

China New Consumption Group Limited 中國新消費集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8275



2024
INTERIM REPORT

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

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

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

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

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

CORPORATE INFORMATION

Board of Directors

Executive Director

Ms. Liu Ching Man

Independent Non-executive Directors

Mr. He Dingding

Ms. Chan Tsz Hei Sammi

Mr. Ng Kim Lung

Board Committees

Audit Committee

Mr. He Dingding (*Chairman*)

Ms. Chan Tsz Hei Sammi

Mr. Ng Kim Lung

Remuneration Committee

Mr. Ng Kim Lung (*Chairman*)

Mr. He Dingding

Ms. Chan Tsz Hei Sammi

Nomination Committee

Ms. Chan Tsz Hei Sammi (*Chairman*)

Mr. He Dingding

Mr. Ng Kim Lung

Joint Company Secretaries

Mr. Lee Man Tai (*FCCA, FCPA*)

Ms. Cheng Shing Yan (*CPA, FCPA*)

Authorised Representatives

Ms. Liu Ching Man

Mr. Lee Man Tai (*FCCA, FCPA*)

Compliance Officer

Ms. Liu Ching Man

Independent Auditor

RSM Hong Kong

29th Floor, Lee Garden Two

28 Yun Ping Road

Causeway Bay, Hong Kong

Legal Adviser as to Hong Kong Laws

David Fong & Co., Solicitors

Unit A, 12/F., China Overseas Building

No. 139 Hennessy Road

Wanchai, Hong Kong

Principal Share Registrar and Transfer Office in the Cayman Islands

Ocorian Trust (Cayman) Limited

Windward 3, Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

Registered Office in the Cayman Islands

Windward 3, Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

Head Office and Principal Place of Business in Hong Kong

Room 204, 2/F.

Yue Shing Commercial Building

15 Queen Victoria Street

Central

Hong Kong

Principal Banks

Nanyang Commercial Bank, Limited

The Hongkong and Shanghai Banking

Corporation Limited

Stock Code

8275

Company's Website

www.irasia.com/listco/hk/chinaneucons

INTERIM RESULTS

The board of Directors (the “Board”) of the Company presents the unaudited condensed consolidated results of the Group for the six months ended 30 September 2024, together with the unaudited comparative figures of the corresponding periods in 2023, as follows:

Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2024

		Six months ended	
		30 September	2023
		2024	2023
	Note	HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue	3	105,944	59,560
Cost of sales		(82,574)	(49,489)
Gross profit		23,370	10,071
Other income and other loss	4	752	403
Administrative expenses		(11,934)	(11,582)
Change in fair value of financial assets at fair value through profit or loss (“FVTPL”)		(8,450)	(1,197)
Allowance for impairment loss of financial assets, net		(2,234)	(498)
Profit from operations		1,504	(2,803)
Finance costs	6	(244)	(256)
Profit before tax		1,260	(3,059)
Income tax (expense)/credit	7	(2,657)	438
Loss for the period attributable to:			
Owners of the Company		(1,397)	(1,312)
Non-controlling interests		-	(1,309)
		(1,397)	(2,621)
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss:</i>			
Fair value change of financial assets at fair value through other comprehensive income (“FVTOCI”)		-	23
Other comprehensive income for the period, net of tax		-	23
Total comprehensive loss for the period attributable to:			
Owners of the Company		(1,397)	(1,289)
Non-controlling interests		-	(1,309)
		(1,397)	(2,598)
Loss per share			
Basic and diluted (HK cents)	9	(0.3)	(0.7)

Unaudited Condensed Consolidated Statements of Financial Position

As at 30 September 2024

		30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
	<i>Note</i>		
Non-current assets			
Property, plant and equipment	10	39,270	38,558
Right-of-use assets	11	1,134	2,058
Financial assets at FVTOCI	12	3,698	3,698
Deferred tax assets		–	905
Prepayments		2,227	2,227
Total non-current assets		46,329	47,446
Current assets			
Trade and retention receivables	13	21,006	21,016
Contract assets		26,801	26,094
Deposits, prepayments and other receivables		7,907	7,906
Held for trading securities		14,245	17,140
Debt investments		18,769	7,589
Bank and cash balances		19,694	41,512
Total current assets		108,422	121,257
Current liabilities			
Trade and retention payables	14	24,470	30,008
Accruals and other payables		3,997	11,282
Bank and other borrowings		612	1,077
Lease liabilities	11	1,214	2,032
Total current liabilities		30,293	44,399
Net current assets		78,129	76,858
Total assets less current liabilities		124,458	124,304
Non-current liabilities			
Lease liabilities	11	722	923
Deferred tax liabilities		1,752	–
Total non-current liabilities		2,474	923
NET ASSETS		121,984	123,381
Capital and reserves			
Share capital	15	4,800	4,800
Reserves	16	117,184	118,581
TOTAL EQUITY		121,984	123,381

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2024

	Attributable to owners of the Company								Total equity
	Share capital	Share premium	Merger reserve	Foreign assets at FVTOCI reserve	Capital reserve	Retained earnings/ (accumulated losses)	Sub-total	Non-controlling interests	
	HK\$'000 (Note 15)	HK\$'000 (Note 16b(i))	HK\$'000 (Note 16b(ii))	HK\$'000 (Note 16b(iii))	HK\$'000 (Note 16b(iv))	HK\$'000	HK\$'000	HK\$'000	
For the six months ended 30 September 2023									
At 1 April 2023 (audited)	80,001	52,060	22	44	-	(59,505)	72,622	(332)	72,290
Capital reduction, share premium reduction and share sub-division (Note 15)(ii))	(78,401)	(52,060)	-	-	36,656	93,805	-	-	-
Issuance of shares upon rights issue	2,400	32,880	-	-	-	-	35,280	-	35,280
Transaction costs on issuance of shares upon rights issue	-	(137)	-	-	-	-	(137)	-	(137)
Total comprehensive loss for the period (unaudited)	-	-	-	23	-	(1,312)	(1,289)	(1,309)	(2,598)
At 30 September 2023 (unaudited)	4,000	32,743	22	67	36,656	32,988	106,476	(1,641)	104,835
For the six months ended 30 September 2024									
At 1 April 2024 (audited)	4,800	44,720	22	(4,402)	36,656	41,585	123,381	-	123,381
Total comprehensive loss for the period (unaudited)	-	-	-	-	-	(1,397)	(1,397)	-	(1,397)
At 30 September 2024 (unaudited)	4,800	44,720	22	(4,402)	36,656	40,188	121,984	-	121,984

Unaudited Condensed Consolidated Statements of Cash Flows

For the six months ended 30 September 2024

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash (used in)/generated from operating activities	(6,356)	3,466
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(3,353)	(255)
Investment in debt investment	(11,011)	–
Investment in financial assets at FVTPL	–	4,582
Investment in held for trading securities	–	(4,216)
Interest from debt investment	405	64
Net cash used in investing activities	(13,959)	(8,989)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(1,019)	(1,222)
Repayment of bank and other borrowings	(484)	(395)
Issuance of shares	–	35,143
Net cash (used in)/generated from financing activities	(1,503)	33,526
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(21,818)	28,003
Cash and cash equivalents at the beginning of the period	41,512	5,525
Cash and cash equivalents at the end of the period	19,694	33,528

Notes to the Unaudited Condensed Consolidated Financial Statements

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 3 January 2017. The address of its registered office is at P.O. Box 1350, Windward 3, Regatta Office Park, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is Room 204, 2/F, Yue Shing Commercial Building, 15 Queen Victoria Street, Central, Hong Kong. The Company's shares are listed on GEM of the Stock Exchange on 16 October 2017.

The Company is an investment holding company. The Group is a foundation contractor primarily specialising in bored piling works as well as other foundation works. The Group is capable of installing bored piles with diameters ranging from 1.5 metres to 3 metres of various pile lengths. The Group has invested considerably in reinforcing its machinery and the Group possesses all necessary standard plant and machinery and equipment for its construction of bored piles. The Group is also engaged in leasing of machinery and money lending business.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2024 have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), the applicable disclosure requirements of the GEM Listing Rules.

The unaudited condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 March 2023. The accounting policies (including the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty) and methods of computation adopted in the preparation of the unaudited condensed consolidated financial statements are consistent with those adopted in the annual consolidated financial statements of the Group for the year ended 31 March 2024.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis. The unaudited condensed consolidated financial statements are presented in Hong Kong Dollars ("**HK\$**"), which is the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousands ("**HK\$'000**"), unless otherwise indicated.

The preparation of the unaudited condensed consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the accounting policies of the Group.

The unaudited condensed consolidated financial statements have not been audited by the Company's auditors, but have been reviewed by the Company's audit committee (the "**Audit Committee**").

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2024. HKFRSs comprise Hong Kong Financial Reporting Standards ("**HKFRS**"); Hong Kong Accounting Standards ("**HKAS**"); and Interpretations issued by the HKICPA. The adoption of these new and revised HKFRSs did not have any significant effect on the unaudited condensed consolidated financial statements.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2024 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

3. REVENUE

Disaggregation of revenue from contracts with customers by major service lines for the periods is as follows:

Revenue from contracts with customers within the scope of HKFRS 15	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Construction contract income	104,224	55,108
Rental income from machinery	1,566	4,452
Interest income from money lending	154	–
	105,944	59,560

The Group derives revenue over time from the following major service lines:

For the six months ended 30 September	Construction contract income		Rental income from machinery		Interest income from money lending		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Timing of revenue recognition								
– Over time	104,224	55,108	1,566	4,452	154	–	105,944	59,560
Total	104,224	55,108	1,566	4,452	154	–	105,944	59,560

4. OTHER INCOME, AND OTHER LOSS

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Gain on disposal of right-of-use assets	–	30
Interest income from debt investment	291	100
Net (loss)/gain on disposal of financial assets at FVTPL	(207)	183
Others	668	90
Total	752	403

5. SEGMENT INFORMATION

Operating segment information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the respective segments and to assess its performance.

As the Group principally engages in the provision of foundation work and machinery rental in Hong Kong, which are subject to similar business risks, and resources are allocated based on what is beneficial to the Group in enhancing the value of the Group as a whole, the Group's chief operating decision maker considers the performance assessment of the Group should be based on the loss before tax of the Group as a whole. As the money lending segment does not meet the quantitative thresholds for determining reportable segments. Therefore, management considers there is only one operating segment under the requirements of HKFRS 8 "Operating Segments".

Geographical information

All of the group's revenue, loss before taxation, assets and liabilities were derived from or located in Hong Kong, and therefore no geographical information is presented.

5. SEGMENT INFORMATION *(Continued)*

Revenue from major customers

Customer base for whom transactions have exceeded 10% of the Group's revenue is as below:

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Customer 1	63,480	–
Customer 2	22,915	28,794
Customer 3	–	10,156
Customer 4	–	8,967
Customer 5	–	7,191

6. FINANCE COSTS

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on:		
– bank and other borrowings	19	27
– lease liabilities	225	229
	244	256

7. INCOME TAX (EXPENSE)/CREDIT

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax – Hong Kong Profits Tax		
– Provision for the period	–	–
Deferred tax	(2,657)	438
	(2,657)	438

Hong Kong Profits Tax has been provided at a rate of 16.5% (2023: 16.5%) based on the assessable profit for the year less allowable losses brought forward.

7. INCOME TAX (EXPENSE)/CREDIT (Continued)

For the six months ended 30 September 2024 and 2023, Hong Kong Profits Tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of qualifying corporation will be taxed at 8.25%, and assessable profits above HK\$2 million will continue to be taxed at a flat rate of 16.5%.

Other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the rate of 16.5% based on the assessable profits less allowable losses brought forward.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

8. DIVIDENDS

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2024 (for the six months ended 30 September 2023: Nil).

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the followings:

	Six months ended 30 September	
	2024 (unaudited)	2023 (unaudited)
Loss for the period attributable to owners of the Company (HK\$'000)	(1,397)	(1,312)
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share ('000)	480,003	186,668
Loss per share		
Basic and diluted (HK cents)	(0.3)	(0.7)

The weighted average numbers of ordinary shares used as denominator in calculating the basic and diluted loss per share.

The diluted loss per share is equal to the basic loss per share as there were no dilutive potential ordinary shares in issue for the periods ended 30 September 2024 and 2023.

10. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Leasehold improvement	Plant and machinery	Casing and equipment	Motor vehicles	Furniture, fixture and office equipment	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Opening net book amount							
as at 1 April 2023 (audited)	15,791	–	17,833	16,862	54	29	50,569
Additions	113	1,058	–	–	–	109	1,280
Depreciation	(326)	(21)	(1,121)	(2,068)	–	(20)	(3,556)
Closing net book amount							
as at 30 September 2023 (unaudited)	15,578	1,037	16,712	14,794	54	118	48,293
Opening net book amount							
as at 1 April 2024 (audited)	15,251	318	9,574	13,233	143	39	38,558
Additions	–	–	3,353	–	–	–	3,353
Depreciation	(326)	(7)	(1,008)	(1,280)	(7)	(13)	(2,641)
Closing net book amount							
as at 30 September 2024 (unaudited)	14,925	311	11,919	11,953	136	26	39,270

11. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

As at 30 September 2024, the carrying amounts of the Group's right-of-use assets and lease liabilities are approximately HK\$1,134,000 (31 March 2024: approximately HK\$2,058,000) and approximately HK\$1,936,000 (31 March 2024: approximately HK\$2,955,000) respectively.

12. FINANCIAL ASSETS AT FVTOCI

	<i>Note</i>	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
Financial assets at FVTOCI:			
Unlisted equity securities	(i)	3,698	3,698
Analysed as:			
Non-current assets		3,698	3,698
		3,698	3,698

Financial assets at FVTOCI are denominated in the following currencies:

	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
Hong Kong dollars	3,698	3,698

The carrying amounts of the above financial assets are mandatorily measured at fair value through profit or loss in accordance with HKFRS 9.

- (i) The Group invested HK\$8,100,000 in Central Champion Holding Limited incorporated in BVI and owned 14.23% (31 March 2024: 14.23%) equity interests in that company. The Group is unable to exercise significant influence over that company and the investment is classified at financial assets at FVTOCI.

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the unaudited condensed consolidated statement of financial position approximate their respective fair values.

12. FINANCIAL ASSETS AT FVTOCI (Continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

- Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets and liabilities that the Group can assess at the measurement date.
- Level 2 inputs: other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs: unobservable inputs for the asset or liability.

The following table shows the carrying amounts and fair value of financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets not measured at fair value of the carrying amount is a reasonable approximation of fair value. Further, for the current period the fair value disclosure of lease liabilities is also not required.

(a) Disclosures of level in fair value hierarchy at 30 September 2024:

Description	Fair value measurements			As at
	Level 1	Level 2	Level 3	30 September
	(unaudited)	(unaudited)	(unaudited)	2024
	HK\$	HK\$	HK\$	Total (unaudited) HK\$

Recurring fair value measurements:

Financial assets at FVTOCI

– Unlisted equity securities	–	–	3,698	3,698
------------------------------	---	---	-------	-------

Description	Fair value measurements			As at
	Level 1	Level 2	Level 3	31 March
	(unaudited)	(unaudited)	(unaudited)	2024
	HK\$	HK\$	HK\$	Total (unaudited) HK\$

Recurring fair value measurements:

Financial assets at FVTOCI

– Unlisted equity securities	–	–	3,698	3,698
------------------------------	---	---	-------	-------

13. TRADE AND RETENTION RECEIVABLES

		30 September 2024	31 March 2024
		HK\$'000	HK\$'000
	<i>Note</i>	(unaudited)	(audited)
Trade receivables	(a)	31,577	31,283
Allowance for impairment loss		(11,481)	(11,575)
		20,096	19,708
Retention receivables (Note)	(b)	4,870	5,107
Allowance for impairment loss		(3,960)	(3,799)
		910	1,308
		21,006	21,016

Note: Retention receivables are included in current assets as the Group expects to realise these within its normal operating cycles.

- (a) The Group receives progress billings from contract customers. The credit terms generally range from 7 to 60 days from the date of billing. Application for progress payment of contract works is made on a regular basis. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the Directors.

The ageing analysis of trade receivables, based on the progress payment, and net of allowance for impairment loss is as follows:

	30 September 2024	31 March 2024
	HK\$'000	HK\$'000
	(unaudited)	(audited)
0 to 30 days	15,733	4,610
31 to 60 days	–	2,897
61 to 90 days	–	477
Over 90 days	4,363	11,724
	20,096	19,708

13. TRADE AND RETENTION RECEIVABLES (Continued)

(a) (Continued)

Movement in allowance for impairment loss of trade receivables is as follows:

	HK\$'000
At 1 April 2023 (audited)	12,338
Reversal of allowance for the year	(168)
Written off	(595)
At 31 March 2024 and 1 April 2024 (audited)	11,575
Reversal of allowance for the period	(94)
At 30 September 2024 (unaudited)	11,481

The carrying amounts of the Group's trade receivables are denominated in HK\$.

(b) The ageing analysis of retention receivables based on invoice date, and net of allowance for impairment loss is as follows:

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Within 1 year	910	1,308
Between 1 to 2 years	-	-
Between 2 to 5 years	-	-
	910	1,308

Movement in allowance for impairment loss of retention receivables is as follows:

	HK\$'000
At 1 April 2023 (audited)	2,895
Allowance for the year	1,765
Written off	(861)
At 31 March 2024 and 1 April 2024 (audited)	3,799
Allowance for the period	161
At 30 September 2024 (unaudited)	3,960

The carrying amounts of the Group's retention receivables are denominated in HK\$.

14. TRADE AND RETENTION PAYABLES

		30 September 2024	31 March 2024
		HK\$'000	HK\$'000
	<i>Note</i>	(unaudited)	(audited)
Trade payables	(a)	22,322	27,860
Retention payables (<i>Note</i>)	(b)	2,148	2,148
		24,470	30,008

Note: Retention payables are included in current liabilities as the Group expects to realise these within its normal operating cycles.

(a) The ageing analysis of trade payables, based on the invoice date, is as follows:

		30 September 2024	31 March 2024
		HK\$'000	HK\$'000
		(unaudited)	(audited)
0 to 30 days		8,436	5,000
31 to 60 days		387	3,501
61 to 90 days		557	2,410
Over 90 days		12,942	16,949
		22,322	27,860

The carrying amounts of the Group's trade payables are denominated in HK\$.

(b) Retention payables 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.

The carrying amounts of the Group's retention payables are denominated in HK\$.

15. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each		
At 31 March 2024	400,000,000	200,000
Increase in authorised share capital (i)	500,000,000	250,000
Capital reduction, share premium reduction and share sub-division (ii)	44,100,000,000	–
Ordinary share of HK\$0.01 each		
At 30 September 2024	45,000,000,000	450,000
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
At 31 March 2024	480,003,445	4,800
Ordinary share of HK\$0.01 each		
At 30 September 2024	480,003,445	4,800

Notes:

- (i) On 12 April 2023, the Company increased its authorised share capital from 400,000,000 shares into 900,000,000 shares.
- (ii) On 30 June 2023, an order confirming the Capital reduction and the minute approved by the Court from Cayman Islands containing the particulars required under the Companies Act with respect to the Capital reduction were filed and duly registered with the Registrar of Companies in the Cayman Islands. The nominal value of each of the Company's issued share was reduced from HK\$0.5 to HK\$0.01 each by cancelling the paid-up capital to the extent of HK\$0.49 on each issued share and the existing issued share capital of HK\$80,001,000 was reduced by approximately HK\$78,401,000 to approximately HK\$1,600,000 comprising 160,001,378 shares of HK\$0.01 each with effect from 6 July 2023.

As a result, (i) an amount of approximately HK\$52,060,000 Share premium was reduced; (ii) an amount of approximately HK\$93,805,000 was credited to accumulated losses; and (iii) the balance of approximately HK\$36,656,000 was credited to Capital reserve on 6 July 2023.

Upon the completion of capital reduction effective on 6 July 2023, the number of authorised shares of the Company was increased from 900,000,000 ordinary shares of HK\$0.5 each to 45,000,000,000 ordinary shares of HK\$0.01 each. Each share ranks pari passu in all respects.

16. RESERVES

(a) Reserves of the Group

The amounts of the Group's reserves and the movements therein are presented in the unaudited condensed consolidated statements of changes in equity.

(b) Nature and purpose of reserves

(i) Share premium

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Merger reserve

The merger reserve represented the aggregate of paid-in capital of Triangular Force, TMP Machinery Engineering Limited and Longson Enterprise Development Company Limited, subsidiaries of the Company, of 10,000, 10,000 and 2,000 ordinary shares of HK\$1 each respectively.

(iii) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

(iv) Capital reserve

The capital reserve mainly arose from the capital reduction, share premium reduction and share sub-division of the Company on 5 July 2023.

17. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions and balances detailed elsewhere in the interim report, the Group had the following transactions with its related parties during the periods:

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Rent paid to the spouse of a former director	–	36

- (b) Outstanding balances with related parties during the periods:

	As at	As at
	30 September	31 March
	2024	2024
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Rent deposits held by the spouse of a former director	–	12

The remuneration of Directors and other members of key management during the periods was as follows:

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Short term employee benefits	450	1,158
Pension scheme contributions	9	18
	459	1,176

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is a foundation contractor primarily specialising in bored piling works as well as other foundation works. The Group is capable of installing bored piles with diameters ranging from 1.5 metres to 3 metres of various pile lengths. The Group has invested considerably in reinforcing its machinery and the Group possesses all necessary standard plant and machinery and equipment necessary for its construction of bored piles. The Group also engaged in leasing of machinery and money lending business.

For the six months ended 30 September 2024, the Group recorded net loss attributable to owners of the Company of approximately HK\$1.4 million as compared to net loss attributable to owners of the Company of approximately HK\$1.3 million for the same period in 2023. The Board considers that the net loss attributable to owners of the Company was mainly attributable to the net effect of (i) increase in construction income and gross profit due to higher profit margins for newly awarded construction projects; (ii) loss in fair value of held for trading securities; and (iii) provision of deferred tax.

Outlook

The Directors are of the view that the general outlook of the industry and the business environment in which the Group operates will remain challenging. With rising geopolitical conflicts and tensions, soaring interest rate, inflationary pressure and challenges associated with post-pandemic economic recovery in both the PRC and Hong Kong. The Group will invest in the manpower and information system to enhance its operational capacity and efficiency in foundation and site formation works and bored piling works.

The Group will also proactively seek potential business opportunity that will broaden the sources of income and increase the return of shareholders of the Company. On 30 May 2024, money lenders licence was granted to Goldstone Finance Limited.

On 21 October 2024 (after trading hours), Goldstone Communications Limited* (金石傳訊有限公司), a direct wholly owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding (the **"MOU"**) with Trillion Wealth Company Limited* (華偉達企業有限公司) and Hua Weida Catering Holdings (Shenzhen) Co., Ltd* (華偉達餐飲控股(深圳)有限公司) (the **"Potential Partners"**) in relation to the potential cooperation in development of market distributorship, operating rights as well as operation management and supply chain management of the beverage brand "TEADAYE" (茶大椰) in China (including Hong Kong, Macau and Taiwan) and Southeast Asia markets, and the potential general offer to acquire the Potential Partners.

"TEADAYE" (茶大椰) is a top-quality coconut tea brand, with unique and diversified products, high-quality source supply chain, well-known cornerstone investors, highly experienced international management team, solid brand reputation and vibrant brand image in Mainland China.

The Group and the Potential Partners are in the process of negotiating possible forms of cooperation, which may involve collaboration of the Group and the Potential Partners in developing China (including Hong Kong, Macau and Taiwan) and Southeast Asia markets for "TEADAYE" (茶大椰), including selection of trustworthy franchisees, supply chain control, operational agency, franchisees' staff supervision and training, and sustenance of operating standards for franchisees.

Looking ahead, the Group will adhere to prudent financial management in project selection and cost control. The Group will continue to strive to improve its operational efficiency and profitability of its business.

Financial Review

Revenue

The Group's revenue for the six months ended 30 September 2024 was approximately HK\$105.9 million, representing an increase of approximately 77.9% from approximately HK\$59.6 million for the six months ended 30 September 2023, which was primarily due to the increase in income from construction projects.

Costs of Sales

The Group's cost of sales for the six months ended 30 September 2024 was approximately HK\$82.6 million, representing an increase of approximately 66.9% from approximately HK\$49.5 million for the six months ended 30 September 2023, which was primarily due to the increase in labour costs, contra-charge and consumable used.

Gross Profit and Gross Profit Margin

The Group's gross profit for the six months ended 30 September 2024 was approximately HK\$23.4 million, representing an increase of approximately 132.1% from gross profit of approximately HK\$10.1 million for the six months ended 30 September 2023. The Group's gross profit margin increase from approximately 16.9% to gross profit margin of approximately 22.1% for the period of comparison. Such increase was primarily due to (i) the completion of certain projects which incurred higher construction material and labour costs as a result of delay in progress and (ii) higher profit margins for newly awarded construction projects.

Administrative Expenses

The Group's administrative expenses for the six months ended 30 September 2024 were approximately HK\$11.9 million, representing an increase of approximately 3.0% from approximately HK\$11.6 million for the six months ended 30 September 2023. The increase was mainly attributable to the increase in staff salaries.

Loss for the Period

For the six months ended 30 September 2024, the Group recorded a loss attributable to owners of the Company of approximately HK\$1.4 million as compared to loss attributable to owners of the Company for the six months ended 30 September 2023 of approximately HK\$1.3 million. The Board considers that the net loss attributable to owners of the Company was mainly attributable the net effect of (i) increase in construction income and gross profit due to higher profit margins for newly awarded construction projects; (ii) loss in fair value of held to trading securities; and (iii) provision of deferred tax.

Capital Structure, Liquidity and Financial Resources

As at 30 September 2024, there are a total of 480,003,445 issued shares of the Company of par value of HK\$0.01 each and the capital of the Company only comprises ordinary shares.

For the six months ended 30 September 2024, the Group finances its liquidity and capital requirements primarily through bank and other borrowings, equity contribution from shareholders and proceeds raised from the 2023 Rights Issue (as defined below).

As at 30 September 2024, the Group had bank and cash balances of approximately HK\$19.7 million (31 March 2024: approximately HK\$41.5 million).

As at 30 September 2024, the Group's total equity attributable to owners of the Company amounted to approximately HK\$122.0 million (31 March 2024: approximately HK\$123.4 million). As of the same date, the Group's total debts, comprising bank and other borrowings and lease liabilities, amounted to approximately HK\$2.5 million (31 March 2024: approximately HK\$4.0 million).

The Directors believe that the Group is in a healthy financial position to expand its business and pursue its business objectives.

2022 Rights Issue

On 14 January 2022, to satisfy its funding needs and ease its cashflow pressure, the Company announced a proposed rights issue on the basis of 3 Rights Shares for every 2 consolidated shares in issue at a subscription price of HK\$0.55 per Rights Share (the "**2022 Rights Issue**") to raise approximately HK\$44.55 million by issuing 81,000,000 Rights Shares to the qualifying shareholders. Under the relevant compensatory arrangements, all the unsubscribed Rights Shares were placed by the placing agent to no less than 6 independent places at the subscription price.

On 3 May 2022, the Company completed the 2022 Rights Issue and issued 81,000,000 Rights Shares with par value of HK\$0.5 each at a subscription price of HK\$0.55 per Rights Shares determined with reference to, among others, the market price of the shares under the prevailing market conditions. The theoretical closing price per Share was HK\$0.725 per share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.145 per Share as quoted on the Stock Exchange on 14 January 2022, being the last trading day). The net proceeds from the 2022 Rights Issue (after deducting the estimated expenses) were approximately HK\$42.6 million, representing a net price of approximately HK\$0.53 per Rights Share, which were used as to (i) approximately HK\$3.1 million for repayment of the principal amount and interest accrued thereon of the Promissory Note to be due six months after the date of issue of the Promissory Note (i.e. 13 June 2022); (ii) approximately HK\$20 million for the acquisition of a new office premise and the relevant renovation cost; (iii) approximately HK\$7 million for recruitment of additional full-time staff who will be responsible for implementing and overseeing quality control to enhance the Group's operational capacity and efficiency in foundation and site formation works and bored piling works, as well as additional full-time staff who will be responsible for business development to acquire more business opportunities and broaden the sources of income; (iv) approximately HK\$3 million for business development and marketing expenses in order to expand the Group's customer base and acquire more projects; and (v) the remaining balance of approximately HK\$9.5 million for general working capital due to the tightened cash flow of the Group as a result of the negative impacts of the COVID-19 pandemic on the foundation industry including supply chain disruptions, workforce shortages due to illness and preventative quarantines, and work stoppages due to measures imposed by the government.

Upon the completion of the 2022 Rights Issue in May 2022, the number of shares in issue became 135,000,000 of par value HK\$0.5 each thereafter. Details of the 2022 Rights Issue are set out in the Company's announcements dated 14 January 2022, 27 January 2022, 19 April 2022, 29 April 2022, 3 May 2022, circular dated 24 February 2022 and prospectus dated 29 March 2022.

As at 30 September 2024, the actual use of the net proceeds of the 2022 Rights Issue was as follows:

	Planned use of net proceeds as stated in the prospectus dated 29 March 2022 (HK\$ million)	Actual use of proceeds up to 30 September 2024 (HK\$ million)	Unutilised net proceeds up to 30 September 2024 (HK\$ million)	Expected timeline for unutilised net proceeds
Repayment of the principal amount and interest accrued thereon of the Promissory Notes	3.1	3.1	–	N/A
Acquisition of a new office premise and the relevant renovation cost	20.0	18.0	2.0	by 31 December 2024
Recruitment of additional full-time staff	7.0	7.0	–	N/A
Business development and marketing expenses	3.0	3.0	–	N/A
General working capital	9.2	9.2	–	N/A
Total	42.3	40.3	2.0	N/A

As at 30 September 2024, the net proceeds in the amount of approximately HK\$40.3 million have been utilised and the remaining balance of HK\$2.0 million will be utilised as intended.

2023 Rights Issue

On 17 February 2023, to satisfy its funding needs and ease its cashflow pressure, the Company announced a proposed rights issue on the basis of three Rights Shares for every two shares held on the record date at a subscription price of HK\$0.147 per Rights Share (the "2023 Rights Issue") to raise approximately HK\$33.5 million by issuing 240,002,067 Rights Shares to the qualifying shareholders. Under the relevant compensatory arrangements, all the unsubscribed Rights Shares were placed by the placing agent to no less than six independent places at the subscription price.

On 12 April 2023, the 2023 Rights Issue has been approved by the independent shareholders of the Company. As additional time is required by the Company to prepare and finalise certain information contained in the Prospectus, it is expected that the despatch date of the prospectus documents in relation to the 2023 Rights Issue will be postponed and the expected timetable for the Rights Issue will be revised accordingly. The net proceeds from the 2023 Rights Issue (after deducting the estimated expenses) were approximately HK\$33.5 million, representing a net price of approximately HK\$0.140 per Rights Share, which were used as to (i) approximately HK\$18.5 million will be used for the expansion of the foundation business capacity of the Group; (ii) approximately HK\$7.5 million will be used for the development of the AI business; and (iii) the remaining balance of approximately HK\$7.5 million will be used as the general working capital of the Group.

Upon the completion of the 2023 Rights Issue in August 2023 and the capital reduction of the issued shares and sub-division of unissued shares of the Company in July 2023, the number of shares in issue will be up to 400,003,445 of par value HK\$0.01 each thereafter. Details of the 2023 Rights Issue are set out in the Company's announcements dated 17 February 2023, 24 February 2023, 3 March 2023, 10 March 2023, 25 April 2023, 10 July 2023, 26 July 2023, 2 August 2023 and the circular dated 23 March 2023 and prospectus dated 11 July 2023.

As at 30 September 2024, the actual use of the net proceeds of the 2023 Rights Issue was as follows:

	Planned use of net proceeds as stated in the prospectus dated 11 July 2023 (HK\$ million)	Actual use of net proceeds		Amount utilised after reallocation (HK\$ million)	Unutilised net proceeds up to 30 September 2024 (HK\$ million)	Expected timeline for unutilised net proceeds
		Reallocation of unutilised Net Proceeds as stated in the prospectus dated 11 July 2023 Change in Use of Proceeds Announcement (HK\$ million)	Reallocation of unutilised Net Proceeds as stated in the prospectus dated 11 July 2023 Change in Use of Proceeds Announcement (HK\$ million)			
Expansion of the foundation business capacity	18.5	-	-	-	-	N/A
Development of financial services business	-	-	18.5	17.0	1.5	By 31 March 2025
Development of AI business	7.5	4.3	-	5.2	2.3	by 31 March 2025
General working capital	7.5	7.5	-	7.5	-	N/A
Total	33.5	11.8	18.5	29.7	3.8	

As at 30 September 2024, the net proceeds in the amount of approximately HK\$29.7 million have been utilised and the remaining balance of HK\$3.8 million will be utilised as intended.

2024 Rights Issue

On 4 September 2024, to satisfy its funding needs and ease its cashflow pressure, the Company announced a proposed rights issue on the basis of one Rights Share for every two shares held on the record date at a subscription price of HK\$0.1 per Rights Share (the “2024 Rights Issue”) to raise approximately HK\$22.5 million by issuing 240,001,722 Rights Shares to the qualifying shareholders. The subscription price was determined with reference to, among others, the market price of the shares under the prevailing market conditions. The closing price on 4 September 2024, being the date on which the terms of the 2024 Rights Issue were fixed, was HK\$0.106 per Share. Under the relevant compensatory arrangements, all the unsubscribed Rights Shares were placed by the placing agent to no less than six independent places at the subscription price.

The net proceeds from the 2024 Rights Issue (after deducting the estimated expenses) were approximately HK\$22.5 million, representing a net price of approximately HK\$0.1 per Rights Share, which will be applied as to (i) approximately HK\$10.0 million for the acquisition of power generators; (ii) approximately HK\$8.0 million for the financial services business; and (iii) the remaining balance of approximately HK\$4.5 million for the general working capital of the Group.

Details of the 2024 Rights Issue are set out in the Company’s announcements dated 4 September 2024, 19 September 2024, 20 September 2024 and the prospectus dated 24 October 2024.

As at the date of this report, the 2024 Rights Issue is not completed, all the net proceeds have not been utilised.

Borrowings and Gearing Ratio

As at 30 September 2024, the Group had total debt (summation of bank and other borrowings and lease liabilities) of approximately HK\$2.5 million which was denominated in Hong Kong Dollars (31 March 2024: approximately HK\$4.0 million). The Group’s bank and other borrowings were primarily used in financing the working capital requirement of its operations.

As at 30 September 2024, the gearing ratio of the Group, calculated as the total debt divided by the total equity, was approximately 2.1% (31 March 2024: approximately 3.3%).

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures, and Plans for Material Investments or Capital Assets

Save as disclosed in this report, the Group did not have any significant investments, material acquisitions or disposals of subsidiaries, associates or joint ventures during the six months ended 30 September 2024 and there is no other plan for material investments or capital assets as at 30 September 2024.

Foreign Exchange Exposure

The revenue-generating operations and borrowings of the Group were mainly transacted in Hong Kong Dollars which is the presentation currency of the Group. As such, the Directors are of the view that the Group did not have significant exposure to foreign risk.

The Group currently does not have a foreign currency hedging policy.

Treasury Policy

The Directors will continue to follow a prudent policy in managing the Group's cash balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

Charge on Group Assets

As at 30 September 2024 and 31 March 2024, the Group has not pledged its plant and machinery.

Contingent Liabilities

As at 30 September 2024 and 31 March 2024, the Group were exposed to liabilities under the Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong) and common law for injuries at work in respect of all their employees. During the period, all the construction projects were covered by the employees' compensation insurance and contractors' all risks insurance taken out by the main contractors of the construction projects the Group participated in. Such insurance policies covered and protected all employees of the Group of all tiers working in the relevant construction sites. Other than that, the Group had no significant contingent liabilities.

Capital Commitments

The Group did not have any material capital commitment as at 30 September 2024 (31 March 2024: Nil).

Segment Information

The Group principally engages in the provision of foundation work and machinery rental in Hong Kong, which are subject to similar business risks, and resources are allocated based on what is beneficial to the Group.

Information on Employees

As at 30 September 2024, the Group had 27 full-time employees working in Hong Kong (30 September 2023: 73). Total staff costs including contribution to retirement benefit schemes incurred during the six months ended 30 September 2024 amounted to approximately HK\$33.5 million (for the six months ended 30 September 2023: approximately HK\$27.5 million). Employees are remunerated based on their qualifications, position and performance. The remuneration offered to employees generally includes salaries, allowances and discretionary bonus. Various types of trainings were provided to the employees.

Interim Dividend

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2024 (for the six months ended 30 September 2023: Nil).

OTHER INFORMATION

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As at 30 September 2024, none of the Directors and chief executives of the Company has any shares or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of Securities and Futures Ordinance (the "SFO")) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

Substantial and Other Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company

So far as known to the Directors or chief executives of the Company, as at 30 September 2024, the following persons/entities (other than the Directors and chief executives of the Company) had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

Long positions in ordinary shares and underlying shares of the Company

Name	Capacity/Nature of interest	Number of shares held/ interested	Approximate percentage of shareholding
Success Run International Limited (" Success Run ")	Beneficial owner	33,675,000 <i>(Note 1)</i>	7.01%
Ms. Wong Fei Heung Terbe (" Ms. Wong ")	Interested in controlled corporations	47,875,000 <i>(Note 1)</i>	9.97%

Note:

1. Ms. Wong Fei Heung Terbe ("**Ms. Wong**") legally and beneficially owns the entire issued share capital of Success Run International Limited ("**Success Run**") and Lion Spring Enterprises Limited ("**Lion Spring**"), the latter of which holds 14,200,000 Shares, representing approximately 2.96% of the entire issued share capital of the Company. Therefore, Ms. Wong is deemed, or taken to be, interested in all the Shares held by Success Run and Lion Spring for the purpose of the SFO. Ms. Wong is the sole director of Success Run and the director of Lion Spring.

Save as disclosed above, as at 30 September 2024, there was no person or corporation, had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group.

Purchase, Sale or Redemption of Listed Securities of the Company

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

Competition and Conflict of Interest

None of the Directors, the Controlling Shareholders or substantial shareholders of the Company or any of their respective closed associates has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the GEM Listing Rules, or has any other conflict of interests with Group during the six months ended 30 September 2024.

Directors' Securities Transactions

The Company has adopted the required standard of dealing, as set out in Rules 5.48 to 5.68 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the shares of the Company (the "**Required Standard of Dealing**"). Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the Required Standard of Dealing and the code of conduct for securities transactions by the Directors during the six months ended 30 September 2024.

Share Option Scheme

The Company adopted a share option scheme which became effective on 22 September 2017 (the **“Old Share Option Scheme”**) and, unless otherwise cancelled or amended, would remain in force for 10 years from that date. The Old Share Option Scheme was terminated and a new share option scheme (the **“New Share Option Scheme”**) was adopted on 25 April 2024 (the **“Adoption Date”**) as approved by the shareholders of the Company (the **“Shareholders”**) by way of poll. Subject to the terms therein, the New Share Option Scheme shall remain in force for the 10 years from the Adoption Date, after such period no further share options will be granted but the provisions of the New Share Option Scheme shall remain in full force and effect in respect of any share options granted before its expiry or termination but not yet exercised.

The purpose of the New Share Option Scheme is to enable the Company to grant share options to selected eligible participants as incentives and/or rewards for their contribution or potential contribution to the Company. Eligible participants include directors (the **“Director(s)”**) and employees (full-time or part-time) of the Company or any of its subsidiaries who in the sole discretion of the Board has contributed or will contribute to the Group.

The maximum number of shares of the Company (the **“Share(s)”**) in respect of which options may be granted under the New Share Option Scheme and any other schemes of the Company shall not, in aggregate, exceed 48,000,344 Shares (representing 10% of the Shares in issue as at the Adoption Date), unless otherwise approved by the Shareholders. The maximum number of Shares issuable to each eligible participant under the New Share Option Scheme within any 12-month period is limited to 1% of the Shares in issue at any time, and any further grant of share options in excess of this limit is subject to the Shareholders' approval in a general meeting. No service provider sublimit had been adopted under the New Share Option Scheme.

The offer of a grant of share options may be accepted within 7 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors, and commences after a certain vesting period (which is usually not less than 12 months) and ends on a date which is not later than 10 years from the date of the offer of the share options or the expiry date of the New Share Option Scheme, if earlier.

The exercise price of the share options is determinable by the Directors, but may not be less than the highest of (i) the closing price of the Shares on the Stock Exchange on the date of the offer of the share options; (ii) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five trading days immediately preceding the date of the offer; and (c) the nominal value of the Shares on the date of the offer.

For the six months ended 30 September 2024, no share option was granted, exercised, expired or lapsed and there was no outstanding share option under the Old Share Option Scheme nor the New Share Option Scheme.

At the beginning of the six months ended 30 September 2024, the number of shares options available for grant under the Old Share Option Scheme and the New Share Option Scheme was 48,000,344 and nil, respectively. At the end of the same period, the number of shares options available for grant under the Old Share Option Scheme and the New Share Option Scheme was nil and 48,000,344, respectively.

The percentage representing the number of Shares that may be issued in respect of share options and awards granted under all schemes of the Company during the six months ended 30 September 2024 (which was nil) divided by the weighted average number of Shares in issue for the same period (which was 480,003,445) was nil.

Corporate Governance Practice

The Company acknowledges the need and importance of corporate governance as one of the key elements in creating shareholders' value. The Company is also committed to achieving high standard of corporate governance that can protect and promote the interests of all shareholders and to enhance corporate value and accountability of the Company. For corporate governance purpose, the Company has applied the principles and code provisions in the Corporate Governance Code (the "CG Code") set out in Appendix 15 of the GEM Listing Rules. During the six months ended 30 September 2024, to the best knowledge of the Board, the Company has complied with all the applicable code provisions set out in the CG Code.

Audit Committee

The Audit Committee was established on 22 September 2017. The chairman of the Audit Committee is Mr. He Dingding, and other members include Ms. Chan Tsz Hei Sammi and Mr. Ng Kim Lung, all being independent non-executive Directors. The written terms of reference of the Audit Committee are posted on the Stock Exchange's website and on the Company's website.

The primary duties of the Audit Committee are mainly to review the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Company has complied with Rule 5.28 of the GEM Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.

The Group's unaudited condensed consolidated financial statements for the six months ended 30 September 2024 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2024 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

Publication of Interim Results and Interim Report

The interim results announcement and the interim report are published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.beavergroup.com.hk. The interim report of the Company for the six months ended 30 September 2024 will be dispatched to the shareholders of the Company. Should the shareholders of the Company have any difficulties in accessing the corporate communications electronically, please request the printed interim report, free of charge, at any time by writing to the Company or the Company's branch registrar, Tricor Investor Services Limited.

By order of the Board

China New Consumption Group Limited

Liu Ching Man

Executive Director

Hong Kong, 8 November 2024

As at the date of this report, the Board comprises Ms. Liu Ching Man as executive Director; and Mr. He Dingding, Ms. Chan Tsz Hei Sammi and Mr. Ng Kim Lung as independent non-executive Directors..