand Cayman
KY1-1100, Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
17/F., Far East Finance Centre
16 Harcourt Road
Hong Kong

COMPANY WEBSITE

www.tegroup.com.hk

STOCK CODE

The Stock Exchange of Hong Kong Limited:
1235

FINANCIAL HIGHLIGHTS

	Notes	Six months ended 30 September		Change
		2023 HK\$'000	2022 HK\$'000	

Profitability

Total customer sales proceeds		219,182	48,481	+352.1%
-------------------------------	--	----------------	--------	---------

Revenue				
– Service income from sales of travel/wedding related products		23,939	6,914	+246.2%
– Sales of package tours		33,431	92	+36,238.0%
– Sales of food and beverage		2,179	1,982	+9.9%
		59,549	8,988	+562.5%

Profit/(loss) attributable to owners of the Company		1,609	(3,982)	
---	--	--------------	---------	--

Earnings/(loss) per share				
---------------------------	--	--	--	--

– Basic (HK cents)	1	0.3	(0.8)	
--------------------	---	------------	-------	--

Financial ratio

Return on equity (%)	2	2.6%	–6.9%	
----------------------	---	-------------	-------	--

Current ratio (time)	3	1.68	2.68	
----------------------	---	-------------	------	--

Notes:

- 1 The calculation of the basic earnings/(loss) per share is based on 509,859,000 (2022: 509,859,000) weighted average number of ordinary shares in issue during the period.
- 2 Return on equity is calculated based on the profit/(loss) for the period attributable to owners of the Company divided by the equity attributable to owners of the Company at the end of the period and multiplied by 100%.
- 3 Current ratio is calculated based on the total current assets divided by the total current liabilities at the end of the period.



CHAIRMAN'S STATEMENT


Dear Shareholders,

On behalf of the board of Directors (the "Board") of Travel Expert (Asia) Enterprises Limited (the "Company"), I would like to present to shareholders the interim report of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 September 2023 (the "Period").

During the Period, having weathered the pandemic, the travel industry has rebounded gradually. The overall performance of the Group's travel and travel related business recorded a considerable growth and achieved a turnaround from loss to profit. During the Period, the Group recorded a profit attributable to owners of the Company of HK\$1.6 million as compared with the loss attributable to owners of the Company of HK\$4.0 million for the same period last year. The total revenue was HK\$59.5 million, representing an increase of 561.1% as compared with HK\$9.0 million for the same period last year.

As the travel industry has gradually regained its strength and continued to record robust travel demands, the Group has taken steps to grasp the market recovery and to tap into potential business growth. To increase the sales volume, we put efforts and resources in staff recruiting, sales management restructuring and branch network expansion. Furthermore, the Group continued to enhance its product mix to meet customer preferences and the latest market trends. During the Period, apart from package tours to Western and Northern Europe, Mediterranean Sea, South American and Iceland, we also launched package tours to the Mainland China, such as Sichuan, Tibet, Xinjiang and Inner Mongolia. The promising response from customers to these exotic destinations and cultural tour routes resulted in a strong volume growth in package tour business. We will continue to explore destinations with unique cultural landmark and landscape so that customers can have a variety of travel experience and enjoyment.

Despite the strong market recovery, there are various challenges affecting the business operation, such as manpower shortage and lack of flights for the climbing travel demands. As such, the management imposed flexible business policy and sales management to cope with such challenges. We also implemented initiatives to optimize operations and staff structures as well as enhance operational efficiency.



Looking forward, the Group will remain prudent on financial management and branch network expansion in face of various uncertainties on business operation, such as, global economic situation, geopolitical tensions and China-US relation. Furthermore, we will continue to invest in various infrastructures, such as strengthening the branch network, investment in information technology and enhancement of the office equipment. We will allocate our resources prudently and remain cautiously optimistic of achieving the future business growth. To enable us to face the opportunities and challenges ahead, the Group will continue to strengthen our market position as well as adopt flexible strategies for achieving profitability growth.

On behalf of the Board, I wish to express my sincere gratitude to shareholders, business partners and customers for their continued support, and to employees for their dedication and hard work.

Ko Wai Ming, Daniel

Chairman and Executive Director

Hong Kong, 29 November 2023




MANAGEMENT DISCUSSION AND ANALYSIS OVERVIEW

For the six months ended 30 September 2023 (the “Period”), due the removal of travel restrictions and pandemic control measures, the business operations and financial performance of the Group obtained a significant improvement and achieved a turnaround from loss to profit. For the Period, the Group’s total customer sales proceeds was HK\$219.2 million, representing a significant increase of 352.0% as compared with HK\$48.5 million for the corresponding period last year. The total revenue was HK\$59.5 million, representing a significant increase of 561.1% as compared with HK\$9.0 million for the corresponding period last year. The profit attributable to owners of the Company was HK\$1.6 million (2022: loss of HK\$4.0 million). The earnings per share attributable to owners of the Company was HK0.3 cents (2022: loss per share of HK0.8 cents). The Board has resolved not to declare an interim dividend for the Period (2022: Nil).

BUSINESS REVIEW

The Group’s retail FIT (free independent travellers) business is operated mainly through Travel Expert Limited (專業旅運有限公司) (“Travel Expert”), which is the core focus of the Group. During the Period, the lifting of travel restrictions and pandemic control measures and the gradual resumption of international flights drove the robust recovery of the travel industry. The Group has been preparing for the market recovery by adopting flexibly strategy, expanding branch network, enhancing product mix and adjusting frontline staff deployment to cope with increasing demand for travel products. We opened a new shop in Hang Lung Centre, Causeway Bay, to better serve customers and to grasp the business opportunities during the market recovery. Despite the passing of the pandemic, the Group continued to face various challenges. The shortage of labour has inevitably affected our business growth. Therefore, the Group has stepped up its efforts in recruiting staff. Furthermore, the number of flights has not yet resumed to the pre-pandemic level and affected travel planning. The Group increased resources in sales and product management to strengthen its competitiveness and ability to be resilient in order to achieve business growth.

The Group’s online business is operated through the online trading platform www.texpert.com that focused on selling travel products like theme park tickets, train and bus tickets, boat tickets, hotel packages and etc. During the Period, we continued to put efforts in enhancing this online trading platform and backend system support. Through this sales channel, the Group promoted different travelling packages and a wide range of local hotel packages, one-day local tours, package tours to the Mainland China and South East Asia and etc. to enable customers to enjoy vacations or visiting attractions with different features.



The Group's tour operation is mainly operated by Premium Holidays Limited (尊賞假期有限公司) ("Premium Holidays") with focus on operating high-end long haul tours business. During the Period, benefiting from the recovery of the travel industry and the resumption of flights, customers' travel sentiment gradually returned to the pre-pandemic level. As such, this business line recorded a business growth and its deposits paid to suppliers and the deposits received from customers also increased significantly. During the period, the package tours to the Mainland China, such as Sichuan, Tibet, Xinjiang and Inner Mongolia were well received by customers and boosted the sales performance. These exotic destinations and cultural tour routes enabled customers to enjoy dynamic cultural differences and diversity of travelling experiences. The long-haul package tours to Northern Europe, Mediterranean Sea, South American and Iceland and etc. continued to record a stable growth. During the Period, this business line opened a branch in Hang Lung Centre, Causeway Bay, to expand its branch network. It also spent efforts in recruiting additional experienced staff to tap into the growth driven by post-pandemic market recovery. The Group will continue to explore tour routes to destinations with unique cultural landmark and landscape to address customer preferences and the latest market trends. Although the challenges and market uncertainty caused by the pandemic has cleared, shortage of labour continued to negatively affect the business growth. In addition, the number of flights has not reached the pre-pandemic level and slowed the pace of recovery. Nevertheless, in face of such challenges and any uncertainty ahead, the Group remained prudent on business plan and strategy so to achieve business growth.

In addition to the ordinary travel business segment, our investment activities using the Group's surplus funds allocated under the approved investment cap are conducted by Travel Expert Asset Management Limited (專業旅運資產管理有限公司) ("Travel Expert Asset Management"). During the Period, the business recorded a fair value loss on financial assets at fair value through profit or loss of HK\$166,000 (2022: HK\$466,000). We will continue to closely monitor the market situation and make investment decisions prudently in order to help the Group to better utilize its surplus fund and contributed to its bottom line.

The loss in segment of the food and beverage business under the brand name of "Café Another" was decreased from HK\$868,000 for the six months ended 30 September 2022 to HK\$304,000 for the Period. The management continued to enhance its service and food variety and quality so as to boost sales.



FINANCIAL REVIEW

Other Income and Gains

Total other income and gains decreased by HK\$3.6 million from HK\$7.3 million for the six months ended 30 September 2022 to HK\$3.7 million for the Period. Such decrease was mainly due to the gain on early termination of lease of HK\$4.2 million for the six months ended 30 September 2022.

Selling and Distribution Costs

For the Period, selling and distribution costs amounted to HK\$18.5 million, representing an increase of 203.3% from HK\$6.1 million for the corresponding period last year.

The increase of selling and distribution costs was mainly due to increase of frontline staff cost that was contributed by the increase of frontline headcounts and sales commission expenses and other staff costs. The recovery of the travel industry boosted the sales of the Group's travel and travel related business. Therefore, we opened 2 new shops during the Period to grab the opportunity in the market recovery. Nevertheless, the Group carried out prudent financial management and strived to maintain a reasonable selling and distribution costs level. The Group will also adopt other measures to maintain both the competitiveness and cost effectiveness of its branch network in accordance with market conditions. As at 30 September 2023, the Group operated a total of 10 retail shops in Hong Kong under the brand names of Travel Expert and Premium Holidays.

Administrative and Other Operating Expenses

For the Period, administrative and other operating expenses amounted to HK\$13.2 million, representing an increase of 18.9% from HK\$11.1 million for the corresponding period last year, which was mainly due to the increase in staff costs (including salaries and bonus).

Currently, the Group has one back office location in Hong Kong and one in Shenzhen. With our efforts, we managed to maintain the overall administrative and other operating expenses to a more reasonable level. In order to retain our strength through managing our costs and working capital by preserving cash, the Group will continue to adopt strict cost control measures on administrative and other operating expenses by better allocation of back office resources and streamlining existing working process.



Finance Cost

Finance cost of the Group for the Period was HK\$258,000 (2022: HK\$110,000), which was related to the interest on lease liabilities.

Liquidity, Financial Resources and Capital Resources

The Group generally finances its liquidity requirements through internally generated resources and will only finance with available banking facilities whenever necessary. For the Period, the Group had an operating cash inflow of approximately HK\$24.8 million (six months ended 30 September 2022: HK\$1.3 million) and the net assets value as at 30 September 2023 was HK\$61.3 million (as at 31 March 2023: HK\$59.6 million). Including the time deposits with original maturity over three months, the Group had total cash and cash equivalents of HK\$91.2 million as at 30 September 2023 (as at 31 March 2023: HK\$74.2 million). The Group had a portfolio of financial assets at fair value through profit or loss of HK\$13,000 as at 30 September 2023 (as at 31 March 2023: Nil).

As at 30 September 2023, the Group did not have any outstanding bank borrowing (as at 31 March 2023: Nil).

Contingent Liabilities

The Group did not have any contingent liabilities as at 30 September 2023.

Capital Commitments and Other Commitments

As at 30 September 2023, the Group had commitments in respect of capital expenditure were contracted but not provided for the acquisition of property, plant and equipment of HK\$100,000 (as at 31 March 2023: Nil) and intangible assets of HK\$10,000 (as at 31 March 2023: HK\$711,000) and the total future lease payment for lease committed but not yet commenced over the non-cancellable period of HK\$3.6 million (as at 31 March 2023: HK\$2.4 million).

Pledge of Assets

As at 30 September 2023, the Group's bank deposits of HK\$5,000 (as at 31 March 2023: Nil) and HK\$14.6 million (as at 31 March 2023: HK\$11.0 million) were pledged to a broker and banks, respectively to secure derivative financial instruments and banking facilities granted to the Group, respectively.



Foreign Exchange Risks and Treasury Policies

The Group has foreign currency exposures that mainly arise from the balance of assets and liabilities in currencies other than in Hong Kong dollar, the Group's functional currency. The Group's policy requires the management to monitor the Group's foreign exchange exposure by closely monitoring the movement of foreign currency rates. The management may purchase foreign currency at spot rate, when and where appropriate for the purpose of meeting the Group's future payment obligation in foreign currency. With the setup of Travel Expert Asset Management together with the extension of investment scope, the Group may use more financial tools such as foreign exchange forward contracts and currency futures etc. to manage the foreign exchange risks. For the Period, the Group recorded exchange loss of approximately HK\$1.3 million (2022: HK\$2.6 million).


Human Resources and Employee's Remuneration

As at 30 September 2023, the Group had a total workforce of 137 (as at 31 March 2023: 114), of which about 57.7% were frontline staff. Employees' remuneration packages are determined with reference to the market information and individual performance and will be reviewed on a regular basis. Other benefits include contributions to mandatory provident fund and medical insurance coverage. In addition, the Group has adopted a share option scheme (the "Share Option Scheme") on 6 September 2011 to recognize the contributions of our staff and to provide them with incentives to stay with the Group. Share options were granted to certain eligible persons and Directors of the Company. The Share Option Scheme was terminated on 29 September 2021 and the options granted prior to the termination remain valid for exercise. The remuneration policy will be reviewed by the Board from time to time. Emoluments of Directors are determined by the Remuneration Committee after considering the Group's operating results, individual performance and comparing with market conditions.

OUTLOOK

The removal of travel restrictions and pandemic control measures drove a rebound of travel industry. Airline suppliers have gradually resumed international flights and there is a strong upward trend in the demand of travel products. Despite the swift recovery of the travel industry, we remain alert to challenges ranging from staffing shortage, increasing shop rental, high airfares and hotel room rates, geopolitical tensions and China-US relations. In order to tackle these challenges, the Group implemented various initiatives, such as enhancing operational efficiency, optimizing frontline staff structure, recruiting additional staff and expanding branch network.





The Group will continue to adopt flexible measures and strategies to seize market opportunities. We will actively seek for business opportunities to enhance the Group's earning capability. While investing in frontline staff and new leases as well as enhancing online sales channel, the Group will adhere to our prudent financial management to control the cost effectiveness and enhance operation efficiency. The Group will also continue to enhance our competitiveness and ability to be more resilient and achieve sustainable business growth. We believe with our dedicated staff members and management team, the Group is well positioned to overcome the challenges ahead and maintain the leading market position so as to create long-term value for shareholders.

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

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

During the Period, the Company has complied with all the code provisions set out in the Corporate Governance Code in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed and discussed with the management the interim results for the Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix 10 of the Listing Rules ("Model Code") as the code of conduct regarding securities transactions by the Directors.

Having made specific enquiry of all Directors, the Directors of the Company confirmed that they have complied with the required standard set out in the Model Code during the Period.

OTHER INFORMATION

DIRECTORS' INTERESTS IN SHARE CAPITAL

At 30 September 2023, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code were as follows:

(a) Long position in ordinary shares of the Company

Name of Director	Number of shares of HK\$0.01 each in the Company (the "Shares")			Total interests	Approximate percentage of the issued share capital
	Personal interests	Family interests	Corporate interests		
Mr. Ko Wai Ming, Daniel ("Mr. Ko")	4,860,000	8,870,000 (Note a)	356,715,000 (Note b)	370,445,000	72.66%
Ms. Cheng Hang Fan ("Mrs. Ko")	8,870,000	4,860,000 (Note a)	356,715,000 (Note b)	370,445,000	72.66%

Notes:

- Mr. Ko and Mrs. Ko are spouses. Pursuant to Part XV of the SFO, Mr. Ko is deemed to be interested in the Shares owned by Mrs. Ko and Mrs. Ko is deemed to be interested in the Shares owned by Mr. Ko.
- These Shares are owned by Colvin & Horne Holdings Limited ("CHHL"), which is owned as to 60% and 40% by Mr. Ko and Mrs. Ko respectively.

(b) Long position in share options of the Company

Name of Director	Number of share options held			Total	Approximate percentage of the issued share capital
	Beneficial owner	Family interest (Note b)			
Mr. Ko	500,000	500,000		1,000,000	0.196%
Mrs. Ko	500,000	500,000		1,000,000	0.196%

Notes:

- (a) The share options were granted under the share option scheme adopted by the Company on 6 September 2011 (the "Share Option Scheme"), which was expired on 29 September 2021. The options granted prior to the expiration remain valid for exercise.
- (b) Each of Mr. Ko and Mrs. Ko was granted options under the Share Option Scheme to subscribe for 500,000 Shares. Mr. Ko and Mrs. Ko are spouses. Pursuant to Part XV of the SFO, Mr. Ko is deemed to be interested in the share options granted to Mrs. Ko and Mrs. Ko is deemed to be interested in the share options granted to Mr. Ko.

(c) Long position in shares and underlying shares of associated corporation

Name of Director	Name of associated corporation	Beneficial owner	Family interest (Note)	Total number of shares held	Approximate percentage of the issued share capital
Mr. Ko	CHHL	3	2	5	100%
Mrs. Ko	CHHL	2	3	5	100%

Note: Mr. Ko and Mrs. Ko are spouses. Pursuant to Part XV of the SFO, Mr. Ko is deemed to be interested in the shares of CHHL owned by Mrs. Ko and Mrs. Ko is deemed to be interested in the shares of CHHL owned by Mr. Ko.

Save as disclosed above, as at 30 September 2023, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of SFO) which are required, pursuant to Section 352 of the SFO, to be entered in the registers referred to therein or are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SHARE OPTION SCHEME

The Company adopted the Share Option Scheme on 6 September 2011. The purpose of the Share Option Scheme is to enable the Board to grant options to selected eligible persons as incentives or rewards for their contribution or potential contribution to the Group and/or to recruit and retain high caliber eligible persons and to attract human resources that are valuable to the Group.

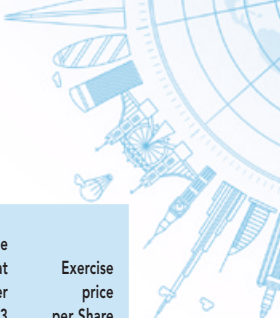
On 27 September 2021, a total of 31,000,000 share options (the "Share Options") were granted to certain Company's employees (including Directors and their associate) and a consultant of Café Another (the "Consultant") to subscribe for a total of 31,000,000 Shares in accordance with the Share Option Scheme. Prior to the said grant of Share Options, there was no outstanding option. The Share Option Scheme was expired on 29 September 2021. The options granted prior to the expiration remain valid for exercise and no further option under the Share Option Scheme would be granted.

The Share Options are exercisable in accordance with the following vesting schedule:

- (i) 30% of the Share Options shall be exercisable from 27 March 2023 to 26 September 2026 (both dates inclusive);
- (ii) 30% of the Share Options shall be exercisable from 27 March 2024 to 26 September 2026 (both dates inclusive); and
- (iii) 40% of the Share Options shall be exercisable from 27 March 2025 to 26 September 2026 (both dates inclusive).


Details of the Share Options granted under Share Option Scheme during the six months ended 30 September 2023 are as follows:

Grantee	Exercisable period	Number of Share Options			Balance as at 30 September 2023	Exercise price per Share (HK\$)
		Balance as at 1 April 2023	Exercised during the Period	Forfeited during the Period		
Director						
Mr. Ko	27/03/2023 to 26/09/2026	150,000	-	-	150,000	0.194
	27/03/2024 to 26/09/2026	150,000	-	-	150,000	0.194
	27/03/2025 to 26/09/2026	200,000	-	-	200,000	0.194
		<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	



Grantee	Exercisable period	Number of Share Options			Balance as at 30 September 2023	Exercise price per Share (HK\$)
		Balance as at 1 April 2023	Exercised during the Period	Forfeited during the Period		
Mrs. Ko	27/03/2023 to 26/09/2026	150,000	–	–	150,000	0.194
	27/03/2024 to 26/09/2026	150,000	–	–	150,000	0.194
	27/03/2025 to 26/09/2026	<u>200,000</u>	<u>–</u>	<u>–</u>	<u>200,000</u>	0.194
		<u>500,000</u>	<u>–</u>	<u>–</u>	<u>500,000</u>	
Associate of Directors (Note)	27/03/2023 to 26/09/2026	150,000	–	–	150,000	0.194
	27/03/2024 to 26/09/2026	150,000	–	–	150,000	0.194
	27/03/2025 to 26/09/2026	<u>200,000</u>	<u>–</u>	<u>–</u>	<u>200,000</u>	0.194
		<u>500,000</u>	<u>–</u>	<u>–</u>	<u>500,000</u>	
Consultant	27/03/2023 to 26/09/2026	600,000	–	–	600,000	0.194
	27/03/2024 to 26/09/2026	600,000	–	–	600,000	0.194
	27/03/2025 to 26/09/2026	<u>800,000</u>	<u>–</u>	<u>–</u>	<u>800,000</u>	0.194
		<u>2,000,000</u>	<u>–</u>	<u>–</u>	<u>2,000,000</u>	
Employees (in aggregate)	27/03/2023 to 26/09/2026	5,520,000	–	(1,200,000)	4,320,000	0.194
	27/03/2024 to 26/09/2026	5,520,000	–	(1,200,000)	4,320,000	0.194
	27/03/2025 to 26/09/2026	<u>7,360,000</u>	<u>–</u>	<u>(1,600,000)</u>	<u>5,760,000</u>	0.194
		<u>18,400,000</u>	<u>–</u>	<u>(4,000,000)</u>	<u>14,400,000</u>	
		<u>21,900,000</u>	<u>–</u>	<u>(4,000,000)</u>	<u>17,900,000</u>	

Note: Being Share Options granted to Mr. Ko Chun Wang, Kelvin, a son of Mr. Ko and Mrs. Ko and a director of various subsidiaries of the Company.



Save as disclosed above, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARE CAPITAL

As at 30 September 2023, shareholders (not being Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, or otherwise notified to the Company are set out below:

Name of Shareholders	Nature of interests		Total number of shares held	Approximate percentage of the issued share capital
	Beneficial owner	Family interest		
CHHL (Note a)	356,715,000	–	356,715,000	69.96%
Mr. Chu Hung Kwan ("Mr. Chu") (Note b)	17,400,000	11,500,000	28,900,000	5.67%
Ms. Tai Kan Yuet ("Mrs. Chu") (Note b)	11,500,000	17,400,000	28,900,000	5.67%

Notes:

- (a) CHHL is owned as to 60% and 40% by Mr. Ko and Mrs. Ko respectively.
- (b) Mr. Chu and Mrs. Chu are spouses. Pursuant to the Part XV of the SFO, Mr. Chu is deemed to be interested in the shares of the Company owned by Mrs. Chu and Mrs. Chu is deemed to be interested in the shares of the Company owned by Mr. Chu.

Save as disclosed above, the Directors and chief executive of the Company are not aware that there is any person (not being a Director or chief executive of the Company) who, as at 30 September 2023, had an interest or a short position in the shares or underlying shares of the Company which are recorded in the registers required to be kept under Section 336 of the SFO or notified to the company pursuant to the SFO.

CHANGE IN INFORMATION OF DIRECTORS

The change in the information of the Directors of the Company, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company's last published annual report is set out below:

With effect from 23 November 2023, Mr. Chau Kwok Wing, Kelvin, an Independent Non-executive Director of the Company, has been appointed as an independent non-executive director and a member of each of the audit committee, remuneration committee and nomination committee of APAC Resources Limited (stock code: 1104), the securities of which are listed on the Stock Exchange.

Same as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

INVESTMENT ACTIVITIES

For the six months ended 30 September 2023, the Group engaged in certain investment activities. All the funds used in such investment activities were the Group's surplus funds allocated under the investment cap.

During the six months ended 30 September 2023, there was no change to the investment cap amount and that remained at HK\$45 million, or an amount equivalent to the Group's balance of the surplus funds (whichever is lower).

The details of the financial assets purchased under the investment cap stated at fair value as at 30 September 2023 were as follows:

Investment by Categories	30 September 2023 (unaudited) HK\$'000	31 March 2023 (audited) HK\$'000
Equity securities listed in – Hong Kong	<u>13</u>	<u>–</u>
Total Value	<u>13</u>	<u>–</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2023

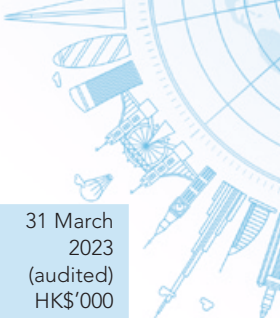
		Six months ended 30 September	
		2023	2022
	Notes	(unaudited) HK\$'000	(unaudited) HK\$'000
Revenue	5	59,549	8,988
Cost of sales		<u>(29,545)</u>	<u>(2,453)</u>
Gross profit		30,004	6,535
Other income and gains	5	3,718	7,287
Selling and distribution costs		(18,486)	(6,119)
Administrative and other operating expenses		(13,206)	(11,110)
Fair value loss on financial assets/liabilities at fair value through profit or loss		<u>(166)</u>	<u>(466)</u>
Profit/(loss) from operations	6	1,864	(3,873)
Finance costs	7	<u>(258)</u>	<u>(110)</u>
Profit/(loss) before income tax		1,606	(3,983)
Income tax expense	8	<u>–</u>	<u>–</u>
Profit/(loss) for the period		<u>1,606</u>	<u>(3,983)</u>

	Six months ended	
	30 September	
	2023	2022
	(unaudited)	(unaudited)
Notes	HK\$'000	HK\$'000
Other comprehensive income		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	<u>(8)</u>	<u>(48)</u>
Other comprehensive income for the period	<u>(8)</u>	<u>(48)</u>
Total comprehensive income for the period	<u>1,598</u>	<u>(4,031)</u>
Profit/(loss) for the period attributable to:		
Owners of the Company	<u>1,609</u>	<u>(3,982)</u>
Non-controlling interests	<u>(3)</u>	<u>(1)</u>
	<u>1,606</u>	<u>(3,983)</u>
Total comprehensive income for the period attributable to:		
Owners of the Company	<u>1,601</u>	<u>(4,030)</u>
Non-controlling interests	<u>(3)</u>	<u>(1)</u>
	<u>1,598</u>	<u>(4,031)</u>
Earnings/(loss) per share attributable to owners of the Company		
	9	
– Basic	<u>HK 0.3 cents</u>	<u>HK (0.8) cents</u>
– Diluted	<u>HK 0.3 cents</u>	<u>HK (0.8) cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

		30 September 2023 (unaudited) HK\$'000	31 March 2023 (audited) HK\$'000
	Notes		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	11	11,314	5,820
Intangible assets		475	594
Prepayments and deposits		3,839	3,110
		15,628	9,524
Current assets			
Inventories		1,786	2,067
Trade receivables	12	–	71
Prepayments, deposits and other receivables		18,418	8,540
Financial assets at fair value through profit or loss	13	13	–
Pledged deposits		14,566	10,958
Time deposits with original maturity over three months	14	40,569	22,877
Cash and cash equivalents	14	50,582	51,324
		125,934	95,837



		30 September 2023 (unaudited) HK\$'000	31 March 2023 (audited) HK\$'000
	Notes		
Current liabilities			
Trade payables	15	24,395	15,669
Accrued charges and other payables		16,182	10,740
Contract liabilities		27,975	11,546
Lease liabilities		6,337	5,350
Provisions		–	152
		74,889	43,457
Net current assets		51,045	52,380
Total assets less current liabilities		66,673	61,904
Non-current liabilities			
Lease liabilities		4,536	2,137
Provisions		877	172
		5,413	2,309
Net assets		61,260	59,595
EQUITY			
Equity attributable to owners of the Company			
Share capital	16	5,099	5,099
Reserves		55,989	54,321
		61,088	59,420
Non-controlling interests		172	175
Total equity		61,260	59,595



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2023

	Attributable to owners of the Company									Non-controlling interests HK\$'000	Total Equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Share option reserve HK\$'000	Share redemption reserve HK\$'000	Merger reserve HK\$'000	Foreign exchange reserve HK\$'000	Other reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000		
At 1 April 2022	5,099	55,629	607	37	(9,000)	(248)	(6,046)	14,904	60,982	176	61,158
Loss for the period	-	-	-	-	-	-	-	(3,982)	(3,982)	(1)	(3,983)
Other comprehensive income for the period	-	-	-	-	-	(48)	-	-	(48)	-	(48)
Total comprehensive income for the period	-	-	-	-	-	(48)	-	(3,982)	(4,030)	(1)	(4,031)
Share-based payments	-	-	535	-	-	-	-	-	535	-	535
At 30 September 2022 (unaudited)	5,099	55,629	1,142	37	(9,000)	(296)	(6,046)	10,922	57,487	175	57,662

	Attributable to owners of the Company									Non-controlling interests HK\$'000	Total Equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Share option reserve HK\$'000	Share redemption reserve HK\$'000	Merger reserve HK\$'000	Foreign exchange reserve HK\$'000	Other reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000		
At 1 April 2023	5,099	55,629	1,286	37	(9,000)	(285)	(6,046)	12,700	59,420	175	59,595
Profit for the period	-	-	-	-	-	-	-	1,609	1,609	(3)	1,606
Other comprehensive income for the period	-	-	-	-	-	(8)	-	-	(8)	-	(8)
Total comprehensive income for the period	-	-	-	-	-	(8)	-	1,609	1,601	(3)	1,598
Release of share option reserve upon the forfeiture of share options	-	-	(96)	-	-	-	-	96	-	-	-
Share-based payments	-	-	67	-	-	-	-	-	67	-	67
At 30 September 2023 (unaudited)	5,099	55,629	1,257	37	(9,000)	(293)	(6,046)	14,405	61,088	172	61,260

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2023

	Six months ended	
	2023	2022
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Cash generated from operations	24,770	1,294
Net cash generated from operating activities	24,770	1,294
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,424)	(274)
Proceeds from disposal of property, plant and equipment	430	–
Prepayments for acquisition of intangible assets	(901)	–
Placement of pledged deposits	(14,566)	(2,597)
Withdrawal of pledged deposits	10,958	49
Placement of deposits with original maturity over three months	(27,523)	(6,513)
Withdrawal of deposits with original maturity over three months	9,831	–
Interest received	1,175	527
Net cash used in investing activities	(22,020)	(8,808)
Cash flows from financing activities		
Settlement of lease liabilities	(3,226)	(2,774)
Interest paid	(258)	(110)
Net cash used in financing activities	(3,484)	(2,884)
Net decrease in cash and cash equivalents	(734)	(10,398)
Cash and cash equivalents at beginning of period	51,324	66,244
Effect of foreign exchange rate changes	(8)	(48)
Cash and cash equivalents at end of period	50,582	55,798



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2023

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Group is located at 8/F, Guangdong Finance Building, 88 Connaught Road West, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are provision of services relating to sales of travel/wedding related products, sales of package tours, food and beverage and investment in treasury activities.

The condensed consolidated interim financial statements for the six months ended 30 September 2023 were approved and authorised for issue by the board of directors on 29 November 2023.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements for the six months ended 30 September 2023 have been prepared in accordance with the Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2023.

Entry restrictions, quarantine requirements, visa suspension were gradually cancelled or lift up in many countries. Furthermore, normal travel between Hong Kong and the Mainland was fully resumed starting from February 2023. Since then, the performance of the Group has improved, and the number of customers has started to rebound. Given the major hurdle affecting the Group's business performance no longer existed and considering that the Group had sufficient financial resources to support future operations and continue as a going concern, accordingly, the directors of the Company (the "Directors") considered that it is appropriate to prepare the Group's condensed consolidated interim financial statements on a going concern basis.



3. ACCOUNTING POLICIES

The accounting policies and methods of computation that have been used in the preparation of the condensed consolidated interim financial statements are consistent with those used in the financial statements for the year ended 31 March 2023, except for the adoption of the new and amended Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations effective for the first time for annual periods beginning on 1 April 2023.

During the interim period, the Group has adopted all the new and amended HKFRSs which are first effective for the reporting period and relevant to the Group. The adoption of these new and amended HKFRSs did not have any material impact on the Group’s accounting policies and the Directors considered that the changes are not material to the Group’s results of operations or financial position.

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these 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 2023 annual financial statements.

5. REVENUE, OTHER INCOME AND GAINS, AND SEGMENT INFORMATION

The Group's principal activities are provision of services relating to sales of travel/wedding related products, sales of package tours, food and beverage and investment in treasury activities. An analysis of the Group's revenue from principal activities, other income and gains is as follows:

	Six months ended	
	30 September	
	2023	2022
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Provision of services relating to sales of travel/wedding related products (note (a))	23,939	6,914
Sales of package tours (note (a))	33,431	92
Sales of food and beverage (note (a))	2,179	1,982
	59,549	8,988
Other income and gains		
Interest income on deposits in banks and financial institutions measured at amortised cost	1,175	527
Sponsorship and joint advertising income	421	1
Government grants (note (b))	684	1,996
Gain on disposal of property, plant and equipment	347	–
Gain on lease modifications	–	4,167
Sundry income	1,091	596
	3,718	7,287
Total revenue, other income and gains	63,267	16,275

5. REVENUE, OTHER INCOME AND GAINS, AND SEGMENT INFORMATION (Cont'd)

Notes:

(a) Customer sales proceeds received/receivable during the period

	Six months ended 30 September 2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Gross sales proceeds related to provision of services relating to sales of travel/wedding related products*	183,572	46,407
Sales of package tours	33,431	92
Sales of food and beverage	2,179	1,982
Total customer sales proceeds	<u>219,182</u>	<u>48,481</u>

* The Group's gross sales proceeds from provision of services relating to sales of travel/wedding related products, includes the air tickets, hotel accommodation and other travel/wedding related products, are considered as cash collected and receivable on behalf of a principal as an agent. The gross sales proceeds from these sales, which do not represent revenue, represent the price at which products have been sold inclusive of service fees. The related service income is recorded by the Group on net basis.

(b) Government grants

During the six months ended 30 September 2023, approximately HK\$684,000 (2022: HK\$702,000) of government grants relating to one-off subsidy for the purpose of giving immediate financial support and cash incentives for travel agents are included in profit or loss.

Included in profit or loss for the six months ended 30 September 2022 was approximately HK\$1,294,000 of government grants obtained from Employment Support Scheme ("ESS") under the Anti-epidemic Fund launched by the Hong Kong SAR Government supporting the payroll of the Group's employees. Under the ESS, the Group had to commit to spend these grants on payroll expenses, and not to reduce employee head count below prescribed levels for a specified period of time. The Group does not have other unfulfilled obligations relating to this program.

The following table provides information about trade receivables and contract liabilities from contracts with customers.

	30 September 2023 (Unaudited) HK\$'000	31 March 2023 (audited) HK\$'000
Trade receivables (note 12)	–	71
Contract liabilities	<u>27,975</u>	<u>11,546</u>

The Group has applied the practical expedient to its service contracts and therefore it does not disclose about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for provision of services relating to sales of travel/wedding related products, sales of package tours, food and beverage services that had an original expected duration of one year or less.

5. REVENUE, OTHER INCOME AND GAINS, AND SEGMENT INFORMATION (Cont'd)

Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by geographical markets, major service lines and timing of revenue recognition.

	Travel and travel/ wedding related business		Food and beverage business		Total	
	Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
	2023	2022	2023	2022	2023	2022
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Geographical markets						
Hong Kong	57,370	7,005	2,179	1,982	59,549	8,987
The People's Republic of China ("PRC") excluding Hong Kong	-	1	-	-	-	1
	<u>57,370</u>	<u>7,006</u>	<u>2,179</u>	<u>1,982</u>	<u>59,549</u>	<u>8,988</u>
Major service lines						
Provision of services relating sales of travel/ wedding related products	23,939	6,914	-	-	23,939	6,914
Sales of package tours	33,431	92	-	-	33,431	92
Sales of food and beverage	-	-	2,179	1,982	2,179	1,982
	<u>57,370</u>	<u>7,006</u>	<u>2,179</u>	<u>1,982</u>	<u>59,549</u>	<u>8,988</u>
Timing of revenue recognition						
At a point in time	23,939	6,914	2,179	1,982	26,118	8,896
Transferred over time	33,431	92	-	-	33,431	92
	<u>57,370</u>	<u>7,006</u>	<u>2,179</u>	<u>1,982</u>	<u>59,549</u>	<u>8,988</u>

5. REVENUE, OTHER INCOME AND GAINS, AND SEGMENT INFORMATION (Cont'd)

Segment information

The executive directors have identified the Group's operating segments as follows. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

	Travel and travel/ wedding related business		Food and beverage business		Treasury activities		Total	
	Six months ended		Six months ended		Six months ended		Six months ended	
	30 September		30 September		30 September		30 September	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Revenue from external customers	57,370	7,006	2,179	1,982	-	-	59,549	8,988
Reportable segment revenue	57,370	7,006	2,179	1,982	-	-	59,549	8,988
Reportable segment profit/(loss)	10,724	734	(304)	(868)	(1,103)	(2,678)	9,317	(2,812)
Interest income	45	19	-	-	556	376	601	395
Finance costs	(193)	(59)	(28)	(51)	-	-	(221)	(110)
Amortisation of intangible assets	(119)	-	-	-	-	-	(119)	-
Depreciation of property, plant and equipment	(2,187)	(587)	-	(1,089)	-	-	(2,187)	(1,676)
Fair value loss on financial assets/liabilities at fair value through profit or loss	-	-	-	-	(166)	(466)	(166)	(466)

	Travel and travel/ wedding related business		Food and beverage business		Treasury activities		Total	
	At	At	At	At	At	At	At	At
	30 September	31 March	30 September	31 March	30 September	31 March	30 September	31 March
	2023 (unaudited) HK\$'000	2023 (audited) HK\$'000	2023 (unaudited) HK\$'000	2023 (audited) HK\$'000	2023 (unaudited) HK\$'000	2023 (audited) HK\$'000	2023 (unaudited) HK\$'000	2023 (audited) HK\$'000
Reportable segment assets	55,709	36,107	902	892	37,655	40,070	94,266	77,069
Additions to non-current segment assets during the period/year	5,685	4,644	-	118	-	-	5,685	4,762
Reportable segment liabilities	76,408	40,883	1,632	2,398	10	19	78,050	43,300

5. REVENUE, OTHER INCOME AND GAINS, AND SEGMENT INFORMATION (Cont'd)

Segment information (Cont'd)

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the condensed consolidated interim financial statements as follows:

	Six months ended	
	30 September 2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Reportable segment revenue	59,549	8,988
Group revenue	59,549	8,988
Reportable segment profit/(loss)	9,317	(2,812)
Corporate expenses, net	(7,711)	(1,171)
Profit/(loss) before income tax	1,606	(3,983)
	At	At
	30 September 2023 (unaudited) HK\$'000	31 March 2023 (audited) HK\$'000
Reportable segment assets	94,266	77,069
Corporate assets	47,296	28,292
Group assets	141,562	105,361
Reportable segment liabilities	78,050	43,300
Corporate liabilities	2,252	2,466
Group liabilities	80,302	45,766

5. REVENUE, OTHER INCOME AND GAINS, AND SEGMENT INFORMATION (Cont'd)

Segment information (Cont'd)

The Group's revenue from external customers and its non-current assets (excluded those relating to financial instruments) are divided into the following geographical locations:

	Revenue from external customers		Non-current assets	
	Six months ended 30 September 2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	At 30 September 2023 (unaudited) HK\$'000	At 31 March 2023 (audited) HK\$'000
Hong Kong (domicile)	59,549	8,987	13,733	7,457
The PRC excluding Hong Kong	-	1	-	-
	59,549	8,988	13,733	7,457

The geographical location of the non-current assets is based on the physical location of the asset. The country of domicile is determined by referring to the country which the Group regards as its home country, has the majority of operations and center of management.

Most of the revenue of the Group are derived from Hong Kong. The Group has a large number of customers, and no significant revenue was derived from specific external customers for the periods.

6. PROFIT/(LOSS) FROM OPERATIONS

	Six months ended 30 September	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Profit/(loss) from operations is arrived at after charging/(crediting):		
Depreciation of property, plant and equipment:		
– Owned property, plant and equipment*	350	493
– Properties and office equipment leased for own use**	<u>2,662</u>	<u>1,183</u>
	<u>3,012</u>	<u>1,676</u>
(Gain)/loss on disposal of:		
– Owned property, plant and equipment	<u>(347)</u>	<u>11</u>
	<u>(347)</u>	<u>11</u>
Amortisation of intangible assets	119	–
Net foreign exchange loss	1,349	2,551
Short-term leases expenses	205	204
Variable lease payments not included in the measurement of lease liabilities	124	64
Staff costs (including directors' remuneration)		
– Salaries and other benefits	19,508	8,078
– Retirement scheme contribution	753	306
– Share-based payments	<u>67</u>	<u>535</u>
	<u>20,328</u>	<u>8,919</u>

6. PROFIT/(LOSS) FROM OPERATIONS (Cont'd)

- * Depreciation expenses of owned property, plant and equipment have been included in:
- no depreciation expenses have been included in cost of sales for the six months ended 30 September 2023 (2022: HK\$371,000);
 - selling and distribution costs of approximately HK\$188,000 for the six months ended 30 September 2023 (2022: HK\$3,000); and
 - administrative and other operating expenses of approximately HK\$162,000 for the six months ended 30 September 2023 (2022: HK\$119,000).
- ** Depreciation expenses of properties and office equipment leased for own use have been included in:
- selling and distribution costs of approximately HK\$1,999,000 for the six months ended 30 September 2023 (2022: nil); and
 - administrative and other operating expenses of approximately HK\$663,000 for the six months ended 30 September 2023 (2022: HK\$1,183,000).

7. FINANCE COSTS

	Six months ended 30 September	
	2023	2022
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Interest on lease liabilities	<u>258</u>	<u>110</u>

8. INCOME TAX EXPENSE

	Six months ended 30 September	
	2023	2022
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Current tax – Hong Kong		
Tax for the period	<u>–</u>	<u>–</u>



8. INCOME TAX EXPENSE (Cont'd)

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any taxation under the jurisdiction of the Cayman Islands and the BVI during the six months ended 30 September 2023 and 2022 respectively.

Hong Kong profits tax is calculated at 16.5% on the estimated assessable profits for the six months ended 30 September 2023 and 2022, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rate regime and is calculated at 8.25% on the first HK\$2 million of estimated assessable profits and at 16.5% for the portion of the estimated assessable profits above HK\$2 million.

Subsidiary of the Company established in the PRC is subjected to PRC enterprise income tax at 25%. No PRC enterprise income tax has been provided as the Group did not generate any assessable profits in the PRC during the six months ended 30 September 2023 and 2022.

9. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings per share is based on the profit for the period attributable to owners of the Company of approximately HK\$1,609,000 (six months ended 30 September 2022: basic loss per share based on the loss attributable to owners of the Company of approximately HK\$3,982,000) and the weighted average number of ordinary shares in issue of 509,859,000 (six months ended 30 September 2022: 509,859,000) during the period.

No diluted earnings per share and loss per share is presented for six months ended 30 September 2023 and 2022 respectively as the adjusted exercise price of the Company's share options was higher than the average market price for shares during the periods when those options are outstanding.

10. INTERIM DIVIDEND

The Directors has resolved not to declare an interim dividend for the six months ended 30 September 2023 (six months ended 30 September 2022: Nil).

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2023, the Group incurred capital expenditures of approximately HK\$384,000 (six months ended 30 September 2022: HK\$225,000) in leasehold improvements, approximately HK\$391,000 (six months ended 30 September 2022: HK\$49,000) in office equipment, approximately HK\$71,000 (six months ended 30 September 2022: Nil) in furniture and fixtures and approximately HK\$578,000 (six months ended 30 September 2022: Nil) in motor vehicle.

During the six months ended 30 September 2023, right-of-use assets included within properties newly leased for own use amounted to approximately HK\$4,412,000 has been recognised (six months ended 30 September 2022: HK\$1,538,000) and lease modification resulted from extension of lease amounted to approximately HK\$2,753,000 has been recognised (six months ended 30 September 2022: HK\$1,817,000). During the six months ended 30 September 2023, no gain or loss resulted from an early termination of lease has been recognised (six months ended 30 September 2022: gain of approximately HK\$4,167,000).

12. TRADE RECEIVABLES

The ageing analysis of trade receivables, based on the invoice dates, net of impairment, is as follows:

	30 September 2023 (unaudited) HK\$'000	31 March 2023 (audited) HK\$'000
0 - 30 days	–	71
31 - 90 days	–	–
Over 90 days	–	–
	<hr/>	<hr/>
	–	71
	<hr/>	<hr/>

The Group has a policy of allowing customers with credit periods normally within 30 days. Overdue balances are reviewed regularly by the Group's management.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND FAIR VALUE MEASUREMENT

	30 September 2023 (unaudited) HK\$'000	31 March 2023 (audited) HK\$'000
--	---	---

Financial assets at fair value through profit or loss:

Equity securities listed in
– Hong Kong

13	–
13	–

Changes in fair values of financial assets at fair value through profit or loss are recorded as net gain/loss in the condensed consolidated statement of comprehensive income.

Fair values of these investments have been determined by reference to their quoted bid prices at the reporting date.

The following table presents financial assets and liabilities measured at fair value in the condensed consolidated statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

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

The level in the fair value hierarchy within which the financial assets and liabilities are categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND FAIR VALUE MEASUREMENT (Cont'd)

The financial assets measured at fair value in the consolidated statement of financial position are grouped into the fair value hierarchy as follows:

	30 September 2023			Total
	Level 1	Level 2	Level 3	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)

Financial assets at fair value through profit or loss

- Listed equity investments	13	-	-	13
-----------------------------	----	---	---	----

	31 March 2023			Total
	Level 1	Level 2	Level 3	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(audited)	(audited)	(audited)	(audited)

Financial assets at fair value through profit or loss

- Listed equity investments	-	-	-	-
-----------------------------	---	---	---	---

There were no transfers between levels during the period.

Financial instruments not measured at fair value include trade receivables, deposits and other receivables, pledged deposits, time deposits with original maturity over three months, cash and cash equivalents, and trade and other payables. The carrying amounts of these financial instruments carried at amortised cost are not materially different from their fair values as at 30 September 2023 and 31 March 2023.

14. TIME DEPOSITS AND CASH AND CASH EQUIVALENTS

	30 September 2023 (unaudited) HK\$'000	31 March 2023 (audited) HK\$'000
Cash deposits in banks and financial institutions	25,906	32,640
Short-term deposits in banks	65,245	41,561
	91,151	74,201
Time deposits with original maturity over three months	(40,569)	(22,877)
Cash and cash equivalents	50,582	51,324

15. TRADE PAYABLES

The Group is granted by its suppliers for credit periods normally within 30 days. The ageing analysis of trade payables, based on the invoice dates, is as follows:

	30 September 2023 (unaudited) HK\$'000	31 March 2023 (audited) HK\$'000
0 - 30 days	19,248	10,717
31 - 90 days	2,593	2,324
Over 90 days	2,554	2,628
	24,395	15,669

16. SHARE CAPITAL

	30 September 2023		31 March 2023	
	Number of shares (unaudited) '000	Amount (unaudited) HK\$'000	Number of shares (audited) '000	Amount (audited) HK\$'000

Authorised:

Ordinary shares of HK\$0.01 each
At 1 April 2022, 31 March 2023,
1 April 2023 and
30 September 2023

2,000,000	20,000	2,000,000	20,000
------------------	---------------	-----------	--------

Issued and fully paid:

Ordinary shares of HK\$0.01 each
At 1 April 2022, 31 March 2023,
1 April 2023 and
30 September 2023

509,859	5,099	509,859	5,099
----------------	--------------	---------	-------

17. CAPITAL COMMITMENTS AND OTHER COMMITMENTS

(a) Capital expenditure contracted for but not provided for are as follows:

	At 30 September 2023 (unaudited) HK\$'000	At 31 March 2023 (audited) HK\$'000
Intangible assets	10	711
Property, plant and equipment	<u>100</u>	<u>–</u>
	<u>110</u>	<u>711</u>

(b) The total future lease payments for lease committed but not yet commenced over the non-cancellable period are as follow:

	At 30 September 2023 (unaudited) HK\$'000	At 31 March 2023 (audited) HK\$'000
Properties leased for own use		
Within 1 year	1,064	677
Later than 1 year and not later than 5 years	<u>2,496</u>	<u>1,771</u>
	<u>3,560</u>	<u>2,448</u>



18. RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in these condensed consolidated interim financial statements, the following transactions were carried out by the Group with related party during the periods.

(a) Significant related party transactions

	Six months ended 30 September 2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Lease payments to a related company	<u>824</u>	<u>810</u>

Note:

The terms of the above transactions are mutually agreed by the Group and the related company. The Directors are of the opinion that the terms were made in the ordinary course of business on normal commercial basis.

(b) Compensation of key management personnel

Total remuneration of the Group's directors and other members of key management personnel during the periods were as follows:

	Six months ended 30 September 2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Short-term employee benefits	906	587
Retirement scheme contribution	24	16
Share-based payments	<u>18</u>	<u>22</u>
	<u>948</u>	<u>625</u>