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# **G&M** Holdings Limited 信越控股有限公司

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

**(Stock code: 6038)**

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023**

### **FINANCIAL HIGHLIGHTS**

	<b>Year ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue	<b>496,631</b>	382,786
Gross profit	<b>106,908</b>	97,538
Profit before income tax	<b>67,806</b>	51,804
Profit for the year	<b>56,958</b>	43,404
Basic earnings per share <i>(HK cents)</i>	<b>5.7</b>	4.3
Diluted earnings per share <i>(HK cents)</i>	<b>5.7</b>	4.3

The Board recommended the payment of a final dividend of HK2.0 cents per share for the year ended 31 December 2023.

### **ANNUAL RESULTS**

The board (the “**Board**”) of directors (the “**Directors**”) of G & M Holdings Limited (the “**Company**”) is pleased to present the consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2023 (the “**Year 2023**”), together with the comparative figures for the corresponding year ended 31 December 2022 (the “**Year 2022**”).

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	2023 HK\$'000	2022 HK\$'000
<b>Revenue</b>	5	<b>496,631</b>	382,786
Cost of revenue		<u>(389,723)</u>	<u>(285,248)</u>
Gross profit		<b>106,908</b>	97,538
Other income, gains and losses		<b>5,797</b>	4,955
Administrative and other operating expenses		<b>(43,978)</b>	(49,452)
Fair value loss on financial assets at fair value through profit or loss		<b>(208)</b>	(357)
Finance costs		<u>(713)</u>	<u>(880)</u>
<b>Profit before income tax</b>	6	<b>67,806</b>	51,804
Income tax expense	7	<u>(10,803)</u>	<u>(8,400)</u>
<b>Profit for the year</b>		<b>57,003</b>	43,404
<b>Other comprehensive income for the year</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising from translating foreign operation		<u>(45)</u>	<u>(108)</u>
<b>Total comprehensive income for the year</b>		<u><b>56,958</b></u>	<u>43,296</u>
<b>Profit for the year attributable to owners of the Company</b>		<u><b>57,003</b></u>	<u>43,404</u>
<b>Total comprehensive income for the year attributable to owners of the Company</b>		<u><b>56,958</b></u>	<u>43,296</u>
		<b>HK cents</b>	<b>HK cents</b>
<b>Earnings per share</b>	9		
– Basic		<u><b>5.7</b></u>	<u>4.3</u>
– Diluted		<u><b>5.7</b></u>	<u>4.3</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 HK\$'000	2022 HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		3,223	2,914
Deposit and prepayments	10	1,266	1,345
Right-of-use assets		4,984	7,480
Deposit paid for acquisition of a mining right	11	29,363	–
		<u>38,836</u>	<u>11,739</u>
<b>Current assets</b>			
Inventories		989	887
Contract assets		77,419	125,143
Trade and other receivables, deposits and prepayments	10	117,864	81,070
Financial assets at fair value through profit or loss		804	1,012
Pledged bank deposits		–	5,000
Time deposits with original maturity over three months		192,988	140,000
Cash and bank balances		55,939	38,826
		<u>446,003</u>	<u>391,938</u>
<b>Current liabilities</b>			
Contract liabilities		98,541	50,753
Trade and other payables	12	55,552	52,185
Lease liabilities		3,107	2,756
Tax payable		11,398	2,807
		<u>168,598</u>	<u>108,501</u>
<b>Net current assets</b>		<u>277,405</u>	<u>283,437</u>
<b>Total assets less current liabilities</b>		<u>316,241</u>	<u>295,176</u>
<b>Non-current liabilities</b>			
Lease liabilities		2,674	5,567
<b>Net assets</b>		<u>313,567</u>	<u>289,609</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	13	10,000	10,000
Reserves		303,567	279,609
<b>Total equity</b>		<u>313,567</u>	<u>289,609</u>

## NOTES

### 1. GENERAL INFORMATION

G & M Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 29 November 2016. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands. Its principal place of business is located at 11/F, Magnet Place Tower 1, 77-81 Container Port Road, Kwai Chung, New Territories, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred hereafter as the “**Group**”) is principally engaged in provision of one-stop design and build solutions as well as repair and maintenance services in relation to podium facade and curtain wall works in Hong Kong.

To diversify existing business and to enhance return on capital, the Group entered into agreement to acquire from a Mongolian Company an exclusive mining right for a coal mine in Mongolia.

The Company’s parent is Luxury Booming Limited (“**Luxury Booming**”), a limited liability company incorporated in the British Virgin Islands (the “**BVI**”). In the opinion of the directors, Luxury Booming is also the ultimate parent of the Company.

### 2. BASIS OF PREPARATION

#### (a) Statement of compliance

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) which collective term includes individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

It should be noted that accounting estimates and assumptions are used in the preparation of these financial statements. Although these estimates and assumptions are based on management’s best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates and assumptions.

#### (b) Basis of measurement

The financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair value.

Amounts are rounded to the nearest thousands, unless otherwise stated.

#### (c) Functional and presentation currencies

The financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company.

### 3. CHANGES IN ACCOUNTING POLICIES

#### (a) Adoption of new or amendments to HKFRSs – effective on 1 January 2023

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations issued by the HKICPA, which are effective for the Group’s financial statements for the annual period beginning on 1 January 2023:

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
HKFRS 17	Insurance Contracts

The amendments to HKAS 1 and HKFRS Practice Statement 2 have had an impact on the Group’s disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group’s financial statements.

#### (b) New HKICPA guidance on accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong

In June 2022, Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (“**the Amendment Ordinance**”) was gazetted. The Amendment Ordinance abolishes the use of the accrued benefits derived from employers’ mandatory contributions under the mandatory provident fund (“**MPF**”) to offset severance payment and long service payments (“**LSP**”) (“**the Abolition**”). Subsequently, the Government of HKSAR announced that the Abolition will take effect on 1 May 2025. Due to the complexities of the accounting for the offsetting of employer’s MPF contributions and its LSP obligation and hence the impact arising from the Abolition, in July 2023 the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” (“**the Guidance**”) to provide guidance to account for the offsetting mechanism and the Abolition. The HKICPA concluded that there are two acceptable accounting approaches:

Approach 1: Account for the amount expected to be offset as a deemed employee contribution towards that employee’s LSP benefits in terms of Hong Kong Accounting Standard 19.93(a)

Approach 2: Account for the employer MPF contributions and the offsetting mechanism as a funding mechanism for the LSP obligation

For the years ended 31 December 2022 and 2023, the Group’s LSP liability before the expected offsetting under the MPF-LSP offsetting mechanism is immaterial. Application of the Guidance had no material effect on the consolidated financial statements of the Group. The Guidance had no material effect on the consolidated financial statements of the Group.

(c) **New or amendments to HKFRSs that have been issued but are not yet effective**

The following new or amendments HKFRSs which are potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group:

Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>1</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current <sup>1</sup>
HK Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>1</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>1</sup>
Amendments to HKFRS 16	Lease Liabilities in a Sale and Leaseback <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

The directors anticipate that all of the relevant pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The directors are currently assessing the possible effect of these amendments to standards on the Group's results and financial position in the first year of application. Except for the above amendments which may result in significant changes in disclosures for accounting policies in the financial statements, other amendments to HKFRSs that have been issued but are not yet effective are unlikely to have material impact on the Group's results and financial position upon application.

#### 4. SEGMENT INFORMATION

##### (a) Operating segment information

The information reported to the executive directors of the Company, who are the chief operating decision makers of the Group for the purposes of resources allocation and assessment of performance, is the financial information of the Group as a whole as reported under HKFRSs. Such information does not contain profit or loss information of particular product or service line or geographical area. Therefore, the Group has only one single operating segment, which is provision of one-stop design and build solutions as well as repair and maintenance services in relation to podium facade and curtain wall works in Hong Kong. The executive directors allocate resources and assess performance of the business of the Group on an aggregated basis.

The Group operates in Hong Kong and the PRC. All of the Group's revenue for the current year and prior year was derived in Hong Kong (place of domicile) whereas approximately 97% (2022: 96%) of the Group's non-current assets as at 31 December 2023 are located in Hong Kong. Accordingly, no separate segmental analysis is presented.

##### (b) Information about major customers

Revenue from major customers, each of them accounted for 10% or more of the Group's revenue, are set out below:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Customer I	339,204	171,326
Customer II	<u>137,610</u>	<u>133,861</u>

## 5. REVENUE

The Group is principally engaged in the provision of one-stop design and build solutions as well as repair and maintenance services in relation to podium facade and curtain wall works in Hong Kong. Revenue derived from the Group's principal activities comprises of the followings:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Design and build projects		
– Podium facade and related works	476,251	354,494
– Curtain wall works	1,283	8,148
	<u>477,534</u>	<u>362,642</u>
Repair and maintenance services	19,097	20,144
	<u><u>496,631</u></u>	<u><u>382,786</u></u>

## 6. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Auditor's remuneration	760	695
Cost of inventories recognised as expense <sup>#</sup>	158,092	130,666
Depreciation		
– Property, plant and equipment*	1,469	3,438
– Right-of-use assets: properties and machinery leased for own use*	2,919	2,901
	4,388	6,339
Employee benefit expenses (including directors' emoluments)		
– Salaries, allowances and other benefits	69,324	66,328
– Contributions to defined contribution retirement plans <sup>@</sup>	1,307	1,316
– Equity-settled share-based payment expense	–	–
	70,631	67,644
Exchange (gain)/losses, net*	(41)	240
Short-term leases expenses	3,859	5,143
	<u><u>3,859</u></u>	<u><u>5,143</u></u>

<sup>#</sup> Included in cost of revenue

<sup>\*</sup> Included in administrative and other operating expenses

<sup>@</sup> For the year ended 31 December 2023, no forfeited contribution in respect of the defined contribution retirement plans were utilised by the Group to reduce the contribution payable to the plans (2022: nil). As at 31 December 2023, no forfeited contribution under these plans is available to reduce future contribution (2022: nil).

## 7. INCOME TAX EXPENSE

The amount of income tax expense in the consolidated statement of comprehensive income represents:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong Profits Tax		
– Current tax for the year	10,904	8,406
– Over-provision in respect of prior years	<u>(104)</u>	<u>(9)</u>
	10,800	8,397
PRC Enterprise Income Tax		
– Current tax for the year	<u>3</u>	<u>3</u>
	<u>10,803</u>	<u>8,400</u>

The Company and its Hong Kong incorporated subsidiaries are subject to Hong Kong Profits Tax, which is calculated at tax rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Company which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

For the years ended 31 December 2023 and 2022, the PRC subsidiary of the Company was eligible to be classified as small enterprise by the local bureau and the corresponding assessable profits are taxed at progressive rate. The first Renminbi (“RMB”) 1,000,000 assessable profit is taxed at 5% and assessable profit above RMB1,000,000 but less than RMB3,000,000 is taxed at 10%.

## 8. DIVIDENDS

### Dividends payable to owners of the Company attributable to the year

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interim dividend declared and paid of HK1.5 cents (2022: nil) per share	15,000	–
Proposed final dividend of HK2.0 cents (2022: HK1.8 cents) per share	<u>20,000</u>	<u>18,000</u>
	<u><u>35,000</u></u>	<u><u>18,000</u></u>

Final dividend in respect of the year ended 31 December 2023 of HK2.0 cents (2022: HK1.8 cents) per share, amounting to HK\$20,000,000 (2022: HK\$18,000,000) has been proposed by the directors of the Company and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting. The proposed final dividends are not reflected as dividend payable in the financial statements for the year ended 31 December 2023. There are no income tax consequences for the Group related to the payment of dividends by the Company to its shareholders.

## 9. EARNINGS PER SHARE

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Earnings</b>		
Profit for the year attributable to owners of the Company	<u>57,003</u>	<u>43,404</u>
	<i>'000</i>	<i>'000</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic earnings per share	1,000,000	1,000,000
Effect of dilutive potential ordinary shares		
– Share options	<u>168</u>	<u>–</u>
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u><u>1,000,168</u></u>	<u><u>1,000,000</u></u>

For the purpose of calculating diluted earnings per share for the year ended 31 December 2023, the weighted average number of ordinary shares has been adjusted for the dilutive effect arising from the share options issued during the year. For the purposes of calculating diluted earnings per share for the year ended 31 December 2022, no adjustment had been made as the exercise of the outstanding share options had an anti-dilutive effect on the basic earnings per share.

## 10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Non-current</b>		
Refundable rental deposits	<u>1,266</u>	<u>1,345</u>
<b>Current</b>		
Trade receivables ( <i>note (a)</i> )	99,587	44,363
Less: Loss allowance ( <i>note (b)</i> )	(79)	(79)
Trade receivables, net ( <i>note (a)</i> )	99,508	44,284
Retention receivables	1,857	605
Less: Loss allowance ( <i>note (b)</i> )	(22)	(22)
Retention receivables, net	1,835	583
Deposits and prepayments	<u>16,521</u>	<u>36,203</u>
	<u>117,864</u>	<u>81,070</u>

### Notes:

(a) Trade receivables

The credit period granted to customers ranged from 20 to 60 days.

The ageing analysis of the trade receivables (net of loss allowance), based on invoice date, as at the end of the reporting period is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0–30 days	87,742	37,245
31–60 days	216	2,552
61–90 days	1,645	401
Over 90 days but less than 1 year	4,607	3,022
Over 1 year	<u>5,298</u>	<u>1,064</u>
	<u>99,508</u>	<u>44,284</u>

(b) Loss allowance for impairment on trade and retention receivables

The movements in the loss allowance for impairment on trade and retention receivables are as follows:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
At the beginning of the year	<b>101</b>	101
Impairment loss recognised	–	–
Amount written off during the year	–	–
	<hr/>	<hr/>
At the end of the year	<b><u>101</u></b>	<u>101</u>

**11. DEPOSIT PAID FOR ACQUISITION OF A MINING RIGHT**

On 23 June 2023, the Group entered into an agreement (the “**Exclusive Right Agreement**”) with a Mongolian Company whereby the Group has the exclusive right (the “**Mining Right**”) to exploit a coal mine, namely “Bayantaliin uurhai” located in Mongolia and owned by the Mongolian Company and purchase the coal mined therefrom. The Mining Right has a tenure of 30 years. The consideration for fulfilment of the Exclusive Right Agreement of RMB27,000,000 was paid as at 31 December 2023. Under the Exclusive Right Agreement, for the coal mined by the Group, the Group shall pay the Mongolian company a sum of RMB50 per ton. The completion of the transactions contemplated under the Exclusive Right was not yet taken place as at 31 December 2023. The consideration paid of RMB27,000,000, equivalent to HK\$29,363,000 is classified as deposit paid for acquisition of a mining right under non-current assets and is measured at cost less accumulated impairment, if any.

## 12. TRADE AND OTHER PAYABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade payables	22,985	25,200
Retention payables	13,708	9,144
Accruals and other payables	<u>18,859</u>	<u>17,841</u>
	<u><u>55,552</u></u>	<u><u>52,185</u></u>

*Note:*

Trade payables

The credit period granted by the suppliers and subcontractors is normally 0 to 60 days.

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0–30 days	16,364	10,233
31–60 days	4,504	7,440
61–90 days	179	687
Over 90 days	<u>1,938</u>	<u>6,840</u>
	<u><u>22,985</u></u>	<u><u>25,200</u></u>

### 13. SHARE CAPITAL

	2023 Number of shares	2023 Amount <i>HK\$'000</i>	2022 Number of shares	2022 Amount <i>HK\$'000</i>
<b>Ordinary share of HK\$0.01 each</b>				
<b>Authorised:</b>				
At the beginning and end of the year	<u>10,000,000,000</u>	<u>100,000</u>	<u>10,000,000,000</u>	<u>100,000</u>
<b>Issued and fully paid:</b>				
At the beginning and end of the year	<u>1,000,000,000</u>	<u>10,000</u>	<u>1,000,000,000</u>	<u>10,000</u>

### 14. GUARANTEES

The Group provided guarantees in respect of the surety bonds issued by the banks in favour of the customers of certain construction contracts.

Details of these guarantees at the end of the reporting period are as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Aggregate value of:		
– surety bonds issued in favour of customers ( <i>note</i> )	<u>101,579</u>	<u>74,460</u>

*Notes:*The surety bonds are required for the entire period of the relevant construction contracts. As at 31 December 2023, the relevant construction contracts were expected to be completed in year 2024 or 2025 (2022: 2023 or 2024).

As assessed by the directors, it is highly not probable that the counterparties would claim the Group for losses in respect of the guarantee contracts as it is highly unlikely that the Group is unable to fulfill the performance requirements of the relevant contracts.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS AND FINANCIAL REVIEW

The Group has 30 years history in Hong Kong and provides one-stop design and build solutions and repair and maintenance services in relation to podium facade and curtain wall works in Hong Kong (“**Construction Business**”).

The operations of the Group resumed to normal during the Year 2023 as the government released the COVID-19 control measures since the latter part of Year 2022. The progress of certain projects was sped up to meet the schedule of main contractors’ requirement which led to an increase in the revenue for the Year 2023. However, outlook of the local property market remained uncertain during the Year 2023 and the construction sector is faced with a number of challenges, including competition for manpower, rising material cost, and unstable transportation costs, etc.

Intense market competition and pricing pressure in construction is reflected in the tendering process. Historically, the Group’s business was pertained to a single business segment and derived a relatively high proportion of revenue from one or two key customers. In view of latest market trend and condition, the Group worked to broaden its customer base with an aim to diversify risk and cultivate stable growth in the long term, which resulted in the Group’s value of contracts on hand of HK\$499.0 million as at end of the Year 2023. Having accumulated healthy cash reserves to meet ordinary operational needs, the Group further sought to diversify its existing business to enhance its return on capital and had therefore entered into an agreement to acquire an exclusive mining right for a coal mine in Mongolia (“**Mining Business**”) during the Year 2023. Details of the acquisition of the mining right and the intended new mining business were set out in the announcements of the Company dated 25 June 2023, 12 July 2023 and 12 September 2023. Having considered the demand of coals in China and the expected costs and capital requirement, management was of the view that the intended mining business will provide a steady and reasonable return to the Company, and without any significant adverse implications on the Group’s existing operations.

The management will also maintain its commitment for the operation efficiency and grasp the opportunities for both our Construction Business and Mining Business. Preliminary activities and preparation works to put the newly acquired Mining Business into production had been on-going and the Mining Business is expected to commence revenue generation in the early part of Year 2025.

## Revenue

During the Year 2023, the Group recorded a revenue of approximately HK\$496.6 million, representing an increase of approximately HK\$113.8 million or 29.7% from that of approximately HK\$382.8 million for the Year 2022. Design and build projects contributed approximately HK\$477.5 million (Year 2022: HK\$362.6 million) of the Group's total revenue, representing approximately 96.2% (Year 2022: 94.7%) and 3.8% (Year 2022: 5.3%) of the Group's total revenue whereas repair and maintenance services brought in revenue of approximately HK\$19.1 million (Year 2022: HK\$20.1 million).

## Outlook and prospects

The Group's major projects on hand as at 31 December 2023 can be summarised as follows:

No.	Type of works undertaken	Location	Expected completion date	Estimated remaining contract value as at 31 December 2023 <i>HK\$ million</i>
1.	Facade	West Kowloon, Kowloon	Jun 2025	335.0
2.	Facade	Queensway, Hong Kong	Oct 2024	37.9
3.	Facade	Kai Tak, Kowloon	Jun 2024	32.2
4.	Facade	Kai Tak, Kowloon	Jun 2024	29.8
5.	Facade	Kai Tak, Kowloon	Feb 2024	28.8
6.	Facade	Shap Sze Heung, New Territories	Apr 2024	22.1
7.	Facade	Pak Shek Kok, New Territories	Apr 2024	13.2
				<hr/> <hr/> <b>499.0</b>

Subsequent to the end of the Year 2023 and up to the date of this announcement, the Group had been awarded 3 podium facade contracts with contract sum of approximately of HK\$63.4 million. Meanwhile, the Group is in the process of bidding for or pending the results of 6 sizeable project tenders with an estimated total contract value of over approximately HK\$271.4 million, which comprised 4 podium facade projects with an estimated contract value of approximately HK\$186.7 million and 2 curtain wall projects with an estimated contract value of approximately HK\$84.7 million.

The Hong Kong government have promulgated a series of policies and incentives to drive Hong Kong back to a business and tourist destination for the international community. It is expected the launch of large scale public projects in relation to the Lantau Tomorrow and the Northern Metropolitan development strategy will speed up in order to stimulate economic growth and private sector project will closely follow suit. Furthermore, the government had announced to scrap all special stamp duties on transfer of real estate properties on 28 February 2024 with immediate effect. Albeit consumer sentiment and transaction activities may take time to recover, the aforesaid arrangement was met with positive market reception in general and would instill momentum in the relatively stagnant property market and consequently invigorate the construction industry. The Group will stay vigilant for both public and private sector projects and prepare itself to capture the associated business opportunities.

In relation to the Group's newly acquired Mining Business, management noted it is under processing for the mining license. As said earlier, the Group's Mining Business is expected to commence revenue generation in the early part of Year 2025, providing a steady stream of cash flow and empowering the Group with resources to take on further growth opportunities.

### **Gross profit and gross profit margin**

The Group's gross profit increased by approximately HK\$9.4 million or 9.6% from approximately HK\$97.5 million for the Year 2022 to approximately HK\$106.9 million for the Year 2023. Gross profit margin of the Group was approximately 21.5% for the Year 2023 as compared with that of approximately 25.5% for the Year 2022. The decrease in the gross profit margin was mainly due to the project with lower profit margin recognised for the Year 2023.

### **Administrative and other operating expenses**

The Group's administrative and other operating expenses decreased by approximately HK\$5.5 million or 11.1% from approximately HK\$49.5 million for the Year 2022 to approximately HK\$44.0 million for the Year 2023. Such decrease was mainly due to the decrease in employee benefit expenses of non-project related staff and depreciation.

### **Income tax expense**

The Group's operation is based in Hong Kong which is subject to Hong Kong Profits Tax calculated at 8.25% and 16.5% of the estimated assessable profit under two-tiered profits tax rates regime during the reporting periods.

For the Year 2023, the Group recorded income tax expense of approximately HK\$10.8 million (Year 2022: approximately HK\$8.4 million) representing an effective tax rate of approximately 15.9% (Year 2022: approximately 16.2%).

## **Profit for the Year**

The Group's profit for the Year 2023 amounted to approximately HK\$57.0 million, representing an increase of approximately HK\$13.6 million or 31.3% as compared to approximately HK\$43.4 million for the Year 2022.

Such increase was mainly due to the increase in gross profit of approximately HK\$9.4 million as discussed above and the decrease in administrative and other operating expenses of approximately HK\$5.5 million.

## **Receivable turnover days**

The Group's receivable turnover days for the Year 2023 was approximately 52.8 days as compared to approximately 103.6 days for the Year 2022. The Group did not observe any signs of default on any of its trade receivables balance as at 31 December 2023.

## **Bank borrowings**

There is no bank borrowings as at 31 December 2023 and 2022.

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

The Group's gearing ratio, calculated by dividing bank borrowings by total equity, as at 31 December 2023 was zero as there was no bank borrowings as at 31 December 2023.

The Group's cash and cash equivalents balances as at 31 December 2023 amounted to approximately HK\$55.9 million, representing an increase of approximately HK\$17.1 million as compared to approximately HK\$38.8 million as at 31 December 2022. Such increase was mainly due to the money received from customers. The Group has placed fixed time deposits that over three months with aggregated amount of HK\$193.0 million (Year 2022: HK\$140.0 million). The interest rates ranged from 4.2% to 5.6% per annum.

The Group had no bank borrowings as at 31 December 2023.

## **Foreign Exchange**

The Group mainly operates in Hong Kong and majority of the operating transactions such as revenue, expenses, monetary assets and liabilities are denominated in Hong Kong Dollars. As such, the Directors are of the view that the Group's risk in foreign exchange is insignificant and that we should have sufficient resources to meet foreign exchange requirements as and if they arise. Therefore, the Group did not engage in any derivatives contracts to hedge its exposure to foreign exchange risk during the Year 2023.

## **CAPITAL EXPENDITURES AND COMMITMENTS**

As at 31 December 2023, the Group did not have any capital commitments.

## **SIGNIFICANT INVESTMENTS HELD**

The Group had not held any significant investments during the Year 2023.

## **MATERIAL ACQUISITIONS AND DISPOSALS**

During the Year 2023, the Group did not have any material acquisitions and disposal of subsidiaries, associates and joint ventures.

## **PLEDGE OF ASSETS**

As at 31 December 2023, there is no pledged deposits (31 December 2022: HK\$5.0 million) as the bank facility of the Group released.

## **CONTINGENT LIABILITIES**

The Group had no material contingent liabilities as at 31 December 2023.

## **EMPLOYEES AND REMUNERATION POLICIES**

The Group had 108 staff as at 31 December 2023 (31 December 2022: 108 staff) and the total employee benefit expenses for the Year 2023 amounted to approximately HK\$70.6 million (Year 2022: HK\$67.6 million). Such increase was mainly contributed to the increase in average salary per staff. The Group determines the remuneration of its employees based on each employee's qualifications, experience and past performance. The remuneration committee makes recommendations to the Board on the overall remuneration policy and structure for the Directors and senior management. The Group maintains a good relationship with its employees and has not experienced any major labour disputes nor any difficulty in recruiting suitable staff.

## **EVENTS AFTER THE FINANCIAL YEAR**

No event has occurred after 31 December 2023 and up to the date of this announcement which would have a material effect on the Group.

## **CORPORATE GOVERNANCE PRACTICES**

The Company is committed to maintain a high standard of corporate governance and considers that conducting business in an ethical and responsible manner will generate the highest level of benefits to its shareholders and the Group in the long term. The Board will continuously review and improve the Group's corporate governance practices in order to uphold a transparent and effective corporate governance function for the Group.

The Company has adopted the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and has complied with the CG Code during the Year 2023, except in relation to provision C.2.1 of the CG Code which requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lee Chi Hung, an executive Director, is both the chairman of the Board and the chief executive officer of the Company. With over 30 years of experience in the construction industry in Hong Kong, Mr. Lee is responsible for the overall management of the Group's operations and business development and is instrumental to the Group's growth and business expansion since the establishment in November 1993. The Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced and high-calibre individuals. The Board currently comprises two executive Directors (including Mr. Lee), one non-executive Director and three independent non-executive Directors and therefore has a strong independence element in its composition.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 of the Listing Rules and all the Directors confirmed, upon specific enquiry made, that they complied with the Model Code during the Year 2023 and up to the date of this announcement.

## **RESULTS AND DIVIDENDS**

The Directors recommended the payment of a final dividend of HK2.0 cents per share, amounting to a total of HK\$20.0 million for the Year 2023, representing a dividend ratio of approximately 35.1%. The proposed final dividend is subject to the approval of shareholders at the forthcoming annual general meeting of the Company to be held on 19 June 2024 (the “**AGM**”) and is expected to be paid on or about 18 July 2024.

As at the date of this announcement, the Board is not aware of any shareholders who have waived or agreed to waive any dividends.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Friday, 14 June 2024 to Wednesday, 19 June 2024 (both days inclusive), during which period no transfer of Shares will be registered, for purpose of determining the right to attend and vote at the AGM. All transfer of the Company's shares together with the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong no later than 4:30 p.m. on Thursday, 13 June 2024 in order for the holders of the shares to qualify to attend and vote at the AGM or any adjournment thereof.

To ascertain entitlement to the proposed final dividend, the register of members of the Company will also be closed from Wednesday, 26 June 2024 to Friday, 28 June 2024 (both days inclusive). In order to qualify for the proposed final dividend, which is subject to approval of shareholders at the AGM, holders of shares of the Company must ensure that all transfers of shares be lodged with the Company's branch share registrar and transfer office in Hong Kong for registration no later than 4:30 p.m. on Tuesday, 25 June 2024.

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

Neither the Company, nor any of its subsidiaries, had purchased, sold or redeemed any of the Company's listed securities during the Year 2023.

## **DIRECTORS' SERVICE CONTRACTS**

No Director proposed for re-election at the forthcoming annual meeting has a service contract with the Company or any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

## **MANAGEMENT CONTRACT**

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year 2023.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the minimum public float required under the Listing Rules during the Year 2023 and up to the date of this announcement.

## **AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS**

The audit committee of the Company has reviewed the consolidated financial statements of the Group for the Year 2023 and this results announcement.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the Year 2023 as set out in this announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no opinion or assurance conclusion has been expressed by BDO Limited on this announcement.

By order of the Board of  
**G & M Holdings Limited**  
**LEE Chi Hung**  
*Chairman and Executive Director*

Hong Kong, 26 March 2024

*As at the date of this announcement, the Board comprises Mr. Lee Chi Hung and Ms. Lam Suk Yee Patricia as executive Directors; Mr. Leung Ping Kwan as non-executive Director; and Professor Wong Roderick Sue Cheun, Mr. Tai Kwok Leung Alexander and Mr. Kwan Cheuk Kui as independent non-executive Directors.*