



# Envision Greenwise Holdings Limited 晉景新能控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1783)



**2024/25**  
INTERIM REPORT

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Kwok Chun Sing (*Chairman*)  
Mr. Zhan Zhi Hao (*Chief Executive Officer*)  
Ms. Kwok Ho Yee (*Chief Operating Officer*)  
Mr. Tang Chi Kin

### Independent Non-executive Directors

Mr. Hau Wing Shing Vincent  
Mr. Lam John Cheung-wah  
Prof. Sit Wing Hang  
Mr. Yu Chung Leung

## AUDIT COMMITTEE

Mr. Yu Chung Leung (*Chairman*)  
Mr. Hau Wing Shing Vincent  
Mr. Lam John Cheung-wah  
Prof. Sit Wing Hang

## REMUNERATION COMMITTEE

Prof. Sit Wing Hang (*Chairman*)  
Mr. Zhan Zhi Hao  
Ms. Kwok Ho Yee  
Mr. Lam John Cheung-wah  
Mr. Yu Chung Leung

## NOMINATION COMMITTEE

Mr. Kwok Chun Sing (*Chairman*)  
Mr. Hau Wing Shing Vincent  
Prof. Sit Wing Hang

## COMPANY SECRETARY

Mr. Chu Pui Ki Dickson

## AUTHORISED REPRESENTATIVES

Mr. Kwok Chun Sing  
Mr. Zhan Zhi Hao

## HEADQUARTERS, HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2901 & 09-10, 29/F.  
China Resources Building  
26 Harbour Road  
Wanchai  
Hong Kong

## REGISTERED OFFICE

71 Fort Street  
P.O. Box 500  
George Town,  
Grand Cayman KY1-1106  
Cayman Islands

## PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation  
Limited  
Nanyang Commercial Bank Limited  
Bank of China (Hong Kong) Limited  
Shanghai Commercial Bank Limited

## AUDITOR

Baker Tilly Hong Kong Limited  
*Certified Public Accountants*  
Registered Public Interest Entity Auditors

# CORPORATE INFORMATION

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Appleby Global Services (Cayman) Limited  
71 Fort Street  
P.O. Box 500  
George Town  
Grand Cayman, KY1-1106  
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

## COMPANY'S WEBSITE

<https://www.evsgreenwise.com/>  
(the content of which do not form part of this report)

## STOCK CODE

1783

# FINANCIAL HIGHLIGHTS

The Group recorded a revenue amounted to approximately HK\$248.2 million for the six months ended 30 September 2024, representing an increase of approximately HK\$10.7 million or 4.5% as compared to approximately HK\$237.5 million for the six months ended 30 September 2023.

Gross profit for the six months ended 30 September 2024 was approximately HK\$44.4 million, representing an increase of approximately HK\$33.9 million, or 323.9% compared to approximately HK\$10.5 million for the six months ended 30 September 2023. The gross profit margin for the six months ended 30 September 2024 was approximately 17.9%.

Loss attributable to owners of the Company for the six months ended 30 September 2024 was approximately HK\$26.6 million as compared to approximately HK\$23.1 million for the six months ended 30 September 2023.

The Group's Adjusted EBITDA has turned around from a loss of approximately HK\$13.8 million for the six months ended 30 September 2023 to a profit of approximately HK\$15.9 million for the six months ended 30 September 2024.

The basic and diluted loss per share for the six months ended 30 September 2024 were approximately HK2.12 cents whereas the basic and diluted loss per share were approximately HK2.04 cents for the corresponding period in 2023.

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: nil).



# CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Director(s)") of Envision Greenwise Holdings Limited (formerly known as Golden Ponder Holdings Limited) (the "Company") and its subsidiaries (collectively the "Group"), I am delighted to present to you the unaudited condensed consolidated financial results of the Company for the six months ended 30 September 2024 together with the unaudited comparative figures for the corresponding period in 2023.

## OVERVIEW

The Group is based in Hong Kong and extends globally, utilising green innovative technologies to empower products and services in recent years. In addition to providing superstructure building and repair, maintenance, alteration and addition works as a main contractor in Hong Kong, it also applies diversified green intelligent solutions throughout the entire lifecycle of construction. Driven by technological innovation and research and development, the Group is committed to providing comprehensive application solutions and services for green building and intelligent energy management. At the same time, through green energy management and power battery disposal services, we assist global clients in achieving sustainable development goals. In terms of sustainable solutions for green energy, the Group focuses on the disposal and recycling of power batteries, continuously promoting the green transformation of its core businesses and products. After nearly 40 years of professional development and resource integration, the Group currently possesses various licences in construction, electricity, power battery disposal, and ISO environmental protection, quality management and safety. It also has strong management and technical support teams.

## PROSPECTS

The Group actively responds to the vision of "Zero-carbon Emissions • Liveable City • Sustainable Development" proposed by the Hong Kong Climate Action Plan 2050. It further integrates green building concepts and intelligent energy management technology in the field of green infrastructure. The Group will integrate battery energy storage systems, prefabricated interior products, energy efficiency management systems, and participate in the construction and installation of various electric vehicle charging facilities to promote the reduction of building energy consumption and improve building energy efficiency throughout the entire life cycle of buildings from early construction to late operation. By providing efficient and sustainable solutions to clients, the Group is committed to supporting the achievement of Hong Kong's low-carbon development goals and contributing to the green transformation of the construction industry.

# CHAIRMAN'S STATEMENT

The Chief Executive's 2023 Policy Address clearly states: The goal is to gradually extend the Producer Responsibility Scheme to five types of products, including electric vehicle batteries, starting from 2025. The implementation of the Producer Responsibility Scheme will strongly promote the reasonable and legal disposal of retired electric vehicle batteries and foster the positive development of green transport in Hong Kong. Since 2019, the Group has focused on developing the industrial chain for the reuse of retired electric vehicle batteries, gradually achieving full-chain compliance construction from the collection, transportation and disposal to the export of lithium batteries. In April 2024, the Group's wholly-owned subsidiary successfully obtained approval to construct "Hong Kong's first EV battery processing plant" (the "Plant") at the Lot T2 and T3 of the EcoPark in Hong Kong, and the project has now officially commenced. Upon completion, the Plant will provide advanced cascade utilisation and resource disposal technology for power batteries to Hong Kong and the Guangdong-Hong Kong-Macao Greater Bay Area. Further integrating the development needs of Hong Kong's resource recycling industry chain, the Group will promote the establishment of a battery recycling system in the region, accumulate experience for the development of the green economy and create new business opportunities.

Meanwhile, the Group continues to leverage the green cooperation resources accumulated over the years to collaborate with leading global battery manufacturers, automotive brands and logistics service providers to establish a global power battery disposal and recycling service system. The Group, with an attitude of open cooperation and mutual benefit, engages in strategic cooperation with high-quality localised overseas enterprises to connect all key links in the development of the local battery recycling industry chain, jointly developing and expanding the battery disposal and reuse business globally. Envision Greenwise Group has established 53 power battery disposal points globally, including in regions such as Europe, America, and Southeast Asia, covering developed electric vehicle markets like the US and Europe. In the future, the Group will collaborate with leading domestic environmental protection enterprises to construct overseas recycled metal processing industrial parks and develop a resource recycling industry base in Hong Kong to further expand the international markets.

## APPRECIATION

On behalf of the Board, I would like to sincerely thank all the shareholders of the Company, customers, suppliers, banks and business partners of the Group for their continuous support. I would also like to express heartfelt gratitude to all employees for their invaluable services and contributions throughout the period. It is everyone's joint efforts that have promoted the Group's steady development and improved financial performance. In 2024, the Group has successfully achieved a turnaround in Adjusted EBITDA, which is an important achievement of our business transformation and has laid a solid foundation for continued growth in the future. We look forward to continuing to work with all parties in the future to jointly embrace a new era of green and low-carbon economy.

**Kwok Chun Sing**

*Chairman*

Hong Kong, 22 November 2024

# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



**To the board of directors of Envision Greenwise Holdings Limited**  
*(Incorporated in the Cayman Islands with limited liability)*

## INTRODUCTION

We have reviewed the condensed consolidated financial statements of Envision Greenwise Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 9 to 37, which comprise the condensed consolidated statement of financial position as at 30 September 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 ("HKAS 34") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34.

Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

**Baker Tilly Hong Kong Limited**

*Certified Public Accountants*

Hong Kong, 22 November 2024

**Del Rosario, Faith Corazon**

Practising Certificate Number P06143

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

		Six months ended 30 September	
	Notes	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>Revenue</b>	5	<b>248,176</b>	237,520
Cost of sales		<u>(203,770)</u>	<u>(227,045)</u>
<b>Gross profit</b>		<b>44,406</b>	10,475
Other income, gains and losses	6	<b>7,042</b>	1,593
Provision of loss allowance of trade receivables and contract assets, net		<b>(134)</b>	(1,378)
Share of (losses)/profits of associates		<b>(10)</b>	76
Selling and distribution expenses		<b>(1,055)</b>	–
Administrative and other expenses		<b>(39,216)</b>	(33,603)
Equity-settled share-based payment expense	26	<b>(33,583)</b>	–
Finance costs	7	<b>(1,784)</b>	(426)
<b>Loss before tax</b>	8	<b>(24,334)</b>	(23,263)
Income tax (expense)/credit	9	<b>(2,298)</b>	139
<b>Loss for the period</b>		<b>(26,632)</b>	<u>(23,124)</u>
Attributable to:			
Owners of the Company		<b>(26,630)</b>	(23,123)
Non-controlling interests		<b>(2)</b>	(1)
<b>Loss for the period</b>		<b>(26,632)</b>	<u>(23,124)</u>
		<b>HK cents</b>	<b>HK cents</b>
<b>Loss per share, attributable to owners of the Company</b>	11		
– Basic		<b>(2.12)</b>	(2.04)
– Diluted		<b>(2.12)</b>	(2.04)

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Loss for the period</b>	<b>(26,632)</b>	(23,124)
<b>Other comprehensive income/(expense) for the period</b>		
<i>Item that will not be reclassified to profit or loss:</i>		
Change in fair value of equity instruments at fair value through other comprehensive income ("FVTOCI")	<u>993</u>	<u>(1,514)</u>
<b>Total comprehensive expense for the period</b>	<b><u>(25,639)</u></b>	<u>(24,638)</u>
<b>Attributable to:</b>		
Owners of the Company	<u>(25,637)</u>	(24,637)
Non-controlling interests	<u>(2)</u>	<u>(1)</u>
<b>Total comprehensive expense for the period</b>	<b><u>(25,639)</u></b>	<u>(24,638)</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	12	19,879	20,235
Right-of-use assets	12	106,675	20,330
Goodwill	13	74,691	74,691
Intangible assets		560	1,400
Interests in associates	14	2,314	2,324
Equity instruments at FVTOCI	15	26,404	25,411
Deposits and other receivables	17	22,543	12,720
Deferred tax assets		1,775	1,775
		<u>254,841</u>	<u>158,886</u>
<b>Current assets</b>			
Inventories		70	45
Trade receivables	16	62,143	60,777
Deposits, prepayments and other receivables	17	341,390	420,471
Contract assets	18	22,943	116,816
Pledged bank deposits		17,876	17,697
Cash and cash equivalents		111,233	49,910
		<u>555,655</u>	<u>665,716</u>
<b>Current liabilities</b>			
Trade and retention money payables	19	80,763	152,663
Accruals and other payables	20	30,417	21,277
Contract liabilities	21	261,272	393,473
Bank borrowing	22	8,305	8,686
Lease liabilities	12	10,219	6,736
Amount due to an associate		323	393
Tax payable		2,661	224
		<u>393,960</u>	<u>583,452</u>
<b>Net current assets</b>		<u>161,695</u>	<u>82,264</u>
<b>Total assets less current liabilities</b>		<u>416,536</u>	<u>241,150</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
<b>Non-current liabilities</b>			
Provision for reinstatement costs		4,000	4,000
Lease liabilities	12	88,068	2,969
Deferred tax liabilities		92	231
		<u>92,160</u>	<u>7,200</u>
<b>NET ASSETS</b>		<u><b>324,376</b></u>	<u>233,950</u>
<b>Capital and reserves</b>			
Share capital	23	12,747	12,550
Reserves	23	311,687	221,456
		<u>324,434</u>	<u>234,006</u>
<b>Equity attributable to owners of the Company</b>		<u><b>324,434</b></u>	<u>234,006</u>
Non-controlling interests		(58)	(56)
		<u>324,376</u>	<u>233,950</u>
<b>TOTAL EQUITY</b>		<u><b>324,376</b></u>	<u>233,950</u>



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Attributable to owners of the Company								
	Share capital HK\$'000 (Note 23)	Share premium HK\$'000 (Note 23)	Fair value reserve HK\$'000 (Note 23)	Capital reserve HK\$'000 (Note 23)	Share-based payments reserve HK\$'000 (Note 26)	Retained earnings/ losses HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
<b>At 1 April 2023 (audited)</b>	9,595	156,470	(3,019)	15,500	-	9,916	188,462	(69)	188,393
Loss for the period	-	-	-	-	-	(23,123)	(23,123)	(1)	(23,124)
Other comprehensive expense for the period									
- Change in fair value of equity instruments at FVTOCI	-	-	(1,514)	-	-	-	(1,514)	-	(1,514)
<b>Total comprehensive expense for the period</b>	<u>-</u>	<u>-</u>	<u>(1,514)</u>	<u>-</u>	<u>-</u>	<u>(23,123)</u>	<u>(24,637)</u>	<u>(1)</u>	<u>(24,638)</u>
Issue of shares under placing arrangements (Note 23)	1,919	51,978	-	-	-	-	53,897	-	53,897
Issue of shares under debt capitalisation (Note 23)	1,036	40,360	-	-	-	-	41,396	-	41,396
Deemed contribution from the ultimate holding company	-	-	-	1,732	-	-	1,732	-	1,732
<b>At 30 September 2023 (unaudited)</b>	<u>12,550</u>	<u>248,808</u>	<u>(4,533)</u>	<u>17,232</u>	<u>-</u>	<u>(13,207)</u>	<u>260,850</u>	<u>(70)</u>	<u>260,780</u>
<b>At 1 April 2024 (audited)</b>	<b>12,550</b>	<b>248,808</b>	<b>2,541</b>	<b>17,232</b>	<b>20,665</b>	<b>(67,790)</b>	<b>234,006</b>	<b>(56)</b>	<b>233,950</b>
Loss for the period	-	-	-	-	-	(26,630)	(26,630)	(2)	(26,632)
Other comprehensive income for the period									
- Change in fair value of equity instruments at FVTOCI	-	-	993	-	-	-	993	-	993
<b>Total comprehensive income/(expense) for the period</b>	<u>-</u>	<u>-</u>	<u>993</u>	<u>-</u>	<u>-</u>	<u>(26,630)</u>	<u>(25,637)</u>	<u>(2)</u>	<u>(25,639)</u>
Issue of shares under placing arrangements (Note 23)	197	82,285	-	-	-	-	82,482	-	82,482
Recognition of equity-settled share-based payments (Note 26)	-	-	-	-	33,583	-	33,583	-	33,583
<b>At 30 September 2024 (unaudited)</b>	<u>12,747</u>	<u>331,093</u>	<u>3,534</u>	<u>17,232</u>	<u>54,248</u>	<u>(94,420)</u>	<u>324,434</u>	<u>(58)</u>	<u>324,376</u>

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>Net cash used in operating activities</b>	<b>(12,307)</b>	<b>(37,743)</b>
<b>Cash flows from investing activities</b>		
Placement of pledged bank deposits	(179)	–
Purchase of property, plant and equipment	(7,364)	(5,263)
Proceeds from disposal of property, plant and equipment	13,563	50
Proceeds from disposal of interest in an associate	–	820
(Repayment to)/advance from an associate	(70)	99
Advance to an independent third party	(13,510)	(7,988)
Repayment from an independent third party	2,887	–
Interest received	1,793	661
<b>Net cash used in investing activities</b>	<b>(2,880)</b>	<b>(11,621)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	82,606	42,963
Interest paid	(1,784)	(171)
Repayments of bank borrowings	(381)	–
Repayments of lease liabilities	(3,807)	(3,293)
Repayment to the ultimate holding company	–	(5,670)
Transaction costs attributable to issue of shares	(124)	(155)
<b>Net cash generated from financing activities</b>	<b>76,510</b>	<b>33,674</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>61,323</b>	<b>(15,690)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>49,910</b>	<b>70,745</b>
<b>Cash and cash equivalents at end of the period</b>	<b>111,233</b>	<b>55,055</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

Envision Greenwise Holdings Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands. Its shares are listed on The Stock Exchange of Hong Kong Limited. The address of its registered office is located at 71 Fort Street, P.O. Box 500, George Town, Grand Cayman KY1-1106, Cayman Islands and its principal place of business in Hong Kong is located at Room 2901 & 09-10, 29/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

The Company is an investment holding company and the principal activities of its subsidiaries are provision of superstructure building and repair, maintenance, alteration and addition (“RMAA”) works service as a main contractor and provision of reverse supply chain management and environmental-related service, including trading of industrial materials.

The immediate and ultimate holding company of the Company is Chun Yip International Investment Limited, a company incorporated in the British Virgin Islands, and Mr. Kwok Chun Sing is the ultimate controlling party of the Company.

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

## 2 BASIS OF PREPARATION

The condensed consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## 3 PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values.

Other than change in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2024 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 March 2024.

### Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual period beginning on or after 1 April 2024 for the preparation of the condensed consolidated financial statements:

Amendment to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 3 PRINCIPAL ACCOUNTING POLICIES (CONT'D)

### Application of amendments to HKFRSs (Cont'd)

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

## 4 SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance focused on the business lines of the Group. The Group's operating segments are classified as (i) Superstructure building and RMAA works service and (ii) Reverse supply chain management and environmental-related service including trading of industrial materials.

These operating segments also represent the Group's reportable segments. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resource allocation and assessment of segment performance for the six months ended 30 September 2024 and 2023 is set out below:

	For the six months ended 30 September 2024 (Unaudited)		
	Superstructure building and RMAA works service HK\$'000	Reverse supply chain management and environmental- related service HK\$'000	Total HK\$'000
Segment revenue (from external customers)	<u>90,733</u>	<u>157,443</u>	<u>248,176</u>
Segment results	<u>26,579</u>	<u>4,742</u>	31,321
Share of losses on associates			(10)
Finance costs			(54)
Equity settled share-based payment expense			(33,583)
Unallocated expenses			<u>(22,008)</u>
Loss before tax			<u>(24,334)</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 4 SEGMENT INFORMATION (Cont'd)

	For the six months ended 30 September 2023 (Unaudited)		
	Superstructure building and RMAA works service HK\$'000	Reverse supply chain management and environmental- related service HK\$'000	Total HK\$'000
Segment revenue (from external customers)	171,430	66,090	237,520
Segment results	(1,568)	(3,184)	(4,752)
Share of profits on associates			76
Finance costs			(361)
Unallocated expenses			(18,226)
Loss before tax			(23,263)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit/(loss) earned by each segment without allocation of unallocated expenses (including certain administrative and other expenses), share of (losses)/profits on associates, equity-settled share-based payment expense and certain finance costs. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM of the Group.

### Geographical information

Information about the Group's revenue from external customers presented based on the geographical location of the customers is as follows:

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Hong Kong	232,342	185,310
The People's Republic of China	15,834	52,210
	<b>248,176</b>	<b>237,520</b>



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 5 REVENUE

The principal activities of the Group are provision of (i) superstructure building and RMAA works service and (ii) reverse supply chain management and environmental-related service, including trading of industrial materials.

### Disaggregation of revenue

An analysis of the Group's revenue from contracts with customers by the timing of revenue recognition recognised during the reporting period is as follows:

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Superstructure building and RMAA works service	<b>90,733</b>	171,430
Reverse supply chain management and environmental-related service	<b>157,443</b>	66,090
	<b>248,176</b>	237,520
<b>Timing of revenue recognition</b>		
Point in time	<b>148,698</b>	54,217
Over time	<b>99,478</b>	183,303
	<b>248,176</b>	237,520

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 6 OTHER INCOME, GAINS AND LOSSES

An analysis of the Group's other income, gains and losses recognised during the reporting period is as follows:

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Bank interest income	332	628
Interest income from advance to an independent third party	1,125	33
Government grants (Note)	216	381
Gain on disposal of property, plant and equipment	5,206	50
Sundry income	92	614
Exchange gain/(loss), net	71	(113)
	<u>7,042</u>	<u>1,593</u>

Note: During the six months ended 30 September 2024, government grants are related to the SME Export Marketing Fund amounted approximately HK\$216,000 (2023: government grants are related to the Research and Development Cash Rebate Scheme amounted approximately HK\$381,000). The Group has elected to present the government subsidies separately, rather than reducing the related expense.

## 7 FINANCE COSTS

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest expenses		
– promissory note	–	255
– bank borrowings	155	–
– lease liabilities	1,629	171
	<u>1,784</u>	<u>426</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 8 LOSS BEFORE TAX

Loss before tax is arrived at after charging:

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	<b>2,308</b>	2,641
Depreciation of right-of-use assets	<b>6,895</b>	3,834
Amortisation of intangible assets	<b>840</b>	1,215
Employee benefit expenses (including directors' remuneration)		
– Wages and salaries	<b>20,711</b>	13,635
– Equity-settled share-based payment expense	<b>33,583</b>	–
– Contributions to defined contribution retirement plans	<b>386</b>	458
– Others	<b>47</b>	49
	<b>54,727</b>	14,142
Cost of inventories recognised as an expense	<b>140,796</b>	53,584
Short-term lease expenses	–	35
Provision/(reversal) of loss allowance for		
– trade receivables	<b>426</b>	856
– contract assets	<b>(292)</b>	522

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 9 INCOME TAX (EXPENSE)/CREDIT

The Group is subject to income tax on profits arising in or derived from Hong Kong, being its principal place of business. The income tax (expense)/credit in the condensed consolidated statement of profit or loss and other comprehensive income during the reporting period represents:

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current income tax-Hong Kong profits tax		
Charged to profit or loss	(2,437)	–
Deferred tax		
Credited to profit or loss	139	139
	<u>139</u>	<u>139</u>
Total income tax (charged)/credit for the period	<u>(2,298)</u>	<u>139</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

For the six months ended 30 September 2024, Hong Kong profits tax is calculated at 8.25% on the estimated assessable profits of one of the subsidiaries of the Company. The profits of other group entities not qualified for the two-tier profits tax regime will continue to be taxed at a flat rate of 16.5%.

No provision for Hong Kong Profits Tax has been made for the six months ended 30 September 2023 as the group entities did not have any assessable profits subject to Hong Kong Profits Tax during the period.

## 10 DIVIDEND

No dividend was paid, declared or proposed during both interim periods. During the six months ended 30 September 2024, the directors do not recommend the payment of an interim dividend (2023: nil).

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 11 LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company are based on the following data:

	Six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
<b>Loss per share</b>		
Loss for the period attributable to owners of the Company for the purposes of basic loss per share (HK\$'000)	<u>(26,630)</u>	<u>(23,123)</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic loss per share	<u>1,256,229,433</u>	<u>1,132,557,722</u>

For the six months ended 30 September 2024, the calculation of the basic loss per share is based on the loss attributable to owners of the Company of approximately HK\$26,630,000 (2023: approximately HK\$23,123,000) and the weighted average number of ordinary shares of 1,256,229,433 (2023: 1,132,557,722).

The Company's share award as at 30 September 2024 have an anti-dilutive effect to the loss per share and there are no other dilutive potential ordinary shares in existence during the six months ended 30 September 2024, and hence diluted loss per share is the same as the basic loss per share (six months ended 30 September 2023: no dilution of shares).

## 12 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 September 2024, the Group acquired property, plant and equipment with a total cost of approximately HK\$8,221,000 (six months ended 30 September 2023: approximately HK\$5,263,000).

During the six months ended 30 September 2024, the Group disposed property, plant and equipment with net carrying amount of approximately HK\$8,357,000 (six months ended 30 September 2023: nil) at a consideration of approximately HK\$13,563,000 (six months ended 30 September 2023: HK\$50,000). Gain on disposal of property, plant and equipment of approximately HK\$5,206,000 (six months ended 30 September 2023: HK\$50,000) has been recognised in "other income, gains and losses" in the condensed consolidated statement of profit or loss and other comprehensive income during the period.

During the six months ended 30 September 2024, the Group entered into a lease agreement for use of leasehold land located in Hong Kong, which resulted in additions of right-of-use assets and lease liabilities of approximately HK\$79,093,000 and HK\$76,154,000 respectively (six months ended 30 September 2023: nil and nil). Further, the Group recognised right-of-use assets and lease liabilities of HK\$16,235,000 and HK\$16,235,000 respectively (six months ended 30 September 2023: nil and nil), respectively, in relation to lease modification during the period.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 13 GOODWILL

HK\$'000

### Carrying amount

At 1 April 2023 (audited), 31 March 2024 (audited), 1 April 2024 (audited) and 30 September 2024 (unaudited)

74,691

Goodwill has been allocated for impairment testing purpose to the following CGUs.

- Reverse supply chain management business in Hong Kong (“**Division A**”)
- Environmental-related service business in Hong Kong (“**Division B**”)

The carrying amount of goodwill as at 30 September 2024 and 31 March 2024 allocated to these CGUs are as below:

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Division A	<b>53,197</b>	53,197
Division B	<b>21,494</b>	21,494
	<b><u>74,691</u></b>	<u>74,691</u>

During the current interim period, the directors of the Company considered that no impairment of goodwill is required (six months ended 30 September 2023: nil).

## 14 INTERESTS IN ASSOCIATES

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Carrying amount	<b><u>2,314</u></b>	<u>2,324</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 14 INTERESTS IN ASSOCIATES (Cont'd)

The following table contains the particulars of associates, which are unlisted corporate entities whose quoted market price is not available:

Name of associate	Place of incorporation/ registration and operation	Particulars of issued and paid-up capital/ registered share capital	Proportion of ownership interest		Principal activities
			30 September 2024	31 March 2024	
晋揚(深圳) 新能源生態有限公司	The PRC	Registered capital RMB52,000,000	<b>40%</b>	40%	Provision of data destruction services
China Resources Chun Yang Technology Company Limited	Hong Kong	2,000,000 ordinary shares	<b>29%</b>	29%	Provision of data destruction services
Gotion Evs Greenwise Low Carbon Research Institute Limited	Hong Kong	10,000 ordinary shares	<b>49%</b>	49%	Research and development of energy storage products and other low-carbon technology applications

Pursuant to the articles of association, the Group only has significant influence on these entities as the other shareholder of each of these entities has the enough voting power to control and operate these entities. Thus, these entities are accounted for as associates by the Group.

All of the above associates are accounted for using the equity method in the consolidated financial statements.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 15 EQUITY INSTRUMENTS AT FVTOCI

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Listed shares in Hong Kong, at fair value (Note (a))	<b>3,147</b>	2,684
Unlisted investment fund in Hong Kong, at fair value (Note (b))	<b>23,257</b>	22,727
	<b>26,404</b>	25,411

Notes:

- (a) The above listed equity investments represent ordinary shares of an entity listed in Hong Kong. These investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI. Changes in fair value are recognised in the other comprehensive income as they arise.

The fair value of the listed equity investments is measured using quoted market price available on the Stock Exchange which was a level 1 input in terms of HKFRS 13 Fair Value Measurement.

- (b) The above unlisted equity investments represent the Group's equity interest in a private investment fund established in Hong Kong. These investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI. Changes in fair value are recognised in the other comprehensive income as they arise.

The fair value of the unlisted equity investments is measured using adjusted net assets approach which was a level 3 input in terms of HKFRS 13 Fair Value Measurement.

## 16 TRADE RECEIVABLES

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Trade receivables	<b>62,953</b>	61,161
Less: loss allowance	<b>(810)</b>	(384)
	<b>62,143</b>	60,777

The Group grants an average credit period of 30 days to its trade customers of contract works. Application for progress payments of contract works is made on a regular basis. The Group grants the credit period of 30 to 60 days for its customers of its reverse supply chain management and environmental-related service business.

Trade receivables are non-interest bearing and the Group does not hold any collateral or other credit enhancements over these balances.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 16 TRADE RECEIVABLES (Cont'd)

The following is an analysis of trade receivables (net of loss allowance) by age, presented based on the invoice dates:

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Within 30 days	16,690	37,180
31 to 90 days	41,395	11,721
91 to 120 days	555	4,316
121 to 365 days	3,503	7,560
	<u>62,143</u>	<u>60,777</u>

## 17 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
<b>Non-current</b>		
Deposits	10,268	9,588
Deposits paid for property, plant and equipment	–	857
Advance to an independent third party	12,275	2,275
	<u>22,543</u>	<u>12,720</u>
<b>Current</b>		
Trade deposits	265,421	391,550
Other deposits	2,654	2,245
Prepayments	18,847	10,354
Advance to an independent third party	12,436	11,813
Other receivables	42,032	4,509
	<u>341,390</u>	<u>420,471</u>
<b>Total</b>	<u>363,933</u>	<u>433,191</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 17 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Cont'd)

As at 30 September 2024, included in deposits of approximately HK\$7,939,000 (31 March 2024: HK\$7,939,000) represents deposits paid to the Government of the Hong Kong Special Administrative Region for the 20-year lease of land use rights in Hong Kong.

The balances of other receivables are unsecured, interest-free and repayable on demand. The Group's other receivables were neither past due nor impaired as at 30 September 2024 and 31 March 2024.

As at 30 September 2024, included in other receivables are balances of HK\$39,000 (31 March 2024: HK\$237,000) due from a related party, which is a company wholly-owned by a director of the Group. The amounts are unsecured, interest-free and repayable on demand.

Included in trade deposits of approximately HK\$258,714,000 (31 March 2024: HK\$258,714,000) and HK\$6,707,000 (31 March 2024: HK\$132,836,000) represents deposits paid to certain suppliers to secure the procurement of industrial materials and black mass from recycled batteries at a later time of the year. The Group has received deposits from its customers in relation to the purchase of industrial materials and black mass from recycled batteries, with an amount of approximately HK\$260,642,000 (31 March 2024: HK\$260,642,000) and HK\$630,000 (31 March 2024: HK\$132,831,000) respectively and were recognised as contract liabilities as at 30 September 2024 (Note 21).

The trade deposits and contract liabilities are both expected to be realised as purchases and sales within one year.

As at 30 September 2024, the Group has provided an advance to an independent third party with the amount of approximately HK\$24,711,000 (31 March 2024: HK\$14,088,000) where its principal activities belongs to research and development of smart recycling bin. This advance is denominated in Hong Kong dollars, unsecured, interest bearing at 10% per annum and repayable according to schedule. Interest income of approximately HK\$1,125,000 (six months ended 30 September 2023: HK\$33,000) has been recognised in "other income, gains and losses" in the condensed consolidated statement of profit or loss and other comprehensive income during the period.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 18 CONTRACT ASSETS

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Contract assets arising from construction services	<b>23,012</b>	117,177
Less: loss allowance	<b>(69)</b>	(361)
Contract assets (Note)	<b>22,943</b>	116,816

Note: The Group's construction contracts include payment schedules which require stage payments over the construction period once milestones are reached. Additionally, the Group typically agrees one to three years of retention period for 5% of the contract sum, which is recognised as contract assets until the end of the retention period as the Group's entitlement to it is conditional upon the satisfactory completion of the inspection of the Group's work.

## 19 TRADE AND RETENTION MONEY PAYABLES

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Trade payables	<b>59,405</b>	124,684
Retention money payables (Note)	<b>21,358</b>	27,979
	<b>80,763</b>	152,663

Note: Retention monies from sub-contractors of contract works are released by the Group after the completion of maintenance period of the relevant contracts or in accordance with the terms specified in the relevant contracts.

An aging analysis of trade payables as at the end of the reporting period, based on the invoice dates, is as follows:

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Within 30 days	<b>14,500</b>	38,269
31 to 90 days	<b>18,238</b>	9,145
91 to 120 days	<b>2,443</b>	1,082
121 to 365 days	<b>20,419</b>	72,793
More than one year	<b>3,805</b>	3,395
	<b>59,405</b>	124,684

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 20 ACCRUALS AND OTHER PAYABLES

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Accruals	10,960	5,212
Other payables	6,071	5,633
Provision for contracting costs	11,979	7,384
Deposit received	1,407	3,048
	<u>30,417</u>	<u>21,277</u>

## 21 CONTRACT LIABILITIES

As at 30 September 2024, included in contract liabilities is a trade deposits of approximately HK\$260,642,000 (31 March 2024: HK\$260,642,000) received by the Group from customers for the sales of industrial materials, the Group receives the deposits before the industrial materials are delivered, which give rise to contract liabilities until revenue is recognised.

As at 30 September 2024, included in contract liabilities is a trade deposits of approximately HK\$630,000 (31 March 2024: HK\$132,831,000) received by the Group from customers for the sales of black mass from recycled batteries, the Group receives the deposits before the black mass from recycled batteries are delivered, which give rise to contract liabilities until revenue is recognised.

All contract liabilities is expected to be recognised as revenue within one year.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 22 BANK BORROWING

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
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Interest-bearing borrowing - unsecured	<b>8,305</b>	<b>8,686</b>
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	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
--	---	---

The carrying amounts are repayable\*:

Within one year	<b>786</b>	772
Within a period of more than one year but not exceeding two years	<b>815</b>	801
Within a period of more than two years but not exceeding five years	<b>2,630</b>	2,582
Within a period of more than five years	<b>4,074</b>	4,531
	<b>8,305</b>	<b>8,686</b>

\* The amount due is based on scheduled repayment dates set out in the loan agreement. However, as the bank borrowing contained a repayable on demand clause and therefore the Group's bank borrowing is classified as current liabilities.

The weighted average effective interest rate per annum of the interest bearing borrowing as at 30 September 2024 is approximately 3.625% (31 March 2024: 3.625%).

The borrowing is in Hong Kong dollars.

The interest-bearing borrowing is guaranteed by Mr. Kwok Chun Sing, the ultimate controlling party of the Company.

The Group regularly monitors its compliance with these covenants and does not consider it is probable that the banks will exercise their discretion to demand repayment so long as the Group continues to make payments according to the schedule of the loans. As at 30 September 2024, none of the covenants relating to drawn down facilities had been breached.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 23 SHARE CAPITAL AND RESERVES

### Share capital

	Number of shares	Amount HK\$'000
<b>Authorised:</b>		
Ordinary shares of HK\$0.01 each		
At 1 April 2023 (audited)	1,500,000,000	15,000
Increase in authorised share capital (Note (a))	1,500,000,000	15,000
	<u>3,000,000,000</u>	<u>30,000</u>
At 31 March 2024 (audited), 1 April 2024 (audited) and 30 September 2024 (unaudited)		
	<u>3,000,000,000</u>	<u>30,000</u>
<b>Issued and fully paid:</b>		
Ordinary shares of HK\$0.01 each		
<b>At 1 April 2023 (audited)</b>	959,487,500	9,595
Issue of shares (Note (b) and (c))	191,890,000	1,919
Issue of shares under debt capitalisation (Note (d))	103,650,000	1,036
	<u>1,255,027,500</u>	<u>12,550</u>
<b>At 31 March 2024 (audited) and 1 April 2024 (audited)</b>		
	<u>1,255,027,500</u>	<u>12,550</u>
Issue of shares (Note (e))	19,668,000	197
	<u>1,274,695,500</u>	<u>12,747</u>
<b>At 30 September 2024 (unaudited)</b>		
	<u>1,274,695,500</u>	<u>12,747</u>

#### Notes:

- (a) Pursuant to a resolution passed on 28 September 2023, the Company approved the increase in authorised share capital of the Company from HK\$15,000,000 divided into 1,500,000,000 ordinary shares of HK\$0.01 each to HK\$30,000,000 divided into 3,000,000,000 ordinary shares of HK\$0.01 each.
- (b) On 11 April 2023, the Company placed an aggregate of 45,000,000 new shares to independent third parties at the placing price of HK\$0.4 per placing share. The gross proceeds of the placing were approximately HK\$18,000,000. The net proceeds of the placing were approximately HK\$17,989,000 after deducting the relevant expenses for the placing. Details of this share placing are set out in the Company's announcements dated 21 March 2023, 23 March 2023 and 11 April 2023.
- (c) On 1 August 2023, the Company placed an aggregate of 146,890,000 new shares to independent third parties, at the placing price of HK\$0.245 per placing share. The gross proceeds of the placing were approximately HK\$35,988,000. The net proceeds of the placing were approximately HK\$35,908,000 after deducting the relevant expenses for the placing. Details of this share placing are set out in the Company's announcements dated 20 July 2023 and 1 August 2023.
- (d) On 21 March 2023, the Company and the ultimate holding company of the Company entered into the subscription and debt capitalisation agreement pursuant to which the ultimate holding company agreed to subscribe for, and the Company agreed to allot and issue 103,650,000 capitalisation shares ("Capitalisation Share") at the capitalisation price of HK\$0.4 per Capitalisation Share to settle the promissory notes at a sum of HK\$41,460,000 ("Debt Capitalisation"). On 15 May 2023, the Debt Capitalisation was completed. The net amounts of the Debt Capitalisation were approximately HK\$41,396,000 after deducting the relevant expenses for the Debt Capitalisation. Details of this Debt Capitalisation are set out in the Company's announcements dated 21 March 2023, 13 April 2023 and 15 May 2023 and the circular dated 14 April 2023.
- (e) On 20 September 2024, the Company placed an aggregate of 19,668,000 new shares to independent third parties, at the placing price of HK\$4.2 per placing share. The gross proceeds of the placing were approximately HK\$82,606,000. The net proceeds of the placing were approximately HK\$82,482,000 after deducting the relevant expenses for the placing. Details of this share placing are set out in the Company's announcements dated 20 September 2024.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 23 SHARE CAPITAL AND RESERVES (Cont'd)

### Reserves

Details of movements of the Group's reserves are set out in the condensed consolidated statement of changes in equity on page 13.

#### (i) Share premium

Share premium is the excess of the proceeds received over the nominal value of the shares of the Company issued at a premium, less the amount of expenses incurred in connection with the issue of the shares.

#### (ii) Capital reserve

Capital reserve represents the aggregate of the share capital of Head Fame Company Limited and investment from pre-IPO investors amounted to HK\$15,500,000 and the waiver of interest expenses on promissory notes issued to the ultimate holding company by the ultimate holding company of HK\$1,732,000 which was considered as a deemed contribution from the ultimate holding company.

#### (iii) Retained earnings/accumulated losses

Retained earnings/accumulated losses represent the cumulative profit or loss recognised.

#### (iv) Fair value reserve

The fair value reserve comprises the cumulative net change in the equity instruments of financial assets measured at FVTOCI at the end of the reporting period.

## 24 RELATED PARTY TRANSACTIONS

### Key management personnel remuneration

The remuneration of key management personnel of the Group during the period was as follows:

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Salaries and short-term benefits	3,946	1,582
Equity-settled share-based payment expense	18,603	–
Post-employment benefits	27	18
	<u>22,576</u>	<u>1,600</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 25 LITIGATION

At the end of the reporting period, the Group was a defendant in a number of claims, lawsuits and potential claims relating to employee's compensation cases and personal injury claims. In the opinion of the directors, the possibility of any outflow of resources in settling these claims is remote and accordingly no provision for liabilities in respect of these litigation is necessary.

## 26 SHARE AWARD SCHEME

### Share award scheme

The Company's share award scheme (the "Scheme") was adopted pursuant to a resolution passed on 28 September 2023 for providing incentives to eligible employees, related entities and service providers and will expire on 27 September 2033. The purpose of the Scheme is to recognise and acknowledge the contribution which the eligible participants have made or may make to the Group.

On 12 October 2023, the Company granted 86,940,000 awarded shares ("Awarded Shares") to 5 senior management and 2 service providers of the Group (the "Grantees") in accordance with the terms of the Scheme. Details of the Awarded Shares are set out in the Company's announcement dated 12 October 2023.

A total of 86,940,000 new shares shall be issued for the purpose of satisfying the awarded shares. The maximum aggregate number of ordinary shares underlying all grants made pursuant to the Scheme (excluding ordinary shares which have been forfeited in accordance with the Scheme) will not exceed 86,940,000, being 6.93% of the existing issued share capital of the Company as at 12 October 2023 and 6.48% of the issued share capital as enlarged by the awarded shares assuming that all the Awarded Shares are fully allotted and issued by the Company to the Grantees.

The Awarded Shares under the Scheme are subject to performance targets so as to achieve the purpose of the Scheme. The performance targets are imposed on a case-by-case basis with reference to the performance of the Grantees and/or the operating or financial performance of the Group and/or such other performance targets to be determined by the board of directors or person delegated by the board of directors in its absolute discretion from time to time.

Subject to the satisfaction of the performance targets applicable to the Awarded Shares to each Grantee, the Awarded Shares will be transferred to such Grantee in accordance with the Scheme. In any event, the Awarded Shares granted under the Scheme shall be held for not less than 12 months before being vested on the Grantees. The Awarded Shares is subject to a lock up period for 6 months after vesting and a general clawback mechanism as set out in the circular of the Company dated 6 September 2023.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 26 SHARE AWARD SCHEME (Cont'd)

### Share award scheme (Cont'd)

Each grant of an award to any director of the Company or the chief executive officer shall be subject to the prior approval of the independent non-executive directors (excluding any independent non-executive directors who is a proposed recipient of the grant of share award). The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules for any grant of shares to connected persons of the Company.

The movements of share-based payment reserve was as follows:

	HK\$'000
At 1 April 2023 (audited)	–
Equity-settled share-based expenses	<u>20,665</u>
At 31 March 2024 (audited) and 1 April 2024 (audited)	20,665
Equity-settled share-based expenses	<u>33,583</u>
<b>At 30 September 2024 (unaudited)</b>	<b><u>54,248</u></b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 26 SHARE-BASED PAYMENTS (Cont'd)

### Share award scheme

The following tables disclose movements in the Company's share awards under the Scheme during the reporting period:

	Date of grant	Vesting date	Granted during the year ended 31 March 2024	Number of share awards outstanding at 1 April 2024	Vested during the period	Lapsed during the period	Number of share awards outstanding at 30 September 2024
			(audited)	(audited)	(unaudited)	(unaudited)	(unaudited)
<b>Directors</b>							
Mr. Kwok Chun Sing	12 October 2023	11 October 2024	12,420,000	12,420,000	-	-	12,420,000
Mr. Zhan Zhi Hao	12 October 2023	11 October 2024	12,420,000	12,420,000	-	-	12,420,000
Mr. Tang Chi Kin	12 October 2023	11 October 2024	8,280,000	8,280,000	-	-	8,280,000
	12 October 2023	30 September 2025	4,140,000	4,140,000	-	-	4,140,000
Ms. Kwok Ho Yee*	12 October 2023	11 October 2024	12,420,000	12,420,000	-	-	12,420,000
Directors in aggregate			49,680,000	49,680,000	-	-	49,680,000
<b>Employee<sup>#</sup></b>							
	12 October 2023	11 October 2024	8,280,000	8,280,000	-	-	8,280,000
	12 October 2023	30 September 2025	4,140,000	4,140,000	-	-	4,140,000
Employee in aggregate			12,420,000	12,420,000	-	-	12,420,000
<b>Services providers</b>							
	12 October 2023	11 October 2024	8,280,000	8,280,000	-	-	8,280,000
	12 October 2023	30 September 2025	4,140,000	4,140,000	-	-	4,140,000
	12 October 2023	11 October 2024	4,140,000	4,140,000	-	-	4,140,000
	12 October 2023	31 March 2025	4,140,000	4,140,000	-	-	4,140,000
	12 October 2023	30 September 2025	4,140,000	4,140,000	-	-	4,140,000
Services providers in aggregate			24,840,000	24,840,000	-	-	24,840,000
Total			86,940,000	86,940,000	-	-	86,940,000

\* On 12 October 2023, 12,420,000 Awarded Shares were granted to Ms. Kwok Ho Yee as being an employee and chief operating officer of the Group. On 12 December 2023, Ms. Kwok Ho Yee was appointed as an executive director of the Company.

# On 12 October 2023, 12,420,000 Awarded Shares were granted to Mr. Guo Jinbao (being the brother of Mr. Kwok Chun Sing). Mr. Guo Jinbao is connected person of the Company.

The closing price of the Company's shares immediately before the grant of share awards on 12 October 2023 were HK\$0.72 per share. The fair value of the Awarded Shares as at 12 October 2023 were HK\$0.72 per share, calculated based on the fair value of the equity instruments as at 12 October 2023.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 27. FAIR VALUE MEASUREMENT

### Financial assets and liabilities measured at fair value

#### Fair value hierarchy

The following table provides an analysis of financial instruments measured at fair value. The classification is based on the degree to which the key inputs used in the fair value measurements are observable and the significance of adjustments to the key inputs used in the fair value measurements.

Financial assets	Fair value at 30 September 2024 HK\$'000	Fair value measurement as at 30 September 2024 categorised into		
		Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
<b>Equity instruments at FVTOCI</b>				
Equity security, listed	3,147	3,147	–	–
Investment fund, unlisted	23,257	–	–	23,257

Financial assets	Fair value at 31 March 2024 HK\$'000	Fair value measurement as at 31 March 2024 categorised into		
		Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
<b>Equity instruments at FVTOCI</b>				
Equity security, listed	2,684	2,684	–	–
Investment fund, unlisted	22,727	–	–	22,727

Reconciliation of the opening and closing balance of financial instruments classified as level 3 fair value hierarchy is provided as follows:

	HK\$'000
<b>Equity instruments at FVTOCI – investment fund, unlisted</b>	
At 1 April 2023	12,997
Change in fair value	(302)
At 30 September 2023	12,695
At 1 April 2024	22,727
Change in fair value	530
<b>At 30 September 2024</b>	<b>23,257</b>



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 27. FAIR VALUE MEASUREMENT (Cont'd)

### Financial assets and liabilities measured at fair value (Cont'd)

#### Fair value hierarchy (Cont'd)

#### Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements:

The Group's chief financial officer is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The chief financial officer reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the chief financial officer and the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

Description	Valuation technique	Significant unobservable inputs	Fair value as at 30 September 2024 HK\$'000
Investment funds, unlisted	Adjusted net asset approach	Book value of assets and liabilities of the investees adjusted to their fair value	HK\$23,257 (31 March 2024: HK\$22,727)

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group principally provides superstructure building and RMAA works service as a main contractor in Hong Kong. It also engaged the business of reverse supply chain management and environmental-related service.

Superstructure building works refer to the building works in relation to the parts of the structure above the ground level and the scope of the Group's superstructure building works contracts mostly consists of development projects for residential and commercial buildings. RMAA works refer to the repair, maintenance, alteration and addition works for an existing structure. Reverse supply chain management and environmental-related service refers to the recycling of materials including but not limited to retired EV batteries, and using self-developed technologies to re-engineer the batteries to battery energy storage system to provide electricity for the equipment in construction sites.

The Group's revenue for the six months ended 30 September 2024 amounted to approximately HK\$248.2 million, representing an increase of approximately HK\$10.7 million, or 4.5% compared to approximately HK\$237.5 million for the six months ended 30 September 2023. The increase in total revenue was mainly attributable to the revenue increased in reverse supply chain management and environmental-related service of approximately HK\$91.4 million, which was offset by the decrease from superstructure building and RMAA works of approximately HK\$80.7 million.

### Superstructure building and RMAA works service

During the six months ended 30 September 2024, there were 2 (2023: 5) superstructure building works projects and 1 (2023: 1) RMAA works projects contributing revenue of approximately HK\$90.7 million (2023: approximately HK\$171.4 million) to this business segment.

### Reverse supply chain management and environmental-related service

During the six months ended 30 September 2024, revenue of approximately HK\$157.4 million (2023: approximately HK\$66.0 million) was generated from this business segment.

Looking ahead, the Group is optimistic about our future development, especially in reverse supply chain management and environmentally related services, which the Group commenced during the financial year ended 31 March 2023. In its second financial year, the Group recorded a significant increase in revenue for the financial year ended 31 March 2024. As disclosed in previous announcements related to our business updates, including but not limited to the proposed cooperation with European collaborators and future operations at Ecopark, the Group will seize these opportunities and believes its performance could improve even further.

Although the Group experienced a loss for the six months ended 30 September 2024, it considers this to be a necessary investment in its overall development. Furthermore, when excluding certain one-off expenses that do not reflect the ongoing operating performance of the business, the Group's results indicate a positive turnaround, transitioning from a loss to profitability as evidenced by the Adjusted EBITDA. In the long run, the Group believes that reverse supply chain management and environmentally related services, where green business and environmental protection are undoubtedly global trends, will be essential segments for the Group. In addition to the existing superstructure building and RMAA works services, both segments could contribute significantly to the Group's performance in the future.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

The Group's revenue for the six months ended 30 September 2024 amounted to approximately HK\$248.2 million, representing an increase of approximately HK\$10.7 million or 4.5% as compared to approximately HK\$237.5 million for the six months ended 30 September 2023. The increase in revenue was mainly attributable to (i) an increase in reverse supply chain management and environmental-related service of approximately HK\$91.4 million, offset by (ii) a decrease in revenue from superstructure building and RMAA works of approximately HK\$80.7 million. The decrease in revenue from superstructure buildings and RMAA works was primarily due to a reduction in recognised revenue, with two sizeable projects for the six months ended 30 September 2024 as compared to five projects for the six months ended 30 September 2023. In response to this decline, the Group will continue to explore business opportunities in both segments to enhance future growth.

### Gross Profit and Gross Profit Margin

The gross profit of the Group for the six months ended 30 September 2024 amounted to approximately HK\$44.4 million, representing an increase of approximately HK\$33.9 million, or 323.9% compared to approximately HK\$10.5 million for the six months ended 30 September 2023. The overall gross profit margin for the six months ended 30 September 2024 increase to approximately 17.9% as compared to approximately 4.4% for the six months ended 30 September 2023. The significant increase in gross profit margin was primarily due to the profitable gross profit generated from the reverse supply chain management and environmental-related service segment. Additionally, a significant decrease in costs was achieved through the adoption of better cost control measures in the superstructure building and RMAA segment, resulting in an overall improvement in gross margin.

### Other Income, Gains and Losses

The other income, gains and losses of the Group for the six months ended 30 September 2024 amounted to approximately HK\$7.0 million, as compared to approximately HK\$1.6 million for the six months ended 30 September 2023, which mainly comprised of (i) gain on disposal of property, plant and equipment of approximately HK\$5.2 million; and (ii) interest income from advance to an independent third party of approximately HK\$1.1 million.

### Operating Expenses

Total operating expenses of the Group for the six months ended 30 September 2024 amounted to approximately HK\$73.9 million, representing an increase of approximately HK\$40.3 million or 120.0% compared to approximately HK\$33.6 million for the six months ended 30 September 2023. The significant increase was mainly attributed to (i) selling and distribution expenses of approximately HK\$1.1 million incurred from the trading of industrial materials business in reverse supply chain and environmental-related services segment; (ii) an increase in depreciation on right-of-use assets of approximately HK\$3.1 million; and (iii) equity-settled share-based payment expenses of approximately HK\$33.6 million related to the grant of share awards by the Company under the share award scheme adopted by the Company on 28 September 2023.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Loss Attributable to Owners of the Company

The Group reported loss attributable to owners of the Company of approximately HK\$26.6 million for the six months ended 30 September 2024, an increase of approximately HK\$3.5 million, as compared to a loss of approximately HK\$23.1 million for the six months ended 30 September 2023.

## Non-HKFRS measures

To supplement our consolidated financial statements, which are presented in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, the Company also assesses the operating performance based on a measure of adjusted earnings before interest, tax, depreciation and amortisation (the "EBITDA") as additional financial measures. By means of these financial measures, the management of the Group is able to evaluate the Group's financial performance regardless of the items that are not indicative of performance.

## Adjusted EBITDA

For the six months ended 30 September 2024, the Group incurred some one-off expenses, which are not indicative of the operating performance of its business. Therefore, the Group arrives at an Adjusted EBITDA by eliminating the effects of certain non-cash or non-recurring items of the Group, which include (i) equity-settled share-based payment expenses; (ii) depreciation of plant and equipment and right-of-use assets; (iii) amortisation of intangible assets; (iv) provision for impairment loss in respect of receivables; and (iv) finance costs.

	2024	2023
	HK\$'000	HK\$'000
<b>Loss before tax</b>	<b>(24,334)</b>	(23,263)
<b>Adjustments:</b>		
Equity-settled share-based expenses	33,583	–
Depreciation of plant and equipment	2,308	2,641
Depreciation of right-of-use assets	6,895	3,834
Amortization of intangible assets	840	1,215
Gain on disposal of plant and equipment	(5,206)	(50)
Provision of impairment loss in respect of trade receivables	426	856
(Reversal)/provision of impairment loss in respect of contract assets	(292)	522
Share of losses/(profits) of associates	10	(76)
Finance costs	1,784	426
Exchange (gain)/loss, net	(71)	113
<b>Adjusted EBITDA</b>	<b>15,943</b>	(13,782)

As shown above, the Group's Adjusted EBITDA has turned around from a loss of approximately HK\$13.8 million for the six months ended 30 September 2023 to a profit of approximately HK\$15.9 million for the six months ended 30 September 2024.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Liquidity, Financial Resources and Capital Structure

As at 30 September 2024, the Group had cash and cash equivalents, and pledged bank deposits amounting to approximately HK\$129.1 million (31 March 2024: approximately HK\$67.6 million).

Current ratio (total current assets: total current liabilities) increased from approximately 1.1 as at 31 March 2024 to approximately 1.4 as at 30 September 2024, mainly due to decrease in trade and retention money payables and contract liabilities. Gearing ratio was 2.7% as at 30 September 2024 (31 March 2024: 3.9%).

The capital structure of the Group consisted of equity of approximately HK\$324.4 million (31 March 2024: approximately HK\$234.0 million) and debts of approximately HK\$8.6 million (31 March 2024: approximately HK\$9.1 million).

## Treasury Policy

The Group adopts a prudent approach in cash management. Apart from certain debts including leases liabilities, the Group did not have any material outstanding debts as at 30 September 2024. Surplus cash is generally placed in short term deposits with licensed bank in Hong Kong.

## Foreign Exchange Exposure

The Group only operates in Hong Kong and mainly earns revenue and incurs costs in Hong Kong dollars and US dollars. Foreign exchange exposure of the Group is minimal so long as the Hong Kong SAR Government's policy to link the Hong Kong dollars to the US dollars remains in effect. The Board is of the view that the Group's foreign exchange rate risks are insignificant during the six months ended 30 September 2024.

## Capital Expenditures

Total capital expenditure for the six months ended 30 September 2024 was approximately HK\$8.2 million (six months ended 30 September 2023: approximately HK\$5.3 million) on acquisition of property, plant and equipment.

## Capital Commitments and Contingent Liabilities

As at 30 September 2024, the Group had no significant capital commitments.

Save as disclosed in Note 25 to the condensed consolidated financial statements in this interim report, the Group had no other contingent liabilities as at 30 September 2024.

## Significant Investment Held, Acquisition and Disposal

Except for investment in its subsidiaries, the Group did not hold any significant investments during the six months ended 30 September 2024.

Save as disclosed in Note 14 to the condensed consolidated financial statements in this interim report, there were no material acquisitions or disposals of subsidiaries, associates and joint ventures by the Group during the six months ended 30 September 2024.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Charges on Assets

As at 30 September 2024, the Group had bank facilities which pledged by the bank deposits as a security for issuance of a non-interest bearing surety bond for construction contract of the Group.

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2024, the Group employed a total of 59 employees (including executive Directors), as compared to a total of 45 employees as at 31 March 2024. The total salaries and related costs (including Directors' remuneration) for the six months ended 30 September 2024 were approximately HK\$54.7 million (six months ended 30 September 2023: approximately HK\$14.1 million). The remuneration package of the Group offered to the employees includes salary, bonuses, equity-settled share-based payment and other cash subsidies. In general, the Group would determine each employee's salaries based on their qualifications, position and seniorities. The Group has devised an annual review system to assess the performance of the employees, which forms the basis of the decisions with respect to salary raises, distribution of bonuses and promotions.

The emoluments of the Directors are decided by the Board and recommended by the remuneration committee of the Company, having considered the factors such as the Group's financial performance, the individual performance of the Directors and comparable market statistics, etc.

The Company has adopted a share option scheme (which was terminated on 28 September 2023) and share award scheme (which was adopted on 28 September 2023) as an incentives and rewards to Directors and eligible employees for their contribution to the Group.

## INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: nil).

## SHARE AWARD SCHEME

The Company's share award scheme (the "Scheme") was adopted pursuant to a resolution passed on 28 September 2023 for providing incentives to eligible employees, related entities and service providers (the "Eligible Participants") and will expire on 27 September 2033.

On 12 October 2023, the Company grant 86,940,000 awarded shares to 5 senior management and 2 service providers of the Group in accordance with the terms of the Scheme. Details of the awarded shares are set out in the Company's announcement dated 12 October 2023. No other award shares are granted to the Eligible Participants up to the date of this report.



# MANAGEMENT DISCUSSION AND ANALYSIS

## ACQUISITION OF RIGHT-OF-USE ASSET FOR LEASE OF LOTS T2 AND T3 IN ECOPARK

On 13 May 2024, Chun Yang International (HK) Company Limited, a wholly-owned subsidiary of the Company, has entered into the lease (the "Lease") with the Chief Executive on behalf of the Government of the Hong Kong Special Administrative Region pursuant to an award of tender lease for Lots T2 and T3 in EcoPark in April 2024. Pursuant to the Lease, the term of the Lease is 20 years and the leased area is approximately 9,420m<sup>2</sup>.

EcoPark, Hong Kong's first green recycling-business park, is a facility of the Environmental Protection Department of Hong Kong specially constructed for green recycling industry. The Lease of 20 years will provide business continuation for the Group in green industry and is in the ordinary and usual course of business of the Group. Considering the business and development strategy of the Group with regard to environmental-related businesses, the Board considers that it is a justifiable business decision to enter into the Lease under the terms thereof.

Pursuant to HKFRS 16, the Company recognised a right-of-use asset in connection with the Lease in its condensed consolidated financial statements of approximately HK\$79.1 million for the six months ended 30 September 2024.

For details, please refer to the Company's announcement dated 13 May 2024.

## SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 20 September 2024, to broaden the shareholder base of the Company and provide funds to implement the start up works and to purchase building materials for the construction of the processing plant at Lots T2 and T3 in EcoPark (the "EcoPark Project"), and to support the general working capital of the Group, the Company and Wan Yan Metal Co., Limited and Mr. Yu Kai Yip (collectively, the "Subscribers") entered into the subscription agreements (the "Subscription Agreements") respectively. Pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for, an aggregate of 19,668,000 new Shares at the subscription price of HK\$4.20 per subscription share (the "Subscription"). The subscription price of HK\$4.20 per subscription share represents a discount of approximately 18.92% to the closing price of HK\$5.18 per Share as quoted on the Stock Exchange on 20 September 2024, the date of the Subscription Agreements. The aggregate nominal value of the subscription shares is HK\$196,680 and the market value of the subscription shares is approximately HK\$101.88 million, based on the closing price of HK\$5.18 per Share on the date of the Subscription Agreements. The net subscription price (after deduction of all professional fees and related expenses), is approximately HK\$4.19 per Subscription Share. The subscription shares, when fully paid and allotted and issued, ranked pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the subscription shares.

Completion of the subscription took place on 30 September 2024. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) each of the Subscribers and its ultimate beneficial owner are Independent Third Parties; and (ii) each of the Subscribers are independent from, not connected or associated with, and not acting in concert (as defined under the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong) with one another.



# MANAGEMENT DISCUSSION AND ANALYSIS

The aggregate net proceeds of the Subscription, after the deduction of all professional fees and related expenses, is approximately HK\$82.48 million. The Company intends to apply HK\$41.24 million, representing 50% of the net proceeds from the Subscription for the EcoPark Project, and HK\$41.24 million, representing 50% of the net proceeds from the Subscription for general working capital of the Group.

For details, please refer to the announcement of the Company dated 20 September 2024 (the "Announcement").

The following table set forth the utilization of the net proceeds from the Subscription for the six months ended 30 September 2024:

	Planned use of net proceeds as stated in the Announcement HK\$'000	Actual use of net proceeds up to 30 September 2024 HK\$'000	Unutilised net proceeds as at 30 September 2024 HK\$'000	Date by which net proceeds are expected to be fully utilised
EcoPark Project	41,241	–	41,241	June 2025
General Working Capital	41,241	–	41,241	June 2025
	<b>82,482</b>	<b>–</b>	<b>82,482</b>	

## EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this interim report, there is no other material subsequent event undertaken by the Company or the Group after 30 September 2024 and up to the date of this interim report.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## DIRECTORS' INTERESTS IN CONTRACTS AND CONTRACT OF SIGNIFICANCE

No contracts of significance in relation to the Group's business to which the Company or any of its holding companies, subsidiaries and fellow subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at any time during the six months ended 30 September 2024.

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

Neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2024.

## SHARE AWARD SCHEME

The existing share award scheme of the Company (the "Share Award Scheme") was adopted by the Company at the annual general meeting of the Company held on 28 September 2023 (the "Adoption Date") and the previous share option scheme of the Company adopted on 25 July 2018 (the "2018 Share Option Scheme") was terminated on the same date. The rules of the 2018 Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of options granted prior to its termination or otherwise as may be required in accordance with the rules of the 2018 Share Option Scheme. Options granted prior to such termination shall continue to be valid and exercisable in accordance with the rules of the 2018 Share Option Scheme.

No share option has been granted by the Company or agreed to be granted under the 2018 Share Option Scheme since the adoption date of the 2018 Share Option Scheme, i.e. 25 July 2018 and up to the date of this report. Therefore, under the 2018 Share Option Scheme, no share options lapsed or were exercised or cancelled during the six months ended 30 September 2024 and up to the date of this report and there were no outstanding share options as at 30 September 2024.

### **Purpose of the Share Award Scheme**

The purposes of the Share Award Scheme is to recognise and acknowledge the contributions which the Eligible Participants have made or may make to the Group.

The Share Award Scheme will provide the Eligible Participants with an opportunity to acquire proprietary interests in the Company, with the view to achieving the following principal objectives:

- (1) motivating the Eligible Participants to optimise their performance and efficiency for the benefit of the Group; and
- (2) attracting and retaining or otherwise maintaining ongoing business relationships with the Eligible Participants whose contributions are, or, will be or are expected to be, beneficial to the Group.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## Participants

The following persons are eligible to participate in, and be granted share award under, the Share Award Scheme (each such person being an "Eligible Participant"):

- (i) any Director (excluding independent non-executive Directors) and employee of the Company and any of its Subsidiaries (including persons who are granted Awards under the Share Award Scheme as an inducement to enter into employment contracts with the respective company of the Group (each such person being an "Employee Participant");
- (ii) any Director and employee of the Affiliate (each such person being a "Related Entity Participant"); and
- (iii) any Service Providers whom the Board or the Committee, in its sole discretion, determines that have contributed or will contribute to the Group (each such person being a "Service Provider Participant").

## Scheme Mandate Limit and Service Provider Sublimit

The total number of Shares which may be awarded in respect of all awards and options under the Share Award Scheme and any other schemes of the Company shall be no more than 10% of the total number of Shares in issue as at the Adoption Date (the "Scheme Mandate Limit"). Within the Scheme Mandate Limit, the total number of new Shares which may be issued in respect of all awards and options to be granted to Service Providers under the Share Award Scheme and any other schemes of the Company must not in aggregate exceed 4% of the total number of Shares in issue as at the Adoption Date (the "Service Provider Sublimit").

The number of awards available for grant under the scheme mandate limit as of 1 April 2024 and 30 September 2024 was 38,562,750 and 38,562,750, respectively. The number of awards available for grant under the service provider sublimit as of 1 April 2024 and 30 September 2024 was 25,361,100 and 25,361,100, respectively.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## Maximum Entitlement of Each Participant

The Share Award Scheme imposes an individual limit on the total number of Shares that may be issued to each Eligible Participant in any 12-month period, such that the aggregate number of shares issued and to be issued in respect of all options and awards granted to each Eligible Participant shall not exceed 1% of the Shares in issue for the time being (the "Individual Limit"). Where any grant of option or award to a Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such person (excluding any options and awards lapsed in accordance with the terms of the Scheme) in the 12-month period up to and including the date of such grant exceeding the Individual Limit, such grant must be separately approved by Shareholders in a general meeting with such Eligible Participant and his/her close associates (or associates if the participant is a connected person) abstaining from voting. The Company will send a circular to the Shareholders containing all those information and terms as required under Rule 17.03(D)(2) of the Listing Rules.

## Vesting Period

Subject to the satisfaction of all vesting conditions applicable to the vesting of awarded shares to each grantee, the awarded shares held by the trustee on behalf of such grantee pursuant to the provision hereof shall vest in such grantee in accordance with the applicable vesting schedule as set out in the award letter, and the trustee shall cause the awarded shares to be transferred to such grantee in accordance with the rules relating to the Share Award Scheme.

In any event, the awards granted under the Share Awards Scheme shall be held for not less than twelve (12) months before being vested on the Eligible Participant.

No purchase price is required to be paid by the Eligible Participant upon the acceptance or vesting of the share awards under the Share Award Scheme. As such, the period within which payments or calls must or may be made or loans for such purposes must be repaid is not applicable.

## Performance Targets

Any grant of awards under the Share Award Scheme may be subject to a performance target (if any) so as to achieve the purpose of the Share Award Scheme. The performance target, if any, shall be imposed on a case-by-case basis with reference to the performance of the Eligible Participant and/or the operating or financial performance of the Group and/or such other performance target to be determined by the Board or the Committee in its absolute discretion from time to time, which shall be set out in the award letter in relation to the grant of the award to each relevant Eligible Participant. Factors to be taken into account include but are not limited to (i) annual, half-yearly or quarterly results and performance of the Group, with reference to revenue, profits (before or after tax), earnings per share, market value or economic value added, cash flow, return on assets, return on equity, return on investment, share price etc.; (ii) for Employee Participants, the key performance indicators of the individual or the respective department(s) and/or business unit(s) that the Eligible Participant belongs to, and for Related Entity Participants and Service Provider Participants, their contribution to the financial and operating results of the Company; and (iii) individual position, annual appraisal result and other factors relevant to the Eligible Participant. Unless otherwise determined by the Board or the Committee, there is no performance target stipulated under the Scheme Rules that is required to be achieved by the Grantee before an Award can be granted.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## Clawback Mechanism

Subject to compliance with the Listing Rules and the provisions hereof, the Board or the Committee shall have the right and power to determine clawback provisions, namely to forfeit all the outstanding awards granted (where applicable) to the relevant grantee but not yet vested and exercised without the approval of the relevant grantee in the occurrence of events as set out under the section headed "CLAWBACK" in Appendix IV to the circular of the Company dated 6 September 2023.

## Rights Attaching to the Awards and the Awarded Shares

An awarded share shall not carry any voting right unless and until the trustee has transferred and vested the legal and beneficial ownership of such awarded shares to and in the grantee in accordance with the rules of the Share Award Scheme.

## Voting Rights of the Trustee of the Share Award Scheme

A trustee will be appointed to administer the Share Award Scheme. The trustee holding unvested Shares of the Share Award Scheme, whether directly or indirectly, shall abstain from voting on matters that require shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

## Administration of the Share Award Scheme

The Share Award Scheme shall be subject to the administration of the Board and the trustee, and the decision of the Board and the trustee regarding the administration and operation of the Share Award Scheme shall be final and binding on all parties.

## Duration

The Share Award Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, unless terminated earlier as determined by the Board.

The remaining life of the Share Award Scheme is approximately 8.85 years as at the date of this interim report.

## General

None of the Directors is a trustee of the Share Award Scheme nor has a direct or indirect interest in the trustees of the Share Award Scheme.

For more details on the Share Award Scheme, please refer to Appendix IV to the circular of the Company dated 6 September 2023.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

During the six months ended 30 September 2024, the details of the changes in the Award Shares granted under the Share Award Scheme are set out below:

	Date of grant	Vesting date	Fair value at the date of grant	As at 1 April 2024	Granted during the period	Vested during the period	Lapsed during the period	Cancelled during the period	Number of share awards outstanding at 30 September 2024
<b>Directors</b>									
Mr. Kwok Chun Sing	12 October 2023	11 October 2024	0.72	12,420,000	-	-	-	-	12,420,000
Mr. Zhan Zhi Hao	12 October 2023	11 October 2024	0.72	12,420,000	-	-	-	-	12,420,000
Mr. Tang Chi Kin	12 October 2023	11 October 2024	0.72	8,280,000	-	-	-	-	8,280,000
	12 October 2023	30 September 2025	0.72	4,140,000	-	-	-	-	4,140,000
Ms. Kwok Ho Yee*	12 October 2023	11 October 2024	0.72	12,420,000	-	-	-	-	12,420,000
Directors in aggregate				49,680,000	-	-	-	-	49,680,000
<b>Employee<sup>#</sup></b>									
	12 October 2023	11 October 2024	0.72	8,280,000	-	-	-	-	8,280,000
	12 October 2023	30 September 2025	0.72	4,140,000	-	-	-	-	4,140,000
Employee in aggregate				12,420,000	-	-	-	-	12,420,000
<b>Services providers</b>									
	12 October 2023	11 October 2024	0.72	8,280,000	-	-	-	-	8,280,000
	12 October 2023	30 September 2025	0.72	4,140,000	-	-	-	-	4,140,000
	12 October 2023	11 October 2024	0.72	4,140,000	-	-	-	-	4,140,000
	12 October 2023	31 March 2025	0.72	4,140,000	-	-	-	-	4,140,000
	12 October 2023	30 September 2025	0.72	4,140,000	-	-	-	-	4,140,000
Services providers in aggregate				24,840,000	-	-	-	-	24,840,000
Total				86,940,000	-	-	-	-	86,940,000

\* On 12 October 2023, 12,420,000 Awarded Shares were granted to Ms. Kwok Ho Yee as being an employee and chief operating officer of the Group. On 12 December 2023, Ms. Kwok Ho Yee was appointed as an executive director of the Company.

# On 12 October 2023, 12,420,000 Awarded Shares were granted to Mr. Guo Jinbao (being the brother of Mr. Kwok Chun Sing). Mr. Guo Jinbao is connected person of the Company.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## Notes:

1. The closing price of the Company's shares immediately before the grant of share awards on 12 October 2023 were HK\$0.72 per share.
2. As at the date of the report (i.e. 22 November 2024), the total number of shares available for issue under the Share Award Scheme was 125,502,750, representing 9.85% of the total number of issued shares of the Company.
3. The number of Shares that may be issued in respect of the share awards granted under the Share Award Scheme during six months ended 30 September 2024 divided by the weighted average number of Shares in issue for six months ended 30 September 2024 was approximately 0.07.
4. All of the grants were subject to fulfillment of certain individual performance targets. For details, please refer to the circular of the Company dated 6 September 2023 and announcement of the Company dated 12 October 2023.
5. Subject to the satisfaction of the performance targets applicable to the Awarded Shares to each Grantee, the Awarded Shares will be transferred to such Grantee in accordance with the Share Award Scheme. In any event, the Awarded Shares granted under the Scheme shall be held for not less than 12 months before being vested on the Grantees. The Awarded Shares is subject to a lock up period for 6 months after vesting and a general clawback mechanism as set out in the circular of the Company dated 6 September 2023.
6. Under the Share Award Scheme, no purchase price is required to be paid by grantees.
7. Details of the calculation of the fair value of the share awards are set out in note 26 to the consolidated financial statements.



# CORPORATE GOVERNANCE AND OTHER INFORMATION

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR THE ASSOCIATED CORPORATIONS

As at 30 September 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 and its associated corporations, within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO"), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules, were as follows:

Name of Directors	Nature of interest	Interest in ordinary shares/ underlying shares	Approximate percentage of interests in the Company (Note 1)
Mr. Kwok Chun Sing ("Mr. Kwok")	Interest in a controlled corporation	547,348,000 (Note 2)	42.94%
	Beneficial owner	90,000,000	7.06%
	Beneficial owner	12,420,000 (Note 3)	0.97%
Mr. Tang Chi Kin	Beneficial owner	40,320,000	3.16%
	Beneficial owner	12,420,000 (Note 3)	0.97%
Mr. Zhan Zhi Hao	Beneficial owner	6,950,000	0.55%
	Beneficial owner	12,420,000 (Note 3)	0.97%
Ms. Kwok Ho Yee	Beneficial owner	12,420,000 (Note 3)	0.97%

Notes:

- As at 30 September 2024, the Company has issued 1,274,695,500 Shares.
- These Shares are held by Chun Yip International Investment Limited ("Chun Yip"), which is beneficially wholly owned by Mr. Kwok. By virtue of the SFO, Mr. Kwok is deemed to be interested in all the Shares held by Chun Yip.
- These Shares were the unvested share awards.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 30 September 2024, the following persons/entities (other than the Directors or chief executives of the Company) have interests or short positions in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which recorded in the register required to be kept under Section 336 of the SFO.

### Long Positions in the Shares of the Company

Name of shareholders	Nature of interest	Total number of ordinary shares and underlying shares (Note 1, 2)	Approximate percentage of interests in the Company
Chun Yip	Beneficial owner (Note 3)	547,348,000	42.94%

Notes:

1. As at 30 September 2024, the Company has issued 1,274,695,500 Shares.
2. All interests stated are long positions.
3. Chun Yip is the direct Shareholder, which is beneficially wholly owned by Mr. Kwok. By virtue of the SFO, Mr. Kwok are deemed to be interested in all the Shares held by Chun Yip.

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 30 September 2024.

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules during the six months ended 30 September 2024 and up to the date of this interim report.

## COMPETING INTERESTS

The Directors confirm that neither the controlling shareholders of the Company nor their respective close associates is interested in a business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the Group's business and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules during the six months ended 30 September 2024 and up to the date of this interim report.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted and complied with applicable code provisions (the “Code Provisions”) in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Listing Rules during the six months ended 30 September 2024 and up to the date of this interim report. The Directors will periodically review on the Company’s corporate governance policies and will propose any amendment, if necessary, to ensure compliance with the Code Provisions from time to time.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code contained in Appendix C3 to the Listing Rules as its own code of conduct of dealings in securities of the Company by Directors. All Directors have complied with the required standard of dealings set out therein for the six months ended 30 September 2024.

## AUDIT COMMITTEE

The Company established the audit committee (the “Audit Committee”) on 25 July 2018 in accordance with Rule 3.21 of the Listing Rules with terms of reference aligned with the provision of the CG Code as set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are, among other things, (a) making recommendations to the Board on the appointment, re-appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor; (b) reviewing financial statements, annual report and accounts and half-year report and significant financial reporting judgements contained therein; and (c) reviewing financial controls, internal control and risk management systems. The Audit Committee consists of four independent non-executive Directors, namely Mr. Yu Chung Leung, Mr. Hau Wing Shing Vincent, Prof. Sit Wing Hang and Mr. Lam John Cheung-wah. Mr. Yu Chung Leung is the chairman of the Audit Committee.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## REVIEW OF FINANCIAL STATEMENTS

The condensed consolidated financial statements of the Group for the six months ended 30 September 2024 are unaudited but have been reviewed and approved by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

The Company's independent auditor, Baker Tilly Hong Kong Limited, had conducted a review of the condensed consolidated financial statements for the six months ended 30 September 2024, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

By order of the Board  
**Envision Greenwise Holdings Limited**  
**Kwok Chun Sing**  
*Chairman*

Hong Kong, 22 November 2024

*As at the date of this report, the Board comprises four executive Directors, namely, Mr. Kwok Chun Sing, Mr. Tang Chi Kin, Mr. Zhan Zhi Hao and Ms. Kwok Ho Yee and four independent non-executive Directors, namely, Mr. Hau Wing Shing Vincent, Mr. Yu Chung Leung, Mr. Lam John Cheung-wah and Prof. Sit Wing Hang.*