



GME Group Holdings Limited
駿傑集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8188)

Interim Report
2024

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the “**Directors**, each a “**Director**”) of GME Group Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

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CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. Chuang Chun Ngok Boris (*Chairman*)
Mr. Chuang Wei Chu

Non-executive Director

Ms. Chuang Yau Ka
(*appointed on 24 May 2024*)

Independent non-executive Directors

Mr. Lam Man Bun Alan
Mr. Lau Chun Fai Douglas
Ir Ng Wai Ming Patrick

Audit Committee

Mr. Lau Chun Fai Douglas (*Chairman*)
Mr. Lam Man Bun Alan
Ir Ng Wai Ming Patrick

Remuneration Committee

Mr. Lam Man Bun Alan (*Chairman*)
Mr. Chuang Chun Ngok Boris
Mr. Lau Chun Fai Douglas
Ir Ng Wai Ming Patrick

Nomination Committee

Ir Ng Wai Ming Patrick (*Chairman*)
Mr. Chuang Chun Ngok Boris
Mr. Lam Man Bun Alan
Mr. Lau Chun Fai Douglas

Compliance Officer

Mr. Chuang Chun Ngok Boris

Company Secretary

Mr. Sze Kevin Chun Kit HKFCG(PE) FCPA
E-mail: companysecretary@gmehk.com
Fax: +852 3105 1881

Authorised Representatives

Mr. Chuang Chun Ngok Boris
Mr. Sze Kevin Chun Kit

Registered Office

4th Floor
Harbour Place
103 South Church Street
P. O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

Headquarters and Principal Place of Business in Hong Kong

Room 1001-2, 10/F
148 Electric Road
Hong Kong

Principal Share Registrar and Transfer Office

Harneys Fiduciary (Cayman) Limited
4th Floor
Harbour Place
103 South Church Street
P. O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

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

Auditor

BDO Limited
Registered Public Interest Entity Auditor
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

Legal Advisers as to Hong Kong Laws

Michael Li & Co.
Rooms 1901A, 1902 & 1902A,
19/F, New World Tower I,
16-18 Queen's Road Central,
Central
Hong Kong

Compliance Adviser

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

Principal Bankers

Bank of China (Hong Kong) Limited

Citibank, N.A., Hong Kong Branch

Dah Sing Bank, Limited

DBS Bank (Hong Kong) Limited

Standard Chartered Bank (Hong Kong) Limited

Company Website

www.gmehk.com

Stock Code

8188

Investor Relations

E-mail: ir@gmehk.com
Fax: +852 3105 1881

Whistleblowing

E-mail: whistleblowing@gmehk.com

Financial Calendar

Date for the Closure of the Register of
Members for the Interim Dividends
Thursday, 26 September 2024 to
Friday, 27 September 2024
(both days inclusive)

Payment date of proposed interim dividends
Thursday, 31 October 2024

FINANCIAL HIGHLIGHTS (UNAUDITED)

The board of Directors (the “**Board**”) of the Company hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2024 (the “**Reporting Period**”), together with the unaudited comparative figures for the corresponding period in 2023.

The Group’s revenue increased from approximately HK\$230,283,000 for the six months ended 30 June 2023 to approximately HK\$492,499,000 for the six months ended 30 June 2024, representing an increase of approximately HK\$262,216,000 or 113.9%. Such increase in revenue for the Reporting Period was due to an increase in revenue generated from public sector projects – tunnel construction services during the Reporting Period.

The gross profit and gross profit margin of the Group for the six months ended 30 June 2024 was approximately HK\$98,076,000 and 19.9%, respectively (for the six months ended 30 June 2023: approximately HK\$18,269,000 and 7.9%, respectively). The increase in gross profit and gross profit margin was primarily due to the positive progress made on the construction works of the Group’s tunnel construction services, which generally have higher profit margin.

The Group’s profit and total comprehensive income for the period attributable to the owners of the Company (“**Net Profit**”) for the six months ended 30 June 2024 was approximately HK\$55,789,000 (for the six months ended 30 June 2023: approximately HK\$4,176,000), representing an increase of approximately HK\$51,613,000. Such significant increase was in line with the increase in revenue and gross profit during the Reporting Period as discussed above.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

		Six months ended 30 June	
	Notes	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	4	492,499	230,283
Cost of services		(394,423)	(212,014)
Gross profit		98,076	18,269
Other income	5	713	22
Provision of impairment loss on contract assets and other receivables		(11,474)	–
Administrative expenses		(18,218)	(12,993)
Finance costs		(1,779)	(1,571)
Profit before income tax	6	67,318	3,727
Income tax (expense)/credit	7	(11,529)	448
Profit for the period		55,789	4,175
Profit and total comprehensive income for the period attributable to:			
Owners of the Company		55,789	4,176
Non-controlling interests		–	(1)
		55,789	4,175
Earnings per share			
– Basic and diluted (HK cents)	9	11.44	0.86

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	10	22,397	19,300
Deposits	12	74	436
		22,471	19,736
Current assets			
Contract assets	11	105,869	98,833
Trade and other receivables	12	162,198	146,661
Amount due from a minority shareholder of a subsidiary		400	400
Pledged bank deposits	13	6,000	3,000
Cash at bank and in hand	13	14,437	4,467
		288,904	253,361
Current liabilities			
Trade and other payables	14	74,363	53,141
Bank borrowings, secured	15	49,230	66,000
Amount due to a Director	16	–	8,000
Lease liabilities		2,576	2,957
Tax Payable		18,327	7,642
		144,496	137,740
Net current assets		144,408	115,621
Total assets less current liabilities		166,879	135,357
Non-current liabilities			
Lease liabilities		2,691	3,167
Deferred tax liabilities		1,963	1,119
		4,654	4,286
NET ASSETS		162,225	131,071

	Notes	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
EQUITY			
Equity attributable to owners of the Company			
Share capital	17	4,878	4,878
Reserves		156,963	125,809
<hr/>			
		161,841	130,687
Non-controlling interests		384	384
<hr/>			
TOTAL EQUITY		162,225	131,071

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to the owners of the Company									
	Share capital HK\$'000 (unaudited)	Share premium HK\$'000 (unaudited)	Capital reserve HK\$'000 (unaudited)	Other reserve HK\$'000 (unaudited)	Share repurchase reserve HK\$'000 (unaudited)	Share-based payment reserve HK\$'000 (unaudited)	Retained earnings HK\$'000 (unaudited)	Total HK\$'000 (unaudited)	Non-controlling interests HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
For the six months ended 30 June 2024										
As at 1 January 2024	4,878	90,753	90	(36,104)	-	-	71,070	130,687	384	131,071
Profit for the period	-	-	-	-	-	-	55,789	55,789	-	55,789
Final dividend paid	-	-	-	-	-	-	(24,390)	(24,390)	-	(24,390)
Share repurchased and yet to be cancelled	-	-	-	-	(305)	-	-	(305)	-	(305)
Share-based payments (note 21)	-	-	-	-	-	60	-	60	-	60
As at 30 June 2024	4,878	90,753	90	(36,104)	(305)	60	102,469	161,841	384	162,225
For the six months ended 30 June 2023										
As at 1 January 2023	4,878	90,753	90	(36,104)	-	-	9,591	69,208	388	69,596
Profit for the period	-	-	-	-	-	-	4,176	4,176	(1)	4,175
As at 30 June 2023	4,878	90,753	90	(36,104)	-	-	13,767	73,384	387	73,771

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit before income tax	67,318	3,727
Adjustments for:		
Depreciation of property, plant and equipment	6,287	5,001
Provision of impairment loss on contract assets	8,558	–
Provision of impairment loss on other receivables	2,916	–
Share award expense	60	–
Finance costs	1,779	1,571
(Gain)/loss on disposal of property, plant and equipment	(155)	12
Operating profit before working capital changes	86,763	10,311
Increase in contract assets	(15,594)	(8,117)
Increase in trade and other receivables	(18,091)	(27,006)
Increase in trade and other payables	21,222	2,366
Net cash generated from/(used in) operating activities	74,300	(22,446)
Cash flows from investing activities		
Purchases of property, plant and equipment	(9,389)	(1,954)
Proceeds from sales of property, plant and equipment	160	15
Net cash used in investing activities	(9,229)	(1,939)

	Six months ended	
	30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Cash flows from financing activities		
Repayment of bank borrowings	(116,859)	(40,000)
Proceeds from bank borrowings	100,089	65,996
Repayment of principal portion of lease liabilities	(1,039)	(1,435)
Decrease in amount due to a Director	(8,000)	–
Increase in pledged bank deposits	(3,000)	(1,000)
Interest paid on bank borrowings	(1,597)	(1,438)
Share repurchased	(305)	–
Final dividend paid	(24,390)	–
Net cash (used in)/generated from financing activities	(55,101)	22,123
Net increase/(decrease) in cash and cash equivalents	9,970	(2,262)
Cash and cash equivalents at beginning of the period	4,467	11,431
Cash and cash equivalents at end of the period	14,437	9,169

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 18 January 2016, as an exempted company with limited liability under the Companies Law, Cap. 22 of the Cayman Islands. The registered office and principal place of business of the Company in Hong Kong are located at 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands and Room 1001-2, 10/F, 148 Electric Road, Hong Kong, respectively.

The Company is an investment holding company and the Group is principally engaged in the provision of underground construction services in Hong Kong.

Mr. Chuang Wei Chu and Mr. Chuang Chun Ngok Boris, both of whom are also executive Directors, and their family members, Ms. To Yin Ping (the spouse of Mr. Chuang Wei Chu) and Ms. Chuang Yau Ka (a non-executive Director appointed on 24 May 2024) entered into an acting in concert deed dated 21 March 2016 (the “**Acting in Concert Deed**”) as the controlling shareholders of the Company (the “**Controlling Shareholders**”). The Controlling Shareholders have agreed to consolidate their respective interests in the Company and to vote on any resolution to be passed at any shareholders’ meeting of the Company in an unanimous manner. Each of Mr. Chuang Chun Ngok Boris, Mr. Chuang Wei Chu, Ms. To Yin Ping and Ms. Chuang Yau Ka is deemed to be interested in all the shares of the Company (“**Shares**”, each a “**Share**”) held by them in aggregate by virtue of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”). Mr. Chuang Chun Ngok Boris is the son of Mr. Chuang Wei Chu and Ms. To Yin Ping and the brother of Ms. Chuang Yau Ka.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2024 (the “**Unaudited Condensed Consolidated Financial Statements**”) have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”), Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as the “**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosures required by the GEM Listing Rules.

The Unaudited Condensed Consolidated Financial Statements do not include all of the information and disclosures required in the annual consolidated financial statements and hence should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2023 (the “**2023 Consolidated Financial Statements**”), which have been prepared in accordance with HKFRSs and the disclosure requirements of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

The Unaudited Condensed Consolidated Financial Statements have not been audited by the Company's auditor, but have been reviewed by the audit committee of the Board ("**Audit Committee**").

The Unaudited Condensed Consolidated Financial Statements have been prepared under the historical cost basis.

The Unaudited Condensed Consolidated Financial Statements are presented in Hong Kong Dollars ("**HK\$**"), which is also the functional currency of the Company, and all values are rounded to the nearest thousands, except when otherwise indicated.

The accounting policies applied and the method of computation used in the preparation of the Unaudited Condensed Consolidated Financial Statements are consistent with those adopted in the preparation of the 2023 Consolidated Financial Statements.

The Share Scheme of the Company was approved by the shareholders of the Company at the Extraordinary General Meeting held on 24 May 2024 and was adopted on 29 May 2024 on the date the Company obtained the listing approval (the "**Listing Approval Date**") from the Stock Exchange (the "**Share Scheme**"). Therefore, the Group adopted the accounting policy of share-based payment transactions as follows:

Equity-settled share-based payment transactions

Share awards granted to employees

Share awards granted to the employees of the Group are the amounts to be expensed as staff costs. The amounts are determined by reference to the fair value of the award shares granted, taking into account all non-vesting conditions associated with the grants. The total expense is recognised over the relevant vesting periods, with a corresponding credit to the share-based payment reserve under Consolidated Statement of Changes in equity of the Group. When the awarded shares are allotted and transferred to the awardees upon vesting, the awarded shares vested are debited to the share-based payment reserve, and the allotted shares are credited to share capital and share premium.

For the purpose of preparing and presenting the financial information of the Unaudited Condensed Consolidated Financial Statements, the Group has consistently adopted HKFRSs issued by HKICPA which are effective for the Group's financial year beginning on 1 January 2024. The Group has not early applied the new and revised HKFRSs that have been issued by HKICPA but are yet to be effective.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the Reporting Period as follows:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current, Non-Current Liabilities with Covenants
Amendments to HKFRS 16 HK Int 5 (Revised)	Lease Liability in a Sale and Leaseback Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The adoption of the standards above has no material impact on the Unaudited Condensed Consolidated Financial Statements.

3. SEGMENT INFORMATION

Operating segments

The Group was principally engaged in the provision of underground construction services in Hong Kong. Information reported to the Group's chief operating decision maker, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole, as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Geographical information

All of the Group's revenue was derived from Hong Kong, based on the location of the customers, and all of its non-current assets were located in Hong Kong, based on the location of assets. Therefore, no geographical information is presented.

3. SEGMENT INFORMATION (Continued)

Information about major customers

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

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Customer B	360,819	N/A
Customer C	N/A	56,786
Customer M	53,037	132,136

N/A: The relevant revenue figures did not exceed 10% of the Group's revenue.

4. REVENUE

The Group's revenue represents amount received and receivable from contract work performed and is recognised over time using output method, i.e. based on surveys of work completed by the Group to date.

5. OTHER INCOME

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Interest Income	59	4
Rental income	163	–
Sundry income	336	18
Gain on disposal of property, plant and equipment	155	–
	713	22

6. PROFIT BEFORE INCOME TAX

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

	Six months ended	
	30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Included in cost of services:		
– Subcontracting costs	59,941	10,878
– Construction materials and supplies	132,464	83,507
Auditor's remuneration	394	342
Provision of impairment loss on contract assets, net	8,558	–
Provision of impairment loss on other receivables, net	2,916	–
(Gain)/loss on disposal of property, plant and equipment	(155)	12
Depreciation charges:		
– Owned property, plant and equipment	4,462	3,527
– Right-of-use-assets included within		
– Leased properties	721	718
– Office equipment	6	7
– Plant and machinery	885	609
– Motor vehicles	213	140
Consultancy fees	1,674	1,682
Lease payment not included in the measurement of lease liabilities:		
– Leased properties (included in cost of services and administrative expenses)	216	216
– Short-term leases of plant and machinery (included in cost of services)	29,153	12,509
Finance costs:		
– Interest on bank borrowings	1,597	1,438
– Interest on lease liabilities	182	133
Employee benefit expenses, including Directors' remuneration	166,516	101,314

7. INCOME TAX EXPENSE/(CREDIT)

The amount of income tax expense/(credit) in the unaudited condensed consolidated statement of comprehensive income represents:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax – Hong Kong profits tax – charge for the Reporting Period	10,685	–
Deferred tax	844	(448)
Income tax expense/(credit)	11,529	(448)

The provision of Hong Kong Profits Tax is calculated at a tax rate of 16.5% (for the six months ended 30 June 2023: 16.5%), except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime (the “Regime”). For that subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. During the six months ended 30 June 2023, no nominated entity of the Group is entitled to the Regime as no such entity generated assessable profits for that period.

8. DIVIDEND

The Board has declared the payment of an interim dividend of HK4.0 cents per Share for the year ending 31 December 2024 (interim dividend for the year ended 31 December 2023: nil).

9. EARNINGS PER SHARE

The calculation of the basic earnings per Share attributable to the ordinary equity holders of the Group is based on the following data:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Earnings:		
Earnings for the purpose of basic earnings per Share	55,789	4,176

9. EARNINGS PER SHARE (Continued)

	Number of Shares '000	Number of Shares '000
Weighted average number of ordinary Shares for the purpose of earnings per Share Calculation (Note)	487,808	487,808

Note:

No adjustment has been made to the basic earnings per Share and the diluted earnings per Share for the Reporting Period in respect of Share Repurchase (as defined below) and the Share Awards (as defined below) as both events are insignificant to the earnings per Share during the Reporting Period.

Diluted earnings per Share is same as basic earnings per Share as there was no dilutive potential Shares for the six months ended 30 June 2023.

10. PROPERTY, PLANT AND EQUIPMENT

During the Reporting Period, the Group acquired the property, plant and equipment of approximately HK\$9,389,000 (during the six months ended 30 June 2023: approximately HK\$1,954,000).

11. CONTRACT ASSETS

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Contract assets arising from:		
Construction services		
– Unbilled revenue	20,851	20,851
– Retention receivables from contracts with customers within the scope of HKFRS 15	102,381	86,787
	123,232	107,638
Less: impairment loss	(17,363)	(8,805)
	105,869	98,833

11. CONTRACT ASSETS (Continued)

The contract assets primarily relate to the Group's right to consideration for construction works completed but not yet billed to customers, and the retention receivables at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional, that is when the Group issues progress billings to customer based on the progress certificate agreed with customer or when the retention receivables become unconditional.

Included within contract assets is an amount of approximately HK\$102,381,000 (as at 31 December 2023: HK\$86,787,000) which relates to amounts withheld up to 5% – 10% (as at 31 December 2023: 5% – 10%) of the contract sum under contractual terms from trade receivables from customers as the construction work progress. The monies are generally released from the customers upon the certification of completion of work and/or finalisation of contract accounts or security given to the customer (i.e. the contractor) in case that the Group fails to adequately complete some or all of its obligations under the contract. The amount of contract assets expected to be recovered after more than one year is approximately HK\$57,689,000 (as at 31 December 2023: approximately HK\$12,903,000), all of which relates to retention. The other contract assets are expected to be recovered within one year.

The expected timing of recovery or settlement for contract assets is as follows:

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Within one year	48,180	85,930
More than one year and less than five years	57,689	12,903
Total contract assets	105,869	98,833

11. CONTRACT ASSETS (Continued)

Set out below is the information about the credit risk exposure on the Group's contract assets using the provision matrix:

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
At beginning of period/year	8,805	210
Impairment loss recognised	8,558	8,595
At end of period/year	17,363	8,805

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated. The contract assets have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

	As at 30 June 2024 %	As at 31 December 2023 %
	(Unaudited)	(Audited)
Expected credit losses rate	14.10	8.18

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Gross carrying amount	123,232	107,638
Expected credit losses	17,363	8,805

12. TRADE AND OTHER RECEIVABLES

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Trade receivables (Note (a))	159,902	139,675
Less: impairment loss	(778)	(778)
	159,124	138,897
Prepayments, deposits and other receivables (Note (b))	6,414	8,550
Less: impairment loss	(3,266)	(350)
	3,148	8,200
Sub-total	162,272	147,097
Less: non-current-deposits	(74)	(436)
	162,198	146,661

12. TRADE AND OTHER RECEIVABLES (Continued)

Notes:

- (a) Trade receivables were mainly derived from provision of underground construction services and are non-interest bearing. The Group does not hold any collateral or other credit enhancements over these balances. The credit period granted by the Group to its customers is generally 21 to 60 days.

The following is an analysis of trade receivables by age, presented based on invoice dates and net of loss allowance as follows:

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Less than 1 month	52,025	88,167
1 to 3 months	103,473	50,671
More than 3 months but less than one year	3,626	59
	159,124	138,897

- (b) Movement in provision for impairment of other receivables is as follows:

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
At beginning of period/year	350	350
Impairment loss recognised	2,916	–
At end of period/year	3,266	350

13. CASH AT BANK AND IN HAND AND PLEDGED BANK DEPOSITS

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Cash at bank and in hand	14,437	4,467
Pledged bank deposits	6,000	3,000
	20,437	7,467
Less: pledged bank deposits	(6,000)	(3,000)
Cash and cash equivalents	14,437	4,467

Cash and cash equivalents of the Group represent cash at banks and in hand.

The effective interest rate of pledged bank deposits was ranged from 0.5% per annum during the Reporting Period (as at 31 December 2023: 0.5% per annum).

14. TRADE AND OTHER PAYABLES

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Trade payables (Note (a))	24,021	23,839
Other payables and accruals (Note (b))	50,342	29,302
	74,363	53,141

14. TRADE AND OTHER PAYABLES (Continued)

Notes:

- (a) An ageing analysis of trade payables, based on invoice dates, is as follows:

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Current or less than 1 month	10,200	9,304
1 to 3 months	8,078	10,203
More than 3 months but less than one year	5,549	4,055
More than one year	194	277
	24,021	23,839

The Group's trade payables are non-interest bearing and generally have payment terms of 0 to 30 days.

- (b) Other payables are non-interest bearing and have average payment terms of one to three months.

15. BANK BORROWINGS, SECURED

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Bank borrowings, secured and repayable within the year or on demand	49,230	66,000

Note:

As at 30 June 2024, the Group had total bank facilities from three licensed banks in Hong Kong with a total amount of HK\$84,000,000 (as at 31 December 2023: HK\$66,000,000), which comprised of revolving term loans of HK\$60,000,000 (as at 31 December 2023: HK\$54,000,000) and the export loans of HK\$24,000,000 (as at 31 December 2023: HK\$12,000,000).

15. BANK BORROWINGS, SECURED (Continued)

Note: (Continued)

The total drawdown of these bank facilities was HK\$49,230,000 as at 30 June 2024 (as at 31 December 2023: HK\$66,000,000), which included (i) revolving term loans of HK\$18,000,000, which bore interest rate at 1% per annum below Hong Kong Prime Rate (as at 31 December 2023: HK\$18,000,000, which bore interest rates at 1% per annum below Hong Kong Prime Rate), (ii) revolving term loans of HK\$13,230,000, which bore interest rate at 0.5% per annum below Hong Kong Prime Rate (as at 31 December 2023: HK\$30,000,000, which bore interest rate at 0.5% per annum below Hong Kong Prime Rate), (iii) revolving term loans of HK\$6,000,000, which bore interest rate at 2.25% per annum over the bank's cost of funding (as at 31 December 2023: HK\$6,000,000, which bore interest rates at 3.5% per annum over the higher of HIBOR and the bank's cost of fund), and (iv) export invoice discounting of HK\$12,000,000, which bore interest rate at 2.25% per annum over the bank's cost of funding (as at 31 December 2023: HK\$12,000,000, which bore interest rates at 3.0% per annum over the higher of HIBOR and the bank's cost of fund).

As at 30 June 2024, the Group had unutilised bank facilities of HK\$34,770,000 (as at 31 December 2023: nil).

16. AMOUNT DUE TO A DIRECTOR

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Mr. Chuang Chun Ngok Boris (Note)	–	8,000

Note:

The amount due to a Director is unsecured, interest-free and repayable on demand.

17. SHARE CAPITAL

	The Company	
	Number of	Amount
	Shares	HK\$'000
Authorised:		
Ordinary share of HK\$0.01 each		
As at 31 December 2023 (audited), 1 January 2024 (unaudited) and 30 June 2024 (unaudited)	2,000,000,000	20,000
Issued and fully paid:		
Ordinary share of HK\$0.01 each		
As at 31 December 2023 (audited), 1 January 2024 (unaudited) and 30 June 2024 (unaudited)	487,808,000	4,878

18. CONTINGENT LIABILITIES

Contingent liabilities in respect of legal claims

As at 30 June 2024, there were a number of labour claims lodged against the Group arising from the ordinary course of its civil engineering construction business. No specific claim amount has been specified in the applications of these claims. It is anticipated that, the outflow of resources required in settling these claims, if any, was remote as these claims are usually covered by insurance maintained by relevant main contractors. Therefore, the ultimate liability under these claims would not have a material adverse impact on the financial position or performance of the Group. No provision for the contingent liabilities in respect of these claims is necessary.

19. RELATED PARTY TRANSACTIONS

(a) Transactions

The Group did not have any related party transactions during the Reporting Period (during the six months ended 30 June 2023: nil).

19. RELATED PARTY TRANSACTIONS (Continued)

(b) Key management personnel compensation

The key management personnel of the Group are the Directors. Details of the remuneration paid to them during the Reporting Period are as follows:

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Fees	625	600
Salaries and benefits	1,136	1,008
Pension scheme contributions	17	15
	1,778	1,623

20. CAPITAL COMMITMENTS

As at 30 June 2024, capital commitments of the Group for the acquisition of property, plant and equipment were nil (as at 31 December 2023: approximately HK\$669,000).

21. SHARE AWARDS

During the Reporting Period, the movement of share awards granted are as follows:

Date of letter of grant	Grantee(s)	Notes	Number of new shares of the Company awarded as at 14 June 2024	Number of respective shares awarded			To be vested and issued as at 30 June 2024
				As at 29 May 2024 (adoption date)	Vested during the Reporting Period	Lapsed during the Reporting Period	
14 June 2024	Nine Employee Participants	1 and 2	4,600,000	-	-	-	4,600,000
			4,600,000	-	-	-	4,600,000

21. SHARE AWARDS (Continued)

Notes:

1. The Share Scheme of the Company had been approved by the shareholders of the Company at the Extraordinary General Meeting held on 24 May 2024 and had been adopted on 29 May 2024 on which the date for the Company obtained the listing approval from the Stock Exchange (the “**Share Scheme**”). Since the Listing Approval Date, the Group adopted the accounting policy of the Equity-settled share-based payment transactions, which has been disclosed in note 2 to the unaudited condensed consolidated financial statements. The maximum number of Shares which may be issued in respect of all Share Options and Share Awarded to be granted under this Share Scheme and any other share schemes shall not exceed 48,780,800 Shares, representing 10% of the Shares in issue as at the Listing Approval Date of this Share Scheme unless the Company obtains a fresh approval from the Shareholders (the “**Share Scheme Limit**”).
2. As set out in the announcement and circular of the Company dated 14 June 2024 (the “**Grant Date**”), the Board had resolved to award conditionally an aggregate of 4,600,000 awarded Shares (“**Awarded Shares**”) to nine selected employee participants (the “**Shares Awarded**”). The closing price of the Shares on the date of grant was HK\$0.265 per Share. The purchase price of the Share Award was nil. The fair value of the Awarded Shares was approximately HK\$1,219,000 (unaudited) on the Grant Date. Such grant to the nine selected employee participants for the award of new shares will be credited as fully paid. The number of Shares of the Share Scheme Limit, net the Awarded Shares, was 44,180,000 as at 30 June 2024. The number of Shares that may be issued in respect of the Share Scheme divided by the weighted average number of ordinary Shares in issue as at 30 June 2024 is 0.94%.

22. EVENT AFTER THE REPORTING PERIOD

During the Reporting Period, the Company repurchased 1,316,000 Shares on the Stock Exchange. Subsequent to the Reporting Period, the Company repurchased 976,000 Shares on the Stock Exchange. Such repurchases from the Stock Exchange during the Reporting Period up to the date of this report totalled 2,292,000 Shares (the “**Share Repurchase**”). The Company subsequently cancelled such Share Repurchase on 23 July 2024. The issued and fully paid ordinary Shares were reduced to 485,516,000 on 23 July 2024.

23. APPROVAL OF UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Unaudited Condensed Consolidated Financial Statements were approved and authorised for issue by the Board on 23 August 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is an established subcontractor engaged in civil engineering works and operating solely in Hong Kong. Good Mind Engineering Limited (“**GMEHK**”), an indirect wholly-owned subsidiary of the Company, is a Group 2 Registered Specialist Trade Contractor with various trades qualification under the Construction Industry Council. The Group is principally engaged in the provision of underground construction services and mainly serves main contractors in public sector infrastructure projects. Public sector projects refer to the projects in which the main contractors are employed by the government of the Hong Kong Special Administrative Region (the “**Hong Kong Government**”), its statutory bodies or statutory corporations. The Group has also been involved in some private sector projects, which have covered all other types of engagements.

The Group provides underground construction services, in particular, tunnel construction services (including excavation, shotcreting, shutter design and fabrication, tunnel lining services, shafts, advanced and structural works) and utility construction (mainly the construction and refurbishment of underground public utility works such as road and drainage works) and others (mainly structural works related to tunnel construction and construction of service buildings and support structure for the public). The Group also provides programme design, costing and management for underground construction services. As a result, the Group works routinely with its key clients in pre-tenders for various underground construction projects.

Since 2014, the Group has been focusing on the development of a complete suite of tunnel construction services, which has laid a solid foundation for the Group’s growth and a strong advantage in securing contracts. The Group is constantly evaluating opportunities within the underground construction industry and seeking profitable areas in which it can develop, broaden or commence operation. Other than tunnel works, the Group has also participated in utilities construction services and other projects such as earthworks, bridge works and construction of buildings. The Group considers that diversification is necessary under the current market condition, and continues to explore opportunity in other fields of the construction industry. As at the date of this report, the Group had submitted certain number of tenders to main contractors, the results of which were still pending.

During the six months ended 30 June 2024, the Group had secured nine public construction projects and a private sector project with the aggregate secured contract sum and variation orders of approximately HK\$174,667,000 and approximately HK\$298,000, respectively (the “**Newly Awarded Contracts**”).

During the six months ended 30 June 2024, the Group had been engaged in 40 public sector projects (during the six months ended 30 June 2023: 32) and two private sector projects (during the six months ended 30 June 2023: five), including the Newly Awarded Contracts commenced in 2024. Please refer to the subsection headed “Financial Review” below for the analysis on the Group’s revenue. The total backlog of the Newly Awarded Contracts and contracts carried over from 2023 to be recognised as revenue after 30 June 2024 was approximately HK\$812,439,000.

To maintain consistent quality services for all customers, the Group has established a formal quality management system which is certified to be in compliance with the requirements of ISO 9001:2015. The Group has in-house quality assurance requirements specifying, amongst other things, specific work procedures for performing various types of works, responsibilities of personnel of different levels, and accident reporting. Compliance with these quality assurance requirements is mandatory for all workers of the Group.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is reliant on the availability of public sector civil engineering projects in Hong Kong which by their nature are procured by a limited number of main contractors. Due to the fact that the civil engineering projects are non-recurring in nature, there is no guarantee that the Group will be able to secure new business from past or existing customers on a recurring basis. Accordingly, the number and scale of projects, and the amount of revenue from the public sector projects may vary from period to period, which may make it difficult for the Group to forecast the volume of future businesses and the amount of revenue.

The Group operates solely in Hong Kong and derived all its income in Hong Kong during the Reporting Period. Accordingly, the Group’s business, financial results and prospects are affected by policies of the Hong Kong Government, political environment, economic and legal development in Hong Kong. The budgeting and funding approval process on public infrastructure and construction projects may be lengthened and the expected timetable of projects may be delayed. The Hong Kong Government’s policy and public spending patterns on the civil engineering construction industry may also affect the availability of construction projects in Hong Kong.

The Group’s historical results may not be indicative of its future performance, which may vary from period to period in response to a variety of factors beyond the Group’s control, including general economic conditions, regulations pertaining to the underground construction industry in Hong Kong and the ability to secure new business in the future. Besides, adverse weather conditions, natural disasters, potential wars, terrorist attacks, riots, epidemics, pandemics and other disasters which are beyond the Group’s control.

OUTLOOK OF TUNNEL AND CONSTRUCTION INDUSTRY IN HONG KONG

It is expected that there will be a continuous demand for tunnel and underground construction services in Hong Kong, given that the construction works at Central Kowloon Route, Truck Road T2, Cha Kwo Ling tunnel, Third-Runway System of Hong Kong International Airport and several cavern tunnels are gearing up.

The Hong Kong Government has announced the awards and commencement of a few infrastructure projects in Northern Metropolis during the Reporting Period. These cover (i) Kwu Tung North New Development Area, Remaining Phase: Site Formation and Infrastructure Works (South), (ii) Improvement Works of Fanling Highway (Kwu Tung Portion) and Associated Works, (iii) Fanling North New Development Area, Remaining Phase: Site Formation and Infrastructure Works (East), and (iv) Hung Shui Kiu/Ha Tsuen New Development Area Second Phase Development – Contract 2 – Fresh Water Service Reservoir and Associated Mainlaying Works. These new infrastructure projects will boost the government spending on the civil construction industry as well as the potential revenue of the Group.

Five MTR new station projects have also been launched since last year and under construction in 2024. These include Tung Chung West Station and tunnel, Tung Chung East Station and extension, Kwu Tung Station, Oyster Bay Station, and Tuen Mun South extension. The Group has already received tenders from its existing main contractors clients and it is believed that the Group's experience in previous MTR works will provide the Group a good opportunity in tendering of these new projects.

The Group will continue to focus on growing its tunnel construction services business and expects this to be its major growth driver and a long-term and sustainable source of revenue. The Group is one of the selected few subcontractors experienced in tunnel construction in Hong Kong and is well prepared to capitalise on the opportunities from these public infrastructure projects.

FINANCIAL REVIEW

Revenue

The Group's revenue was primarily generated from public sector projects for the provision of (i) tunnel construction services; and (ii) utility construction services and others for the six months ended 30 June 2024. The following table sets out the breakdown of the Group's revenue by project types:

	For the six months ended 30 June			
	2024	2024	2023	2023
	HK\$'000	% of total	HK\$'000	% of total
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Public sector projects				
– Tunnel construction services	367,626	74.6	74,547	32.4
– Utility construction services and others	122,409	24.9	153,243	66.5
Sub-total	490,035	99.5	227,790	98.9
Private sector projects	2,464	0.5	2,493	1.1
Total	492,499	100.0	230,283	100.0

The Group's revenue increased from approximately HK\$230,283,000 for the six months ended 30 June 2023 to approximately HK\$492,499,000 for the six months ended 30 June 2024, representing an increase of approximately HK\$262,216,000 or 113.9%. Such increase in revenue for the Reporting Period was due to combined effects of (i) an increase in revenue generated from public sector projects – tunnel construction services from approximately HK\$74,547,000 for the six months ended 30 June 2023 to approximately HK\$367,626,000 for the six months ended 30 June 2024, representing an increase of approximately HK\$293,079,000 or 393.1%; (ii) a decrease in revenue generated from public sector projects – utility construction services and others from approximately HK\$153,243,000 for the six months ended 30 June 2023 to approximately HK\$122,409,000 for the six months ended 30 June 2024, representing a decrease of approximately HK\$30,834,000 or 20.1%; and (iii) a decrease in revenue generated from private sector projects from approximately HK\$2,493,000 for the six months ended 30 June 2023 to approximately HK\$2,464,000 for the six months ended 30 June 2024, representing a decrease of approximately HK\$29,000 or 1.2%.

The increase in revenue was mainly attributable to the gearing up of the construction works in tunnel construction services during the Reporting Period.

Cost of services

The Group's cost of services consisted of (i) staff costs; (ii) construction materials and supplies; (iii) short-term leases of plant and machinery; (iv) subcontracting costs; (v) depreciation charges; and (vi) other expenses.

The Group's cost of services increased from approximately HK\$212,014,000 for the six months ended 30 June 2023 to approximately HK\$394,423,000 for the six months ended 30 June 2024, representing an increase of approximately HK\$182,409,000 or 86.0%. Such increase was mainly due to combined effects of (i) an increase in the staff costs from approximately HK\$95,726,000 for the six months ended 30 June 2023 to approximately HK\$157,947,000 for the six months ended 30 June 2024, representing an increase of approximately HK\$62,221,000 or 65.0%; (ii) an increase in the construction materials and supplies from approximately HK\$83,507,000 for the six months ended 30 June 2023 to approximately HK\$132,464,000 for the six months ended 30 June 2024, representing an increase of approximately HK\$48,957,000 or 58.6%; and (iii) an increase in the subcontracting costs from approximately HK\$10,878,000 for the six months ended 30 June 2023 to approximately HK\$59,941,000 for the six months ended 30 June 2024, representing an increase of approximately HK\$49,063,000 or 451.0%.

The purchase arrangement of construction materials and supplies, short-term leases of plant and machinery and engagement of the subcontractors depend on the terms of the contracts, which may vary on a project-by-project basis. The increase in staff costs was due to the increase in number of skilled workers during the Reporting Period.

Gross profit and gross profit margin

The gross profit and gross profit margin of the Group for the six months ended 30 June 2024 was approximately HK\$98,076,000 and 19.9%, respectively (for the six months ended 30 June 2023: approximately HK\$18,269,000 and 7.9%, respectively). The increase in gross profit and gross profit margin were primarily due to the positive progress made on the construction works of the Group's tunnel construction services, which generally have higher profit margin.

Other income

The Group's other income increased from approximately HK\$22,000 for the six months ended 30 June 2023 to approximately HK\$713,000 for the six months ended 30 June 2024, representing an increase of approximately HK\$691,000. The increase in the Group's other income was mainly attributable to the increase in sundry income and the gain on disposal of property, plant and equipment during the Reporting Period.

Provision of the impairment loss on contract assets and other receivables

During the Reporting Period, the provision of the impairment loss on contract assets and other receivables was approximately HK\$11,474,000, based on the impairment assessment under the requirements of HKFRS 9 Financial Instruments.

Administrative expenses

The Group's administrative expenses mainly comprised (i) staff costs and benefits; (ii) Directors' remuneration; (iii) consultancy fee; and (iv) depreciation expenses.

The Group's administrative expenses increased from approximately HK\$12,993,000 for the six months ended 30 June 2023 to approximately HK\$18,218,000 for the six months ended 30 June 2024, representing an increase of approximately HK\$5,225,000 or 40.2%. The staff costs and benefits for the six months ended 30 June 2024 was approximately HK\$6,791,000 (for the six months ended 30 June 2023: approximately HK\$3,965,000), representing an increase of approximately HK\$2,826,000 or 71.3%. The Directors' remuneration for the six months ended 30 June 2024 was approximately HK\$1,778,000 (for the six months ended 30 June 2023: approximately HK\$1,623,000).

Finance costs

The Group's finance costs increased from approximately HK\$1,571,000 for the six months ended 30 June 2023 to approximately HK\$1,779,000 for the six months ended 30 June 2024 mainly due to the increase in interest expenses on the bank borrowings.

Income tax

The Group generated income only in Hong Kong and was subject only to Hong Kong profits tax.

The income tax for the six months ended 30 June 2024 resulted from the movement of accelerated tax depreciation and the increase in assessable profits of GMEHK during the Reporting Period.

Net Profit

The Group's Net Profit for the six months ended 30 June 2024 was approximately HK\$55,789,000 (for the six months ended 30 June 2023: approximately HK\$4,176,000). Such increase in Net Profit was mainly due to increase in revenue and gross profit during the Reporting Period as discussed above.

Dividend

The Board has declared the payment of an interim dividend of HK4.0 cents per Share for the year ending 31 December 2024 (interim dividend for the year ended 31 December 2023: nil).

Liquidity, financial resources and funding

As at 30 June 2024, the Group's cash at bank and in hand and pledged bank deposits amounted to approximately HK\$14,437,000 (as at 31 December 2023: approximately HK\$4,467,000) and approximately HK\$6,000,000, respectively (as at 31 December 2023: approximately HK\$3,000,000), which were denominated in Hong Kong dollar. The increase in cash and cash equivalents was mainly due to the cashflow generated from operating activities during the Reporting Period.

On 23 August 2021, GMEHK received a banking facility letter of a revolving loan granted by a licensed bank in Hong Kong of HK\$18,000,000 at an interest rate of 1% per annum below the Hong Kong Prime Rate under the SME Financing Guarantee Scheme, which is secured by personal guarantees executed by Mr. Chuang Chun Ngok Boris, Mr. Chuang Wei Chu, Ms. To Yin Ping and Ms. Chuang Yau Ka. On 9 December 2022, GMEHK has entered into another bank facility letter with the same bank, for which the bank provided bank facilities of revolving loan and import invoice discounting for two construction contracts of GMEHK up to an aggregate amount of HK\$30,000,000 at an interest rate of 0.5% per annum below the Hong Kong Prime Rate, which is secured by personal guarantees executed by Chuang Chun Ngok Boris and Mr. Chuang Wei Chu, the executive Directors, and a corporate guarantee by the Company. Pursuant to this facility letter, the Controlling Shareholders shall at all time collectively maintain not less than 50% of the issued share capital of the Company. Besides, Mr. Chuang Chun Ngok Boris shall remain as the chairman of the Company.

On 10 November 2022, another licensed bank in Hong Kong granted bank facilities of (i) an export invoice discounting of HK\$12,000,000 at an interest rate of 3.0% per annum over the higher of HIBOR and the bank's cost of fund; and (ii) a revolving short-term loan of HK\$6,000,000 at an interest rate of 3.5% per annum over the higher of HIBOR and the bank's cost of fund. These banking facilities are secured by the corporate guarantee by the Company and pledged bank deposits of HK\$3,000,000.

During the Reporting Period, another licensed bank in Hong Kong granted bank facilities of (i) an export invoice financing of HK\$12,000,000 and (ii) a revolving short-term loan of HK\$6,000,000 at an interest rate of 2.25% per annum over the bank's cost of funding. These banking facilities are secured by the corporate guarantee by the Company, pledged bank deposits of HK\$3,000,000, and fixed and floating charges over receivables of a construction project of GMEHK.

As at 30 June 2024, the total available bank facilities of the above was HK\$84,000,000 (as at 31 December 2023: HK\$66,000,000), and the total drawdown from the bank facility letters was HK\$49,230,000 (as at 31 December 2023: HK\$66,000,000). The Group had unutilised bank facilities of HK\$34,770,000 as at 30 June 2024 (as at 31 December 2023: nil).

As at 30 June 2024, the lease liabilities amounted to approximately HK\$5,267,000 (as at 31 December 2023: approximately HK\$6,124,000), which represented the lease arrangement of the Group's office equipment, leased buildings, machinery and motor vehicles.

The Group's gearing ratio, which is calculated by total debts divided by total equity, decreased from approximately 78% as at 31 December 2023 to approximately 65% as at 30 June 2024 due to the decrease in total debts during the Reporting Period.

Capital structure

As at 30 June 2024, the capital structure of the Company comprised issued share capital and reserves.

Commitments

As at 30 June 2024, the capital commitments of the Group for the acquisition of property, plant and equipment were nil (as at 31 December 2023: approximately HK\$669,000).

Significant investments, material acquisitions or disposal of subsidiaries and associated companies

There was no significant investments, material acquisitions or disposal of subsidiaries and associated companies by the Company for the six months ended 30 June 2024.

Contingent liabilities

Save as disclosed in note 18 to the Unaudited Condensed Consolidated Financial Statements, there were no other contingent liabilities as at 30 June 2024.

Foreign currency exposure

The Group's reporting currency is Hong Kong dollar. During the six months ended 30 June 2024 and 2023, the Group's transactions were denominated in Hong Kong dollar. The Group had no material exposure to foreign currency risk.

Future plans for material investments and capital assets

The Group did not have other plans for material investment or capital assets as at 30 June 2024.

Charge on the Group's assets

As at 30 June 2024, the Group had pledged bank deposits of approximately HK\$6,000,000 (as at 31 December 2023: approximately HK\$3,000,000) to secure the banking facility letters mentioned above. Saved for the foregoing, the Group did not have any charges on its assets as at 30 June 2024.

Information on employees

As at 30 June 2024, the Group had 800 employees which comprises management, technical staff, administration, accounting and human resources staff and workers (as at 30 June 2023: 561 employees) in Hong Kong. The total staff costs (included in cost of services and administrative expenses) and Directors' remuneration amounted to approximately HK\$166,516,000 for the six months ended 30 June 2024 (for the six months ended 30 June 2023: approximately HK\$101,314,000), of which such increase was mainly due to the increase in number of headcount during the Reporting Period.

Employee remuneration package is based on previous working experience and actual performance of each individual employee. Apart from the basic salary, share award, discretionary bonus and allowance will be granted to employees based on their individual performance subject to the executive Directors' approval. Depending on the nature of works and the need of the projects, the Group will provide training to its employees from time to time. The Group's customers sometimes require the employees to attend their own on-site occupational safety trainings.

Event after the Reporting Period

Saved as disclosed in note 22 of the Unaudited Condensed Consolidated Financial Statements, there is no significant event subsequent to 30 June 2024 and up to the date of this report which would materially affect the Group's operating and financial performance.

OTHER INFORMATION

Purchase, Sales or Redemption of the Company's Listed Shares

During the Reporting Period up to the date of this report (the "Relevant Period"), the Company repurchased a total of 2,292,000 Shares on the Stock Exchange. Such Share Repurchase was subsequently cancelled by the Company on 23 July 2024. Details of those transactions are as follows:

Month of Share Repurchase	Number of Shares repurchased	Price per Share		Total price paid (excluding the brokerage fees and other expenses) HK \$
		Highest	Lowest	
		HK \$	HK \$	
June 2024	1,316,000	0.260	0.223	305,160
July 2024	976,000	0.345	0.325	327,200
	2,292,000			632,360

The Share Repurchase during the Relevant Period was effected by the Directors, pursuant to the general mandates from the Shareholders granted at the annual general meeting of the Company held on 24 May 2024, with a view to benefit the Shareholders as a whole by enhancing the net asset value per Share and earnings per Share of the Group.

Directors' and Chief Executives' Interest and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2024, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long Position in Shares

Name of Directors	Notes	Directly beneficially owned	Through spouse	Acting in concert	Total	Percentage of Company's issued share capital
Mr. Chuang Chun Ngok Boris	(a)	103,000,000	–	187,120,000	290,120,000	59.5%
Mr. Chuang Wei Chu	(b)	103,000,000	49,620,000	137,500,000	290,120,000	59.5%
Ms. Chuang Yau Ka	(c)	34,500,000	–	255,620,000	290,120,000	59.5%

Notes:

- (a) Mr. Chuang Chun Ngok Boris (i) personally holds 103,000,000 Shares; and (ii) is a party to the Acting in Concert Deed pursuant to which each of Mr. Chuang Wei Chu, Mr. Chuang Chun Ngok Boris, Ms. To Yin Ping and Ms. Chuang Yau Ka has agreed to consolidate their respective interests in the Company and to vote on any resolution to be passed at any Shareholders' meeting of the Company in a unanimous manner. Mr. Chuang Chun Ngok Boris is therefore deemed to be interested in the Shares held by Mr. Chuang Wei Chu, Ms. To Yin Ping and Ms. Chuang Yau Ka respectively under the SFO. Each of Mr. Chuang Chun Ngok Boris, Mr. Chuang Wei Chu, Ms. To Yin Ping and Ms. Chuang Yau Ka is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO. Mr. Chuang Chun Ngok Boris is the son of Mr. Chuang Wei Chu and Ms. To Yin Ping and the brother of Ms. Chuang Yau Ka.

- (b) Mr. Chuang Wei Chu (i) personally holds 103,000,000 Shares; (ii) is the spouse of Ms. To Yin Ping, who personally holds 49,620,000 Shares and is deemed to be interested in the Shares personally interested by Ms. To Yin Ping; and (iii) is a party to the Acting in Concert Deed pursuant to which each of Mr. Chuang Wei Chu, Mr. Chuang Chun Ngok Boris, Ms. To Yin Ping and Ms. Chuang Yau Ka has agreed to consolidate their respective interests in the Company and to vote on any resolution to be passed at any Shareholders' meeting of the Company in a unanimous manner. Mr. Chuang Wei Chu is therefore deemed to be interested in the Shares held by Mr. Chuang Chun Ngok Boris, Ms. To Yin Ping and Ms. Chuang Yau Ka respectively under the SFO. Each of Mr. Chuang Chun Ngok Boris, Mr. Chuang Wei Chu, Ms. To Yin Ping and Ms. Chuang Yau Ka is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO. Mr. Chuang Wei Chu is the father of Mr. Chuang Chun Ngok Boris and Ms. Chuang Yau Ka.
- (c) Ms. Chuang Yau Ka (i) personally holds 34,500,000 Shares; and (ii) is a party to the Acting in Concert Deed pursuant to which each of Mr. Chuang Chun Ngok Boris, Mr. Chuang Wei Chu, Ms. To Yin Ping and Ms. Chuang Yau Ka has agreed to consolidate their respective interests in the Company and to vote on any resolution to be passed at any Shareholders' meeting in an unanimous manner. Ms. Chuang Yau Ka is therefore deemed to be interested in the Shares held by Mr. Chuang Wei Chu, Ms. To Yin Ping and Mr. Chuang Chun Ngok Boris respectively under the SFO. Each of Mr. Chuang Wei Chu, Mr. Chuang Chun Ngok Boris, Ms. To Yin Ping and Ms. Chuang Yau Ka is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO. Ms. Chuang Yau Ka is the daughter of Mr. Chuang Wei Chu and Ms. To Yin Ping and the sister of Mr. Chuang Chun Ngok Boris.

As at 30 June 2024, none of the Directors and chief executives of the Company had any interests in the underlying shares in respect of physically settled, cash settled or other equity derivatives of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

Saved as disclosed above, as at 30 June 2024, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

Substantial Shareholders' and other Persons' Interests and Short Positions in Shares or Underlying Shares

As at 30 June 2024, so far as is known to the Directors, the following persons' interests and short positions of the share capital and underlying shares of the Company, other than a Director or chief executive of the Company, were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Long Position in Shares

Name of Shareholders	Note	Nature of interest	Total	Percentage of Company's issued share capital
Ms. To Yin Ping	(a)	Beneficial owner, interest held jointly with another person and interest of spouse	290,120,000	59.5%
Mr. Ng Kwok Lun		Beneficial owner	39,500,000	8.1%

Note:

- (a) Ms. To Yin Ping (i) personally holds 49,620,000 Shares; (ii) is the spouse of Mr. Chuang Wei Chu and is deemed to be interested in the Shares which are deemed to be interested by Mr. Chuang Wei Chu under the SFO; and (iii) is a party to the Acting in Concert Deed pursuant to which each of Mr. Chuang Chun Ngok Boris, Mr. Chuang Wei Chu, Ms. To Yin Ping and Ms. Chuang Yau Ka has agreed to consolidate their respective interests in the Company and to vote on any resolution to be passed at any Shareholders' meeting in an unanimous manner. Ms. To Yin Ping is therefore deemed to be interested in the Shares held by Mr. Chuang Wei Chu, Mr. Chuang Chun Ngok Boris and Ms. Chuang Yau Ka respectively under the SFO. Each of Mr. Chuang Wei Chu, Mr. Chuang Chun Ngok Boris, Ms. To Yin Ping and Ms. Chuang Yau Ka deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO. Ms. To Yin Ping is the mother of Mr. Chuang Chun Ngok Boris and Ms. Chuang Yau Ka.

Save as disclosed above, as at 30 June 2024, the Directors were not aware of any person who had an interest or short positions in any Shares, underlying Shares and debenture of the Company as recorded in the register required to be kept pursuant to section 336 of the SFO.

Closure of the Register of Members

To ascertain entitlement to the interim dividends, the register of members of the Company will also be closed from Thursday, 26 September 2024 to Friday, 27 September 2024, both days inclusive. In order to qualify for the interim dividends, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Wednesday, 25 September 2024.

Share Scheme

The Company adopted the Share Scheme on 29 May 2024. Unless otherwise cancelled or amended, the Share Scheme will remain in force for a period of 10 years from the date of its adoption. A summary of the principal terms of the Share Scheme was contained in Appendix I to the Company's circular dated 9 May 2024.

As set out in the announcement and circular of the Company dated 14 June 2024, the Board had resolved to award conditionally an aggregate of 4,600,000 awarded Shares to nine selected employee participants. All awarded Shares to each of the selected employee participants have a vesting period of 12 months (vesting on 14 June 2025).

With effect from 29 May 2024 and up to the date of this report, (i) no share option was granted by the Company and there was no share option outstanding under the Share Scheme as at 30 June 2024; and (ii) 4,600,000 share awards were granted under the Share Scheme as at 14 June 2024 (the "**Share Awards**"), of which no awarded shares had been vested as at 30 June 2024.

Share Awards

Details of the share awards of the Group are set out in note 21 to the condensed consolidated financial statements of the Group for the Reporting Period.

Corporate Governance

The Company considers the maintenance of a high standard of corporate governance important to the continuous growth of the Group. The Company's corporate governance practices are based on the code provisions as set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix C1 to the GEM Listing Rules. The Shares were listed on GEM of the Stock Exchange on 22 February 2017 (the "**Listing Date**"). The Company has since then adopted and complied with, where applicable, the CG Code from the Listing Date up to the date of this report to ensure that the Group's business activities and decision making processes are regulated in a proper and prudent manner.

During the Relevant Period, the Board has reviewed the Group's corporate governance practices and is satisfied that the Company has complied with the code provisions of the CG Code as set out in Appendix C1 to the GEM Listing Rules. The Board will continue to review and enhance its corporate governance practices from time to time to comply with statutory requirements and regulations.

Code of Conduct for Securities Transactions by Directors

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Required Standard of Dealings**”) as the code of conduct regarding securities transactions by the Directors in respect of the Shares (the “**Code of Conduct**”).

The Company has made specific enquiry with the Directors, senior management of the Company and relevant parties (including family members) and all of them confirmed that they had fully complied with the required standard of dealings set out in the Code of Conduct and there was no event of non-compliance during the Relevant Period.

Audit Committee

The Group has established an Audit Committee pursuant to a resolution of the Board passed on 10 February 2017 in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and with written terms of reference in compliance with the Corporate Governance Code set out in Appendix C1 of the GEM Listing Rules.

The Audit Committee currently consists of all three of the independent non-executive Directors, namely Mr. Lau Chun Fai Douglas, Ir Ng Wai Ming Patrick and Mr. Lam Man Bun Alan and the chairman is Mr. Lau Chun Fai Douglas, who holds the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules.

The interim report of the Group for the six months ended 30 June 2024 had been reviewed by the Audit Committee, which was of the opinion that such interim report has been prepared in compliance with the applicable accounting standards and the GEM Listing Rules.

Competing Interests

As far as the Directors are aware of, during the six months ended 30 June 2024, none of the Directors and their respective associates (as defined in the GEM Listing Rules) or the Controlling Shareholders (as defined in the GEM Listing Rules) have any interests in a business which competed or may compete (directly or indirectly) with the business of the Group.

Disclosures Pursuant to Rule 17.23 of the GEM Listing Rules

In accordance with the disclosure requirements of Rule 17.23 of the GEM Listing Rules, the following disclosures are included in this report, where GMEHK entered into a facility letter with a licensed bank in Hong Kong which is effective and ready to be used on 21 December 2022 (the “**Letter**”), which contains covenants requiring specific performance obligations of the Controlling Shareholders. Pursuant to the Letter, a termination event would arise if the Controlling Shareholders maintain less than 50% of the issued Shares. Besides, Mr. Chuang Chun Ngok Boris shall remain as the chairman of the Company. For more details, please refer to the Company’s announcement dated 21 December 2022.

Interest of the Compliance Adviser

As at the date of this report, except for (i) the participation of Altus Capital Limited (“**Altus**”) as the sponsor in relation to the listing of the Company on GEM; (ii) the compliance adviser agreement entered into between the Company and Altus dated 26 April 2016 and extended on 31 March 2020, 14 August 2020, 24 March 2021, 11 August 2021, 24 March 2022, 16 August 2022, 31 March 2023, 16 August 2023 and 9 April 2024; and (iii) the financial advisory mandate entered into between the Company and Altus dated 6 March 2017, neither Altus nor any of its directors, employees or associates had any interests in relation to the Group.

By order of the Board
GME Group Holdings Limited
Chuang Chun Ngok Boris
Chairman and executive Director

Hong Kong, 23 August 2024

As at the date of this report, the executive Directors are Mr. Chuang Chun Ngok Boris and Mr. Chuang Wei Chu, the non-executive Director is Ms. Chuang Yau Ka, and the independent non-executive Directors are Mr. Lam Man Bun Alan, Mr. Lau Chun Fai Douglas and Ir Ng Wai Ming Patrick.