

Wing Chi Holdings Limited 榮智控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6080

The background features a large, abstract geometric design composed of overlapping triangles in shades of orange, blue, and green. Within these triangles are silhouettes of various construction equipment and structures: a crane in the top green triangle, an excavator in the middle blue triangle, a building under construction with scaffolding in the middle orange triangle, another excavator in the bottom green triangle, and a worker with a wheelbarrow and a truck in the bottom blue triangle. The overall aesthetic is modern and industrial.

2024
INTERIM REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Li Cheuk Kam (*Chairman and Chief Executive Officer*)
Ms. Chau Man Chun

Independent Non-executive Directors

Mr. Wong Chik Kong
Mr. Chan Chung Kik, Lewis
Mr. Lee Kwok Lun

AUDIT COMMITTEE

Mr. Chan Chung Kik, Lewis (*Chairman*)
Mr. Wong Chik Kong
Mr. Lee Kwok Lun

NOMINATION COMMITTEE

Mr. Li Cheuk Kam (*Chairman*)
Mr. Chan Chung Kik, Lewis
Mr. Wong Chik Kong
Mr. Lee Kwok Lun

REMUNERATION COMMITTEE

Mr. Wong Chik Kong (*Chairman*)
Mr. Chan Chung Kik, Lewis
Mr. Lee Kwok Lun
Mr. Li Cheuk Kam

COMPANY SECRETARY

Ms. Li Mei Wai

AUTHORISED REPRESENTATIVES

Mr. Li Cheuk Kam
Ms. Li Mei Wai

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Cable TV Tower
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Tsuen Wan
New Territories
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REGISTERED OFFICE IN THE CAYMAN ISLANDS

71 Fort Street, PO Box 500
George Town
Grand Cayman KY1-1106
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CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Services (Cayman) Limited
71 Fort Street, PO Box 500
George Town
Grand Cayman KY1-1106
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANK

Nanyang Commercial Bank, Ltd.

AUDITOR

SHINEWING (HK) CPA Limited
Certified Public Accountants
17/F, Chubb Tower, Windsor House
311 Gloucester Road
Causeway Bay
Hong Kong

LEGAL ADVISER AS TO HONG KONG LAW

TC & Co.
Solicitors, Hong Kong
Units 2201-3, 22/F
Tai Tung Building
8 Fleming Road
Wanchai
Hong Kong

COMPANY'S WEBSITE

www.wingchiholdings.com

STOCK CODE

6080

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “**Board**”) of directors (the “**Directors**”) of Wing Chi Holdings Limited (the “**Company**”) is pleased to present the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2024 (the “**Reporting Period**”) together with the unaudited comparatives figures for the corresponding period ended 30 September 2023.

BUSINESS AND OUTLOOK

The Company is an investment holding company. The principal activities of its subsidiaries include foundation and site formation works for both the public and the private sectors in Hong Kong. The foundation and site formation works provided by the Group can be broadly classified as (i) excavation and lateral support (“**ELS**”) works and (ii) pile caps construction and site formation works for both public and private sector projects. To a lesser extent, the Group also leased some of its machineries.

Apart from acting as a subcontractor in foundation and site formation works, the Group has actively sought to enlarge its scope of work in the construction industry. The Group not only focuses in acting as a subcontractor but also aims to act as a foundation main contractor in the future. The Group’s principal operating subsidiary, Lik Shing Engineering Company Limited, has registered under the Construction Industry Council as a registered subcontractor since May 2008. Lik Shing Engineering Company Limited has also registered under the Buildings Department of the Hong Kong SAR Government as a registered specialist contractor in the foundation works category and site formation works category since December 2019 and July 2021 respectively. The Development Bureau of the Hong Kong SAR Government has approved the admission of Lik Shing Engineering Company Limited to Group B (Probation) under the “Roads and Drainage” category of the List of Approved Contractors for Public Works effective from January 2024.

During the Reporting Period, the economy of Hong Kong continued to record moderate growth, although the degree of progress fell short of initial expectations. Looking ahead, the Hong Kong SAR Government believes that the economy should continue to grow in the remainder of the year, but various factors including geopolitical tensions and global economic and interest rates outlook may pose uncertainties on different fronts. Building development still remain one of the major focuses in the Hong Kong SAR Government’s policy.

The Directors opined that there are challenge in the Hong Kong economy and the severe competition in the foundation and site formation market will continue to affect the development of the Group. The Group will continue to implement tight cost control measures on the existing projects, improve the efficiency of workflow throughout the construction process, and strengthen the effectiveness of project management. The Group will also continue to actively devote its efforts to ensure the health and safety of its employees.

FINANCIAL REVIEW

During the Reporting Period, the Group had been awarded 18 new contracts, with an aggregate original contract sum of approximately HK\$295.0 million and had completed 26 projects with an aggregate original contract sum of approximately HK\$536.2 million. As at 30 September 2024, the Group had 30 projects on hand which include projects in progress as well as projects that have been awarded to us but not yet commenced. As at 30 September 2024, the aggregate amount of transaction price allocated to the unsatisfied/partially unsatisfied performance obligations is approximately HK\$509.8 million (30 September 2023: approximately HK\$401.5 million). This amount represents the revenue from construction contracts that is expected to be recognised in the future.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

The revenue from foundation and site formation works of the Group for the Reporting Period amounted to approximately HK\$379.7 million, representing an increase of approximately HK\$134.7 million, or 55.0% as compared to that of approximately HK\$245.0 million for the six months ended 30 September 2023. The increase in revenue during the Reporting Period was primarily attributed to the commencement of larger size foundation and site formation works which include the construction of the Kam Sheung Road, Anderson Road and Area 57 in Tung Chung that have substantial works commenced during the Reporting Period.

The Group's revenue from machinery leasing for the Reporting Period amounted to approximately HK\$17.2 million, representing an increase of approximately HK\$11.1 million, or 182.0% as compared to that of approximately HK\$6.1 million for the six months ended 30 September 2023. This amount represents the revenue derived from the leasing of the Group's machinery to contractors and/or subcontractors under operating lease. The increase was primarily due to that fact that more revenue has been derived from machinery leasing for the project of the North Runway Modification Work and the development of the Lamma Power Station during the Reporting Period.

Gross Profit and Gross Profit Margin

The gross profit of the Group for the Reporting Period amounted to approximately HK\$24.7 million, representing an increase of approximately HK\$6.8 million, or 38.0% as compared to that of approximately HK\$17.9 million for the six months ended 30 September 2023. The gross profit margin of the Group during the Reporting Period was approximately 6.2%, as compared to that of approximately 7.1% for the six months ended 30 September 2023.

The decrease in the gross profit margin is mainly attributable to the intensive competition in the construction industry. The improvement of the gross profit was mainly attributable to the increase of revenue from large size project works conducted during the Reporting Period. The Group will continue to implement tight cost control and improve the efficiency of work-flow throughout the construction process.

The Group prices its services based on various factors, among others, the scope of works and the complexity of the projects. In this regard, the Group's profitability depends on the nature of projects engaged by the Group. On the other hand, the Group prices its leasing machinery based on the procurement cost and the expected profit margin.

Other Income and Gains

The other income of the Group for the Reporting Period amounted to approximately HK\$1,208.0 thousand, representing a significant increase of approximately HK\$1,207.0 thousand or 120,700.0% as compared to that of approximately HK\$1.0 thousand for the six months ended 30 September 2023.

The significant increase in other income is primarily due to the fact that during the Reporting Period, the Company has received approximately HK\$1.2 million from the disposal of motor vehicles. However, these gains are not available during the six months ended 30 September 2023.

Administrative Expenses

The administrative expenses of the Group for the Reporting Period amounted to approximately HK\$19.0 million, representing an increase of approximately HK\$3.4 million, or 21.8% as compared to that of approximately HK\$15.6 million for the six months ended 30 September 2023. The increase was primarily due to the increase of provision of impairment loss on contract assets and increase of salary cost during the Reporting Period. During the Reporting Period, the Group continued to expand its workforces to support its business and enhance the remuneration packages of the employees and the Directors. As a result, the major cost included in administrative expenses mainly related to salary expenses and Director's remuneration, depreciation expenses and entertainment expenses cost.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance Costs

The finance costs of the Group for the Reporting Period amounted to approximately HK\$0.8 million, representing an increase of approximately HK\$0.4 million, or 100% as compared to that of approximately HK\$0.4 million for the six months ended 30 September 2023. The increase was primarily due to the increase in lease liabilities and loan repayment during the Reporting Period as compared to that for the corresponding period in 2023.

Income Tax (Expense)/Credit

The income tax expenses of the Group for the Reporting Period amounted to approximately HK\$1.5 million, as compared to a tax credit of approximately HK\$0.3 million for the six months ended 30 September 2023. The income tax expenses/credit represents the net effect on the movement of deferred tax expenses and Hong Kong income tax expenses. The movement was mainly due to the significant increase in the provision of deferred tax expenses caused by the increase in taxable temporary difference derived from the hire purchase of plant and equipment during the Reporting Period.

Profit attributable to Owners of the Company

The net profit attributable to owners of the Company amounted to approximately HK\$4.6 million for the Reporting Period, as compared to that of approximately HK\$2.1 million for the six months ended 30 September 2023. The increase in net profit attributable to owners of the Company was mainly attributable to the combined effect of the gradual improvement in the economy of Hong Kong and the implementation of tight cost control measures by our experienced project teams which improved the efficiency of work-flow throughout the construction process during the Reporting Period.

INTERIM DIVIDEND

The Board has resolved not to recommend the declaration of any interim dividend for the six months ended 30 September 2024.

LIQUIDITY, FINANCIAL POSITION AND CAPITAL STRUCTURE

The Group has funded its liquidity and capital requirements primarily through capital contributions from shareholders, bank borrowings and cash inflows from operating activities.

As at 30 September 2024, the Group had total assets of approximately HK\$337.6 million (31 March 2024: approximately HK\$344.5 million), of which current assets amounted to approximately HK\$251.3 million (31 March 2024: approximately HK\$277.6 million).

As at 30 September 2024, the Group had total liabilities of approximately HK\$202.2 million (31 March 2024: approximately HK\$213.6 million), of which current liabilities amounted to approximately HK\$188.8 million as at 30 September 2024 (31 March 2024: approximately HK\$202.5 million).

As at 30 September 2024, the Group had total equity attributable to owners of the Company amounted to approximately HK\$135.4 million (31 March 2024: approximately HK\$130.8 million).

As at 30 September 2024, the Group had total bank balances and cash of approximately HK\$59.2 million (31 March 2024: approximately HK\$45.6 million). The movement in bank balance and cash was mainly due to the cash inflow of an aggregate net cash of approximately HK\$13.6 million in operation, investing and financing activities.

As at 30 September 2024, the Group had total debt of approximately HK\$36.1 million which included lease liabilities and bank borrowings (31 March 2024: approximately: HK\$25.0 million) denominated in Hong Kong dollars. The gearing ratio of the Group, calculated by the total debts (defined as the sum of the lease liabilities and bank borrowings) divided by the total equity is approximately 26.7% (31 March 2024: approximately 19.1%). The increase was primarily due to the increase in bank borrowings during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

PLEDGE OF ASSETS

As at 30 September 2024, the Group's right-of-use assets with an aggregate net book value of approximately HK\$17.0 million (31 March 2024: approximately HK\$15.1 million) were pledged under finance leases. As at 30 September 2024, the Group's machineries with an aggregate net book value of approximately HK\$29.9 million (31 March 2024: approximately HK\$15.0 million) were pledged under bank borrowings.

EXPOSURE TO FOREIGN EXCHANGE RATE RISKS

As the Group only operates in Hong Kong and almost all of the revenue and transactions arising from its operations are settled in Hong Kong dollar, the Board is of the view that the Group's foreign exchange rate risks are insignificant.

Thus, the Group has not entered into any derivative contracts to hedge against the foreign exchange rate risk during the Reporting Period.

CAPITAL EXPENDITURE

During the Reporting Period, the Group invested approximately HK\$25.2 million (31 March 2024: approximately HK\$31.7 million) on acquisition of machineries and equipment, motor vehicles and computer equipment. Capital expenditure was principally funded by finance leases, bank borrowings and internal resources.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 September 2024, the Group had capital commitments of approximately HK\$0.7 million on acquisition of plant and equipment contracted for but not yet accounted for in the financial statements.

Save as disclosed in this interim report, the Group had no material capital commitments or contingent liabilities.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Reporting Period, the Group did not have any material acquisitions or disposals of subsidiaries or associated companies.

SIGNIFICANT INVESTMENT HELD

During the Reporting Period, the Group had no significant investment held.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

The Group does not have other plans for material investments and capital assets during the Reporting Period.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2024, the Group employed a total of 573 employees (include Executive Directors and Independent Non-executive Directors), as compared to a total of 322 employees as at 30 September 2023 (including Executive Directors and Independent Non-executive Directors). The significant increase in the number of employees was mainly due to the fact that large labour intensive work progress have been conducted as at 30 September 2024. Total staff costs which include Directors' emoluments for the Reporting Period was approximately HK\$128.1 million (six months ended 30 September 2023: approximately HK\$87.3 million). The significant increase in staff costs during the Reporting Period was mainly due to the fact that substantial large projects have been conducted and the improvement of the remuneration packages of the employees and the Directors during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

The salary and benefit level of the employees of the Group are competitive and individual performance is rewarded through the Group's salary and bonus system. The Group conducts an annual review on salary increment, discretionary bonuses and promotions based on the performance of each employee.

The emoluments of the Directors of the Company are decided by the Board with reference to the recommendation of the Remuneration Committee of the Company, having considered factors such as the Group's financial performance and the individual performance of the Directors, etc.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme are set out on page 23 of this interim report.

During the Reporting Period, the Group has not experienced any significant problems with its employees due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	Notes	Six months ended 30 September	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	4	396,854	251,115
Cost of sales		(372,185)	(233,214)
Gross profit		24,669	17,901
Other income and gains	5	1,208	1
Administrative expenses		(19,009)	(15,631)
Finance costs	6	(767)	(431)
Profit before taxation		6,101	1,840
Income tax (expense) credit	7	(1,527)	262
Profit for the period	8	4,574	2,102
Earnings per share:			
Basic and diluted	10	0.5 cents	0.2 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2024

	<i>Notes</i>	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Non-current assets			
Plant and equipment	11	57,324	44,473
Right-of-use assets	12	20,245	19,392
Deposits paid for acquisition of plant and equipment		8,733	3,051
		86,302	66,916
Current assets			
Contract assets		127,713	205,862
Trade and other receivables	13	64,352	26,055
Tax recoverable		–	11
Bank balances		59,185	45,630
		251,250	277,558
Current liabilities			
Trade and other payables	14	158,271	182,383
Lease liabilities	12	5,602	7,922
Bank borrowings	15	24,907	12,160
Tax payable		48	–
		188,828	202,465
Net current assets		62,422	75,093
Total assets less current liabilities		148,724	142,009
Non-current liabilities			
Deferred tax liabilities		7,739	6,271
Lease liabilities	12	5,586	4,913
		13,325	11,184
Net assets		135,399	130,825
Capital and reserves			
Share capital	16	9,338	9,338
Reserves		126,061	121,487
		135,399	130,825

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	Share capital HK\$'000	Share premium HK\$'000	Merger Reserve HK\$'000 (Note)	Retained profits HK\$'000	Total HK\$'000
At 1 April 2024 (Audited)	9,338	115,593	10	5,884	130,825
Profit for the period (Unaudited)	–	–	–	4,574	4,574
At 30 September 2024 (Unaudited)	9,338	115,593	10	10,458	135,399
At 1 April 2023 (Audited)	9,338	115,593	10	2,185	127,126
Profit for the period (Unaudited)	–	–	–	2,102	2,102
At 30 September 2023 (Unaudited)	9,338	115,593	10	4,287	129,228

Note:

Merger reserve represented the difference between the nominal value of the shares issued by the Company and the amount of issued share capital of the subsidiaries acquired pursuant to the group reorganisation.

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)
Cash flows from operating activities		
Cash from operation	35,221	15,406
Income taxes refunded	–	128
Net cash from operating activities	35,221	15,534
Cash flows from investing activities		
Purchase of plant and equipment	(20,212)	(841)
Deposits paid for acquisition of plant and equipment	(8,733)	–
Payments for right-of-use assets	(1,120)	(184)
Proceeds from disposal of plant and equipment	1,360	–
Interest received	36	1
Net cash used in investing activities	(28,669)	(1,024)
Cash flows from financing activities		
New bank borrowing raised	24,000	–
Repayment of bank borrowing	(11,253)	–
Repayment of lease liabilities	(4,977)	(4,784)
Interest paid for bank borrowing	(459)	–
Interest paid for lease liabilities	(308)	(431)
Net cash from (used in) financing activities	7,003	(5,215)
Net increase in cash and cash equivalents	13,555	9,295
Cash and cash equivalents at 1 April	45,630	45,584
Cash and cash equivalents at 30 September, represented by bank balances	59,185	54,879

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, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 13 March 2017. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its ultimate holding company and immediate holding company is Colourfield Global Limited, a limited company incorporated in the British Virgin Islands (“**BVI**”). Its ultimate controlling party is Mr. Li Cheuk Kam (“**Mr. Li**”) (the “**Controlling Shareholder**”). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information of the interim report.

The Company is an investment holding company, while the principal subsidiaries are principally engaged in the provision of foundation and site formation works and machineries leasing.

The condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company and its subsidiaries (hereinafter collectively refer to as the “**Group**”).

2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the six months ended 30 September 2024 have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2024, except as described below.

Application of amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA which are effective for the Group’s financial year beginning 1 April 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5(2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Impact on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”); and Amendments to HKAS 1 – Non-current Liabilities with Covenants (the “2022 Amendments”)

The 2020 Amendments clarify the requirements on determining if a liability is current or non-current, in particular the determination over whether an entity has the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments specify that an entity’s right to defer settlement must exist at the end of the reporting period. Classification is unaffected by management’s intentions or expectations about whether the entity will exercise its right to defer settlement. The amendments also clarify the classification of liabilities that will or may be settled by issuing an entity’s own equity instruments.

The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current.

Upon application of the amendments, the Group has reassessed the terms and conditions of its loan arrangements. The adoption of the amendments has no impact to the Group’s classification of liabilities as at 1 April 2023, 31 March 2024 and 30 September 2024.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising from provision of foundation and site formation works and machineries leasing for the period. An analysis of the Group’s revenue for the period is as follows:

	Six months ended 30 September	
	2024 HK\$’000 (Unaudited)	2023 HK\$’000 (Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15 – Provision of foundation and site formation works	379,691	244,994
Revenue from other sources – Rental income from machineries leasing	17,163	6,121
	396,854	251,115

Disaggregation of revenue from contracts with customers by timing of recognition:

	Six months ended 30 September	
	2024 HK\$’000 (Unaudited)	2023 HK\$’000 (Unaudited)
Timing of revenue recognition from contracts with customers		
Over time	379,691	244,994

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

HKFRS 8 “Operating Segments” requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (“**CODM**”) (the directors of the Company) in order to allocate resources to segments and to assess their performance.

The Group’s operating activity is attributable to a single operating segment focusing on the provision of foundation and site formation works and machineries leasing. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies which conform to HKFRSs, that is regularly reviewed by the CODM. The CODM monitors the revenue from provision of foundation and site formation works and machineries leasing for the purpose of making decisions about resources allocation and performance assessment. The CODM reviews the profit for the period of the Group as a whole for performance assessment. No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM.

Geographical information

The Group’s revenue from external customers presented based on the location of the operations is derived solely in Hong Kong (country of domicile). Non-current assets of the Group presented based on the location of the assets are all located in Hong Kong. As a result, geographical information has not been presented.

5. OTHER INCOME AND GAINS

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Bank interest income	36	1
Gain on disposal of plant and equipment	1,171	–
Others	1	–
	1,208	1

6. FINANCE COSTS

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Interests on:		
– bank borrowing	459	–
– lease liabilities	308	431
	767	431

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

7. INCOME TAX EXPENSE (CREDIT)

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Current year taxation		
– Hong Kong Profits Tax	59	–
Deferred taxation	1,468	(262)
Total income tax expense for the period	1,527	(262)

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. For the six months ended 30 September 2024 and 2023, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

8. PROFIT FOR THE PERIOD

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Profit for the period has been arrived at after charging:		
Impairment loss recognised on trade receivables	25	49
Impairment loss recognised on contract assets	2,367	564
Depreciation of plant and equipment	7,663	5,563
Depreciation of right-of-use assets	3,597	3,548

9. DIVIDENDS

No dividend was paid or proposed during the six months ended 30 September 2024, nor has any dividend been proposed since the end of the last reporting period (six months ended 30 September 2023: nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

10. EARNINGS PER SHARE

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

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Profit:		
– Profit for the period attributable to the owners of the Company	4,574	2,102
Number of shares ('000)		
– Weighted average number of ordinary shares for the purpose of basic earnings per share	933,750	933,750

Diluted earnings per share

Diluted earnings per share is the same as basic earnings per share as there were no dilutive potential ordinary shares outstanding during the six months ended 30 September 2024 and 2023.

11. PLANT AND EQUIPMENT

During the six months ended 30 September 2024, the Group acquired plant and equipment with a cost of approximately HK\$20,703,000 (six months ended 30 September 2023: approximately HK\$5,281,000).

During the six months ended 30 September 2024, the Group has disposed of certain plant and equipment with an aggregate carrying values of approximately HK\$189,000 (six months ended 30 September 2023: nil) for cash proceeds of approximately HK\$1,360,000 (six months ended 30 September 2023: nil), resulting a gain on disposal of approximately HK\$1,171,000 (six months ended 30 September 2023: nil).

During the six months ended 30 September 2023, the Group transferred the leased machineries of approximately HK\$1,840,000 (six months ended 30 September 2024: nil) from plant and equipment to right-of-use assets at the commencement of lease term.

During the six months ended 30 September 2023, the Group transferred the leased machineries of approximately HK\$1,680,000 (six months ended 30 September 2024: nil) from right-of-use assets to plant and equipment upon the end of lease terms.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(i) Right-of-use assets

As at 30 September 2024, the total carrying amounts of right-of-use assets were approximately HK\$20,245,000 (31 March 2024: HK\$19,392,000), of which HK\$3,284,000 and HK\$16,961,000 (31 March 2024: HK\$4,290,000 and HK\$15,102,000) were the premises and machineries, respectively.

During the six months ended 30 September 2024, the Group entered into lease arrangements for machineries. On lease commencement, the Group recognised right-of-use assets of approximately HK\$4,450,000 (six months ended 30 September 2023: approximately HK\$1,840,000 for machineries).

During the six months ended 30 September 2023, the Group transferred the leased machineries of approximately HK\$1,840,000 (six months ended 30 September 2024: nil) from plant and equipment to right-of-use assets at the commencement of lease term.

During the six months ended 30 September 2023, the Group transferred the leased machineries of approximately HK\$1,680,000 (six months ended 30 September 2024: nil) from right-of-use assets to plant and equipment upon the end of lease terms.

(ii) Lease liabilities

As at 30 September 2024, the carrying amount of lease liabilities was approximately HK\$11,188,000 (31 March 2024: HK\$12,835,000).

During the six months ended 30 September 2024, the Group entered into new lease arrangements for machineries and recognised lease liabilities of approximately HK\$3,330,000 (six months ended 30 September 2023: machineries of approximately HK\$1,656,000).

(iii) Amounts recognised in profit and loss

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation on right-of-use assets		
– Premises	1,006	1,074
– Machineries	2,591	2,345
– Motor vehicles	–	129
Interest expense on lease liabilities	308	431

(iv) Others

For the six months ended 30 September 2024, the total cash outflow for leases amounted to approximately HK\$5,285,000 (six months ended 30 September 2023: HK\$5,215,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

13. TRADE AND OTHER RECEIVABLES

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Receivables at amortised cost comprise:		
Trade receivables	57,167	19,582
Loss allowance	(576)	(551)
	56,591	19,031
Other receivables	6,318	5,364
Prepayments and deposits	1,443	1,660
	64,352	26,055

The Group does not hold any collateral over these balances.

The Group allows an average credit period of 15 to 75 days to its trade customers. The following is an aged analysis of trade receivables, net of accumulated loss allowance, presented based on the certified date which approximates the respective revenue recognition dates and invoice dates at the end of the reporting period:

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
0 to 30 days	56,012	18,309
31 to 60 days	25	301
61 to 180 days	360	421
181 to 365 days	194	–
	56,591	19,031

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (“ECL”). The ECL on trade receivables are estimated using a provision matrix by reference to historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate, at the reporting date.

As the Group’s historical credit loss experience does not indicate significantly different loss patterns for different customers, the loss allowance based on past due status is not further distinguished between the group’s different customer bases.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

The movement in the loss allowance of trade receivables is set out below:

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
At the beginning of the period/year	551	654
Increase (decrease) during the period/year	25	(103)
At the end of the period/year	576	551

For deposits and other receivables, the Group measures the loss allowance at an amount equal to 12-month ECL since the credit risk is considered to be low and there is no significant increase in credit risk during the period/year. The loss allowance is insignificant to the Group as at 30 September 2024 and 31 March 2024.

14. TRADE AND OTHER PAYABLES

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Trade payables	117,403	144,336
Retention payables	13,729	11,571
Payables for acquisition of machineries	3,680	6,240
Accrued expenses and other payables	23,459	20,236
	158,271	182,383

Trade payables represented payables to suppliers and subcontractors. The credit terms granted by suppliers and subcontractors were stipulated in the relevant contracts and the payables were usually due for settlement within 30 to 90 days (31 March 2024: 30 to 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

The following is the aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
0 to 90 days	117,403	144,336

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

15. BANK BORROWINGS

During the six months ended 30 September 2024, the Group obtained new bank borrowings amounting to approximately HK\$24,000,000 (six months ended 30 September 2023: nil) and repaid the bank borrowings amounting to approximately HK\$11,253,000 (six months ended 30 September 2023: nil).

As at the end of the reporting period, the Group has the following undrawn borrowing facilities:

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Floating rate – Expiring beyond one year	50,327	57,478

16. SHARE CAPITAL

	Number of Shares	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised		
At 30 September 2024 and 31 March 2024	2,000,000,000	20,000
Issued and fully paid		
At 30 September 2024 and 31 March 2024	933,750,000	9,338

Note:

There were no changes in the issued capital of the Company since 1 April 2024 to the period up to 30 September 2024.

17. CAPITAL COMMITMENT

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Capital expenditure in respect of the acquisition of plant and equipment contracted for but not provided for in the consolidated financial statements	660	16,473

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

18. PLEDGE OF ASSETS

At the end of the reporting period, the Group had pledged the following assets to banks and finance lease companies to secure banking facilities and lease liabilities granted to the Group:

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Right-of-use assets (Note 12)	16,961	15,102
Machineries	29,939	15,010
	46,900	30,112

19. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these condensed consolidated financial statements, during the period, the Group had the following transactions with related parties:

(a) Compensation of key management personnel

The remuneration of the directors of the Company and key management personnel during the period are as follows:

	Six months ended 30 September 2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Short-term benefits	4,595	3,447
Post-employment benefits	54	53
	4,649	3,500

The remuneration of the directors of the Company and key management personnel is determined by the board of directors of the Company having regard to the performance of individuals and market trends.

(b) Other related party transactions

- i) One of the directors of the Company has beneficial interest in Famous Smart International (HK) Limited (“Famous Smart”). The below transaction was at term determined and agreed by the Company and the relevant party.

On 10 June 2022, the Group entered into a three-year lease in respect of office premise from Famous Smart. The amount of rent payable by the Group under the lease is HK\$50,000 per month. As at 30 September 2024, the carrying amount of such lease liabilities is approximately HK\$440,000 (31 March 2024: HK\$721,000). During the six months ended 30 September 2024, the Group has made lease payment of approximately HK\$300,000 (six months ended 30 September 2023: HK\$300,000) to Famous Smart.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

19. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Other related party transactions (continued)

- ii) One of the directors of the Company has beneficial interest in Easy Best Creation Limited (“**Easy Best**”). The below transaction was at term determined and agreed by the Company and the relevant party.

On 19 February 2024, the Group entered into two three-year leases in respect of carparks from Easy Best. The amount of rent payable by the Group under the two leases is HK\$4,000 per month each. As at 30 September 2024, the carrying amount of such lease liabilities are approximately HK\$107,000 and HK\$107,000 (31 March 2024: HK\$128,000 and HK\$128,000) respectively. During the six months ended 30 September 2024, the Group has made lease payment of approximately HK\$24,000 and HK\$24,000 (six months ended 30 September 2023: nil and nil) respectively to Easy Best.

On 24 May 2024, the Group disposed a motor vehicle to Easy Best with nil carrying values for cash proceeds of approximately HK\$770,000, resulting a gain on disposal of approximately HK\$770,000.

- iii) One of the directors of the Company has beneficial interest in Easy High Investment Limited (“**Easy High**”). The below transaction was at term determined and agreed by the Company and the relevant party.

On 19 February 2024, the Group entered into two three-year leases in respect of carparks from Easy High. The amount of rent payable by the Group under the two leases is HK\$4,000 per month each. As at 30 September 2024, the carrying amount of such lease liabilities are approximately HK\$107,000 and HK\$107,000 (31 March 2024: HK\$128,000 and HK\$128,000) respectively. During the six months ended 30 September 2024, the Group has made lease payment of approximately HK\$24,000 and HK\$24,000 (six months ended 30 September 2023: nil and nil) respectively to Easy High.

- iv) As at 30 September 2024, the Group has unutilised banking facility of HK\$10,000,000 (31 March 2024: HK\$10,000,000) which was granted in March 2021. Such banking facility is jointly guaranteed by Mr. Li and Chau Man Chun (“**Mrs. Li**”).
- v) As at 30 September 2024, the Group has unutilised banking facility of HK\$30,000,000 (31 March 2024: HK\$30,000,000) which was granted in January 2024. Such banking facility is secured by a bank deposit by Mr. Li which should be equals the facility amount utilised.
- vi) As at 30 September 2024, the Group has unutilised banking facility of HK\$6,000,000 (31 March 2024: nil) which was granted in July 2024. Such banking facility is jointly guaranteed by Mr. Li, Mrs. Li and the Company.
- vii) As at 30 September 2024, the Group has bank borrowing of HK\$12,160,000 (31 March 2024: HK\$12,160,000) which was obtained in March 2024. Such bank borrowing is jointly guaranteed by Mr. Li, Mrs. Li and the Company.
- viii) As at 30 September 2024, the Group has bank borrowing of HK\$14,000,000 (31 March 2024: nil) which was obtained in August 2024. Such bank borrowing is jointly guaranteed by Mr. Li, Mrs. Li and the Company.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

20. CONTINGENT LIABILITIES

At 30 September 2024 and 31 March 2024, the Group has been involved in a number of litigations and potential claims against the Group in relation to work-related injuries and civil litigation.

In the opinion of the directors of the Company, the litigations and potential claims are not expected to have a material impact on the condensed consolidated financial statements of the Group. Accordingly, no provision has been made to the condensed consolidated financial statements (31 March 2024: nil).

21. MAJOR NON-CASH TRANSACTION

During the six months ended 30 September 2024, the Group entered into a new lease agreements and recognised right-of-use assets for machineries of approximately HK\$4,450,000 (six months ended 30 September 2023: nil) and lease liabilities for machineries of approximately HK\$3,330,000 (six months ended 30 September 2023: nil).

During the six months ended 30 September 2023, the Group transferred the leased machineries of approximately HK\$1,840,000 (six months ended 30 September 2024: nil) from plant and equipment to right-of-use assets at the commencement of lease term.

During the six months ended 30 September 2023, the Group transferred the leased machineries of approximately HK\$1,680,000 (six months ended 30 September 2024: nil) from right-of-use assets to plant and equipment upon the end of lease terms.

22. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme of the Company

The Company's share option scheme (the "Scheme"), was adopted pursuant to written resolution of the Company passed on 21 September 2017 for the primary purpose of providing incentives to directors and eligible employees, and will expire on 19 October 2027. Under the Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares in issue at any point in time, without prior approval from the Company's shareholders. The Company may not grant any options if the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and other schemes exceeds 30% of the shares in issue from time to time. Options granted to substantial shareholders or independent non-executive directors of the Company in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5,000,000 must be approved in advance by the Company's shareholders.

The option will be offered for acceptance for a period of not less than five trading days from the date on which the option is granted. Upon acceptance of the option, directors and eligible employees of the Company shall pay HK\$1.00 to the Company by way of consideration for the grant. Options may be exercised at any time from the date of grant of the share option to the tenth anniversary of the date of grant. The exercise price is determined by the board of directors of the Company, and will not be less than the highest of (i) the nominal value of the Company's share; (ii) the closing price of the Company's shares on the date of grant; and (iii) the average closing price of the shares for the five business days immediately preceding the date of grant.

No share options have been granted since the adoption of the Scheme during the six months ended 30 September 2024 and 2023.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as its own corporate governance code. To the knowledge of the Board, the Company has complied with the relevant code provisions in the CG Code during the Reporting Period and up to the date of this interim report with the exception of code provision C.2.1 as explained below.

Chairman and Chief Executive Officer

The Board is headed by Mr. Li Cheuk Kam, the chairman of the Company (the “**Chairman**”) and the chief executive officer of the Company (the “**Chief Executive Officer**”).

According to code provision C.2.1 of the CG Code, the roles of the Chairman the Chief Executive Officer should be separate and performed by different individuals. Mr. Li Cheuk Kam is both the Chairman and the Chief Executive Officer. In view of the in-depth knowledge and substantial experience of Mr. Li Cheuk Kam in the operations of the Group and his solid experience in foundation and site formation works, the Board believes it is in the best interests of the Company for Mr. Li Cheuk Kam to assume both the roles of the Chairman and the Chief Executive Officer until such time as the Board considers that such roles should be assumed by different persons.

The Directors consider that the deviation from provision C.2.1 of the CG Code is appropriate in such circumstances. Notwithstanding the above, the Board is of the view that this management structure is effective for our Group’s operations, and sufficient checks and balances are in place as three Independent Non-executive Directors have been appointed, and a risk management and internal control system has been set up.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” as set out in Appendix C3 of the Listing Rules (the “**Model Code**”) as its own code of conduct regarding securities transactions by the Directors of the Company.

Directors are reminded of their obligations under the Model Code on a regular basis. Following specific enquiries by the Company, all the Directors have confirmed to the Company that they have fully complied with the required standard set out in the Model Code during the Reporting Period.

DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2024, the interests and short positions in the Shares, underlying shares of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“**SFO**”)) held by the Directors and chief executive of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code are as follows:

(i) Long position in the Shares

Name	Capacity/nature	Total number of Shares held/interested	Percentage of Shares in issued
Mr. Li Cheuk Kam	Interest in a controlled corporation (Note 1)	484,998,000	51.94%
Ms. Chau Man Chun	Interest of spouse (Note 2)	484,998,000	51.94%

Note 1: The 484,998,000 Shares are held by Colourfield Global Limited (“**Colourfield Global**”). Mr. Li Cheuk Kam beneficially owns 100% of the entire issued share capital of Colourfield Global and is deemed, or taken to be, interested in all the Shares held by Colourfield Global for the purposes of the SFO. Mr. Li Cheuk Kam is the sole director of Colourfield Global.

Note 2: Ms. Chau Man Chun is the spouse of Mr. Li Cheuk Kam and is deemed or taken to be interest in all the Shares in which Mr. Li Cheuk Kam has, or is deemed to have, an interest for the purposes of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

(ii) Long position in the ordinary shares of associated corporation

Name of Director	Name of associated corporation	Capacity/Nature	Total number of Shares held/interested	Percentage of Shares in issued
Mr. Li Cheuk Kam	Colourfield Global	Beneficial owner (Note)	5	100%

Note: The 484,998,000 Shares are held by Colourfield Global. Mr. Li Cheuk Kam beneficially owns 100% of the entire issued share capital of Colourfield Global and is deemed, or taken to be, interested in all the Shares held by Colourfield Global for the purposes of the SFO. Mr. Li Cheuk Kam is the sole director of Colourfield Global.

(iii) Short position

As at 30 September 2024, none of the Directors nor chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange under the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTEREST IN THE SHARES AND UNDERLYING SHARES

As at 30 September 2024, so far as it is known by or otherwise notified by any Director or the chief executive of the Company, the particulars of the corporations or individuals (other than a Director or chief executive of the Company) who had or were deemed or taken to have an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept under section 336 of the SFO were as follows:

Long position in the Shares of the Company

Name	Capacity/Nature	Total number of Shares held/interested	Percentage of Shares in issued
Colourfield Global	Beneficial owner (Note 1)	484,998,000	51.94%
Great Pride Global Limited	Beneficial owner (Note 2)	190,002,000	20.35%
Ms. Yam Yuen Nina	Interest in a controlled corporation (Note 3)	190,002,000	20.35%

Note:

- 484,998,000 Shares are beneficially owned by Colourfield Global, which is wholly-owned by Mr. Li Cheuk Kam.
- 190,002,000 Shares are beneficially owned by Great Pride Global Limited which is wholly-owned by Ms. Yam Yuen Nina.
- 190,002,000 Shares are held by Great Pride Global Limited. Ms. Yam Yuen Nina beneficially owns 100% of the entire issued share capital of Great Pride Global Limited and is deemed, or taken to be, interested in the Shares held by Great Pride Global Limited for the purposes of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at 30 September 2024, the Directors are not aware of any other corporation or individual (other than a Director or the chief executive of the Company) who had, or were deemed or taken to have, any interests or short positions in any Shares or underlying Shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the “**Share Option Scheme**”) on 21 September 2017. The principal terms of the Share Option Scheme are summarised in Appendix V to the Prospectus dated 30 September 2017 published by the Company. The main purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide incentive to employees (full-time and part-time), Directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

Since the date of the adoption of the Share Option Scheme on 21 September 2017, no share option has been granted, exercised, expired, cancelled or lapsed and there is no outstanding share option under the Share Option Scheme. Therefore the weighted average closing price of the shares immediately before the dates on which the options were exercised or vested pursuant to Rule 17.07(1) (d) of the Listing Rules is not available.

Pursuant to Rule 17.07(2) of the Listing Rules, the total number of share options available for grant under the Share Option Scheme as at 31 March 2024 and 30 September 2024 were 90,000,000 and 90,000,000 respectively.

Pursuant to Rule 17.09(3) of the Listing Rules, the total number of share which may be issued in respect of the share options to be granted under the Share Option Scheme as at 30 September 2024 and as the date of this interim report was 90,000,000 shares, representing approximately 10% of the ordinary shares of the Company at issue on 20 October 2017, the date of listing of the shares of the Company on the Hong Kong Stock Exchange.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY’S SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

DISCLOSURE OF CHANGE OF INFORMATION OF DIRECTOR UNDER RULES 13.51B(1) OF THE LISTING RULES

Mr. Chan Chung Kik, Lewis, an Independent Non-executive Director of the Company is the Chief Financial Officer and Company Secretary of T.S. Lines Limited, a company listed on the Main Board of the Stock Exchange on 1 November 2024 (Stock Code: 2510).

Saved as disclosed in this interim report, there is no change in the information of each Directors that is required to be disclosed under Rules 13.51B(1) of the Listing Rules, since the publication of annual report for the year ended 31 March 2024.

SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

Save as disclosed as above, there is no material subsequent events undertaken by the Company or by the Group after the Reporting Period.

AUDIT COMMITTEE

The Company has established an audit committee of the board (the “**Audit Committee**”) on 21 September 2017 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code. The primary duties of the Audit Committee are to review the financial information of the Group, to oversee the Group’s financial reporting system and its internal control and risk management procedures, to monitor the independence and objectivity of the external auditor and to provide advice and comments to the Board on matters related to corporate governance.

The Audit Committee consists of three members who are all Independent Non-Executive Directors, namely, Mr. Chan Chung Kik, Lewis, Mr. Wong Chik Kong and Mr. Lee Kwok Lun. Mr. Chan Chung Kik, Lewis is the Chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements for the Reporting Period. The Audit Committee is satisfied that the unaudited condensed consolidated financial statements for the Reporting Period have been prepared in accordance with applicable accounting standards and requirements as well as the Listing Rules and relevant adequate disclosures have been made.

By Order of the Board
Wing Chi Holdings Limited
Li Cheuk Kam
Chairman

Hong Kong, 20 November 2024