

Golden Faith Group Holdings Limited 高豐集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2863



2024
INTERIM REPORT



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Ko Chun Hay Kelvin (*Chairman*)

Ms. Ko Yung Lai Jackie
(*Chief Executive Officer*)

Non-executive Directors

Mr. Yung On Wah (*Vice Chairman*)

Ms. Wong Cheuk Wai, Helena

Independent Non-executive Directors

Mr. Chan Wing Fai

Mr. Yeung Wai Lung

Mr. Ng Man Li
(resigned on 1 November 2023)

Mr. Wong Jovi Chi Wing
(appointed on 18 January 2024)

AUDIT COMMITTEE

Mr. Yeung Wai Lung (*Chairman*)

Mr. Chan Wing Fai

Mr. Ng Man Li
(resigned on 1 November 2023)

Mr. Wong Jovi Chi Wing
(appointed on 18 January 2024)

REMUNERATION COMMITTEE

Mr. Ng Man Li (*Chairman*)
(resigned on 1 November 2023)

Mr. Chan Wing Fai (*Chairman*)
(re-designated to Chairman on
1 November 2023)

Mr. Ko Chun Hay Kelvin

Mr. Yeung Wai Lung

Mr. Wong Jovi Chi Wing
(appointed on 18 January 2024)

Ms. Ko Yung Lai Jackie
(resigned on 1 November 2023)

NOMINATION COMMITTEE

Mr. Wong Jovi Chi Wing (*Chairman*)
(appointed on 18 January 2024)

Mr. Chan Wing Fai
(re-designated to Chairman on
1 November 2023 and re-designated to
member 18 January 2024)

Mr. Ko Chun Hay Kelvin

Mr. Yeung Wai Lung

Ms. Ko Yung Lai Jackie
(resigned on 1 November 2023)

Mr. Ng Man Li
(resigned on 1 November 2023)

RISK MANAGEMENT COMMITTEE

Mr. Ng Man Li (*Chairman*)
(resigned on 1 November 2023)

Mr. Yeung Wai Lung (*Chairman*)
(re-designated on 18 January 2024)

Mr. Ko Chun Hay Kelvin

Ms. Ko Yung Lai Jackie
(resigned on 1 November 2023)

Mr. Chan Wing Fai
(re-designated to Chairman on
1 November 2023 and re-designated to
member 18 January 2024)

Mr. Wong Jovi Chi Wing
(appointed on 18 January 2024)

COMPANY SECRETARY

Ms. Ko Yung Lai Jackie

AUTHORISED REPRESENTATIVES

Mr. Ko Chun Hay Kelvin

Ms. Ko Yung Lai Jackie

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 3606, 36/F.,
Singga Commercial Centre,
148 Connaught Road West,
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Union Registrars Limited
Suites 3301-04, 33/F
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

LEGAL ADVISER

Fairbairn Catley Low & Kong

PRINCIPAL BANKER

Bank of Communications Co., Ltd.
Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking
Corporation Limited

WEBSITE ADDRESS

www.goldenfaith.hk

STOCK CODE

2863

Management Discussion and Analysis

BUSINESS REVIEW

The Group continued to engage in providing large scale E&M engineering services in major construction projects mainly in the public sector in Hong Kong. Our project portfolio encompassed hospitals and government office complex. Recently, we have substantially completed one government office complex project for Hong Kong Government. By leveraging on our extensive experience and well reputation in the field together with well management in field work, the Group has successfully won a number of long-term contracts contributing to the Group's stable income for the next few years. During the six months ended 31 March 2024 (the "Period"), the Group focus on three major projects, namely engineering services for Queen Mary Hospital, District Court in Causeway Bay and New Acute Hospital at Kai Tak.

FINANCIAL REVIEW

Results Analysis

The Group's revenue for the Period was approximately HK\$346.3 million, representing a decrease of approximately HK\$20.8 million or 5.6% as compared to that in the corresponding period in 2023. The decrease was relatively mild. Our operation was in normal running during the Period.

The Group's gross profit for the Period increased by approximately HK\$10 million which was mainly due to a decrease of labour cost involved in running those projects after COVID-19 pandemic and an improvement of profits margins in a few projects, due to an increase in demand of public sector construction services in the market. The gross profit ratio during the Period increased to approximately 9.8% (2023: 6.5%).

Administrative expenses

For the Period, the administrative expenses increased by approximately HK\$0.7 million or 4.3% as compared to the corresponding period in 2023, which was mainly due to an increase in staff costs.

Finance costs

The Group's finance costs represented lease interest and increased by approximately HK\$65,000 or 101.6%. The change was mainly due to a new warehouse being leased during the Period.

Profit and total comprehensive income

For the Period, the increase in profit and total comprehensive income of approximately HK\$0.5 million was mainly due to the net effect of an increase in gross profits, a decrease of labour costs and increase of administrative expenses.

FINANCIAL RESOURCES REVIEW

Liquidity, Financial Position and Capital Structure

As at 31 March 2024, the total number of issued shares of the Company was 666,801,000.

As at 31 March 2024, the Group has bank and cash balance of approximately HK\$139.4 million (2023: HK\$166 million). The change of bank and cash balance is mainly affected by the progress of the each of those under going projects in operation during the cut-off period at the reporting date.

The gearing ratio, defined as the ratio of total borrowings less bank and cash balances to equity attributable to owners of the Company represented a net cash position (2023: net cash position).

Foreign Exchange Risk Management

The Group's monetary assets, liabilities and transactions are principally denominated in Hong Kong dollars. The Group is not significantly exposed to foreign exchange risk arising from monetary assets and liabilities that are denominated in currencies other than the functional currencies of the respective group entities.

The Group currently does not have a foreign currency hedging policy as the foreign exchange risk is considered to be insignificant. However, the management will continue to closely monitor the Group's foreign exchange risk exposure and will consider hedging significant foreign exchange exposure when necessary.

Charges on Assets

As at 31 March 2024 and 2023, the Group did not have any charges on its assets.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2024, the Group had 85 long term employees (2023: 84) and 982 short term employees (2023: 948). The Group believes its success and long-term growth depend primarily on the quality, performance and commitment of its employees. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Discretionary bonuses and share options are offered to qualified employees based on individual and the Group's performance.

Management Discussion and Analysis

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

To the best knowledge of the Directors, the Group has complied with all the relevant laws and regulations that have a significant impact on the Group in relation to its business including health and safety, workplace conditions, employment and the environment.

COMMITMENTS

As at 31 March 2024, the Group did not have any capital commitments (2023: Nil).

CONTINGENT LIABILITIES

As at 31 March 2024, the Group did not have any significant contingent liabilities (2023: Nil).

SIGNIFICANT INVESTMENTS HELD

Except for investments in its subsidiaries, the Group did not hold any significant investments as at 31 March 2024.

MATERIAL ACQUISITIONS OR DISPOSALS

The Group did not have any material acquisitions or disposals during the Period.

INTERIM DIVIDEND

The Directors of the Company do not recommend the payment of an interim dividend for the Period.

PROSPECTS AND OUTLOOK

Global trade frictions and geopolitical uncertainties, including the effect of Russia – Ukraine war and Middle-East war, have caused continuing uncertainties to the global economic recovery. Although a number of uncertainties existed, the Group could maintain stable growth in its existing business. On the other hand, the Group has been actively seeking new business opportunities from time to time in order to broaden the source of income, to diversify its business, and to enhance the long-term growth potential of the Group and its shareholder's value.

Riding on our electrical engineering skills, we are now considering investing in new energy generator project so as to broaden our business scope and to improve the Group's profitability. The planned investment is in its preliminary stage and has not signed for any agreement up to date. The Group has held up the investment in the electronic platform sales business project pending for further financial information from the counter party and no investment has been made up to date. Looking forward, the Group will strive to enhance its profitability and focus on lucrative business opportunities in pursuing a sustainable and stable growth.

CORPORATE GOVERNANCE PRACTICES

The Board has always recognized the importance of shareholders' accountability and transparency and is committed to maintaining high standards of corporate governance. The Company has, throughout the Period, applied the principles and complied with the requirements of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transaction by Directors. The Company, having made specific enquiry, confirms that all Directors have complied with the Model Code throughout the Period. Employees who are likely to be in possession of inside information of the Company are also subject to compliance with guidelines on no less exacting terms than the Model Code.

AUDIT COMMITTEE

The Audit Committee is responsible for reviewing the accounting principles and practices adopted by the Group, as well as discussing and reviewing the risk management and internal control systems and financial reporting matters of the Company. The audit committee of the Company has reviewed the Group's condensed consolidated financial statements for the Period, including the accounting principles and practices adopted by the Group.

As at 31 March 2024, the Audit Committee comprised three Independent Non-executive Directors, namely Mr. Yeung Wai Lung (Chairman), Mr. Chan Wing Fai and Mr. Wong Jovi Chi Wing. No member of the Audit Committee is a member of the former or existing auditor of the Company.

REVIEW OF INTERIM RESULTS

The interim results of the Group for the Period have not been audited, but have been reviewed by the audit committee of the Company.

Other Information

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2024, the interests of the Directors and chief executives and their associates of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules, were as follows:

Long positions in ordinary shares of the Company

Name of Directors	Capacity	Notes	Number of ordinary shares held (long position)	Number of underlying shares held (long position)	% of the Company's issued share capital
Mr. Ko Chun Hay Kelvin	Beneficial owner	1	144,292,000	11,880,000	23.42%
	Interests of controlled corporation	2	302,747,000	–	45.40%
Mr. Yung On Wah	Beneficial owner		39,424,000	1,200,000	6.09%
Ms. Ko Yung Lai Jackie	Beneficial owner	1	–	6,600,000	0.99%
Ms. Wong Cheuk Wai, Helena	Beneficial owner	1	–	4,500,000	0.67%

Notes:

1. Details of the underlying shares of the Company held by the Directors are set out in the section headed "Share Option Scheme".
2. These shares are held by Greatly Success Investment Trading Limited which is wholly-owned by Mr. Ko Chun Hay Kelvin.

Save as disclosed above, none of the Directors nor chief executives and their associates of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 31 March 2024, as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in section headed "Shares Option Scheme" below at no time during the six months ended 31 March 2024 was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors or their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SHARE OPTION SCHEME

The following is a summary of the principal terms of the Share Option Scheme conditionally approved and adopted by written resolutions of our then Shareholders on 22 July 2017. Unless otherwise terminated or amended, the Share Option Scheme will remain in force for 10 years until 21 July 2027.

The purpose of the Share Option Scheme is to provide Participants with the opportunity to acquire proprietary interests in our Company, and to encourage Participants to work towards enhancing the value of our Company and its Shares for the benefit of our Company and its Shareholders as a whole. The Share Option Scheme shall provide our Company with a flexible means of either retaining, incentivizing, rewarding, remunerating, compensating and/ or providing benefits to Participants.

On and subject to the terms of the Share Option Scheme and the requirements of the Listing Rules, the Board shall be entitled to, at its absolute discretion and on such terms as it deems fit, grant Options to any Participant.

The Shares which may be issued upon exercise of all Options to be granted under this Scheme and other share option schemes of our Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) shall not exceed 66,680,100 Shares (representing 10% of the aggregate of the Shares in issue on the date the Shares commence trading on the Stock Exchange) (the "**Scheme Mandate Limit**").

The overall limit on the number of Shares which shall be issued upon exercise of all outstanding options granted, and yet to be exercised, under the Share Option Scheme, and other share option schemes of our Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable), shall not exceed 30% of the Shares in issue from time to time ("**Scheme Limit**").

Other Information

As at the date of this report, the Company had 27,980,000 outstanding share options granted and remaining unexercised under the Share Option Scheme, representing approximately 4.20% of the issued Shares.

The total number of Shares issued, and to be issued, upon exercise of the Options granted to each Participant (including both exercised, cancelled and outstanding Options) in any twelve (12)-month period shall not exceed 1% of the Shares in issue (the “**Individual Limit**”).

The period within which the Shares shall be taken up under an Option shall be a period to be notified by the Board to each Grantee at the time of making an offer, which shall be determined by the Board in its absolute discretion at the date of grant of the relevant Option, but such period shall not expire later than 10 years from the date of grant of the relevant Option.

An Option shall remain open for acceptance by the Participant concerned for a period of 14 days exclusive of the date on which the letter containing the offer is delivered to the Participant. HK\$1 is payable by the Grantee to our Company on acceptance of the offer of the Option.

The subscription price shall be such price determined by the Board at its absolute discretion and notified to the Participant in the offer at the time of the offer, and shall be no less than the highest of:

- (a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant of the relevant Option, which shall be a business day;
- (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant of the relevant Option (provided that, in the event that any Option is proposed to be granted within a period of less than five Business Days after the trading of the Shares first commences on the Stock Exchange, the new issue price of the Shares for the Share Offer shall be used as the closing price for any business day falling within the period before listing of the Shares on the Stock Exchange); and
- (c) the nominal value of a Share on the date of grant of the relevant Option.

The number of share options available for grant under the Share Option Scheme was 22,352,100 shares as of 1 October 2023 and 31 March 2024.

Nil shares underlying the share options granted under the Share Option Scheme during the Period divided by the weighted average number of shares in issue for Period is nil.

As of the date of this report, the number of shares available for issue under the Share Option Scheme was 50,332,100 shares, representing approximately 7.5% of the issued shares of the Company.

Details of the movements of share options granted, exercised or cancelled/lapsed during the six months period and outstanding as at 31 March 2024 are as follows:

Grantee	Date of grant of share options	Exercise price of share options	Closing price immediately before date of grant	Exercise period (both dates inclusive)	At 1 October 2023	Granted during the period	Exercised during the period	Cancelled/lapsed during the period	Outstanding at 31 March 2024
(A) Directors									
Mr. Ko Chun Hay Kelvin	5 August 2019	0.500	0.500	5 August 2019 to 4 August 2025	5,370,000	-	-	-	5,370,000
	31 March 2023	0.298	0.290	31 March 2024 to 30 March 2028	6,510,000	-	-	-	6,510,000
Mr. Yung On Wah	31 March 2023	0.298	0.290	31 March 2024 to 30 March 2028	1,200,000	-	-	-	1,200,000
Ms. Ko Yung Kai Jackie	5 June 2023	0.280	0.275	5 June 2024 to 4 June 2026	6,600,000	-	-	-	6,600,000
Ms. Wong Cheuk Wai, Helena	5 June 2023	0.280	0.275	5 June 2024 to 4 June 2026	4,500,000	-	-	-	4,500,000
(B) Employees									
Employees	3 March 2022	0.276	0.260	3 March 2022 to 2 March 2027	500,000	-	-	-	500,000
Employees	31 March 2023	0.298	0.290	31 March 2024 to 30 March 2028	3,300,000	-	-	-	3,300,000
Total					27,980,000	-	-	-	27,980,000

Other Information

As at 31 March 2024, the number of options available for grant under the Share Option Scheme is 22,352,100 (30 September 2023: 22,352,100).

For the Period, the Group did not granted share options and share option expenses, HK\$0 (2023: HK\$1.3 million) had been recognised in the condensed consolidated statement of profit or loss and other comprehensive income.

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS UNDER THE SFO

Save as disclosed in the section headed “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures” above, as at 31 March 2024, the following corporation, other than a Director or chief executive of the Company, had the following interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholder	Capacity	Number of ordinary shares held (long position)	Number of underlying shares held (long position)	% of the total number of issued shares of the Company
Mr. Ko Chun Hay Kelvin (Note 1)	Beneficial owner	447,039,000	11,880,000	68.82%
Greatly Success Investment Trading Limited (Note 1)	Beneficial owner	302,747,000	–	45.40%
Mr. Cheung Kam Fai	Beneficial owner	46,066,000	–	6.91%
Mr. Yung On Wah	Beneficial owner	39,424,000	1,200,000	6.09%

Notes:

1. Greatly Success Investment Trading Limited is wholly-owned by Mr. Ko Chun Hay Kelvin.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 March 2024.

CHANGES IN INFORMATION OF DIRECTORS

The changes in information of Directors of the Company since the date of the report of the Company for the year ended 30 September 2023 and up to the date of this Interim Report which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, are set out below.

- (i) Mr. Ng Man Li resigned as an independent non-executive Director, the chairman of the Remuneration Committee, the chairman of Risk Management Committee, and a member of each of the Audit Committee and the Nomination Committee of the Company with effect from 1 November 2023.
- (ii) Mr. Chan Wing Fai ("**Mr. Chan**"), an independent non-executive Director, has been appointed as the chairman of the Remuneration Committee and Risk Management Committee of the Company with effect from 1 November 2023. Mr. Chan has been re-designated from the chairman to a member of each of the Nomination Committee and Risk Management Committee of the Company with effect from 18 January 2024.
- (iii) Ms. Ko Yung Lai Jackie, an executive Director, has resigned as the member of the Remuneration Committee, Nomination Committee and Risk Management Committee of the Company with effect from 1 November 2023.
- (iv) Mr. Yeung Wai Lung, an independent non-executive Director, has been appointed as the chairman of Risk Management Committee of the Company with effect from 18 January 2024.
- (v) Mr. Wong Jovi Chi Wing has been appointed as an independent non-executive Director, the chairman of Nomination Committee and a member of each of the Audit Committee, Remuneration Committee and Risk Management Committee of the Company with effect from 18 January 2024.

Other Information

COMPLIANCE WITH THE LISTING RULES IN RELATION TO BOARD COMPOSITION

On 1 November 2023, Mr. Ng Man Li (“**Mr. Ng**”) has been resigned from an independent non-executive director of the Company, and resulted in the Company’s non-compliance with Rules 3.10(1) and 3.21 of the Listing Rules. Following the re-designation of Mr. Ng, the Company had (i) two independent non-executive directors, which resulted in the number of independent non-executive directors of the Company falling below the minimum number of three required under Rule 3.10(1) of the Listing Rules; and (ii) two members of the Audit Committee, which resulted in the number of Audit Committee members falling below the minimum number of three required under Rule 3.21 of the Listing Rules.

On 18 January 2024, Mr. Wong Jovi Chi Wing (“**Mr. Wong**”) has been appointed as an independent non-executive director of the Company, the chairman the Nomination Committee and a member of each of the Audit Committee, the Remuneration Committee and Risk Management Committee of the Company. Following the appointment of Mr. Wong, the Company has fulfilled the requirements under Rules 3.10(1) and 3.21 of the Listing Rules.

EVENT AFTER THE REPORTING PERIOD

On 5 April 2024, the Company offered to grant 13,200,000 share options to 1 director and 1 eligible employee participant, to subscribe for an aggregate of 13,200,000 shares of HK\$0.01 each in the share capital of the Company under the share option scheme. Please refer to the Company’s announcements of 5 April 2024 for details.

Save as disclosed in this report, the board is not aware of any significant events after the reporting period that requires disclosure.

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

There was no purchase, sale or redemption of the Company’s listed securities by the Company or any of its subsidiaries during the six months ended 31 March 2024.

On behalf of the Board

Ko Chun Hay Kelvin

Executive Director

Hong Kong, 20 May 2024

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 March 2024

	NOTES	Six months ended 31 March	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	3	346,304	367,057
Costs of sales		(312,444)	(343,248)
Gross profit		33,860	23,809
Other gains and losses	4	(979)	4,455
Administrative expenses		(18,284)	(17,539)
Finance costs	5	(129)	(64)
Profit before taxation	6	14,468	10,661
Taxation	7	(5,084)	(1,803)
Profit and total comprehensive income for the period		9,384	8,858
Profit and total comprehensive income for the period attributable to:			
Owners of the Company		4,068	6,220
Non-controlling interests		5,316	2,638
		9,384	8,858
Earnings per share	8		
Basic (HK\$)		0.006	0.009
Diluted (HK\$)		0.006	0.009

Condensed Consolidated Statement of Financial Position

At 31 March 2024

	NOTES	31 March 2024 HK\$'000 (Unaudited)	30 September 2023 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	9	928	1,638
Right-of-use assets		1,994	1,975
Investment properties		2,100	2,100
Deferred tax assets		434	252
Deposits and prepayments	12	344	349
		5,800	6,314
Current assets			
Trade receivables	11	102,874	88,536
Other receivables, deposits and prepayments	12	4,730	4,655
Contract assets	13	137,699	89,678
Financial assets at fair value through profit or loss ("FVTPL")		6,223	8,052
Short term bank deposits		–	5,000
Bank balances and cash		139,364	165,958
		390,890	361,879
Current liabilities			
Trade payables	14	15,879	27,676
Other payables and accrued charges	15	23,279	26,378
Contract liabilities	13	51,570	19,730
Lease liabilities		2,718	2,285
Tax liabilities		4,484	2,748
		97,930	78,817
Net current assets		292,960	283,062
Total assets less current liabilities		298,760	289,376

Condensed Consolidated Statement of Financial Position

At 31 March 2024

	NOTES	31 March 2024 HK\$'000 (Unaudited)	30 September 2023 <i>HK\$'000</i> (Audited)
Non-current liabilities			
Provisions		1,272	1,272
Lease liabilities		179	179
		1,451	1,451
Net assets		297,309	287,925
Capital and reserves			
Share capital	16	6,668	6,668
Reserves		279,971	275,903
Equity attributable to owners of the Company		286,639	282,571
Non-controlling interests		10,670	5,354
Total equity		297,309	287,925

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 March 2024

	Attributable to owners of the Company							Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Share options reserve HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	
At 1 October 2022 (audited)	6,657	130,686	2,177	5,955	157,159	302,634	2,594	305,228
Profit and total comprehensive income for the period	-	-	-	-	6,220	6,220	2,638	8,858
Issue of share upon exercise of share options	-	-	-	-	-	-	-	-
Recognition of equity-settled share-based payments	-	-	1,306	-	-	1,306	-	1,306
At 31 March 2023 (unaudited)	6,657	130,686	3,483	5,955	163,379	310,160	5,232	315,392
At 1 October 2023 (audited)	6,668	131,091	2,975	5,955	135,882	282,571	5,354	287,925
Profit and total comprehensive income for the period	-	-	-	-	4,068	4,068	5,316	9,384
Issue of share upon exercise of share options	-	-	-	-	-	-	-	-
Recognition of equity-settled share-based payments	-	-	-	-	-	-	-	-
At 31 March 2024 (unaudited)	6,668	131,091	2,975	5,955	139,950	286,639	10,670	297,309

Condensed Consolidated Statement of Cash Flows

For the six months ended 31 March 2024

	Six months ended 31 March	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Net cash (used in)/from operating activities	(30,966)	29,644
Net cash from investing activities	5,000	103
Net cash (used in) financing activities	(628)	(251)
Net increase/(decrease) in cash and cash equivalents	(26,594)	29,496
Cash and cash equivalents at beginning of the period	165,958	127,723
Cash and cash equivalents at end of the period, represented by	139,364	157,219
Bank balances and cash	59,434	157,219
Short term bank deposits with maturity less than three months	79,930	–
	139,364	157,219

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

1. GENERAL

The Company is incorporated and registered as an exempted company incorporated in the Cayman Islands on 12 October 2016 and its shares were listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 11 August 2017. The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business is Room 3606, 36/F., Singa Commercial Centre, 144-151 Connaught Road West, Hong Kong.

The Company is an investment holding company. The Group’s principal activity is the provision of electrical engineering services in Hong Kong.

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

2. BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Basis of preparation and principal accounting policies

(a) *Statement of compliance*

The unaudited condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange and with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

(b) *Basis of measurement*

The unaudited condensed consolidated interim financial statements have been prepared under the historical cost basis except for investment property which is measured at fair value.

(c) *Functional and presentation currency*

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

2. BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Basis of preparation and principal accounting policies (Continued)

(d) *Financial information and disclosure*

The unaudited 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 30 September 2023.

(e) *Principal accounting policies*

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and basis of preparation adopted in the preparation of the condensed consolidated interim financial information are consistent with those of the Group as set out in the Group's annual financial statements for the year ended 30 September 2023.

The Group has adopted and applied the new standards, amendments to standards and interpretations that have been issued and effective for the accounting periods beginning on 1 October 2023. The adoption of these new standards and amendments to standards has no material impact on the Group's results and financial position. The Group has not early adopted the new standards, amendments to standards and interpretations which have been issued by HKICPA but are not yet effective.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

2. BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the section headed "Share Option Scheme" above.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve).

At the end of the reporting period, the Company revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimates, with a corresponding adjustment to share options reserve.

For share options that vest immediately at the date of grant, the fair value of share options granted is expensed immediately to profit or loss. When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained earnings.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services rendered, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the services.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

3. REVENUE AND SEGMENT INFORMATION

Segment information

Information reported to the executive directors of the Group, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses on types of services provided. No other discrete financial information is provided other than the Group's results and financial position as a whole. Accordingly, only entity-wide discussions, major customers and geographic information are presented.

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

For the six months ended 31 March 2024

	Consolidated HK\$'000 (Unaudited)
Segment revenue from electric and maintenance engineering services	346,304
Segment results from electric and maintenance engineering services	22,228
Interest income	609
Rental income from investment properties	20
Change in fair value of financial assets at FVTPL	(2,495)
Corporate expenses	(5,954)
Profit before taxation	14,468

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

For the six months ended 31 March 2023

	Consolidated HK\$'000 (Unaudited) (restated)
Segment revenue from electric and maintenance engineering services	366,347
Segment results from electric and maintenance engineering services	11,044
Interest income	170
Rental income from investment properties	710
Change in fair value of financial assets at FVTPL	2,137
Corporate expenses	(3,400)
Profit before taxation	10,661

All of the segment revenue reported above is from external customers.

The accounting policies of the operating and reportable segment is the same as the Group's accounting policies described in note 3. Segment profit (loss) represents the profit (loss) earned by the segment excluding certain interest income, rental income from investment properties, change in fair value of investment properties, change in fair value of financial assets at FVTPL, corporate expenses, certain finance costs and income tax expense. This is the measure reported to the Group's management for the purpose of resource allocation and performance assessment.

No analysis of segment asset and segment liability is presented as the chief operating decision maker does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Geographical information

As at 31 March 2024, the Group's property, plant and equipment amounting to HK\$928,000 (2023: HK\$1,638,000) and investment property of HK\$2,100,000 (2023: HK\$2,100,000) are all located in Hong Kong by geographical location of assets.

Information about major customers

Revenue attributed from customers that accounted for 10% or more of the Group's total revenue during the Period is as follows:

	Six months ended 31 March	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Customer A	43,318	149,529
Customer B	121,886	204,111
Customer C	131,120	–
Customer D	76,939	–

4. OTHER GAINS AND LOSSES

	Six months ended 31 March	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Interest income	1,429	170
Employment support scheme	–	2,148
Gain/(loss) on fair value adjustment of financial assets	(2,495)	2,137
Net exchange loss	(56)	–
Others	143	–
	(979)	4,455

5. FINANCE COSTS

	Six months ended 31 March	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Lease interest	129	64

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

6. PROFIT BEFORE TAXATION

	Six months ended 31 March	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Profit before taxation for the period has been arrived at after charging:		
Staff cost:		
Directors' remuneration	7,249	4,053
Other staff costs	159,052	74,352
Contribution to retirement benefit schemes	4,957	2,548
	171,258	80,953
Depreciation of property, plant and equipment	414	273
Depreciation of right-of-use assets	161	611

7. TAXATION

	Six months ended 31 March	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Hong Kong profits tax	5,084	1,803

Under the two-tiered profits tax regime, profits tax rate for the first HK\$2.0 million of assessable profits of qualifying corporations established in Hong Kong will be lowered to 8.25%, and profits above that amount will be subject to the tax rate of 16.5%.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

8. EARNINGS PER SHARE

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

	Six months ended 31 March	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Earnings for the purpose of calculating basic and diluted earnings per share and total comprehensive income for the period attributable to owners of the Company	4,068	6,220

Number of shares:

	Six months ended 31 March	
	2024 '000 (Unaudited)	2023 '000 (Unaudited)
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	666,801	665,701
Shares deemed to be issued in respect of share option (Note)	45	–
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	666,846	665,701

Note: The effects of potential ordinary shares are anti-dilutive for the period ended 31 March 2023.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 March 2024, the Group has not acquired any property, plant and equipment (2023: HK\$22,000).

10. DIVIDENDS

No dividends were paid, declared or proposed during the Period. The Directors of the Company do not recommend the payment of an interim dividend.

11. TRADE RECEIVABLES

	31 March 2024 HK\$'000 (Unaudited)	30 September 2023 HK\$'000 (Audited)
Gross trade receivables	103,373	89,097
Less: allowance for credit losses	(561)	(561)
Total	102,874	88,536

The Group grants credit terms of 0 to 60 days to its customers from the date of invoices on progress payments of engineering service works. An ageing analysis of the trade receivables, net of allowance for credit losses, presented based on the invoice date at the end of the reporting period, is as follows:

	31 March 2024 HK\$'000 (Unaudited)	30 September 2023 HK\$'000 (Audited)
0 – 30 days	102,874	38,135
31 – 60 days	–	50,401
	102,874	88,536

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	31 March 2024 HK\$'000 (Unaudited)	30 September 2023 HK\$'000 (Audited)
Rental and other deposits	941	780
Deposits for materials purchase	2,750	3,399
Prepayments and others	1,383	825
	5,074	5,004
Presented as non-current assets	344	349
Presented as current assets	4,730	4,655
	5,074	5,004

13. CONTRACT ASSETS AND CONTRACT LIABILITIES

	31 March 2024 HK\$'000 (Unaudited)	30 September 2023 HK\$'000 (Audited)
Contract assets		
– Engineering service contracts	138,580	90,247
Less: allowance for credit losses	(881)	(569)
	137,699	89,678
Contract liabilities		
– Engineering service contracts	51,570	19,730

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

14. TRADE PAYABLES

The credit period on purchases and subcontracting of contract work services is 30 to 90 days. The following is an ageing analysis of trade payables presented based on the invoice date at the end of the Period:

	31 March 2024 HK\$'000 (Unaudited)	30 September 2023 HK\$'000 (Audited)
0-30 days	12,344	19,625
31-60 days	3,535	8,051
	15,879	27,676

15. OTHER PAYABLES AND ACCRUED CHARGES

	31 March 2024 HK\$'000 (Unaudited)	30 September 2023 HK\$'000 (Audited)
Accrued charges for engineering service	385	2,648
Accrued payroll and bonus	21,783	22,923
Other accrued charges	1,111	807
	23,279	26,378

Note: Retention payables to subcontractors of contract works are unsecured, interest-free and recoverable after the completion of defect liability period of the relevant contracts or in accordance with the terms specified in the relevant contracts, ranging from 1 to 2 years from the date of completion of respective engineering service projects.

16. SHARE CAPITAL

	Number of shares '000 (Unaudited)	Amount HK\$'000 (Unaudited)
Ordinary shares of HK\$0.01 each		
Authorised:		
At 31 March 2024	10,000,000	100,000
Issued and fully paid:		
At 31 March 2024	666,801	6,668