



**Hong Kong Johnson Holdings Co., Ltd.**

**香港莊臣控股有限公司**

(A company incorporated in the Cayman Islands with limited liability)

Stock Code : 1955

**Dedicate to Shape**  
**an Intelligent Green Future**



INTERIM REPORT

**2024/25**



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# Corporate Information

## BOARD OF DIRECTORS

### Executive Director

Dr. LI Zhuang (*Vice President*)

### Non-executive Directors

Mr. XIE Hui (*Chairman*)

Mr. YAN Jun

Ms. LI Yanmei

Ms. LEE Wing Yee Loretta

Ms. WONG Ling Fong Lisa

Mr. LU Xuefang (appointed on 15 July 2024)

### Independent Non-executive Directors

Mr. FAN Chiu Tat Martin

Dr. GUAN Yuyan

Mr. HONG Kam Le

Mr. LEUNG Siu Hong

Ms. RU Tingting

## BOARD COMMITTEES

### Audit Committee

Mr. FAN Chiu Tat Martin (*Chairman*)

Ms. RU Tingting

Mr. LEUNG Siu Hong

### Remuneration Committee

Mr. LEUNG Siu Hong (*Chairman*)

Dr. GUAN Yuyan

Ms. RU Tingting

### Nomination Committee

Ms. RU Tingting (*Chairman*)

Dr. GUAN Yuyan

Mr. HONG Kam Le

## AUTHORISED REPRESENTATIVES UNDER LISTING RULES

Mr. XIE Hui

Dr. LI Zhuang

## CHIEF EXECUTIVE OFFICER

Mr. FUNG Chi Wang William

## COMPANY SECRETARY

Dr. LI Zhuang

## LEGAL ADVISERS

*As to Hong Kong law*

Bird & Bird

*As to Cayman Islands law*

Harney Westwood & Riegels

## COMPLIANCE ADVISER

Huajin Corporate Finance (International) Limited

## INDEPENDENT AUDITOR

RSM Hong Kong

*Certified Public Accountants, Hong Kong*

## PRINCIPAL BANKERS

The Hongkong and Shanghai Banking  
Corporation Limited

DBS Bank (Hong Kong) Limited

Hang Seng Bank Limited

# Corporate Information

## REGISTERED OFFICE

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

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

11/F China Aerospace Centre  
No. 143 Hoi Bun Road  
Kwun Tong  
Kowloon, Hong Kong

## CAYMAN ISLANDS PRINCIPAL REGISTRAR OFFICE

Harneys Fiduciary (Cayman) Limited  
4th Floor, Harbour Place  
103 South Church Street  
George Town,  
Grand Cayman KY1-1002  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

## STOCK CODE

1955

## WEBSITE

[www.johnsonholdings.com](http://www.johnsonholdings.com)



# Management Discussion and Analysis

## RESULTS

Hong Kong Johnson Holdings Co., Ltd. (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) is a leading environmental hygiene service provider with coverage spanning across Hong Kong Island, Kowloon and the New Territories, providing cleaning services including building and campus cleaning, park and recreation center cleaning, street cleaning, disinfection services, pest management services, garbage logistics services and security guarding services.

The Group recorded a revenue of approximately HK\$714.2 million for the six months ended 30 September 2024 (the “**Period**”), representing a decrease of 13.1% compared with the same period last year. The Group’s overall gross profit margin increased from approximately 4.9% to 6.1%, which was mainly due to the decrease in overall labour costs during the Period.

Profit attributable to equity holders of the Company decreased by approximately HK\$0.4 million or 4.1% from approximately HK\$9.6 million for the six months ended 30 September 2023 to approximately HK\$9.2 million for the Period. The decrease was mainly due to decrease in revenue generated from the government customers and the enhancement of the business and operational team to strengthen the Group’s competitive advantages and drive business growth.

## BUSINESS REVIEW AND PROSPECTS

During the Period, although market economic activities gradually recovered, the overall consumption strength in the market remained weak due to global inflation and geopolitical tensions, coupled with factors such as Hong Kong’s economy being at a critical transition stage, with Hong Kong residents “going north to consume.” Various industries faced different levels of operating pressure, which persistently affected customers’ procurement decision preferences, leading to intensified competition in the cleaning industry market.

The Group is actively optimising its tendering strategy in the government sector amidst a highly competitive market environment, while recruiting talents to build a high-end commercial team and striving to enhance service quality, in order to expand its sources of income. Since the Period, the Group has secured several large street cleaning contracts in the government sector (including Eastern District, Northern District, Kowloon City District, Kwun Tong District, Southern District, etc.), with contract amounts exceeding HKD2.0 billion. Among them, the new street cleaning contracts, excluding those in the Eastern District, will officially commence services from October to December 2024, with the majority of the revenue and profits are expected to be derived after the Period. The Group is also actively expanding its new government department clientele, having secured cleaning contracts with government departments such as the Correctional Services Department, Agriculture, Fisheries and Conservation Department, Department of Justice, Environmental Protection Department, and Water Supplies Department. The Group’s business scale in the commercial sector has also maintained steady growth, achieving more breakthroughs particularly in the high-end customer sector, securing cleaning service contracts with international large banks, renowned universities, luxury villas, and five-star hotels. In terms of hospital comprehensive services, the Group has also secured a major comprehensive service contract for the first time with a public hospital located in the western New Territories, providing ancillary services such as patient transport, medication delivery, and environmental cleaning. This marks our successful entry into a new sector with higher barriers to entry and vast market potential, signifying the continuous enhancement of the Company’s service capabilities and market positioning. For further details, please refer to the Company’s announcements dated 13 September 2024 and 25 October 2024.

For the garbage logistics business, with the dedicated efforts of our specialised operation team and allocation of sufficient resources, our business scale has continued to grow. Positively impacted by the new contracts, the service revenue of the garbage logistics business significantly increased during the Period, with continuous improvement in profitability.

# Management Discussion and Analysis

Meanwhile, the Group continues to actively develop its professional pest management business. Johnson Professional Services Company Limited (hereinafter referred to as “**Johnson Professional Services**”) has been steadily developing since its establishment, providing clients with professional pest management and high-quality disinfection services. It employs early prevention and control measures for pest risk management, coupled with good hygiene procedures and comprehensive and continuous supervision, thereby reducing the risk of potential pest infection.

Since early 2024, following the successful renewal of contracts with a large catering group by Johnson Professional Services, it also committed to exploring new market opportunities, securing service contracts with renowned hotel groups, and larger private hospitals projects in July 2024 to provide professional pest control services. In addition, leveraging our extensive experience in pest control services for clubhouses, we have successfully secured pest control contracts for several long-established private clubhouses and clubs. Professional pest control services have been provided to over 300 customers during the reporting period. Looking ahead to 2025, Johnson Professional Services will continue to expand its customer base and explore more business areas, such as large shopping malls and prepare to develop the formaldehyde removal business.

On the other hand, after analysing and responding to market demands, Wyson Security Services Limited launched its security business and successfully obtained three certifications in a short period: ISO9001 (Quality Management System), ISO14001 (Environmental Management System), and ISO45001 (Occupational Health and Safety Management System). The company has currently established a professional security services team and secured its first large-scale security service contract with an international client, and achieved a breakthrough in government department contracts, realising a business breakthrough. It is believed that this business will become one of the new driving forces for the Group’s development.

During the Period, the Group benefited from the optimisation of bidding strategies and the introduction of high-end talents, leading to a stabilisation and rebound in the overall contract scale of the government sector, while simultaneously achieving continuous breakthroughs in commercial sector business. To consolidate our core business, the Group is committed to enhancing service quality with dedication, maintaining an innovative approach, and aiming to earn the trust of all customers and the community through quality services. At the same time, the Group is also actively enhancing internal management, optimising back-office staffing, and improving the level of informatisation to maintain its competitiveness. We will continue to maintain cleaning as the core of our business, further enhance the scale of hospital comprehensive services, garbage logistics, professional pest management, security and other businesses, and develop more new businesses to enrich the Group’s business structure, accelerate overall business development, and improve business risk resistance capability.

## FINANCIAL REVIEW

### Revenue

The Group’s revenue for the six months ended 30 September 2024 and 2023 were approximately HK\$714.2 million and HK\$822.0 million respectively, representing a decrease of approximately HK\$107.8 million or 13.1%. The decrease was mainly due to the decrease in revenue generated from government customers as certain government cleaning contracts have been successively completed since October last year, which was partially offset by the significant progress in revenue from the commercial customers.

### Cost of services

The cost of services primarily comprised of labour costs, cleaning materials costs and motor vehicles expenses. For the six months ended 30 September 2024 and 2023, the cost of services amounted to approximately HK\$670.4 million and HK\$781.7 million respectively, representing approximately 93.9% and 95.1% of the Group’s revenue for the corresponding periods respectively. The percentage of cost of services to the Group’s revenue decreased by approximately 1.2% mainly due to the decrease in overall labour costs during the Period.



# Management Discussion and Analysis

## Gross profit and gross profit margin

The Group's gross profit for the Period was approximately HK\$43.8 million, representing an increase of approximately HK\$3.5 million or 8.6% from approximately HK\$40.3 million for the corresponding period in 2023.

The gross profit margins of the Group for the six months ended 30 September 2024 and 2023 were approximately 6.1% and 4.9% respectively. As mentioned above, the increase in gross profit margin was mainly due to the decrease in overall labour costs.

## Administrative expenses

The administrative expenses of the Group for the six months ended 30 September 2024 and 2023 were approximately HK\$38.7 million and HK\$32.6 million respectively, representing an increase of HK\$6.1 million or 18.8%. The increase was mainly due to the enhancement of the business and operational team to strengthen the Group's competitive advantages and drive business growth.

## Finance costs

The finance costs represented primarily the interest expenses on bank borrowings with floating interest rates. The finance costs amounted to approximately HK\$0.5 million and HK\$2.1 million for the six months ended 30 September 2024 and 2023 respectively, representing approximately 0.1% and 0.3% of the Group's total revenue respectively. The slight decrease was mainly due to the better cashflow management and reducing reliance on bank borrowings.

## Profit for the Period attributable to equity holders of the Company

The Group's profit for the period attributable to equity holders of the Company for the six months ended 30 September 2024 and 2023 were approximately HK\$9.2 million and HK\$9.6 million respectively, representing a decrease of HK\$0.4 million or 4.1%. The decrease was mainly due to decrease in revenue generated from the government customers and the enhancement of the business and operational team to strengthen the Group's competitive advantages and drive business growth.

## Liquidity and financial resources

The Group has funded the liquidity and capital requirements primarily through cash inflows from operating activities and bank balances. As at 30 September 2024, the capital structure of the Group consisted of equity of approximately HK\$600.8 million (31 March 2024: HK\$596.3 million), bank and other borrowings of approximately HK\$12.1 million (31 March 2024: HK\$17.0 million) and lease liabilities of approximately HK\$5.0 million (31 March 2024: HK\$8.7 million).

# Management Discussion and Analysis

## Account receivables

As at 30 September 2024, the Group had net account receivables of approximately HK\$355.0 million (31 March 2024: HK\$260.0 million). The increase was mainly due to the delay in the settlement of account receivables by government sector customers. The slow settlement from our government sector customers for the Period was in line with their historical settlement pattern of which they generally settle their invoices faster near the fiscal year end of the Government of Hong Kong falling in March than other periods of a year. The Group does not expect any material difficulty in collecting payment from such customers and continues to improve credit and collections management.

## Cash position and fund available

During the Period, the Group maintained a healthy liquidity position, with working capital being financed by internal funds and bank borrowing. As at 30 September 2024, the Group's cash and cash equivalents were approximately HK\$314.9 million (31 March 2024: HK\$427.0 million); the Group pledged bank deposits of approximately HK\$30.9 million (31 March 2024: HK\$30.5 million) to secure the Group's banking facilities. As at 30 September 2024, the current ratio of the Group was approximately 3.4 times (31 March 2024: 3.2 times).

## Accruals, other payables and provisions

As at 30 September 2024, the Group had total accruals, other payables and provisions of approximately HK\$169.0 million (31 March 2024: HK\$189.6 million). The decrease was mainly due to the decrease in accrued staff costs and provision.

## Bank and other borrowings

As at 30 September 2024, the Group had total bank and other borrowings of approximately HK\$12.1 million (31 March 2024: HK\$17.0 million). As at 30 September 2024, the Group had aggregate banking facilities, which comprised of overdraft and revolving loan facilities, factoring facility and guarantee line facility, of approximately HK\$1,735.0 million, of which approximately HK\$1,461.9 million was unutilised.

## Gearing ratio

As at 30 September 2024, the Group's gearing ratio was approximately 2.8% (31 March 2024: 4.3%), calculated by dividing total debts by total equity and multiplying the resulting value by 100%. The Group's total debts include interest-bearing bank and other borrowings and lease liabilities.

## Foreign currency exposure

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currency of the Group's entities located in Hong Kong. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

## Capital expenditure

The Group incurred total capital expenditures of approximately HK\$11.0 million and HK\$17.9 million respectively for the six months ended 30 September 2024 and 2023 for additions of property, plant and equipment. The capital expenditure was principally incurred due to the acquisition of motor vehicles for provision of street cleaning services. It was mainly funded by cash generated from operating activities.





# Management Discussion and Analysis

## Capital Commitment

As at 30 September 2024, the Group had no capital commitment (31 March 2024: Nil).

## Charges on the Group's Assets

As at 30 September 2024, the Group pledged certain property, plant and equipment, bank deposits, right-of-use assets and financial assets at fair value through profit or loss ("**FVTPL**") to secure bank and other borrowings, performance bonds relating to deposits for cleaning, janitorial and other related service projects, and lease liabilities.

## Contingent Liabilities

### (a) Performance bonds

As at 30 September 2024 and 31 March 2024, there were contingent liabilities in respect of performance bonds relating to deposits for cleaning, janitorial and other related service projects and an employment compensation insurance contract issued by banks for the Group amounting to approximately HK\$273,127,000 (unaudited) and HK\$290,110,000 (audited), respectively. The performance bonds were secured by the Group's pledged bank deposits, and financial assets at FVTPL and were guaranteed by the Company.

### (b) Litigations

As at 30 September 2024 and 31 March 2024, the Group has been involved in several on-going litigations and claims concerning personal injuries of its existing or former employees and third parties with estimated claim amounts, net of estimated insurance deductibles, of approximately HK\$3,023,000 (unaudited) and HK\$3,372,000 (audited), respectively. In the opinion of the directors of the Company, the provision of insurance deductibles had been provided based on insurance policies. The estimated costs and expenses above the insurance deductibles are expected to be adequately covered by the Group's insurance policies.

# Management Discussion and Analysis

## ACQUISITION, DISPOSAL AND SIGNIFICANT INVESTMENT HELD

During the Period, the Group did not make any material acquisition, disposal nor held any significant investment.

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this interim report, the Group had no specific plan for material investments or capital assets as at 30 September 2024.

## EVENTS AFTER THE REPORTING PERIOD

The Group did not have any material events after the end of the reporting period.

## HUMAN RESOURCES

As at 30 September 2024, the Group had over 5,000 employees (31 March 2024: over 4,700 employees). Remuneration is determined with reference to market terms and in accordance with the performance, qualification, and experience of each individual employee. Discretionary bonuses, based on each individual's performance, are paid to employees as recognition and reward for their contributions. In addition, the Group conducted various training activities, such as training on operational safety, office, and management skills, to improve the front-end quality of services and office support during the Period.

# Independent Review Report



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## TO THE BOARD OF DIRECTORS OF HONG KONG JOHNSON HOLDINGS CO., LTD.

*(Incorporated in the Cayman Islands with limited liability)*

### INTRODUCTION

We have reviewed the interim financial information set out on pages 12 to 29 which comprises the condensed consolidated statement of financial position of Hong Kong Johnson Holdings Co., Ltd. (the “**Company**”) and its subsidiaries as at 30 September 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF REVIEW

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

# Independent Review Report

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

**RSM Hong Kong**  
Certified Public Accountants  
Hong Kong

28 November 2024

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

For the six months ended 30 September 2024

	Notes	Six months ended 30 September	
		2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
<b>Revenue</b>	6	<b>714,234</b>	822,032
Cost of services		<b>(670,448)</b>	(781,723)
<b>Gross profit</b>		<b>43,786</b>	40,309
Other income	7	<b>4,553</b>	3,466
Other gains, net	8	<b>228</b>	1,950
Reversal of allowance for account receivables		<b>840</b>	58
Administrative expenses		<b>(38,704)</b>	(32,580)
<b>Profit from operations</b>		<b>10,703</b>	13,203
Finance costs	9	<b>(485)</b>	(2,090)
<b>Profit before tax</b>		<b>10,218</b>	11,113
Income tax expense	10	<b>(985)</b>	(1,490)
<b>Profit and other comprehensive income for the period attributable to equity holders of the Company</b>	11	<b>9,233</b>	9,623
<b>Earnings per share attributable to equity holders of the Company</b>			
Basic and diluted (HK cents per share)	13	<b>1.8</b>	1.9

# Condensed Consolidated Statement of Financial Position

At 30 September 2024

	<i>Notes</i>	At 30 September 2024 HK\$'000 (unaudited)	At 31 March 2024 HK\$'000 (audited)
<b>Non-current assets</b>			
Property, plant and equipment	14	71,232	68,445
Right-of-use assets		23,353	28,096
Financial assets at fair value through profit or loss ("FVTPL")		12,785	12,649
Deferred tax assets		156	156
<b>Total non-current assets</b>		<b>107,526</b>	109,346
<b>Current assets</b>			
Account receivables	15	355,001	260,031
Prepayments, deposits and other receivables		13,311	10,959
Inventories		–	6
Pledged bank deposits		30,924	30,523
Bank and cash balances		314,884	426,967
<b>Total current assets</b>		<b>714,120</b>	728,486
<b>Current liabilities</b>			
Account payables	16	22,139	18,006
Accruals, other payables and provisions		168,951	189,632
Dividend payable		4,700	–
Bank and other borrowings	17	7,547	8,997
Lease liabilities		4,788	6,493
Current tax liabilities		1,736	1,850
<b>Total current liabilities</b>		<b>209,861</b>	224,978
<b>Net current assets</b>		<b>504,259</b>	503,508
<b>Total assets less current liabilities</b>		<b>611,785</b>	612,854

# Condensed Consolidated Statement of Financial Position

At 30 September 2024

		At 30 September 2024 HK\$'000 (unaudited)	At 31 March 2024 HK\$'000 (audited)
	<i>Notes</i>		
<b>Non-current liabilities</b>			
Provisions		318	608
Bank and other borrowings	17	4,553	7,984
Lease liabilities		205	2,168
Deferred tax liabilities		5,896	5,814
<b>Total non-current liabilities</b>		<b>10,972</b>	16,574
<b>NET ASSETS</b>		<b>600,813</b>	596,280
<b>Equity</b>			
Share capital	18	5,000	5,000
Reserves		595,813	591,280
<b>TOTAL EQUITY</b>		<b>600,813</b>	596,280

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2024

	Attributable to equity holders of the Company (unaudited)				
	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Retained earnings HK\$'000	Total equity HK\$'000
At 1 April 2023	5,000	46,999	6,450	528,010	586,459
Total comprehensive income for the period	-	-	-	9,623	9,623
Dividend approved	-	-	-	(6,100)	(6,100)
Changes in equity for the period	-	-	-	3,523	3,523
At 30 September 2023	5,000	46,999	6,450	531,533	589,982
At 1 April 2024	<b>5,000</b>	<b>46,999</b>	<b>6,450</b>	<b>537,831</b>	<b>596,280</b>
Total comprehensive income for the period	-	-	-	<b>9,233</b>	<b>9,233</b>
Dividend approved	-	-	-	<b>(4,700)</b>	<b>(4,700)</b>
Changes in equity for the period	-	-	-	<b>4,533</b>	<b>4,533</b>
At 30 September 2024	<b>5,000</b>	<b>46,999</b>	<b>6,450</b>	<b>542,364</b>	<b>600,813</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>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(96,477)</b>	(133,222)
Increase in pledged bank deposits	(401)	(458)
Interest received	4,492	3,099
Dividend received from financial assets at FVTPL	61	44
Purchases of property, plant and equipment	(11,021)	(17,924)
Proceeds from disposals of property, plant and equipment	138	4,225
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(6,731)</b>	(11,014)
Repayment of bank and other borrowings	(4,881)	(5,725)
Increase in factoring loans	–	1,349
Principal elements of lease payments	(3,668)	(3,411)
Interest paid	(326)	(1,798)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(8,875)</b>	(9,585)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(112,083)</b>	(153,821)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>426,967</b>	455,007
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>314,884</b>	301,186
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Bank and cash balances	314,884	301,186

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 9 July 2018. The address of its registered office in the Cayman Islands is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands. The address of its registered office and principal place of business in Hong Kong is 11/F, China Aerospace Centre, 143 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) are engaged in provision of cleaning, janitorial and other related services.

## 2. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 March 2024. Except as described below, the accounting policies (including the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 March 2024.

## 3. AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

### (a) Amended standards adopted by the Group

The Group has applied the following amendments for the first time from 1 April 2024:

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

As a result of the adoption of the amendments to HKAS 1, the Group changed its accounting policy for the classification of borrowings as below:

*“Borrowings are classified as current liabilities unless at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.”*

This new policy did not result in a change in the classification of the Group’s borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to HKAS 1.



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 3. AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

*(Continued)*

### (b) Impact of new and amended standards issued but not yet adopted by the Group

In September 2023, HKICPA amended HKAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. These new requirements will apply for annual reporting periods beginning on or after 1 January 2025. The management does not expect the amendment to have a material impact on the consolidated financial statements.

In July 2024, HKICPA issued HKFRS 18 which is effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information. The management is currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

## 4. FAIR VALUE MEASUREMENTS

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

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 or liabilities that the Group can access at the measurement date.

Level 2 inputs: 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 Group’s policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

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 if the carrying amount is a reasonable approximation of fair value.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 4. FAIR VALUE MEASUREMENTS *(Continued)*

### (a) Disclosures of level in fair value hierarchy:

Description	Fair value measurements as at 30 September 2024		
	Level 2	Level 3	Total
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
<b>Recurring fair value measurements:</b>			
Financial assets at FVTPL			
Investments in unlisted unit trusts	1,767	–	1,767
Investments in life insurance	–	11,018	11,018
	<b>1,767</b>	<b>11,018</b>	<b>12,785</b>

Description	Fair value measurements as at 31 March 2024		
	Level 2	Level 3	Total
	HK\$'000 (audited)	HK\$'000 (audited)	HK\$'000 (audited)
<b>Recurring fair value measurements:</b>			
Financial assets at FVTPL			
Investments in unlisted unit trusts	1,757	–	1,757
Investments in life insurance	–	10,892	10,892
	<b>1,757</b>	<b>10,892</b>	<b>12,649</b>

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 4. FAIR VALUE MEASUREMENTS *(Continued)*

### (b) Reconciliation of financial assets measured at fair value based on level 3:

	Financial assets at FVTPL as at 30 September 2024 HK\$'000 (unaudited)
Financial assets at FVTPL:	
Investments in life insurance	
At 1 April 2024	10,892
Fair value gain recognised in profit or loss	126
At 30 September 2024	11,018

	Financial assets at FVTPL as at 31 March 2024 HK\$'000 (audited)
Financial assets at FVTPL:	
Investments in life insurance	
At 1 April 2023	10,581
Fair value gain recognised in profit or loss	311
At 31 March 2024	10,892

Gains recognised in profit or loss including those for assets held at end of reporting period are presented in other gains, net in the condensed consolidated statement of profit or loss and other comprehensive income.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 4. FAIR VALUE MEASUREMENTS *(Continued)*

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

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

#### *Level 2 fair value measurements*

Description	Valuation technique	Assets fair value as at	
		30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Investments in unlisted unit trusts	Derived from quoted unit prices	1,767	1,757

#### *Level 3 fair value measurements*

The investments in life insurance in level 3 represents life insurance policies for the former key management. The fair value of life insurance policies is determined by reference to the cash surrender value of the insurance policies.

If the cash surrender value increased/decreased by 6% per annum, the Group's consolidated profit after tax for the six months ended 30 September 2024 and for the year ended 31 March 2024 would be increased/decreased by approximately HK\$661,000 (unaudited) and approximately HK\$654,000 (audited), respectively.

There were no changes in the valuation techniques used.

## 5. SEGMENT INFORMATION

The Group has carried on a single business, which is provision of cleaning, janitorial and other related services in Hong Kong. Accordingly, there is only one single reportable segment of the Group which is regularly reviewed by the chief operating decision maker.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 5. SEGMENT INFORMATION *(Continued)*

### Geographical information:

No geographical information is presented as all of the Group's business is carried out in Hong Kong and the Group's revenue from external customers is generated and non-current assets are located in Hong Kong during the period.

## 6. REVENUE

The Group's operations and main revenue streams are those described in the last annual consolidated financial statements for the year ended 31 March 2024. The Group's revenue is derived from cleaning, janitorial and other related services income.

### Disaggregation of revenue:

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Cleaning, janitorial and other related services income	<b>714,234</b>	822,032
<b>Timing of revenue recognition</b>		
Services transferred over time	<b>714,234</b>	822,032

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 7. OTHER INCOME

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Interest income	4,492	3,099
Dividend income from financial assets at FVTPL	61	44
Sundry income	–	323
	<b>4,553</b>	<b>3,466</b>

## 8. OTHER GAINS, NET

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Gain on disposals/written-offs of property, plant and equipment, net	92	1,859
Fair value gain on financial assets at FVTPL, net	136	91
	<b>228</b>	<b>1,950</b>

## 9. FINANCE COSTS

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Interest on lease liabilities	159	292
Interest on bank and other borrowings	326	1,798
	<b>485</b>	<b>2,090</b>



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 10. INCOME TAX EXPENSE

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Current tax – Hong Kong Profits Tax Provision for the period	903	2,261
Deferred tax	82	(771)
	<b>985</b>	1,490

Pursuant to the laws and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in these jurisdictions.

Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profit for the six months ended 30 September 2024 and 2023.

## 11. PROFIT FOR THE PERIOD

The Group's profit for the period is stated at after charging/(crediting) the followings:

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Depreciation of property, plant and equipment	10,468	9,799
Depreciation of right-of-use assets	2,463	2,900
Gain on disposals/written-offs of property, plant and equipment, net	(92)	(1,859)
Reversal of allowance for account receivables	(840)	(58)
Expenses relating to short-term lease payments	223	287

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 12. DIVIDENDS

The directors do not declare any interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

The final dividend of 0.94 HK cents per ordinary share for the year ended 31 March 2024 was approved by the shareholders at the annual general meeting of the Company held on 12 September 2024 and was subsequently paid on 10 October 2024.

## 13. EARNINGS PER SHARE

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

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
<b>Earnings</b>		
Profit for the period attributable to equity holders of the Company for the purpose of calculating basic earnings per share	<b>9,233</b>	9,623
	2024 '000 (unaudited)	2023 '000 (unaudited)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<b>500,000</b>	500,000

The weighted average numbers of ordinary shares used as denominator for calculating the basic and diluted earnings per share are the same as there were no dilutive potential ordinary shares in issue for the six months ended 30 September 2024 and 2023.

## 14. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2024, the Group acquired property, plant and equipment of approximately HK\$11,021,000 (six months ended 30 September 2023: HK\$17,924,000).

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 15. ACCOUNT RECEIVABLES

	At 30 September 2024 HK\$'000 (unaudited)	At 31 March 2024 HK\$'000 (audited)
Account receivables	356,498	262,368
Allowance for account receivables	(1,497)	(2,337)
	<b>355,001</b>	260,031

The ageing analysis of account receivables, based on invoice date, is as follows:

	At 30 September 2024 HK\$'000 (unaudited)	At 31 March 2024 HK\$'000 (audited)
Up to 90 days	308,385	224,543
91 to 180 days	30,266	29,973
181 days to 1 year	12,580	4,142
Over 1 year	5,267	3,710
	<b>356,498</b>	262,368

## 16. ACCOUNT PAYABLES

The ageing analysis of account payables, based on the date of receipt of goods or services, is as follows:

	At 30 September 2024 HK\$'000 (unaudited)	At 31 March 2024 HK\$'000 (audited)
Up to 30 days	20,093	11,913
31 to 60 days	1,199	5,524
61 to 90 days	664	510
Over 90 days	183	59
	<b>22,139</b>	18,006

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 17. BANK AND OTHER BORROWINGS

The bank and other borrowings are repayable as follows:

	At 30 September 2024 HK\$'000 (unaudited)	At 31 March 2024 HK\$'000 (audited)
Within one year	7,547	8,997
More than one year, but not exceeding two years	4,553	6,531
More than two years, but not more than five years	–	1,453
	<b>12,100</b>	16,981
Less: Amount due for settlement within 12 months (shown under current liabilities)	<b>(7,547)</b>	(8,997)
Amount due for settlement after 12 months (shown under non-current liabilities)	<b>4,553</b>	7,984

The interest rates per annum are as follows:

	At 30 September 2024 (unaudited)	At 31 March 2024 (audited)
Bank and other borrowings	4.23% to 4.72%	4.23% to 4.92%

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 18. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised: Ordinary shares of HK\$0.01 each		
At 31 March 2024 (audited) and 30 September 2024 (unaudited)	<b>3,000,000,000</b>	<b>30,000</b>
Issued and fully paid: Ordinary shares of HK\$0.01 each		
At 31 March 2024 (audited) and 30 September 2024 (unaudited)	<b>500,000,000</b>	<b>5,000</b>

## 19. CONTINGENT LIABILITIES

### (a) Performance bonds

As at 30 September 2024 and 31 March 2024, there were contingent liabilities in respect of performance bonds relating to deposits for cleaning, janitorial and other related service projects and an employment compensation insurance contract issued by banks for the Group amounting to approximately HK\$273,127,000 (unaudited) and HK\$290,110,000 (audited), respectively. The performance bonds were secured by the Group's pledged bank deposits and financial assets at FVTPL and were guaranteed by the Company.

### (b) Litigations

As at 30 September 2024 and 31 March 2024, the Group has been involved in several on-going litigations and claims concerning personal injuries of its existing or former employees and third parties with estimated claim amounts, net of estimated insurance deductibles, of approximately HK\$3,023,000 (unaudited) and HK\$3,372,000 (audited), respectively. In the opinion of the directors of the Company, the provision of insurance deductibles had been provided based on insurance policies. The estimated costs and expenses above the insurance deductibles are expected to be adequately covered by the Group's insurance policies.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

## 20. RELATED PARTY TRANSACTIONS

- (a) In addition to those related party transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following transactions with its related party during the period:

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Compliance advisor fee paid to a related company ( <i>note</i> )	<b>180</b>	180

*Note:* The related company and the Company have a common controlling shareholder – Zhuhai Huafa Group Company Limited.

- (b) The remuneration of directors and other members of key management personnel during the period is as follows:

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Basic salaries and allowances	<b>2,696</b>	5,101
Bonuses	<b>783</b>	–
Retirement benefit scheme contributions	<b>100</b>	187
	<b>3,579</b>	5,288

## 21. APPROVAL OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 28 November 2024.

## Other Information

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 September 2024, the interests and short positions of the directors and chief executive of the Company in the shares of the Company (the "**Share(s)**"), underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("**SFO**") which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 of the Rules Governing the Listing of the Securities of the Stock Exchange (the "**Listing Rules**") as adopted by the Company, to be notified to the Company and the Stock Exchange, were as follows:

#### Long positions in the Shares and underlying Shares

Name of Director	Capacity/Nature of interest	Number of Shares held <sup>(Note 1)</sup>	Approximate percentage of shareholding in issue as at 30 September 2024
LEE Wing Yee Loretta	Founder of a discretionary trust who can influence how the trustee exercises his discretion	153,750,000 (L) <sup>(Note 2)</sup>	30.75%

*Notes:*

- The letter "L" denotes the entity/person's long positions in the Shares.
- Canvest Environmental Protection Group Company Limited ("**Canvest Environmental**") is owned as to 54.7% by Best Approach Environmental Developments Limited ("**Best Approach**") (which is in turn directly held as to 55% by Harvest Vista Company Limited ("**Harvest Vista**") and indirectly held as to 45% by Harvest Vista through Century Rise Development Limited ("**Century Rise**"). The entire issued share capital of Harvest Vista is held by HSBC International Trustee Limited as trustee of Harvest VISTA Trust, a trust which Ms. LEE Wing Yee Loretta and Mr. LAI Kin Man are founders and established in accordance with the laws of the British Virgin Islands, and Mr. LAI Chun Tung, spouse of Ms. LEE Wing Yee Loretta, is the beneficiary of Harvest VISTA Trust. The discretionary beneficiaries of Harvest VISTA Trust include Ms. LEE Wing Yee Loretta, Mr. LAI Kin Man and the personal trust of Ms. LEE Wing Yee Loretta (the beneficiaries of which are Ms. LEE Wing Yee Loretta and her immediate family members). Canvest Environmental (China) Company Limited ("**Canvest (China)**") is an investment holding company indirectly wholly owned by Canvest Environmental through Yi Feng Development Limited ("**Yi Feng**") for the purpose of holding Shares. Under the SFO, Best Approach, Harvest Vista, Century Rise, Ms. LEE Wing Yee Loretta, Mr. LAI Kin Man, Mr. LAI Chun Tung and HSBC International Trustee Limited are deemed to be interested in all the Shares held by Canvest (China).

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

## Other Information

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

As at 30 September 2024, so far as the Directors are aware, the interests or short positions of the entities/persons, other than a Director or chief executive of the Company, in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, were as follows:

Name	Capacity/Nature of interest	Number of Shares held <sup>(Note 1)</sup>	Approximate percentage of shareholding in issue as at 30 September 2024
Hong Kong Huafa Investment Holdings Limited ("Hong Kong Huafa")	Beneficial interest	210,000,000 (L) <sup>(Note 2)</sup>	42.00%
珠海華發集團有限公司 Zhuhai Huafa Group Company Limited* ("Zhuhai Huafa")	Interest in controlled corporation	221,250,000 (L) <sup>(Note 2)</sup>	44.25%
Canvest (China)	Beneficial interest	153,750,000 (L)	30.75%
Yi Feng	Interest in controlled corporation	153,750,000 (L) <sup>(Note 3)</sup>	30.75%
Canvest Environmental	Interest in controlled corporation	153,750,000 (L) <sup>(Note 4)</sup>	30.75%
Best Approach	Interest in controlled corporation	153,750,000 (L) <sup>(Note 5)</sup>	30.75%
Century Rise	Interest in controlled corporation	153,750,000 (L) <sup>(Note 5)</sup>	30.75%
Harvest Vista	Interest in controlled corporation	153,750,000 (L) <sup>(Note 5)</sup>	30.75%
LAI Kin Man	Founder of a discretionary trust who can influence how the trustee exercises his discretion	153,750,000 (L) <sup>(Note 5)</sup>	30.75%
LAI Chun Tung	Beneficiary of a trust (other than a discretionary interest)	153,750,000 (L) <sup>(Note 5)</sup>	30.75%
LEE Wing Yee Loretta	Founder of a discretionary trust who can influence how the trustee exercises his discretion	153,750,000 (L) <sup>(Note 5)</sup>	30.75%
HSBC International Trustee Limited	Trustee	153,750,000 (L) <sup>(Note 5)</sup>	30.75%
South Pacific International Trading Limited ("South Pacific")	Beneficial interest	45,000,000 (L)	9.00%
SIIC Estate Company Limited	Interest in controlled corporation	45,000,000 (L) <sup>(Note 6)</sup>	9.00%
SIIC Investment Company Limited	Interest in controlled corporation	45,000,000 (L) <sup>(Note 6)</sup>	9.00%
SIIC International (BVI) Company Limited	Interest in controlled corporation	45,000,000 (L) <sup>(Note 6)</sup>	9.00%
Shanghai Industrial Investment (Holdings) Company Limited ("SIIC")	Interest in controlled corporation	45,000,000 (L) <sup>(Note 6)</sup>	9.00%

\* For identification purpose only





## Other Information

### Notes:

1. The letter “L” denotes the entity/person’s long position in the Shares.
2. Under the SFO, (i) Zhuhai Huafa through Guang Jie Investment Limited and Huajin Investment Company Limited is deemed to be interested in all of the shares of Huafa Property Services Group Company Limited (華發物業服務集團有限公司) (“**Huafa Property Services**”). Zhuhai Huafa is therefore deemed to be interested in 11,250,000 Shares through Huafa Property Services; and (ii) Hong Kong Huafa is the beneficial owner of 210,000,000 Shares. Zhuhai Huafa is deemed to be interested in a total of 221,250,000 Shares.
3. The Shares are registered in the name of Canvest (China), the entire share capital of which is wholly owned by Yi Feng. Under the SFO, Yi Feng is deemed to be interested in all the Shares held by Canvest (China).
4. Yi Feng is wholly owned by Canvest Environmental. Under the SFO, Canvest Environmental is deemed to be interested in all the Shares held by Canvest (China) (through its shareholding in Yi Feng).
5. Canvest Environmental is owned as to 54.7% by Best Approach (which is in turn directly held as to 55% by Harvest Vista and indirectly held as to 45% by Harvest Vista through Century Rise). The entire issued share capital of Harvest Vista is held by HSBC International Trustee Limited as trustee of Harvest VISTA Trust, a trust which Ms. LEE Wing Yee Loretta and Mr. LAI Kin Man are founders and established in accordance with the laws of the British Virgin Islands, and Mr. LAI Chun Tung, spouse of Ms. LEE Wing Yee Loretta is the beneficiary of Harvest VISTA Trust. The discretionary beneficiaries of Harvest VISTA Trust include Ms. LEE Wing Yee Loretta, Mr. LAI Kin Man and the personal trust of Ms. LEE Wing Yee Loretta (the beneficiaries of which are Ms. LEE Wing Yee Loretta and her immediate family members). Canvest (China) is an investment holding company indirectly wholly owned by Canvest Environmental through Yi Feng for the purpose of holding Shares. Under the SFO, Best Approach, Harvest Vista, Century Rise, Ms. LEE Wing Yee Loretta, Mr. LAI Kin Man, Mr. LAI Chun Tung and HSBC International Trustee Limited are deemed to be interested in all the Shares held by Canvest (China).
6. South Pacific is a direct wholly-owned subsidiary of SIIC Estate Company Limited and an indirect wholly-owned subsidiary of SIIC Investment Company Limited, SIIC International (BVI) Company Limited and SIIC. SIIC is a company incorporated in Hong Kong with limited liability and an overseas conglomerate controlled by the Shanghai municipal government. As at the date of this report, SIIC was the controlling shareholder of Shanghai Industrial Holdings Limited (“**SIHL**”), a limited liability company incorporated in Hong Kong whose shares are listed on the Stock Exchange (stock code: 0363). As at the date of this report, SIHL, through its indirect wholly-owned subsidiary, True Victor Holdings Limited, was interested in approximately 19.48% of Canvest Environmental. South Pacific is principally engaged in securities investment.

Save as disclosed above, as at 30 September 2024, the Company had not been notified of any entities/persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## Other Information

### INTERIM DIVIDEND

The Board does not declare any interim dividend for the Period (six months ended 30 September 2023: Nil).

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

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Throughout the Period, the Company has complied with all applicable code provisions set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct for Directors in their dealings in the securities of the Company. Specific enquiry has been made to all the Directors and the Directors have confirmed that they have complied with the requested standards set out in the Model Code throughout the Period. The Company has also established written guidelines no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the guidelines by the employees was noted by the Company.

### REVIEW OF UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The Company's unaudited interim condensed consolidated financial information for the Period has been reviewed by the audit committee of the Company, which currently comprises three independent non-executive Directors, namely Mr. FAN Chiu Tat Martin, Ms. RU Tingting and Mr. LEUNG Siu Hong, and by the Company's independent auditor RSM Hong Kong, certified public accountants in Hong Kong, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.



## Other Information

### CHANGES IN INFORMATION OF DIRECTORS

In accordance with Rule 13.51B(1) of the Listing Rules, changes of Directors' information since the last published 2023/2024 annual report of the Company and up to the date of this interim report are set out below:

<b>Name</b>	<b>Details of Change</b>
LU Xuefang	Appointed as the non-executive director of the Company with effect from 15 July 2024
HONG Kam Le	Appointed as the independent non-executive director of Jiangsu Lopal Tech. Co., Ltd., a company listed on Main Board of the Stock Exchange (stock code: 2465), with effect from 30 October 2024

Save as disclosed above, there is no other changes in information on Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules as at 30 September 2024.

### APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my gratitude to the shareholders, investors and business partners' support and trust, and all employees for their dedication and hard work.

For and on behalf of the Board

**XIE Hui**

*Chairman of the Board*

Hong Kong, 28 November 2024