



# Sang Hing Holdings (International) Limited 生興控股(國際)有限公司

(incorporated in the Cayman Islands with limited liability)  
Stock code: 1472



INTERIM REPORT  
**2024**

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# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Lai Wai (*Chairman*)

Mr. Lai Ying Wah

### Independent non-executive Directors

Prof. Leung Yee Tak

Mr. Ho Tai Tung

Ms. Tsang Wing Kiu

Mr. Choi Ho Yan

## AUDIT COMMITTEE

Mr. Choi Ho Yan (*Chairman*)

Prof. Leung Yee Tak

Mr. Ho Tai Tung

Ms. Tsang Wing Kiu

## REMUNERATION COMMITTEE

Prof. Leung Yee Tak (*Chairman*)

Mr. Ho Tai Tung

Ms. Tsang Wing Kiu

Mr. Choi Ho Yan

## NOMINATION COMMITTEE

Mr. Lai Wai (*Chairman*)

Prof. Leung Yee Tak

Mr. Ho Tai Tung

Ms. Tsang Wing Kiu

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited  
Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman KY1-1111

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

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman KY1-1111

Cayman Islands

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

Room 215A-B, 2/F  
Central Services Building  
Nan Fung Industrial City  
No. 18 Tin Hau Road  
Tuen Mun, New Territories  
Hong Kong

# Corporate Information

## SUSTAINABLE DEVELOPMENT COMMITTEE

Mr. Ho Tai Tung (*Chairman*)  
Prof. Leung Yee Tak  
Ms. Tsang Wing Kiu  
Mr. Choi Ho Yan

## INVESTMENT COMMITTEE

Mr. Lai Wai (*Chairman*)  
Mr. Au Chun Wing  
Mr. Shum Tsz Yeung

## COMPANY SECRETARY

Ms. Chang Kam Lai

## AUTHORISED REPRESENTATIVES

Mr. Lai Wai  
Ms. Chang Kam Lai

## LEGAL ADVISER

Khoo & Co.

## AUDITOR

HLB Hodgson Impey Cheng Limited  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*

## PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited  
Bank of Communications  
(Hong Kong) Limited  
Industrial and Commercial Bank of China  
(Asia) Limited  
Bank of China (Hong Kong) Limited  
Shanghai Commercial Bank Ltd.

## COMPANY WEBSITE

[www.sang-hing.com.hk](http://www.sang-hing.com.hk)

## STOCK CODE

1472

## Financial Highlights

	Six months ended 30 September		Increase/ (decrease) %
	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)	
Revenue	<b>89,731</b>	67,191	33.5
EBITDA	<b>(4,463)</b>	(6,380)	(30.0)
Loss before tax	<b>(7,973)</b>	(8,885)	(10.3)
Loss for the period attributable to owners of the Company	<b>(8,903)</b>	(6,918)	28.7
Loss per share attributable to owners of the Company Basic and diluted ( <i>HK cents</i> )	<b>(0.89)</b>	(0.69)	29.0

# Management Discussion and Analysis

The board (the “**Board**”) of directors (the “**Directors**”) of Sang Hing Holdings (International) Limited (the “**Company**”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 September 2024, together with the comparative figures for the six months ended 30 September 2023.

## BUSINESS REVIEW AND FINANCIAL RESULTS

The Group is an established main contractor with over 20 years of experience specialising in a variety of civil engineering works, including site formation, road and bridge construction, drainage and sewerage construction, watermain installation and slope works in Hong Kong. We are a Group C contractor under the “Site Formation” and “Roads and Drainage” categories with confirmed status and are qualified to tender for public works contracts of any values exceeding HK\$400 million.

The Group was awarded a tender in May 2024 for a civil engineering project in relation to site formation and engineering infrastructure works in Hung Shui Kiu/Ha Tsuen New Development Area, Hong Kong (Project W61), with contract sum of approximately HK\$560 million which the contract period is from June 2024 to December 2028.

For the six months ended 30 September 2024, the Group’s revenue was approximately HK\$89.7 million (2023: approximately HK\$67.2 million), an increase of 33.5% as compared with the same corresponding period in 2023 which was due to increase in revenue from civil engineering works related services of Project W61. The loss attributable to owners of the Company for the six months ended 30 September 2024 was approximately HK\$8.9 million (2023: approximately HK\$6.9 million), representing an increase in loss of 28.7% as compared to the same corresponding period in 2023, which was mainly due to decrease in deferred tax recovery income.

## Management Discussion and Analysis

Analysis of revenue of each project during the six months ended 30 September 2024 was as follows:

Project Code	Type of works	Location	2024 HK\$'000	2023 HK\$'000
<b>On-going projects</b>				
W58	Construction of sewers and sewerage system	Northern Tuen Mun	9,249	1,543
W59	Site formation and infrastructure works for public housing development	Kam Tin South, Yuen Long	1,410	6,862
W60	Temporary construction waste sorting facilities	Tseung Kwan O and Tuen Mun	38,133	49,247
W61	Site formation and engineering infrastructure works	Hung Shui Kiu/ Ha Tsuen New Development Area	40,939	–
<b>Projects completed or substantially completed</b>				
W55	Development of columbarium and infrastructural works	North District	–	6,081
W57	Development of Long Valley Nature Park	North District	–	3,458
Total revenue			<b>89,731</b>	67,191

During the six months ended 30 September 2024, we recognised revenue from 4 projects in total. The revenue for the six months ended 30 September 2024 was increased as compared with the same corresponding period in last year due to increase in revenue from Project W61 in which the contract period of Project W61 begun from June 2024.

## Management Discussion and Analysis

The gross profit margin for the six months ended 30 September 2024 was 2.9% (2023: 2.0%). The gross profit margin was slightly improved but kept at low gross profit margin during the six months ended 30 June 2024. The low gross profit margin during the period was mainly due to work progress of Project W61 at the early stage of its contract period.

Other income and other gain or loss, net for the six months ended 30 September 2024 was amounting to approximately HK\$0.9 million (2023: approximately HK\$0.1 million), representing an increase of 776.5% as compared with the same corresponding period in last year, which was due to increase in compensation from insurance. As at 30 September 2024, the Group holds financial assets at fair value through profit or loss amounting to approximately HK\$0.5 million (31 March 2024: approximately HK\$0.4 million).

Administrative and operating expenses for the six months ended 30 September 2024 were amounting to approximately HK\$11.3 million (2023: approximately HK\$10.3 million), representing an increase of 9.7% as compared with the same corresponding period in last year, which was mainly due to increase in project bidding consultancy fee and other related office operating costs.

As at 30 September 2024, prepayments, deposits and other receivables mainly represented amounts paid for insurance and subcontracting fee prepayments, deposits for material purchases, deposits for rental and utilities and other receivables. During the period, prepayments, deposits and other receivables decreased by approximately HK\$1.6 million which was mainly due to decrease in prepayments, deposit for raw material purchases and other receivables regarding to contra charge due from subcontractors.



# Management Discussion and Analysis

## OUTLOOK

Looking forward to the second half of 2024/25, the Group will take part in tenders for projects from various government departments more rigorously, especially those from the Civil Engineering and Development Department, and Drainage Services Department, and other public sector or institutions in order to secure more revenue from engineering projects. We expected that the economic circumstances in Hong Kong and Mainland China will follow a downward trend and become uncertain. Due to the fierce competition in the market and the increased technical requirements of the clients for bidding projects, it has become increasingly difficult to successfully win bids for projects. We will enhance the Group's bidding advantages and capabilities and strive for more successful bids for projects.

We expect that the Russia-Ukraine war will continue, the global financial and energy markets will remain volatile and the prices of energy and raw materials will remain high. Geopolitical uncertainties may result in the disruption of the raw material supply chain, which in turn leads to a shortage of supply. Despite the Group's business suffering fewer adverse effects than other industries, we expect our operating cost to remain high and the price will continue to increase in the coming year. The Group will take all reasonable measures to save energy and enhance the efficiency of resource utilisation, so as to control costs.

The Group will capitalise on its competitive advantages after listing to secure more projects, and to actively participate in bidding for works of the Hong Kong Government to achieve increase revenue. In addition, the Group will also explore various opportunities in the construction industry to create greater value for shareholders.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The uses of cash of the Group are mainly for the financing of the operations and working capital requirements. The Group generally finances its operations with internally generated cash flows and banking facilities provided by its principal bankers. As at 30 September 2024, the Group had cash and cash equivalents of approximately HK\$24.9 million (31 March 2024: approximately HK\$42.3 million) and pledged bank deposits of approximately HK\$4.4 million (31 March 2024: approximately HK\$4.3 million). The decrease of approximately HK\$17.4 million in cash and cash equivalents was mainly attributable to losses incurred by the Group during the six months ended 30 September 2024 and purchases of property, plant and equipment. All of the bank balances were placed with banks in Hong Kong and are denominated in Hong Kong dollars. As at 30 September 2024, the Group had not experienced any liquidity problems in settling its payables in the normal course of business.

# Management Discussion and Analysis

Additionally, as at 30 September 2024, the Group had unutilised banking facilities amounting to approximately HK\$75.0 million (31 March 2024: approximately HK\$75.0 million).

There has been no change in the capital structure of the Company during the six months ended 30 September 2024. The capital of the Company only comprises of ordinary shares. As at 30 September 2024, the total number of issued ordinary shares of the Company was 1,000,000,000 of HK\$0.01 each.

## GEARING RATIO

As at 30 September 2024, the Group's gearing ratio was approximately 0.3% (31 March 2024: approximately 0.4%). The gearing ratio is calculated by dividing lease liabilities by total equity and expressed as a percentage. With available bank balances and cash, the Directors are of the view that the Group has sufficient liquidity to satisfy the funding requirements.

## 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.

## FOREIGN EXCHANGE EXPOSURE

All of the revenue-generating operations of the Group were denominated in Hong Kong dollars. There was no exposure to foreign exchange rate fluctuations. As such, no hedging or other arrangements was made by the Group during the six months ended 30 September 2024 and 2023.

## SIGNIFICANT INVESTMENTS, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 30 September 2024, the Group did not have any significant investments. There was no future plan for material investments or additions of capital assets as at the date of this report.

# Management Discussion and Analysis

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the six months ended 30 September 2024, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

## PLEDGE OF ASSETS

As at 30 September 2024, the Group pledged its bank deposits of approximately HK\$4.4 million (31 March 2024: approximately HK\$4.3 million) as securities for the Group's banking facilities (including letter of credit, bank overdrafts and performance bonds).

## CONTINGENT LIABILITIES

As at 30 September 2024, the Group did not have any material contingent liabilities.

## CAPITAL COMMITMENTS

As at 30 September 2024, the Group did not have any material capital commitments.

## EVENTS AFTER REPORTING PERIOD

No major subsequent events have occurred since the end of the reporting period and up to the date of this report.

## EMPLOYEE AND REMUNERATION POLICY

As at 30 September 2024, the Group had a total of 143 employees (31 March 2024: 98) who were directly employed by the Group in Hong Kong. The staff costs, including Directors' emoluments, of the Group amounted to approximately HK\$21.4 million for the six months ended 30 September 2024 (2023: approximately HK\$23.1 million).

The remuneration package the Group offered to the employees includes salary, bonuses and other cash subsidies. In general, the Group determines employee salaries based on each employee's qualifications, position and seniority. Share options are also available to the Group's employees. The Group provides various types of trainings to the employees and sponsor the employees to attend various training courses, including those on occupational health and safety in relation to the works. Such training courses include the internal training as well as courses organised by external parties such as the Construction Industry Council and the Occupational Safety and Health Council. The safety officers also provide training to the workers before commencement of works.

# Management Discussion and Analysis

## USE OF PROCEEDS FROM THE SHARE OFFER

The net proceeds received by the Company from the public offer of the Company's shares in March 2020 were approximately HK\$79.8 million after deducting the listing expenses of approximately HK\$45.2 million. As at 30 September 2024, the Group has fully utilised the net proceeds.

As at 30 September 2024, the net proceeds had been utilised as follows:

Intended use of net proceeds	Net proceeds <i>HK\$ million</i>	Amount not yet utilised as at 31 March 2024 <i>HK\$ million</i>	Amount	Amount
			utilised during the six months ended 30 September 2024 <i>HK\$ million</i>	not yet utilised as at 30 September 2024 <i>HK\$ million</i>
Acquisition of additional plant and machinery	58.3	3.6	3.6	-
Recruiting and retaining additional staff	3.4	-	-	-
Costs for upgrading information technology system	2.9	-	-	-
Additional working capital	15.2	-	-	-
Total	79.8	3.6	3.6	-

The actual application of the net proceeds was slower than expected and such a delay was mainly due to (i) the impact of the COVID-19 pandemic, which has caused delays in certain of our ongoing projects; (ii) the delay of the projects due to inclement weather; (iii) the delay in projects due to clients have changed the design of the project and/or order in variations; and (iv) the difficulty in recruiting suitable candidates.

# Corporate Governance and Other Information

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) throughout the six months ended 30 September 2024, except for the following deviation:

Under code provision D.1.2 of the CG Code, the management should provide all members of the Board with monthly updates giving balanced and understandable assessment of the Company’s performance, position and prospects in sufficient details. During the six months ended 30 September 2024, the management has provided all members of the Board updates on any material changes to the performance, position and prospects of the Company and sufficient information for matters brought before the Board.

## COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors and the Company’s senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company’s securities.

The Company has made specific enquiries to all the Directors and all the Directors have confirmed their compliance with the Model Code during the six months ended 30 September 2024. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Company during the six months ended 30 September 2024.

## CHANGES IN DIRECTORS’ INFORMATION

During the six months ended 30 September 2024 and up to the date of this report, there is no change in information of the Directors or chief executives that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

# Corporate Governance and Other Information

## INTERIM DIVIDEND

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

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

As at 30 September 2024, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")), which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have taken under such provisions of the SFO), or were recorded in the register required to be kept under section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

### (i) Long position in the issued ordinary shares of the Company (the "Shares")

Name of Director	Capacity/ Nature of interest	Number of Shares held	Percentage of shareholding in the Company
Mr. Lai Wai	Interest in a controlled corporation <sup>(Note 1)</sup>	600,000,000	60.0%

Note:

1. Mr. Lai Wai directly holds the entire issued share capital of Worldwide Intelligence Group Limited ("**Worldwide Intelligence**") and is therefore deemed to be interested in the same number of Shares in which Worldwide Intelligence is interested.

## Corporate Governance and Other Information

### (ii) Long position in the shares of associated corporation of the Company

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Capacity/ Nature of interest</b>	<b>Number of shares held</b>	<b>Percentage of shareholding</b>
Mr. Lai Wai	Worldwide Intelligence	Beneficial owner	1	100%

Save as disclosed above, as at 30 September 2024, none of the Directors or chief executive of the Company had interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept under section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

# Corporate Governance and Other Information

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, DEBENTURES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 30 September 2024, the following person (other than the Directors or chief executive of the Company the interests of which were disclosed above) or corporation had interest or short position in the Shares which were required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were recorded in the register of the Company required to be kept pursuant to section 336 of the SFO:

### Long positions in the Shares

<b>Name of substantial shareholder</b>	<b>Capacity/ Nature of interest</b>	<b>Number of Shares held</b>	<b>Percentage of shareholding in the Company</b>
Worldwide Intelligence	Beneficial owner	600,000,000	60.0%
Ms. Dun Xin Chun <i>(Note 1)</i>	Interest of spouse	600,000,000	60.0%

*Note:*

1. Ms. Dun Xin Chun is cohabiting with Mr. Lai Wai as spouse. By virtue of the SFO, Ms. Dun Xin Chun is deemed, or taken to be, interested in all the Shares in which Mr. Lai Wai is deemed to be interested.

Save as disclosed above, as at 30 September 2024, the Directors were not aware of any person (other than the Directors and the chief executive of the Company) who has an interest or short position in the Shares or underlying Shares which were required 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 were recorded in the register of the Company required to be kept pursuant to section 336 of the SFO.



# Corporate Governance and Other Information

## SHARE OPTION SCHEME

The Company has adopted a share option scheme (the “**Share Option Scheme**”) on 29 January 2020.

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since the date of its adoption and there was no share option outstanding as at 30 September 2024. As at 1 April 2024 and 30 September 2024, the total number of share options available for grant under the scheme mandate of the Share Option Scheme is 100,000,000.

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

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

## AUDIT COMMITTEE

The audit committee of the Board (the “**Audit Committee**”) consists of four members, namely, Prof. Leung Yee Tak, Mr. Ho Tai Tung, Ms. Tsang Wing Kiu and Mr. Choi Ho Yan, all being independent non-executive Directors. Mr. Choi Ho Yan is the chairman of the Audit Committee.

The Audit Committee has reviewed with the management the Group's unaudited condensed consolidated financial statements for the six months ended 30 September 2024. The Audit Committee is of the view that the applicable accounting standards and requirements have been complied with by the Company and that appropriate disclosure have been made.

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2024

	Note	Six months ended 30 September	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>Revenue</b>	3	<b>89,731</b>	67,191
Cost of services		<b>(87,103)</b>	(65,841)
<b>Gross profit</b>		<b>2,628</b>	1,350
Other income and other gain or loss, net	5	<b>894</b>	102
Administrative and operating expenses		<b>(11,327)</b>	(10,265)
<b>Loss from operations</b>		<b>(7,805)</b>	(8,813)
Finance costs	6	<b>(168)</b>	(72)
<b>Loss before tax</b>	7	<b>(7,973)</b>	(8,885)
Income tax	8	<b>(930)</b>	1,967
<b>Loss and total comprehensive loss for the period</b>		<b>(8,903)</b>	(6,918)
<b>Loss and total comprehensive loss for the period attributable to owners of the Company</b>		<b>(8,903)</b>	(6,918)
<b>Loss per share attributable to owners of the Company</b>			
Basic and diluted (HK cents)	9	<b>(0.89)</b>	(0.69)

# Condensed Consolidated Statement of Financial Position

At 30 September 2024

	Note	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	11	14,436	11,122
Right-of-use assets		1,286	1,813
Contract assets	13	1,863	3,283
		<b>17,585</b>	16,218
<b>Current assets</b>			
Trade receivables	12	14,212	12,548
Contract assets	13	76,275	62,117
Prepayments, deposits and other receivables	14	182,455	184,016
Financial assets at fair value through profit or loss		489	428
Pledged bank deposits		4,425	4,346
Cash and cash equivalents		24,923	42,263
		<b>302,779</b>	305,718
<b>Current liabilities</b>			
Trade and retention payables	15	11,285	11,549
Other payables and accruals	16	5,919	5,328
Contract liabilities		6,412	–
Lease liabilities		677	996
		<b>24,293</b>	17,873
<b>Net current assets</b>		<b>278,486</b>	287,845
<b>Total assets less current liabilities</b>		<b>296,071</b>	304,063

# Condensed Consolidated Statement of Financial Position

At 30 September 2024

	Note	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
<b>Non-current liabilities</b>			
Deferred tax liabilities		1,727	797
Lease liabilities		219	238
		<b>1,946</b>	1,035
Net assets		<b>294,125</b>	303,028
<b>Capital and reserves</b>			
Share capital	17	10,000	10,000
Reserves		284,125	293,028
<b>Total equity attributable to owners of the Company</b>		<b>294,125</b>	303,028

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2024

	Share capital HK\$'000	Share premium* HK\$'000	Other reserves* HK\$'000 (note)	Retained profits* HK\$'000	Total HK\$'000
At 1 April 2023 (audited)	10,000	91,979	21,149	186,256	309,384
Loss and total comprehensive loss for the period	-	-	-	(6,918)	(6,918)
At 30 September 2023 (unaudited)	10,000	91,979	21,149	179,338	302,466
At 1 April 2024 (audited)	10,000	91,979	21,149	179,900	303,028
Loss and total comprehensive loss for the period	-	-	-	(8,903)	(8,903)
At 30 September 2024 (unaudited)	10,000	91,979	21,149	170,997	294,125

\* These reserve accounts comprise the consolidated reserves of approximately HK\$284,125,000 (31 March 2024: HK\$293,028,000) in the consolidated statement of financial position.

Note: Other reserve represented the difference between the Group's share of nominal values of the paid-up capital of the subsidiary acquired over the Group's cost of acquisition of the subsidiary under common control upon the corporate reorganisation of the Group in preparation for the listing.

# 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>Operating activities</b>		
Loss before tax	(7,973)	(8,885)
Adjustments for:		
Depreciation of property, plant and equipment	2,809	1,896
Depreciation of right-of-use assets	533	537
Bank interest income	(228)	(139)
Dividend income from equity securities listed in Hong Kong	(12)	(124)
Finance costs	168	72
Loss on disposal of financial assets at fair value through profit or loss	–	171
(Gain)/loss on changes in fair value of financial assets at fair value through profit or loss	(61)	71
Loss on disposal of property, plant and equipment	–	14
Allowance for expected credit losses on financial assets at amortised cost	156	624
Operating cash outflow before movements in working capital	(4,608)	(5,763)
(Increase)/decrease in trade receivables	(1,664)	8,526
(Increase)/decrease in contract assets	(12,738)	20,994
Decrease/(increase) in prepayments, deposits and other receivables	1,405	(13,983)
Decrease in trade and retention payables	(264)	(22,437)
Increase/(decrease) in other payables and accruals	591	(687)
Increase in contract liabilities	6,412	–
Cash used in operations	(10,866)	(13,350)
Hong Kong tax paid	–	(1,071)
<b>Net cash used in operating activities</b>	<b>(10,866)</b>	<b>(14,421)</b>

# 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>Investing activities</b>		
Interest received	228	139
Dividend income from equity securities listed in Hong Kong	12	124
Purchases of property, plant and equipment	(5,901)	–
Proceeds from disposal of property, plant and equipment	–	27
Proceeds from disposal of financial assets at fair value through profit or loss	–	1,385
Placement of pledged bank deposit	(79)	(67)
<b>Net cash (used in)/generated from investing activities</b>	<b>(5,740)</b>	<b>1,608</b>
<b>Financing activities</b>		
Capital element of lease rentals paid	(566)	(651)
Interest paid	(168)	(72)
<b>Net cash used in financing activities</b>	<b>(734)</b>	<b>(723)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(17,340)</b>	<b>(13,536)</b>
Cash and cash equivalents at beginning of the period	42,263	55,149
Cash and cash equivalents at end of the period	24,923	41,613
Analysis of balances of cash and cash equivalents		
Cash and bank balances	24,923	41,613

# Notes to the Condensed Consolidated Financial Statements

*For the six months ended 30 September 2024*

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Act as an exempted company with limited liability on 25 June 2018 and its shares have been listed (the “**Listing**”) on the Main Board of the Stock Exchange on 17 March 2020. The registered office address and principal place of business in Hong Kong of the Company are Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands and Room 215A-B, 2/F, Central Services Building, Nan Fung Industrial City, No. 18 Tin Hau Road, Tuen Mun, New Territories, Hong Kong, respectively.

The Company’s immediate and ultimate holding company is Worldwide Intelligence Group Limited (“**Worldwide Intelligence**”), a company incorporated in the British Virgin Islands. Worldwide Intelligence is controlled by Mr. Lai Wai who is the chairman and executive director of the Company. Worldwide Intelligence and Mr. Lai Wai are referred to as the controlling shareholders of the Company.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are provision of civil engineering works service and related services.

The condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company. All values are rounded to the nearest thousand (HK\$’000) except otherwise indicated.

The condensed consolidated financial statements have not been audited by the Company’s auditor, but have been reviewed by the audit committee of the Company.

## 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

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

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values at the end of each reporting period.

Other than changes 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 followed in the preparation of the consolidated financial statements for the year ended 31 March 2024.



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 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 mandatory effective for the Group's annual period beginning on or after 1 April 2024 for the preparation of the condensed consolidated financial statements:

Amendments 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

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

## 3. REVENUE

The Group's revenue represents the amount received and receivable for revenue arising on civil engineering works services and related management services which is recognised over time.

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue from civil engineering works and related management services	89,731	67,191

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 4. SEGMENT INFORMATION

### (i) Operating segment information

The Group's most senior executive management has been identified as the executive directors who review the Group's internal reporting in order to assess performance and allocate resources. The Group's most senior executive management has determined the operating segments based on these reports.

The Group's most senior executive management assesses performance based on a measure of profit after income tax and considers all businesses to be included in a single operating segment.

The Group is principally engaged in the business of civil engineering works service and related management services in Hong Kong. Information reported to the Group's most senior executive management for the purpose of resources allocation and performance assessment, focuses on the operating result of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating and geographical segment information is presented.

### (ii) Information about major customers

Revenue from customers during the six months ended 30 September 2024 and 2023 contributing individually over 10% of the Group's revenue is as follows:

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Customer A	80,482	65,648
Customer B	9,249	N/A*

\* The corresponding revenue did not contribute over 10% of the total revenue of the Group for the six months ended 30 September 2023.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 5. OTHER INCOME AND OTHER GAIN OR LOSS, NET

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Bank interest income	228	139
Loss on disposal of financial assets at fair value through profit or loss	–	(171)
(Gain)/loss on changes in fair value of financial assets at fair value through profit or loss	61	(71)
Loss on disposal of property, plant and equipment	–	(14)
Management fee income	65	–
Dividend income from equity securities listed in Hong Kong	12	124
Compensation from insurance	454	–
Sundry income	74	95
	<b>894</b>	<b>102</b>

## 6. FINANCE COSTS

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Interest on bank overdrafts	135	11
Interest on lease liabilities	33	61
	<b>168</b>	<b>72</b>

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 7. LOSS BEFORE TAX

Loss before tax is arrived at after charging:

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Auditor's remuneration	250	250
Depreciation of property, plant and equipment	2,809	1,896
Depreciation of right-of-use assets	533	537
Less: amounts included in cost of services	(2,670)	(1,694)
	672	739
Directors' remuneration		
– Other emoluments (fees, salaries, allowance, bonus and benefits in kind)	1,050	1,964
– Retirement benefit scheme contributions	–	9
Staff costs (excluding Directors' remuneration)		
– Wages, salaries, allowance and bonus	19,945	20,535
– Retirement benefit scheme contributions	424	629
	20,369	21,164
Less: amounts included in cost of services	(11,867)	(16,625)
	8,502	4,539
Subcontracting costs	52,184	19,403
Allowance for expected credit losses on financial assets at amortised cost	156	624
Short-term lease expenses	50	48

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 8. INCOME TAX

No provision for taxation has been recognised for companies incorporated in the Cayman Islands and the British Virgin Islands as they are not subject to any tax during the period.

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2023: 16.5%) of the estimated assessable profits arising in Hong Kong during the period.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, 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%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Provision for Hong Kong profits tax:		
– Current tax	–	–
– Under provision in prior years	–	18
Deferred taxation	930	(1,985)
Tax charge/(credit) for the period	930	(1,967)

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 9. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the period of approximately HK\$8,903,000 (six months ended 30 September 2023: approximately HK\$6,918,000) and the weighted average number of ordinary shares of the Company in issue during the periods:

	Six months ended 30 September	
	2024 (Unaudited)	2023 (Unaudited)
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	1,000,000,000	1,000,000,000

No dilutive loss per share is presented as there was no potential dilutive ordinary shares in issue during both periods.

## 10. DIVIDENDS

No dividends were paid, declared or proposed during the six months ended 30 September 2024. The Board did not declare the payment of an interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

## 11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2024, the Group's acquired property, plant and equipment at a total cost of approximately HK\$5,901,000.

During the six months ended 30 September 2023, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of approximately HK\$41,000 for cash proceeds of approximately HK\$27,000, resulting in a loss on disposal of approximately HK\$14,000.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 12. TRADE RECEIVABLES

	<b>As at 30 September 2024 HK\$'000 (Unaudited)</b>	As at 31 March 2024 HK\$'000 (Audited)
Trade receivables	<b>14,212</b>	12,548

The average credit period on construction works is 30 days.

Ageing analysis of trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>As at 30 September 2024 HK\$'000 (Unaudited)</b>	As at 31 March 2024 HK\$'000 (Audited)
0-30 days	<b>14,212</b>	12,548

Receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 13. CONTRACT ASSETS

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Unbilled receivables (note (i))	73,536	59,379
Retention receivables (note (ii))	4,602	6,021
	<b>78,138</b>	65,400
Less: non-current portion of retention receivables	<b>(1,863)</b>	(3,283)
	<b>76,275</b>	62,117

### Notes:

- (i) Unbilled receivables included in contract assets represents the Group's right to receive consideration for work completed and not yet billed because the rights are conditional upon the satisfaction by the customers on the construction work completed by the Group and the work is pending for the certification by the customers. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed construction work from the customers.
- (ii) Retention receivables included in contract assets represents the Group's right to consideration for work performed and not yet billed because the rights are conditional on the satisfaction of the service quality by the customers over the maintenance period as stipulated in the contracts. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically after the expiry date of the maintenance period.



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Prepayments ( <i>note(a)</i> )	110,901	111,487
Deposits	1,739	1,659
Other receivables ( <i>note(b)</i> )	60,608	72,088
Amount due from other joint operator of a joint operation ( <i>note(c)</i> )	10,591	10
	<b>183,839</b>	185,244
Less: allowance for expected credit losses	(1,384)	(1,228)
	<b>182,455</b>	184,016

### Notes:

- (a) As at 30 September 2024, the prepayments mainly represent subcontractor charge of amount approximately HK\$96,478,000 (31 March 2024: approximately HK\$110,307,000) which were prepaid to independent third parties.
- (b) As at 30 September 2024, included in the other receivables was an aggregate amount of approximately HK\$60,194,000 (31 March 2024: approximately HK\$71,673,000) representing the contra charges paid on behalf of and advance payment to the subcontractors.
- (c) The amount due from other joint operator of a joint operation is unsecured, interest-free and recoverable on demand.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 15. TRADE AND RETENTION PAYABLES

	As at 30 September 2024 <i>HK\$'000</i> (Unaudited)	As at 31 March 2024 <i>HK\$'000</i> (Audited)
Trade payables	9,388	9,566
Retention payables	1,897	1,983
	<b>11,285</b>	11,549

The credit period on trade payables is up to 60 days. Ageing analysis of trade payables at the end of each reporting period, based on invoice dates, is as follows:

	As at 30 September 2024 <i>HK\$'000</i> (Unaudited)	As at 31 March 2024 <i>HK\$'000</i> (Audited)
0-30 days	5,746	2,805
31-60 days	747	1,832
61-90 days	672	629
Over 90 days	2,223	4,300
	<b>9,388</b>	9,566

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 16. OTHER PAYABLES AND ACCRUALS

	As at 30 September 2024 <i>HK\$'000</i> (Unaudited)	As at 31 March 2024 <i>HK\$'000</i> (Audited)
Other payables and accruals	1,561	1,938
Accrued staff costs	3,858	2,890
Employee benefit obligations	500	500
	<b>5,919</b>	<b>5,328</b>

## 17. SHARE CAPITAL

Details of movements of share capital of the Company are as follows:

	Number of shares	Share capital <i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
<b>Authorised:</b>		
At 1 April 2023 (audited), 31 March 2024 (audited), 1 April 2024 (audited) and 30 September 2024 (unaudited)	10,000,000,000	100,000
<b>Issued and fully paid:</b>		
At 1 April 2023 (audited), 31 March 2024 (audited), 1 April 2024 (audited) and 30 September 2024 (unaudited)	1,000,000,000	10,000

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets are measured at fair value on a recurring basis.

The Group's financial assets at fair value through profit or loss are measured at fair value at the end of each reporting period. The following gives information about how the fair values of these financial assets are determined, as well as the level of the fair value hierarchy into which the fair value measurements are categorised based on the degree to which the inputs to the fair value measurements is observable.

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### Fair value hierarchy as at 30 September 2024 (Unaudited)

Financial assets	Fair value as at 30 September 2024	Fair value hierarchy	Valuation technique and key input
Financial assets at fair value through profit or loss – Held for trading-listed equity securities	HK\$489,000	Level 1	Quoted bid price in an active market

### Fair value hierarchy as at 31 March 2024 (Audited)

Financial assets	Fair value as at 31 March 2024	Fair value hierarchy	Valuation technique and key input
Financial assets at fair value through profit or loss – Held for trading-listed equity securities	HK\$428,000	Level 1	Quoted bid price in an active market

There were no transfers between Level 1 and Level 2 for the six months ended 30 September 2024 and year ended 31 March 2024.

The Directors consider that the carrying amounts of the financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate to their fair values.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 19. MATERIAL RELATED PARTIES TRANSACTIONS

Material related party transactions identified during the periods are summarised as follows:

### (a) Transactions with related parties

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Interest on lease liabilities to Mr. Lai Hoi Kan (note (i))	2	4
Interest on lease liabilities to Mr. Lai Hoi Chun (note (i))	2	4

Notes:

- (i) Mr. Lai Hoi Kan and Mr. Lai Hoi Chun are the family members of Mr. Lai Wai, an executive director and controlling shareholder of the Company.

### (b) Key management personnel remuneration

The emoluments of the Directors and senior management of the Group, who represent the key management personnel during the periods are as follows:

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Salaries, fees and allowances	2,940	4,383
Retirement benefit	45	54
	<b>2,985</b>	<b>4,437</b>