



**WLS Holdings Limited**  
**滙隆控股有限公司\***

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*  
**(Stock Code: 8021)**

**Interim Report 2023/2024**

\* *For identification purpose only*

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The Board of Directors (the “Board”) of WLS Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated financial information of the Company and its subsidiaries (together the “Group”) for the three months and the six months ended 31 October 2023 together with the comparative figures for the corresponding periods in 2022 as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months and six months ended 31 October 2023

	Notes	Three months ended 31 October		Six months ended 31 October	
		2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
<b>Continuing operations</b>					
Revenue	3	21,122	41,786	46,474	85,051
Cost of sales		(8,526)	(32,742)	(20,210)	(60,333)
Gross profit		12,596	9,044	26,264	24,718
Other income	5	6	904	768	2,559
Other gains and (losses)	6	(21,443)	(12,129)	(24,177)	(24,855)
Operating and administrative expenses		(5,744)	(11,451)	(10,303)	(19,298)
Gain on disposal of subsidiaries	7	-	205	-	205
Gain on disposal of property, plant and equipment		-	28	-	15
Finance costs	9	(1,588)	(1,816)	(3,251)	(3,678)
Loss before taxation		(16,173)	(15,215)	(10,699)	(20,334)
Taxation	10	(205)	(246)	(1,041)	(875)
Loss for the period					
from continuing operations	11	(16,378)	(15,461)	(11,740)	(21,209)
<b>Discontinued operation</b>					
Loss for the period					
from discontinued operation	8	-	(7)	-	(53)
Loss for the period		(16,378)	(15,468)	(11,740)	(21,262)
Loss for the period attributable to owners of the Company:					
- from continuing operations		(16,378)	(15,461)	(11,740)	(21,209)
- from discontinued operation		-	(7)	-	(53)
		(16,378)	(15,468)	(11,740)	(21,262)
Loss for the period attributable to non-controlling interests:					
- from continuing operations		-	-	-	-
		(16,378)	(15,468)	(11,740)	(21,262)

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

For the three months and six months ended 31 October 2023

	Three months ended 31 October 2023		Six months ended 31 October 2023	
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
<b>Loss for the period</b>	<b>(16,378)</b>	(15,468)	<b>(11,740)</b>	(21,262)
Other comprehensive expense:				
<i>Item that will not be reclassified to profit or loss:</i>				
Fair value loss on equity instruments at fair value through other comprehensive income ("FVTOCI")	(262)	(383)	(440)	(1,189)
Disposal of equity instruments at FVTOCI	—	—	—	—
Other comprehensive expense for the period, net of taxation	(262)	(383)	(440)	(1,189)
Total comprehensive expense for the period	<b>(16,640)</b>	(15,851)	<b>(12,180)</b>	(22,451)
Total comprehensive expense for the period attributable to owners of the Company:				
– from continuing operations	(16,640)	(15,844)	(12,180)	(22,398)
– from discontinued operation	—	(7)	—	(53)
	<b>(16,640)</b>	(15,851)	<b>(12,180)</b>	(22,451)
Total comprehensive expense attributable to non-controlling interests:				
– from continuing operations	—	—	—	—
	<b>(16,640)</b>	(15,851)	<b>(12,180)</b>	(22,451)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**

*For the three months and six months ended 31 October 2023*

		Three months ended 31 October		Six months ended 31 October	
		2023	2022	2023	2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes		HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(Restated)		(Restated)
From continuing and discontinued operations					
Loss per share					
– basic and diluted	13	<u>(HK\$0.114)</u>	<u>(HK\$0.108)</u>	<u>(HK\$0.082)</u>	<u>(HK\$0.148)</u>
From continuing operations					
Loss per share					
– basic and diluted		<u>(HK\$0.114)</u>	<u>(HK\$0.107)</u>	<u>(HK\$0.082)</u>	<u>(HK\$0.148)</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 31 October 2023 (Unaudited) <i>HK\$'000</i>	At 30 April 2023 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment	14	4,240	4,880
Right-of-use assets	14	–	–
Equity instruments at FVTOCI	21	1,785	2,225
Loan and interest receivables	15	–	26,327
Prepayment, deposits and other receivables		785	1,111
Deferred tax assets		<u>5,550</u>	<u>6,527</u>
		<b>12,360</b>	<b>41,070</b>
<b>Current assets</b>			
Loan and interest receivables	15	443,548	418,061
Prepayments, deposits and other receivables		7,671	8,541
Trade receivables	16	41,022	33,571
Contract assets	17	8,792	10,100
Inventories		529	477
Financial assets at fair value through profit or loss ("FVTPL")	21	46,873	45,271
Bank balances and cash – general accounts		<u>17,175</u>	<u>18,514</u>
		<b>565,610</b>	<b>534,535</b>
<b>Current liabilities</b>			
Trade and other payables	18	41,720	34,975
Contract liabilities		1,336	13,373
Lease liabilities	14	601	1,027
Retention monies payables		3,673	3,999
Tax payable		745	816
Provision for onerous contracts		140	140
Other loan and other borrowings	19	<u>144,612</u>	<u>120,563</u>
		<b>192,827</b>	<b>174,893</b>
<b>Net current assets</b>		<u><b>372,783</b></u>	<u><b>359,642</b></u>
<b>Total assets less current liabilities</b>		<u><b>385,143</b></u>	<u><b>400,712</b></u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

		<b>At 31 October</b>	At 30 April
		<b>2023</b>	2023
		<b>(Unaudited)</b>	(Audited)
<i>Notes</i>		<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Non-current liabilities</b>			
Lease liabilities	<i>14</i>	<b>422</b>	595
Other loan and other borrowings	<i>19</i>	<b>100</b>	3,316
Deferred tax liabilities		<b>694</b>	694
		<u><b>1,216</b></u>	<u>4,605</u>
<b>Net assets</b>		<u><b>383,927</b></u>	<u>396,107</u>
<b>Capital and reserves</b>			
Share capital	<i>20</i>	<b>143,670</b>	143,670
Reserves		<u><b>240,257</b></u>	<u>252,437</u>
<b>Equity attributable to the owners of the Company</b>		<u><b>383,927</b></u>	<u>396,107</u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 October 2023

	Attributable to the owners of the Company									
	Share capital	Share premium	Contributed surplus	Merger reserve	Share option reserve	FVTOCI reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i> <i>(Note a)</i>	<i>HK\$'000</i> <i>(Note b)</i>	<i>HK\$'000</i> <i>(Note c)</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 May 2022 (audited)	143,670	560,230	191,087	2,222	-	(37,838)	(349,733)	509,638	(7,093)	502,545
Loss for the period	-	-	-	-	-	-	(21,262)	(21,262)	-	(21,262)
Fair value loss on equity instruments at FVTOCI	-	-	-	-	-	(1,189)	-	(1,189)	-	(1,189)
Disposal of equity instruments at FVTOCI	-	-	-	-	-	-	-	-	-	-
Total comprehensive income (expense) for the period	-	-	-	-	-	(1,189)	(21,262)	(22,451)	-	(22,451)
At 31 October 2022 (unaudited)	143,670	560,230	191,087	2,222	-	(39,027)	(370,995)	487,187	(7,093)	480,094
At 1 May 2023 (audited)	143,670	560,230	191,087	2,222	-	(38,985)	(462,117)	396,107	-	396,107
Loss for the period	-	-	-	-	-	-	(11,740)	(11,740)	-	(11,740)
Fair value loss on equity instruments at FVTOCI	-	-	-	-	-	(440)	-	(440)	-	(440)
Total comprehensive expense for the period	-	-	-	-	-	(440)	(11,740)	(12,180)	-	(12,180)
At 31 October 2023 (unaudited)	143,670	560,230	191,087	2,222	-	(39,425)	(473,857)	383,927	-	383,927

### Notes:

- a The contributed surplus of the Group represents the amount transferred from share premium account upon the cancellation of the entire amount standing to the credit of the share premium account as at 28 August 2014 pursuant to a special resolution passed by the shareholders at an extraordinary general meeting held on that date.
- b The merger reserve of the Group represents the difference between the nominal amount of the share capital issued by the Company in exchange for the nominal value for the issued share capital of the subsidiaries acquired pursuant to the Group's reorganisation on 23 November 2001.
- c The share option reserve of the Group represents the fair value of share options granted at the relevant grant dates and outstanding as at end of the reporting period.



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 October 2023

	Six months ended 31 October	
	2023	2022
	(Unaudited) <i>HK\$'000</i>	(Unaudited) <i>HK\$'000</i>
<b>Net cash (used in) generated from operating activities</b>	<b>(15,452)</b>	1,060
<b>Net cash generated from (used in) investing activities</b>		
Purchases of property, plant and equipment	–	(4,964)
Net proceeds from disposal of subsidiaries	–	409
Other investing activities	<b>19</b>	24
	<b>19</b>	(4,531)
<b>Net cash generated from financing activities</b>		
Interest paid	<b>(3,219)</b>	(3,594)
Proceed from other loan and other borrowings, net of issue cost	<b>18,000</b>	–
Proceeds of pledge bank deposit	–	14,707
Repayments of lease liabilities	<b>(269)</b>	(1,333)
Repayment of bank borrowings	–	(8,634)
Repayment on other loan and other borrowings	<b>(386)</b>	–
Other financing activities	<b>(32)</b>	–
	<b>14,094</b>	1,146
<b>Net decrease in cash and cash equivalents</b>	<b>(1,339)</b>	(2,325)
<b>Cash and cash equivalents at 1 May</b>	<b>18,514</b>	25,255
<b>Cash and cash equivalents at 31 October</b>	<b>17,175</b>	22,930
<b>Analysis of cash and cash equivalents at end of the period</b>		
From continuing operations:		
Bank balances and cash – general accounts	<b>17,175</b>	26,324
Bank overdrafts	–	(3,515)
	<b>17,175</b>	22,809
From discontinued operation:		
Bank balance and cash – general accounts	–	121
	<b>17,175</b>	22,930

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 1. Corporate information

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and continued in Bermuda and its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office of the Company is located at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda. The head office and the principal place of business of the Company in Hong Kong is located at Rooms 1001-1006, 10th Floor, Tower A, Southmark, 11 Yip Hing Street, Wong Chuk Hang, Aberdeen, Hong Kong.

The principal activities of the Group are the provision of scaffolding, fitting out and other auxiliary services for construction and buildings work, money lending business and securities investment business.

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

### 2. Principal Accounting Policies

The condensed consolidated financial statements have been prepared on the historical cost basis, except for the investment property which is measured at fair value.

Other than changes in accounting policies resulting from application of new and 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 31 October 2023 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 30 April 2023.

#### ***New and amendments to HKFRSs that are mandatorily effective for the current period***

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatorily effective for the annual period beginning on or after 1 May 2023 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

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

### 3. Revenue

#### *Disaggregation of revenue from contracts with customers*

	Continuing Operations			
	Three months ended 31 October 2023 (Unaudited) <i>HK\$'000</i>	2022 (Unaudited) <i>HK\$'000</i> (Restated)	Six months ended 31 October 2023 (Unaudited) <i>HK\$'000</i>	2022 (Unaudited) <i>HK\$'000</i> (Restated)
<b>Revenue from contracts with customers from continuing operations:</b>				
Contract revenue in respect of scaffolding, fitting out and other auxiliary services for construction and building work	<b>10,367</b>	32,092	<b>22,918</b>	62,331
<b>Revenue from other sources:</b>				
Loan interest income	<b>10,755</b>	9,694	<b>23,556</b>	22,720
Total revenue from continuing operations	<b>21,122</b>	41,786	<b>46,474</b>	85,051
<b>Timing of revenue recognition:</b>				
Over time	<b>10,367</b>	32,092	<b>22,918</b>	62,331

Revenue from discontinued operation of assets management business was amounted to Nil (October 2022: HK\$176,000) are recognised at a point in time.

#### 4. Segment information

The Group determines its operating and reportable segments based on the reports reviewed by the chief operating decision-maker (“CODM”) that are used for resources allocation and assessment of performance focusing specifically on the revenue analysis by principal categories of the Group’s business and the profit of the Group as a whole. For the period ended 31 October 2023, the Group has three operating and reportable segments – (i) scaffolding, fitting out and other auxiliary services for construction and buildings work, (ii) money lending business and (iii) securities investment business. These segments are managed separately as they belong to different industries and require different operating systems and strategies.

The following is an analysis of the Group’s revenue by operating and reportable segment.

##### *For the six months ended 31 October 2023*

	Scaffolding, fitting out and other auxiliary services for construction and buildings work <i>HK\$’000</i>	Money lending business <i>HK\$’000</i>	Securities investment business <i>HK\$’000</i>	Consolidated <i>HK\$’000</i>
REVENUE				
External revenue	22,918	23,556	–	46,474
Other gains and (losses)	13,508	–	1,330	14,838
Net impairment losses recognised arising				
from ECL	(998)	(38,017)	–	(39,015)
Other income	220	503	–	723
Total	35,648	(13,958)	1,330	23,020
Segment result	11,310	(28,587)	14,546	(2,731)
Gain on disposal of property, plant and equipment				–
Gain on disposal of subsidiaries				–
Finance costs				(3,251)
Unallocated corporate income				45
Unallocated corporate expenses				(4,762)
Loss before taxation				(10,699)

#### 4. Segment information (Continued)

For the six months ended 31 October 2022 (Restated)

	Scaffolding, fitting out and other auxiliary services for construction and buildings work <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Securities investment business <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE				
External revenue	62,331	22,720	–	85,051
Other gains and (losses)	–	–	2,233	2,233
Net impairment losses recognised arising from ECL	(97)	(26,991)	–	(27,088)
Other income	2,140	104	102	2,346
Total	64,374	(4,167)	2,335	62,542
Segment result	(9,281)	(19,656)	15,503	(13,434)
Gain on disposal of property, plant and equipment				15
Gain on disposal of subsidiaries				205
Finance costs				(3,678)
Unallocated corporate income				213
Unallocated corporate expenses				(3,655)
Loss before taxation				(20,334)

#### 5. Other income

	Continuing Operations Three months ended 31 October		Continuing Operations Six months ended 31 October	
	2023 (Unaudited) <i>HK\$'000</i>	2022 (Unaudited) <i>HK\$'000</i>	2023 (Unaudited) <i>HK\$'000</i>	2022 (Unaudited) <i>HK\$'000</i>
Sundry income	–	684	747	520
Government subsidy	–	205	–	2,014
Interest income	6	19	19	25
Foreign exchange gains, net	–	(4)	2	–
	6	904	768	2,559

Other income from discontinued operation of asset management business was amounted to Nil (October 2022: HK\$311,000).

## 6. Other gains and (losses)

	Continuing Operations Three months ended 31 October		Continuing Operations Six months ended 31 October	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Fair value gain on financial assets at FVTPL, net	4,064	11,117	1,022	6,939
Gain (loss) on disposal of financial assets at FVTPL	–	(1,758)	308	(4,706)
Net impairment losses (recognised) reversed arising from ECL on:				
– Loan and interest receivables	(38,017)	(26,991)	(38,017)	(26,991)
– Trade receivables	(1,141)	(9)	(1,141)	(9)
– Contract assets	143	(88)	143	(88)
Reversal/(Write-off) of trade receivables	13,508	(5,600)	13,508	–
	<u>(21,443)</u>	<u>(12,129)</u>	<u>(24,177)</u>	<u>(24,855)</u>

## 7. Gain on disposal of subsidiaries

On 8 August 2022, Instant Victory Global Limited (“Instant Victory”), a wholly directly owned subsidiary of the Company has entered into a sales and purchase agreement (“S&P Agreement”) with Draco International Investment (Holdings) Limited (“Draco”), Mass Fidelity Consulting Limited (“Mass Fidelity Consulting”) and Suncorp Investment Holdings Limited (“Suncorp”) (collectively referred to as the “Purchaser”), pursuant to which Instant Victory conditionally agreed to sell and assign the benefit of 1,000 ordinary shares in the issued and fully paid-up share capital of Blue Pool Ventures Limited (“Blue Pool”), a wholly directly owned subsidiary of Instant Victory, (the “Sale Shares”), and Draco, Mass Fidelity Consulting and Suncorp agreed to purchase and take the assignment of, the Sale Shares from Instant Victory, which representing 37.5%, 37.5% and 25.0% of the entire issued share capital of Blue Pool at the consideration of approximately HK\$199,000, HK\$199,000, and HK\$132,000 respectively.

Gain on disposal of subsidiaries amounted to HK\$205,000 was analysed as follows:

	HK\$'000
Consideration received	530,000
	<u>530,000</u>
Property, plant and equipment	
– Furniture and fixtures	184
Prepayment, Deposits and other receivables	1,083
Bank balances and cash	121
Tax recoverable	31
Trade and other payables	(1,005)
Lease liabilities	(89)
Net assets disposed of	<u>325</u>
Gain on disposal of subsidiaries:	
Consideration received	530
Net assets disposed of	<u>(325)</u>
	<u>205</u>
Net cash inflow arising from disposal for the period:	
Consideration received	530
Less: bank balances and cash disposed of	<u>(121)</u>
Net cash inflow	<u>409</u>

## 8. Loss for the period from discontinued operation

On 8 August 2022, the Company as vendor entered into a sale and purchase agreement (the “S&P Agreement”) with Draco International Investment (Holdings) Limited, Mass Fidelity Consulting Limited and Suncorp Investment Holdings Limited (the “Buyers”) as purchaser, being independent third party of the Group, pursuant to which the Company conditionally agreed to sell, and the Buyer conditionally agreed to buy the entire issued share capital of two wholly-owned subsidiaries of the Company, namely as Blue Pool Ventures Limited (“Blue Pool”) and Mass Fidelity Asset Management Limited together with their respective wholly-owned subsidiaries (the “Disposed Subsidiaries”) which were engaged in the asset management business (the “Disposal”), for a total of consideration of HK\$530,000.

Blue Pool held the entire issued share capital of Mass Fidelity Asset Management Limited that is a corporation.

For the period ended 31 October 2022, the Disposal is completed as stated in the S&P Agreement. Comparative figures in the unaudited condensed consolidated statement of profit or loss and other comprehensive income have been restated to disclose separately the profit or loss from discontinued operation.

The loss for the period from discontinued operation is set out below:

	Three months ended 31 October		Six months ended 31 October	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Revenue	-	-	-	176
Cost of sales	-	-	-	(58)
Other income	-	27	-	311
Operating and administrative expenses	-	(34)	-	(482)
Finance costs	-	-	-	-
(Loss) gain for the period from discontinued operation	-	(7)	-	(53)

## 9. Finance costs

	Continuing operation Three months ended 31 October		Continuing operation Six months ended 31 October	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Interest on bank borrowings and bank overdrafts	-	39	-	120
Interest on other loan and other borrowings	1,574	1,747	3,219	3,474
Interest on leases liabilities	14	30	32	84
	1,588	1,816	3,251	3,678

## 10. Taxation

	Continuing operations		Continuing operations	
	Three months ended 31 October		Six months ended 31 October	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Taxation comprises:				
Hong Kong Profits Tax				
Current period charged	<u>205</u>	<u>246</u>	<u>1,041</u>	<u>875</u>

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

## 11. Loss for the period

	Continuing operations		Continuing operations	
	Three months ended 31 October		Six months ended 31 October	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	<u>320</u>	<u>771</u>	<u>640</u>	<u>1,527</u>
Depreciation of right-of-use assets	<u>-</u>	<u>104</u>	<u>-</u>	<u>820</u>
Provision of allowance for ECL	<u>39,015</u>	<u>27,088</u>	<u>39,015</u>	<u>27,088</u>

## 12. Dividend

No dividend were paid, declared or prepared during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period (2022: nil).



### 13. Loss per share

#### *Basic and diluted loss per share*

##### *(a) From continuing and discontinued operations*

The calculation of the basic and diluted loss per share from continuing and discontinued operations attributable to the owners of the Company is based on the following data:

	Three months ended 31 October		Six months ended 31 October	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Loss for the period attributable to owners of the Company, for the purpose of basic and diluted loss per share	<u>(16,378)</u>	<u>(15,468)</u>	<u>(11,740)</u>	<u>(21,262)</u>
	<b>Number of shares</b>	Number of shares	<b>Number of shares</b>	Number of shares
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>14,367,101,072</u>	<u>14,367,101,072</u>	<u>14,367,101,072</u>	<u>14,367,101,072</u>

##### *(b) From continuing operations*

The calculation of the basic and diluted loss per share from continuing operations attributable to the owners of the Company is based on the following data:

	Three months ended 31 October		Six months ended 31 October	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Loss for the period from continuing operations	<u>(16,378)</u>	<u>(15,461)</u>	<u>(11,740)</u>	<u>(21,209)</u>

The denominators used are the same as those detailed above for both basic and diluted loss per share.

##### *(c) From discontinued operation*

For the period ended 31 October 2023, basic loss per share from discontinued operation was nil per share (2022: HK\$0.0004 cents per share), which were calculated based on the loss from discontinued operation for the period ended 31 October 2023 of HK\$nil (2023: HK\$53,000) and the denominators detailed above.

#### 14. Movements in property, plant and equipment and right-of-use assets

During the six months ended 31 October 2023, the Group spent HK\$nil (six months ended 31 October 2022: approximately HK\$4,964,000) on the acquisition of property, plant and equipment.

On 31 October 2023, the Group recognised nil right-of-use assets (30 April 2023: HK\$nil) and lease liabilities of approximately HK\$1,023,000 (30 April 2023: HK\$1,622,000).

#### 15. Loan and interest receivables

	At 31 October 2023 (Unaudited) HK\$'000	At 30 April 2023 (Audited) HK\$'000
Amounts fall due within one year	443,548	418,061
Amounts fall due within one to second year	–	26,327
Amounts fall due within second to fifth year	–	–
	<u>443,548</u>	<u>444,388</u>

At the reporting date, loan and interest receivables consisted of:

	At 31 October 2023 (Unaudited) HK\$'000	At 30 April 2023 (Audited) HK\$'000
Amounts secured with guarantor	99,039	96,557
Amounts secured with securities ( <i>Note a</i> )	138,344	142,274
Amounts unsecured	206,165	205,557
	<u>443,548</u>	<u>444,388</u>

*Notes:*

(a) The securities are ordinary shares of companies listed on the Stock Exchange.

#### 16. Trade receivables

	At 31 October 2023 (Unaudited) HK\$'000	At 30 April 2023 (Audited) HK\$'000
Trade receivables from		
– Scaffolding, fitting out and other auxiliary services for construction and buildings work ( <i>Note a</i> )	43,906	35,306
Less: Allowance for credit losses	(2,884)	(1,735)
	<u>41,022</u>	<u>33,571</u>

## 16. Trade receivables (Continued)

Notes:

- (a) The credit terms given to each individual customer of scaffolding, fitting out and other auxiliary services for construction and building work were in accordance with the payment terms stipulated in the relevant tenders or contracts. The aging analysis of trade receivables as at the end of the reporting period, based on the invoice date and net of allowance of credit losses is as follows:

	At 31 October 2023 (Unaudited) HK\$'000	At 30 April 2023 (Audited) HK\$'000
Within 90 days	16,069	22,793
91 to 180 days	15,183	5,961
181 to 365 days	5,787	3,884
Above 1 year	3,983	933
	<u>41,022</u>	<u>33,571</u>

## 17. Contract assets

	At 31 October 2023 (Unaudited) HK\$'000	At 30 April 2023 (Audited) HK\$'000
Contract assets from scaffolding, fitting out and other auxiliary services for construction and buildings works		
Analysed as current:		
Unbilled revenue (Note a)	4,602	4,250
Retention monies receivable (Note b)	4,190	5,850
	<u>8,792</u>	<u>10,100</u>

*Note a:* Unbilled revenue included in contract assets represents the Group's right to receive consideration for work completed but not yet billed because the rights are conditional upon the satisfaction by the customers on the contract work completed by the Group and the work is pending for the certification by the customers or external surveyors. 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 contract work from the customers or external surveyors.

*Note b:* Retention monies receivables included in contract assets represents amounts not yet billed to customers which is conditional until the expiry of defect liability period in respect of scaffolding, fitting out and other auxiliary services contracts. The retention receivables are transferred to the trade receivables when the rights become unconditional. Retention monies receivables are unsecured, interest-free and recoverable at the end of the defect liability period of individual contracts. The Group does not hold any collateral over these balances.

The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

## 18. Trade and other payables

	At 31 October 2023 (Unaudited) HK\$'000	At 30 April 2023 (Audited) HK\$'000
Within 90 days	1,799	4,513
91 to 180 days	1,855	762
181 to 365 days	3,062	4,462
More than 365 days	3,744	1,014
Total trade payables	<u>10,460</u>	<u>10,751</u>
Other payables	25,748	19,815
Accruals	5,512	4,409
Total trade and other payables	<u><u>41,720</u></u>	<u><u>34,975</u></u>

## 19. Other loan and other borrowings

As at 31 October 2023, other loan and other borrowings included (i) 6.5% coupon bond of HK\$20 million issued by the Company; (ii) 11% coupon bond of HK\$5 million issued by the Company; (iii) 6.5% coupon bond of HK\$5 million issued by the Company; (iv) 6.5% coupon bond of HK\$3.0 million issued by the Company; (v) 6.5% coupon bond of HK\$5.8 million issued by the Company; (vi) 8% coupon bond of HK\$42.0 million issued by Gold Medal, on 31 October 2020 and renewed on 1 February 2022 with 6.5% coupon rate; (vii) 8.5% coupon bond of HK\$20 million issued by Gold Medal, on 28 October 2019, renewed on 1 February 2022 with 6.5% coupon rate; (viii) the surety bond of HK\$18 million was issued by Gold Medal was with no interest bearing and (ix) 8% coupon bond of HK\$18 million issued by Gold Medal.

## 20. Share capital

	Par value HK\$	No. of shares	Amount HK\$'000
<b>Authorised:</b>			
At 1 May 2022, 30 April 2023 and 31 October 2023	0.01	<u>40,000,000,000</u>	<u>400,000</u>
<b>Issued and fully paid:</b>			
At 1 May 2022, 30 April 2023 and 31 October 2023	0.01	<u>14,367,101,072</u>	<u>143,670</u>

## 21. Fair value measurements of financial instruments

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

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) 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 market 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).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key inputs	Significant unobservable input(s)
	31 October 2023 (Unaudited)	30 April 2023 (Audited)			
Held for trading non-derivative financial assets classified as financial assets at FVTPL	<b>Hong Kong listed equity securities – HK\$46,873,000</b>	Hong Kong listed equity securities – HK\$45,271,000	Level 1	Bid prices quoted in active markets in Hong Kong.	N/A
Non-derivative financial assets classified as equity instruments at FVTOCI	<b>Hong Kong listed equity securities – HK\$1,785,000</b>	Hong Kong listed equity securities – HK\$2,225,000	Level 1	Bid prices quoted in active markets in Hong Kong.	N/A

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

## 22. Related parties disclosures

During the period, the Group entered into the following transactions with related parties:

	Six months ended 31 October	
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Patent expense paid to a director of the Company (Note a)	–	(600)
Rental expense paid to a related company (Note b)	<u>1,050</u>	<u>648</u>

Notes:

- (a) The amounts were paid to Dr. So Yu Shing, who is an executive director of the Company in respect of the patented brand scaffolding system.
- (b) The amounts were received from or paid to a company which is a related company to the Group as a director of a subsidiary of the Group is also the controlling shareholder in that company.

The remuneration of executive directors and other members of key management during the period was as follows:

	Six months ended 31 October	
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Short term benefits	2,459	5,251
Post-employment benefits	<u>44</u>	<u>70</u>
	<u>2,503</u>	<u>5,321</u>

The remuneration of executive directors of the Company, who are also members of key management, is recommended by the Remuneration Committee and approved by the Board having regard to the performance of individuals and market trends.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

For the six months ended 31 October 2023 (herein referred to as the “Reporting Period”), the revenue of the Group amounted to approximately HK\$46.5 million from continuing operations (For the same period of 2022: HK\$85.1 million), representing a decrease of approximately 45.4% compared to the corresponding period in 2022. Net loss attributable to owners of the Company from continuing operations during the Reporting Period was approximately HK\$11.7 million (For the same period of 2022: net profit attributable to owners of the Company from continuing operations of approximately HK\$21.2 million). The decrease in revenue was mainly due to the decrease in contract revenue generated from scaffolding, fitting out and other auxiliary services for construction and buildings work during the Reporting Period. Also, the decrease in net loss attributable to owners of the Company from continuing operations was mainly due to the significant decrease in operating and administrative expenses for the Reporting Period as compared to the corresponding period in 2022.

#### **Scaffolding, Fitting out and Other Auxiliary Services for Construction and Buildings Work**

This segment includes scaffolding services, fitting out and other auxiliary services for construction and buildings work. During the Reporting Period, revenue from this segment was approximately HK\$22.9 million, representing a significant decrease of approximately HK\$62.3 million as compared to the corresponding period in 2022, due to the number of completed projects was increased and the number of new awarded contracts was decreased in last year.

##### *Scaffolding Services*

In recent years, a number of large-scale infrastructure projects have been carried out by the HKSAR to boost the construction industry and well-being of the society. For this purpose, a multi-pronged strategy has been adopted by the government to maintain a steady and sustainable land supply with the aim to meet the continuing housing needs.

On the other hand, in the past few years, the entire scaffolding industry encountered the major difficulty of shortage in supply of skilled workers and experienced personnel. Such shortage resulted in rising labour costs and diminishing profit margins throughout the industry, which further intensified competition within the scaffolding sector. However, it is worth mentioning that the Group’s patented scaffolding system, which is known as “Pik-Lik”, has played a crucial role in saving manpower and enhancing efficiency in the industry.

Leveraging the widespread recognition of the impeccable quality of services and the strong relationships nurtured with clientele, the Group receives positive feedback and prominent business support and takes pride in being one of the leading scaffolding service providers in Hong Kong. During the Reporting Period, the Group provided scaffolding services to 40 ongoing projects, 37 of which were completed on schedule and nil new contracts were awarded.

### *Fitting out Services*

For the fitting out services, the Group mainly provided fitting out services to commercial institutions and luxury residence end-users during the Reporting Period. The Group has also extended its scope of services to include ceiling work and to date, it has been receiving encouraging feedback from its clients. The competition of fitting out services is keen. The Group will continue to proactively acquire new contracts.

### *Other Auxiliary Services for Construction and Buildings Work*

For other auxiliary services for construction and buildings work, the Group mainly provided gondolas, parapet railings and access equipment installation and maintenance services. The Group has been actively cultivating its gondolas rental business over the past several years and has gained positive 'worth-of-mouth' in the market. This has enabled the Group to secure a stable number of new contracts despite the competitive local market.

### **Money Lending Business**

The Group has reviewed and flexibly adjusted the business strategies, which is to enhance the requirements of the loan granted to the borrowers. For example, the borrowers have to provide the asset proof or income proof to prove they have the ability to repay the loan. As the requirements of the loan granted to the borrowers are higher and the risk for the loan borrowings are lower, the related interest rate will become lower. Thus, the Group recorded a decrease of the revenue in this segment during the Reporting Period.

The business segment recorded an increase of revenue to the Group and the Group recorded a turnover of approximately HK\$23.6 million during the Reporting Period (For the same period of 2022: approximately HK\$22.7 million). The principal amount of the loans granted ranged from HK\$0.3 million to HK\$25.0 million with interest rates ranging from 7.0% to 40.6% per annum during the Reporting Period.

### **Securities Investment Business**

In order to capture possible returns from the financial market, the Group has formed the investment committee in year 2015/2016 and continued investing in Hong Kong-listed securities during the Reporting Period. Due diligence was conducted on every contemplated investment and each investment was taken into serious consideration to ensure quality risk control and maximise shareholders' benefits.

As at 31 October 2023, the total value of the Group investment portfolio was approximately HK\$48.7 million (30 April 2023: approximately HK\$47.5 million). The Group recorded a net fair value gain of approximately HK\$1.0 million (For the same period of 2022: approximately HK\$6.9 million) and net gain on disposal of approximately HK\$0.3 million (For the same period of 2022: net loss on disposal of approximately HK\$4.7 million) for its investment portfolio during the Reporting Period, which was mainly due to the volatility of the stock market in Hong Kong.



## **Assets Management Business**

The Group commenced its assets management business ever since Mass Fidelity Asset Management Limited (“Mass Fidelity”), its indirect wholly-owned subsidiary, which was a licensed insurance broker and registered MPF Corporate Intermediary in Hong Kong, the Group had commenced the business of assets management in March 2018. During the Reporting Period, the assets management business recorded no turnover (For the same period of 2022: approximately HK\$176,000).

During the Reporting Period, the Group reclassified the segment of assets management business as discontinued operation in the consolidated financial statements of the Group. For details, please refer to the section headed “Management Discussion and Analysis – Disposal of subsidiaries”, note 7 and 8 to the consolidated financial statements in this report.

### **Disposal of subsidiaries**

On 8 August 2022, Instant Victory Global Limited (“Instant Victory”), a directly wholly owned subsidiary of the Company has entered into a sales and purchase agreement (“S&P Agreement”) with Draco International Investment (Holdings) Limited (“Draco”), Mass Fidelity Consulting Limited (“Mass Fidelity Consulting”) and Suncorp Investment Holdings Limited (“Suncorp”) (collectively referred to as the “Purchaser”), pursuant to which Instant Victory conditionally agreed to sell and assign the benefit of, 1,000 ordinary shares in the issued and fully paid-up share capital of Blue Pool Ventures Limited (“Blue Pool”), a directly wholly owned subsidiary of Instant Victory, (the “Sale Shares”), and Draco, Mass Fidelity Consulting and Suncorp agreed to purchase and take the assignment of, the Sale Shares from Instant Victory, which representing 37.5%, 37.5% and 25.0% of the entire issued share capital of Blue Pool at the consideration of approximately HK\$199,000, HK\$199,000, and HK\$132,000 respectively.

Through this disposal, 100% indirectly held subsidiary of the Company, Blue Pool, and its 100% indirectly held subsidiary, Mass Fidelity, a licensed insurance broker and registered MPF Corporate Intermediary in Hong Kong (collectively referred to as the “Disposal Group”) were also disposed accordingly, at a cash consideration of HK\$530,000 in total. The Disposal Group carried out the business of assets management in Hong Kong. The disposal was completed on 8 August 2022, on which date control of the Disposal Group was passed to the Purchaser and the Group will cease its business in the segment of assets management. The operating results of the segment of assets management was reclassified as discontinued operation during the Reporting Period which are set out in note 7 and 8 to the consolidated financial statements in this report.

As the director of Blue Pool was Mr. Chan Wai Lung and Mr. Chan Wai Lung was the director and the ultimately beneficial owner of Draco and the director of Mass Fidelity was Mr. Chan Shui Cheong and Mr. Chan Shui Cheong was the director and held 33.3% of the entire issued share capital of Mass Fidelity Consulting. They are therefore the connected persons at the subsidiary level of the Group under the GEM Listing Rules. Hence, the Disposal constitutes a connected transaction with connected persons at the subsidiary level of the Group under Chapter 20 of the GEM Listing Rules. As none of the applicable percentage ratios (as defined under the GEM Listing Rules) calculated under Rule 19.07 of the GEM Listing Rules in respect of the S&P Agreement has exceeded 1%, the disposal of the Disposal Group under the S&P Agreement does not constitute a notifiable transaction under Rule 20.74(b) of the GEM Listing Rules.

## **BUSINESS OUTLOOK**

Looking forward, Hong Kong's economy will likely grow more slowly than previously expected both in 2023 and 2024 as challenges from uncertainty of China's economy and the impact of high interest rates. It also led to a decline in the Hong Kong property market.

In the past decade, the scaffolding industry has become increasingly competitive. Furthermore, the costs have become high together with rising labour costs, but productivity has suffered decline as well. In the face of a phenomenon of ageing workers, young generation unwilling to join the industry due to hard labour work and higher requirement of technological qualifications, which has affected recruitment of talents in the industry, and with heavier government regulations, without favourable factors such as labour imports, the carrying capacity of the industry may be challenged. These reflect a lack of confidence in the prospect of the scaffolding industry.

On the other hand, in response to demand from market development, many contractors have adopted the use of metal scaffolds instead of bamboo scaffolds nowadays. The general higher durability of metal scaffolds and the possibility of calculating load bearing capacity have shortened the time for training of workers. Hence, bamboo scaffolds may be eliminated in Hong Kong in the future. According to recent trend, modern metal scaffolds have been adopted by the industry, especially for high-end shopping malls which are aware of exterior appearance. Therefore, the future direction of the scaffolding business will be led by the adoption of mixed scaffolds and metal scaffolds.

Due to the current unclear economic situation in Hong Kong, the Group is reviewing its existing assets structure and business strategies and may make adjustment to our existing assets structure, with the aim to consolidate our resources, so as to be flexibly prepared for uncertainties in the future. The Group will strictly adhere to its cost control policy, and swiftly adjust business strategies of its scaffolding business in response to ever-changing market dynamics in order to generate better financial returns for shareholders.

Finally, we will actively explore all suitable investment opportunities to diversify the Group's business horizons and will work hard to strengthen overall business development. The Group's business strategy is in line with the general direction of the government's overall strategic development plans for property construction, infrastructure investment and financial market development.

## **FINANCIAL REVIEW**

During the Reporting Period, revenue decreased by approximately 45.4% from continuing operations as compared with the corresponding periods in the preceding financial year. The decrease was mainly due to the revenue of scaffolding, fitting out and other auxiliary service for construction and building work was decreased.

During the Reporting Period, operating and administrative expenses decreased by approximately 46.6% from continuing operations as compared with the corresponding periods in 2022 which was mainly due to the decrease in staff cost, and the tighten up of cost control. Finance costs decreased from approximately HK\$3.7 million to approximately HK\$3.3 million from continuing operations.

## **CAPITAL STRUCTURE**

As at 31 October 2023, the Group had shareholders' equity of approximately HK\$383.9 million (30 April 2023: approximately HK\$396.1 million).

## **MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATES**

The Group did not have material acquisitions or disposals of subsidiaries or associates during the six months ended 31 October 2023.

## **PLEDGE OF ASSETS**

As at 31 October 2023, the Group did not have pledged assets (30 April 2023: Nil).

## **EVENT AFTER REPORTING PERIOD**

There is no important event affecting the Group which have occurred since 31 October 2023.

## **LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO**

During the Reporting Period, the Group financed its operations by banking facilities, finance leases provided by banks and proceeds from issue of coupon bonds.

As at 31 October 2023, the Group's equity attributable to the owners of the Company, current assets, net current assets and total assets were approximately HK\$383.9 million (30 April 2023: approximately HK\$396.1 million), approximately HK\$565.6 million (30 April 2023: approximately HK\$534.5 million), approximately HK\$372.8 million (30 April 2023: approximately HK\$359.6 million) and approximately HK\$578.0 million (30 April 2023: approximately HK\$575.6 million) respectively.

As at 31 October 2023, there was no bank borrowings (30 April 2023: Nil) and bank overdrafts of the Group (30 April 2023: Nil). As at 31 October 2023, the Group's other loan and other borrowings was HK\$144.7 million (30 April 2023: HK\$123.9 million). As at 31 October 2023, the lease liabilities was approximately HK\$1.0 million (30 April 2023: approximately HK\$1.6 million). As at 31 October 2023, other loan and other borrowings included (i) 6.5% coupon bond of HK\$20 million issued by the Company; (ii) 11% coupon bond of HK\$5 million issued by the Company; (iii) 6.5% coupon bond of HK\$5 million issued by the Company; (iv) 6.5% coupon bond of HK\$3.0 million issued by the Company; (v) 6.5% coupon bond of HK\$5.8 million issued by the Company; (vi) 8% coupon bond of HK\$42.0 million issued by Gold Medal, on 31 October 2020 and renewed on 1 February 2022 with 6.5% coupon rate; (vii) 8.5% coupon bond of HK\$20 million issued by Gold Medal, on 28 October 2019, renewed on 1 February 2022 with 6.5% coupon rate; (viii) the surety bond of HK\$18 million was issued by Gold Medal was with no interest bearing and (ix) 8% coupon bond of HK\$18 million issued by Gold Medal. As at 31 October 2023, the Group's bank balances and cash in general accounts amounted to approximately HK\$17.2 million (30 April 2023: approximately HK\$18.5 million) and no pledge bank deposits (30 April 2023: Nil). As at 31 October 2023, the Group's gearing ratio (total debts divided by equity attributable to the owners of the Company then multiplied by 100%) was approximately 38.0% (30 April 2023: approximately 31.5%). For calculating the gearing ratios, total debts of the Group included bank borrowings and bank overdrafts, other borrowings and lease liabilities.

As at 31 October 2023, most of the Group's bank balances and cash, and other borrowings were denominated in Hong Kong dollars. The lease liabilities had an average lease term ranging from one to two years (30 April 2023: one to two years) and all such leases had interest rates fixed at the contract date and fixed repayment bases.

## **SHARE OPTION SCHEME**

The Company has adopted the share option scheme on 22 October 2021 (the “Share Option Scheme”). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

Under the terms of the Share Option Scheme, the Board may, at its absolute discretion, offer full time or part time employees of the Company or any of its subsidiaries (including any directors, whether executive or non-executive and whether independent or not, of the Company or any of its subsidiaries) and any agents, consultants and advisers who have contributed or may contribute to the Group, to take up options to subscribe for shares of the Company, as incentives or rewards for their contribution to the growth of the Group. The maximum aggregate number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not, exceed 30% of the issued share capital of the Company from time to time. The life of the Share Option Scheme was effective until 21 October 2031.

The maximum number of shares issued and to be issued on the exercise of options granted under the Share Option Scheme or any other share option schemes of the Company and its subsidiaries (including both exercised and outstanding options) to a grantee in any 12-month period must not exceed 1% (or 0.1% in case of a connected person (as defined under the GEM Listing Rules) grantee) of the total issued share capital of the Company in issue, unless separately approved by the shareholders of the Company in general meeting with such grantee and his associates abstaining from voting, and the number and terms (including the subscription price) of the options to be granted to such person must be fixed before the shareholders’ approval. A non-refundable nominal consideration of HK\$10 is payable on acceptance of each grant.

The subscription price may be determined by the Board, provided that it shall not be less than the highest of (a) the closing price of the Company’s shares on GEM as stated in the Stock Exchange’s daily quotation sheet on the date of grant of the options; (b) the average of the closing prices of the Company’s shares on GEM as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the date of grant of the options; and (c) the nominal value of the shares on the date of grant provided that in the event of fractional prices, the subscription price per share shall be rounded upwards to the nearest whole cent.

An option may be exercised in whole or in part in accordance with the terms of the Share Option Scheme at any time during a period to be notified by the Board to each grantee which shall not be more than 10 years from the date on which the offer of the grant of the options is made in accordance with the terms of the Share Option Scheme. There is no general requirement on the minimum period for which an option must be held or performance target must be achieved before an option can be exercised under the terms of the Share Option Scheme.

During the Reporting Period, there were no options granted, exercised, cancelled, lapsed or outstanding.

## **PRE-EMPTIVE RIGHTS**

There is no provision for pre-emptive rights under the Company’s bye laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

## **MANAGEMENT CONTRACT**

No other contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or in existence during the six months ended 31 October 2023.

## **DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE**

No contracts of significance to which the Company or its subsidiaries was a party and in which a Director had a material interest subsisted at the end of the six-month period or at any time during the six months ended 31 October 2023.

## **DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 31 October 2023, the interests of the Directors and the chief executive of the Company in shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO as 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 required standard of dealings by the Directors as referred to the Rule 5.46 of the GEM Listing Rules were as follows:

### **Long positions in shares and underlying shares of the Company**

<b>Name of Director</b>	<b>Capacity</b>	<b>Number of ordinary shares held</b>	<b>Number of underlying shares held</b>	<b>Approximate percentage of the issued share capital of the Company as at 31 October 2023</b>
Mr. So Wang Chun, Edmond	Beneficial owner	800,000		0.01%

Save as disclosed above, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations as at 31 October 2023.

## **SUBSTANTIAL SHAREHOLDERS' AND OTHERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY**

As at 31 October 2023, the Directors and the chief executive of the Company were not aware of any person (other than the Directors or chief executive of the Company whose interests were disclosed above) who had an interest in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO.

## **ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES**

Save as disclosed above, at no time during the period was the Company or its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the period.

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

During the six months ended 31 October 2023, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

During the six months ended 31 October 2023, the Company had followed a code of conduct regarding directors' securities transactions as set out in Rules 5.46 to 5.68 of the GEM Listing Rules. The Company had also made specific enquiry of all directors and was not aware of any non-compliance with the required standard of dealings and the code of conduct regarding securities transactions by directors.

## **COMPETING INTERESTS**

None of the Directors or the substantial shareholders (as defined in the GEM Listing Rules) of the Company or their respective close associates (as defined in the GEM Listing Rules) had any interest in the business that competed or might compete or was likely to compete, either directly or indirectly, with the business of the Group during the Reporting Period.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained the prescribed public float under the GEM Listing Rules.

## **CORPORATE GOVERNANCE**

During the reporting period, the Company has complied with all the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 15 to the GEM Listing Rules except the following deviations:

Pursuant to the code provision C.2.1, the roles of Chairman (the "Chairman") and chief executive officer (the CEO") should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and the CEO should be clearly established and set out in writing. The Group currently has no Chairman and CEO. The daily operation and management of the Group is monitored by executive Directors. The Board is of the view that although there is no chairman and chief executive officer, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals who would meet from time to time to discuss issues affecting operation of the Group. This arrangement can still enable the Group to make and implement decisions promptly, and thus achieve the Group's objectives efficiently and effectively in response to the changing environment.

## AUDIT COMMITTEE

The Company established an audit committee of the Board (“Audit Committee”) with written terms of reference that clearly establish the Audit Committee’s authority and duties. The Audit Committee currently comprises 3 independent non-executive Directors, namely Mr. Lo Ka Ki, Mr. Law Man Sang and Ms. Lam Wai Yu.

The primary duties of the Audit Committee are to review the Company’s annual report and accounts, half-year report and quarterly reports and to provide advice and comments thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the financial reporting process and internal control procedures of the Group.

The Group’s unaudited condensed consolidated interim results for the six months ended 31 October 2023 have not been audited by the Company’s auditor, but have been reviewed by the audit committee which was of the opinion that the results complied with applicable accounting standards, the GEM Listing Rules and legal requirements and that adequate disclosure had been made.

On behalf of the Board  
**So Wang Chun, Edmond**  
*Executive Director*

Hong Kong, 13 December 2023

*As at the date of this report, the Board comprises Mr. So Wang Chun, Edmond (Executive Director), Mr. Yang Haijia (Executive Director), Ms. Wang Lili (Executive Director), Mr. Law Man Sang (Independent Non-executive Director), Ms. Lam Wai Yu (Independent Non-executive Director) and Mr. Lo Ka Ki (Independent Non-executive Director).*