

KING OF CATERING (GLOBAL) HOLDINGS LTD.

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8619

Interim Report

2024

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

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

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

This report will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least seven days from the date of its posting. This report will also be published on the website of the Company at www.wcce.hk.

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

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

| | | Six months ended 30 September 2024 HK\$'000 (Unaudited) | 2023 HK\$'000 (Unaudited) |
|---|-------|---|---------------------------------|
| | Notes | | |
| Revenue | 4 | 59,455 | 51,445 |
| Cost of services | | (54,939) | (34,120) |
| Gross profit | | 4,516 | 17,325 |
| Other income | | 953 | 1,246 |
| Other losses, net | | (3,306) | (4,399) |
| General and administrative expenses | | (21,660) | (12,629) |
| Share of result of an associate | | – | 5,277 |
| Loss on deemed disposal of an associate | | – | (11,836) |
| Fair value gain on financial asset at fair value through profit and loss (“FVTPL”) | | 38,993 | 811 |
| Finance costs | | (204) | (176) |
| Profit/(loss) before taxation | 5 | 19,292 | (4,381) |
| Income tax expenses | 6 | (45) | (477) |
| Profit/(loss) for the period | | 19,247 | (4,858) |
| Other comprehensive income | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | |
| Exchange differences on translation of foreign operations | | – | 211 |
| Other comprehensive income for the period, net of tax | | – | 211 |
| Total comprehensive (expense)/ income for the period attributable to owners of the Company | | 19,247 | (4,647) |
| Earnings/(loss) per share | | | |
| – Basic and diluted (HK cents) | 8 | 1.44 | (0.42) |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Notes | At 30 September 2024 HK\$'000 (Unaudited) | At 31 March 2024 HK\$'000 (Audited) |
|---|-------|---|---|
| Non-current assets | | | |
| Property, plant and equipment | 9 | 3,297 | 3,592 |
| Right-of-use assets | | 4,480 | 6,396 |
| Financial asset at FVTPL | 13 | 48,030 | 26,631 |
| Rental deposits | | 929 | 929 |
| Deferred tax assets | | 893 | 1,056 |
| | | 57,629 | 38,604 |
| Current assets | | | |
| Trade and other receivables | 10 | 78,355 | 48,757 |
| Contract assets | | 24,993 | 26,231 |
| Tax recoverable | | 1,421 | 1,066 |
| Cash and cash equivalents | | 28,111 | 40,323 |
| | | 132,880 | 116,377 |
| Current liabilities | | | |
| Trade and other payables | 11 | 9,070 | 8,571 |
| Contract liabilities | | 22,821 | 23,561 |
| Lease liabilities | | 3,618 | 3,228 |
| | | 35,509 | 35,360 |
| Net current assets | | 97,371 | 81,017 |
| Total assets less current liabilities | | 155,000 | 119,621 |
| Non-current liabilities | | | |
| Deferred tax liabilities | | 234 | 234 |
| Lease liabilities | | 1,723 | 3,591 |
| | | 1,957 | 3,825 |
| NET ASSETS | | 153,043 | 115,796 |
| CAPITAL AND RESERVES | | | |
| Share capital | 12 | 13,820 | 12,320 |
| Reserves | | 139,223 | 103,476 |
| Equity attributable to owners of the Company | | 153,043 | 115,796 |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Attributable to owners of the Company | | | | | | Total HK\$'000 |
|--|---------------------------------------|------------------------------|--------------------------------|-------------------------------|-------------------------------------|----------------------------------|-------------------|
| | Share capital HK\$'000 | Share premium HK\$'000 | Merger reserves HK\$'000 | Legal reserves HK\$'000 | Translation reserves HK\$'000 | Retained earnings HK\$'000 | |
| At 1 April 2023 (Audited) | 11,520 | 71,416 | 647 | 49 | 191 | 8,133 | 91,956 |
| (Loss) for the period | - | - | - | - | - | (4,858) | (4,858) |
| Other comprehensive income | - | - | - | - | 211 | - | 211 |
| Total comprehensive income/(expense) | - | - | - | - | 248 | (4,858) | (4,647) |
| At 30 September 2023 (Unaudited) | 11,520 | 71,416 | 647 | 49 | 402 | 3,275 | 87,309 |
| At 1 April 2024 (Audited) | 12,320 | 90,536 | 647 | 49 | 393 | 11,851 | 115,796 |
| Issurance of new shares by placing | 1,500 | 16,500 | - | - | - | - | 18,000 |
| Profit for the period | - | - | - | - | - | 19,247 | 19,247 |
| Other comprehensive income | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | - | 19,247 | 19,247 |
| At 30 September 2024 (Unaudited) | 13,820 | 107,036 | 647 | 49 | 393 | 31,098 | 153,043 |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | Six months ended 30 September | |
|--|----------------------------------|-------------|
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Net cash (used in) operating activities | (28,126) | (4,090) |
| Net cash generated from investing activities | 596 | 422 |
| Net cash generated from/(used in) financing activities | 15,318 | (766) |
| Net (decrease) in cash and cash equivalents | (12,212) | (4,434) |
| Cash and cash equivalents at the beginning of the period | 40,323 | 41,164 |
| Cash and cash equivalents at the end of the period | 28,111 | 36,730 |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 25 August 2017 under the Companies Law, Cap. 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The ultimate holding company of the Company is Manning Properties Limited ("Manning Properties"), a company incorporated in the British Virgin Islands ("BVI"), which is controlled by Dr. Chan Yin Nin ("Dr. Chan") and Mr. Kwong Po Lam ("Mr. Kwong"). The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong is 9/F., No. 9 Wing Hong Street, Cheung Sha Wan, Kowloon, Hong Kong.

The Company is an investment holding company and its shares have been listed on GEM of the Stock Exchange since 17 September 2018. The Group is principally engaged in provision of comprehensive structural and geotechnical engineering consultancy services.

The unaudited condensed consolidated financial statements of the Group are presented in Hong Kong dollars ("HK\$"), rounded to the nearest thousand, which is same as the functional currency of the Company.

2. BASIS OF PREPARATION

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

The preparation of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2024 is in conformity with the requirements of the Hong Kong Financial Reporting Standards ("HKFRSs") in the use of certain critical accounting estimates. The HKFRSs also require the management to exercise their judgements in the process of applying the Group's accounting policies.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2024 are consistent with those adopted in the preparation of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2023 and the audited consolidated financial statements of the Group for the year ended 31 March 2024 shown in the 2024 annual report of the Company.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2024 have been prepared under the historical cost convention.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2024 have not been audited by the Company's independent auditor, but have been reviewed by the Company's audit committee.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operation and effective for its accounting period beginning on 1 April 2024. The adoption of the new and revised HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or the disclosures set out in these unaudited condensed consolidated financial statements. The Group has not early applied the new and revised HKFRSs that have been issued but are not yet effective.

4. REVENUE AND SEGMENT INFORMATION

Revenue

The principal activities of the Group are provision of comprehensive structural and geotechnical engineering consultancy services mainly in Hong Kong. Disaggregation of revenue from contracts with customers by services lines is as follows:

| | Six months ended 30 September | |
|---|----------------------------------|-------------|
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| <hr/> | | |
| Disaggregation of revenue from contracts with customers by major services lines | | |
| – Construction of new properties | 50,831 | 41,471 |
| – Refurbishment/maintenance of existing properties | 5,157 | 5,951 |
| – Others | 3,467 | 4,023 |
| | <hr/> | <hr/> |
| | 59,455 | 51,445 |
| | <hr/> | <hr/> |
| Timing of revenue recognition: | | |
| – Services recognised over time | 59,455 | 51,445 |
| | <hr/> | <hr/> |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Revenue (Continued)

Revenue mainly represents the contract revenue from provision of comprehensive structural and geotechnical engineering consultancy services recognised over the time during the periods ended 30 September 2024 and 2023.

Others represents revenue from provision of expert witness services and other minor works services recognised over the time for the periods ended 30 September 2024 and 2023.

The Group currently operates in one single operating segment which is comprehensive structural and geotechnical engineering consultancy services. For the purpose of resources allocation and performance assessment, the chief operating decision makers (i.e. the directors of the Company) review the overall results and financial position of the Group as a whole prepared in accordance with accounting policies which conform to HKFRSs. Accordingly, the Group presents only one single reportable segment.

Geographical information

Almost all of the Group's external revenue for the six months ended 30 September 2024 is derived from services rendered in Hong Kong, the place of domicile of the Group's principal operating entities. Almost all of the non-current assets employed by the Group are located in Hong Kong. Hence, no geographical information is presented.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

5. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

| | Six months ended 30 September | |
|--|----------------------------------|-------------|
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| (a) Staff costs | | |
| Directors' remuneration | 14,486 | 7,898 |
| Salaries, wages and other benefits | 32,551 | 24,631 |
| Contributions to defined contribution retirement plan, excluding those of Directors | 1,204 | 1,047 |
| Total staff costs | 48,241 | 33,576 |
| Less: Amount included in general and administrative expenses | (7,583) | (3,968) |
| Total staff costs included in cost of services | 40,658 | 29,608 |
| (b) Finance costs | | |
| Interest expenses on lease liabilities | 203 | 176 |
| (c) Other items | | |
| Auditor's remuneration (including remuneration for non-audit services) | 424 | 319 |
| Exchange (gains)/loss, net | (198) | 253 |
| Depreciation of property, plant and equipment | 398 | 726 |
| Depreciation of right-of-use assets | 1,936 | 1,201 |
| Impairment losses on trade receivables and contract assets, net of reversal of impairment losses | 3,306 | 4,146 |
| Loss on deemed disposal of an associate | – | 11,911 |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

6. INCOME TAX EXPENSES

| | Six months ended 30 September | |
|---|-------------------------------|-------------|
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Current tax: | | |
| Hong Kong Profits Tax | – | 477 |
| Deferred taxation: | | |
| Origination and reversal of temporary differences | 45 | – |
| | 45 | 477 |

(a) Hong Kong Profits Tax

Hong Kong Profits Tax has been provided in accordance with two-tiered profits tax rate regime, the first HK\$2,000,000 of assessable profits of a qualifying group entity is taxed at 8.25% and the assessable profits above HK\$2,000,000 are taxed at 16.5% for the six months ended 30 September 2024 and 2023. The assessable profits of group entities not qualifying for the two-tiered profit tax regime are taxed at a flat rate of 16.5%.

(b) PRC Enterprise Income Tax

No provision for PRC Enterprise Income Tax has been made as the subsidiary incorporated in the People's Republic of China (the "PRC") has estimated tax losses for the six months ended 30 September 2024 and 2023.

(c) Macau Complementary Tax

No provision for Macau Complementary Tax has been made as the subsidiary incorporated in Macau has estimated tax losses for the six months ended 30 September 2024 and 2023.

(d) Cayman Islands and BVI Income Tax

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

7. DIVIDENDS

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

8. EARNINGS/(LOSS) PER SHARE

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

| | Six months ended 30 September | |
|---|----------------------------------|-------------|
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Profit/(loss) for the period attributable to owners of the Company | 19,247 | (4,858) |
| Number of shares: | | |
| Weighted average number of ordinary shares in issue ('000 Number of shares) | 1,334,459 | 1,152,000 |
| Basic and diluted earnings/(loss) per share (HK cents) | 1.44 | (0.42) |

The calculation of basic earnings/(loss) per share is based on the profit/(loss) for the period attributable to owners of the Company and weighted average number of shares in issue of the Company.

Diluted earnings/(loss) per share for those periods are the same as basic earnings/(loss) per share as there were no potential ordinary shares outstanding.

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2024, the Group acquired property, plant and equipment of approximately HK\$103,000 (30 September 2023: HK\$227,000).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

10. TRADE AND OTHER RECEIVABLES

| | At 30 September 2024 HK\$'000 (Unaudited) | At 31 March 2024 HK\$'000 (Audited) |
|---|---|---|
| Trade receivables | 59,838 | 45,903 |
| Less: Allowance for ECL | (12,641) | (9,335) |
| Trade receivables, net of allowance for ECL | 47,197 | 36,568 |
| Deposits, prepayments and other receivables | 31,164 | 12,195 |
| Less: Allowance for ECL | (6) | (6) |
| Deposits, prepayments and other receivables, net of allowance for ECL | 31,158 | 12,189 |
| | 78,355 | 48,757 |

The following is an ageing analysis of the Group's trade receivables presented based on invoice dates at the end of the reporting period, net of allowance for credit losses recognised:

| | At 30 September 2024 HK\$'000 (Unaudited) | At 31 March 2024 HK\$'000 (Audited) |
|----------------------------------|---|---|
| Within 30 days | 21,934 | 12,940 |
| Over 30 days and within 90 days | 8,715 | 8,304 |
| Over 90 days and within 180 days | 7,316 | 6,949 |
| Over 180 days | 9,232 | 8,375 |
| | 47,197 | 36,568 |

11. TRADE AND OTHER PAYABLES

| | At 30 September 2024 HK\$'000 (Unaudited) | At 31 March 2024 HK\$'000 (Audited) |
|---|---|---|
| Trade payables | 948 | 1,495 |
| Provision for annual leave and long service payment | 3,173 | 2,632 |
| Accrued expenses and other payables | 4,949 | 4,444 |
| | 9,070 | 8,571 |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

11. TRADE AND OTHER PAYABLES (CONTINUED)

The ageing analysis of the Group's trade payables based on the invoice dates is as follows:

| | At 30 September 2024 HK\$'000 (Unaudited) | At 31 March 2024 HK\$'000 (Audited) |
|----------------|---|---|
| Within 30 days | 458 | 547 |
| 31 – 60 days | 264 | 401 |
| 61 – 90 days | 125 | 251 |
| Over 90 days | 101 | 296 |
| | 948 | 1,495 |

12. SHARE CAPITAL

| | Number of shares | Share capital HK\$'000 (Unaudited) |
|---|---------------------|---|
| Ordinary shares of HK\$0.01 each | | |
| Authorised: | | |
| At 1 April 2023, 31 March 2024, 1 April 2024 and 30 September 2024 | 1,500,000,000 | 15,000 |
| Issued and fully paid: | | |
| At 1 April 2023 | 1,152,000,000 | 11,520 |
| Placing of new share on 31 January 2024 (Note 1) | 80,000,000 | 800 |
| At 31 March 2024 and 1 April 2024 | 1,232,000,000 | 12,320 |
| Placing of new share on 29 May 2024 (Note 2) | 150,000,000 | 1,500 |
| At 30 September 2024 | 1,382,000,000 | 13,820 |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

12. SHARE CAPITAL (CONTINUED)

Note 1:

On 2 January 2024, the Company and a placing agent entered into a placing agreement pursuant to which the Company has conditionally agreed to place a maximum of 80,000,000 placing shares to independent investors at a price of HK\$0.2521 per share. The placing was completed on 31 January 2024 pursuant to which the Company has allotted and issued 80,000,000 placing shares. The net proceeds derived from the placing amounted to approximately HK\$19,920,000 and resulted in the increase in share capital of approximately HK\$800,000 and share premium of approximately HK\$19,120,000, net of transaction costs of approximately HK\$248,000.

Note 2:

On 29 May 2024, the Company and a placing agent entered into a placing agreement pursuant to which the Company has conditionally agreed to place a maximum of 150,000,000 placing shares to independent investors at a price of HK\$0.12 per share. The placing was completed on 29 May 2024 pursuant to which the Company has allotted and issued 150,000,000 placing shares. The net proceeds derived from the placing amounted to approximately HK\$17,000,000 and resulted in the increase in share capital of approximately HK\$1,500,000 and share premium of approximately HK\$16,500,000, net of transaction costs of approximately HK\$1,000,000.

13. FINANCIAL ASSET AT FVTPL

As at 30 September 2024, the Group's listed investment represented equity interest in OPS Holdings Limited. During the period, OPS Holdings Limited was listed in the NASDAQ market.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is a construction engineering consultant focusing on the area of comprehensive structural and geotechnical engineering which is mainly provided in Hong Kong and Macau. The Group's consultancy services mainly cover: (i) structural engineering; (ii) geotechnical engineering; (iii) certain civil engineering practice areas; and (iv) material engineering.

For structural engineering, it involves loading calculation and stress designs. For geotechnical engineering, it involves calculation of earth sub-surface conditions and assessment of risks posed by site conditions. For certain civil engineering practice areas, it involves infrastructure works (such as road and drainage). For material engineering, it involves analysing the use of and selecting building materials in construction projects. We also provide some other related services such as Registered Structural Engineers and Authorized Persons (as defined in the prospectus of the Company dated 31 August 2018 (the "Prospectus")) work in relation to alterations and additions works and expert services from time to time as requested by our clients.

During the six months ended 30 September 2024, the Group recorded an increase in revenue of HK\$8.1 million or approximately 15.6% to approximately HK\$59.5 million. Such increase was mainly due to the increase in revenue contribution from structural and geotechnical engineering consultancy services of construction of new properties and refurbishment/maintenance of existing properties from increased number of clients and projects.

The Group was focusing on developing business opportunities from existing clients and was looking for increasing the types of consultancy services to be provided to various clients. Looking forward, the business and operating environments of the Group will remain challenging. The Group continues to expand its market share by securing more engineering consultancy service contracts.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The revenue of the Group increased from approximately HK\$51.4 million for the six months ended 30 September 2023 to approximately HK\$59.5 million for the six months ended 30 September 2024, representing an increase of HK\$8.1 million or approximately 15.6%. Such increase was mainly due to the increase in revenue contribution from structural and geotechnical engineering consultancy services of construction of new properties and refurbishment/maintenance of existing properties from increased number of clients and projects.

Cost of Services

The cost of services increased from approximately HK\$34.1 million for the six months ended 30 September 2023 to approximately HK\$54.9 million for the six months ended 30 September 2024, representing an increase of HK\$20.8 million or approximately 61.0%. Such increase during the current period was mainly attributable to increase in director remuneration and staff costs.

Gross Profit

Gross profit of the Group decreased by approximately HK\$12.8 million from approximately HK\$17.3 million for the six months ended 30 September 2023 to approximately HK\$4.5 million for the six months ended 30 September 2024. The net decrease was mainly due to the increase director and staff costs. The overall gross profit margin decreased from approximately 33.7% for the six months ended 30 September 2023 to approximately 7.6% for the six months ended 30 September 2024.

Other Income and Other Gains or Losses

Other income and other gains or losses of the Group for the six months ended 30 September 2024 and 2023 were approximately HK\$2.4 million and HK\$3.2 million respectively, representing an decrease of HK\$0.8 million or approximately 25.4%. The decrease in other income and other gains or losses was mainly attributable to the decrease in interest income from the Group's bank deposits for the six months ended 30 September 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Fair Value Gain on Financial Asset at Fair Value

The Group recorded a fair value gain on a financial asset of approximately HK\$39.0 million for the six months ended 30 September 2024. The gain was primarily due to the listing of this financial asset in United States and its fair value was raised.

General and Administrative Expenses

General and administrative expenses of the Group increased by approximately HK\$9.0 million or 71.5%, from approximately HK\$12.6 million for the six months ended 30 September 2023 to approximately HK\$21.7 million for the six months ended 30 September 2024. General and administrative expenses primarily consisted of staff costs for accounting and administrative staff, accrued staff bonus, staff training and welfare, depreciation, and legal and professional fees. Such increase was mainly attributable to the increase in staff costs, staff welfare and benefits, legal and professional expenses and increase in various expenses due to increase scale of operations.

Finance Costs

Finance costs amounted to approximately HK\$0.2 million for both periods, they represented interest expenses on lease liabilities for the six months ended 30 September 2024 and 2023, respectively.

Income Tax Expenses

Income tax expenses of the Group decreased by approximately HK\$432 million from approximately HK\$477 million for the six months ended 30 September 2023 to approximately HK\$45 million for the six months ended 30 September 2024 and such decrease was due to the net effect between the current tax expenses on estimated assessable profits and deferred tax expenses for the periods.

Profit for the Period

The Group recorded a profit for the period of approximately HK\$19.2 million whereas the Group recorded a loss of approximately HK\$4.9 million for the period ended 30 September 2023. The change was mainly attributed to fair value gain on financial asset.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

The Group has met its liquidity requirements principally through net cash flows generated from our operations. The Group's principal uses of cash have been, and are expected to continue to be, operational costs. The Directors believe that in the long term, the Group's operations will be funded by internally generated cash flows and, if necessary, additional equity financing and/or bank borrowings.

The current ratio slightly increased from approximately 3.3 times as at 31 March 2024 to approximately 3.4 times as at 30 September 2024. The change was relatively small and was mainly due to ups and downs of items included as current assets and current liabilities.

As at 30 September 2024 and 31 March 2024, the Group had no borrowings. The gearing ratio as at 30 September 2024, calculated based on total debts divided by total equity at the end of the reporting period and multiplied by 100%, was therefore not applicable. The Directors consider the Group's financial position is sound and strong and the Group has sufficient liquidity to satisfy its funding requirements with available bank and cash balances, and bank credit facilities.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the current period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

CAPITAL STRUCTURE

The shares of the Company were listed on GEM of the Stock Exchange on 17 September 2018. The share capital of the Company only comprises of ordinary shares.

As at the date of this report, the Company's authorised share capital was HK\$15,000,000 divided into 1,500,000,000 shares at par value of HK\$0.01 each and the number of its issued ordinary shares was 1,382,000,000.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL COMMITMENTS

As at 30 September 2024, the Group did not have any capital commitments (31 March 2024: nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 September 2024, save for the business plans as set out in the Prospectus and the section headed “Use of Proceeds” in 2024 annual report, the Group did not have other plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

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

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 September 2024 and up to the date of issuance of interim report.

EXPOSURE TO EXCHANGE RATE FLUCTUATION

The Group’s revenue generating operations are mainly transacted in Hong Kong dollars. In addition, the Group’s bank balances are mainly denominated in Hong Kong dollars. The Directors consider the impact of foreign exchange exposure to the Group is minimal. During the six months ended 30 September 2024, the Group did not enter into any foreign exchange forward contracts or other hedging instrument to hedge against fluctuations.

MANAGEMENT DISCUSSION AND ANALYSIS

EVENT AFTER THE REPORTING PERIOD

As at the date of this report, there was no significant event after 30 September 2024 which was relevant to the business or financial performance of the Group that come to the attention of the Directors.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2024, the Group employed a total of 172 employees (30 September 2023: 160 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK\$48.2 million for the six months ended 30 September 2024 (30 September 2023: approximately HK\$33.6 million). Remuneration is mainly determined with reference to market trends, the Group's operating results and the performance, qualification and experience of individual employee. The remuneration packages mainly comprise basic salaries, medical coverage, overtime allowance, travelling allowance and discretionary bonuses based on individual performance, which are offered to employees as recognition of and reward for their contribution.

OTHER INFORMATION

DISCLOSURE OF INTERESTS

A. Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and the Associated Corporation

As at 30 September 2024, interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(i) Long Position in the Company's shares

| Name of Directors | Capacity/ Nature of interest | Number and class of shares | Approximate percentage of shareholding in the total issued share capital of the Company ^(Note 2) |
|---|---------------------------------------|--------------------------------|--|
| Dr. Chan Yin Nin ("Dr. Chan") ^(Note 1) | Interest in controlled corporation | 208,072,000 ordinary shares | 15.06% |
| Mr. Kwong Po Lam ("Mr. Kwong") ^(Note 1) | Interest in controlled corporation | 208,072,000 ordinary shares | 15.06% |

OTHER INFORMATION

Notes:

- (1) Manning Properties Limited is owned as to approximately 68.2% by Dr. Chan and approximately 31.8% by Mr. Kwong, which in turn holds 208,072,000 shares of the Company, representing approximately 29.69% of the total share capital of the Company. Dr. Chan and Mr. Kwong, as the Concerted Group, restrict their ability to exercise direct control over the Company by holding their interests through Manning Properties Limited, a common investment holding company. Accordingly, Dr. Chan and Mr. Kwong are deemed to be interested in the 208,072,000 shares held by Manning Properties Limited.
- (2) Based on the number of issued share of 1,382,000,000 shares as at 30 September 2024.

(ii) Interests in shares of the associated corporation of the Company

| Name of Directors | Name of associated corporation | Capacity/ Nature of interest | Number of shares held in the associated corporation | Approximate percentage of shareholding in the associated corporation |
|-------------------|--------------------------------|---------------------------------|---|--|
| Dr. Chan | Manning Properties Limited | Beneficial owner | 7,500 ordinary shares | 68.2% |
| Mr. Kwong | Manning Properties Limited | Beneficial owner | 3,500 ordinary shares | 31.8% |

Note: Manning Properties Limited is owned as to approximately 68.2% by Dr. Chan and approximately 31.8% by Mr. Kwong, which in turn holds 208,072,000 shares of the Company, representing approximately 29.69% of the total share capital of the Company.

Save as disclosed above, as at 30 September 2024, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of 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 as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

OTHER INFORMATION

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

As at 30 September 2024, interests and short positions of the person (other than the Directors or chief executive of the Company) in the shares and underlying shares of the Company which were required to be recorded in the register required to be kept under Section 336 of the SFO were as follows:

| Name | Capacity/ Nature of interest | Number and class of shares held | Long/short position | Approximate percentage of shareholding in the total issued share capital of the Company ^(Note 4) |
|---|---------------------------------|---------------------------------------|------------------------|---|
| Manning Properties Limited ^(Note 1) | Beneficial owner | 208,072,000 ordinary shares | Long | 15.06% |
| Ms. Julia Gower Chan ^(Note 2) | Interest of spouse | 208,072,000 ordinary shares | Long | 15.06% |
| Ms. Leung Kwai Ping ^(Note 3) | Interest of spouse | 208,072,000 ordinary shares | Long | 15.06% |

OTHER INFORMATION

Notes:

- (1) Manning Properties Limited is owned as to approximately 68.2% by Dr. Chan and approximately 31.8% by Mr. Kwong, which in turn holds 208,072,000 shares of the Company, representing approximately 29.69% of the total share capital of the Company. As the Concerted Group, Dr. Chan and Mr. Kwong restrict their ability to exercise direct control over the Company by holding their interests through Manning Properties Limited, a common investment holding company. Accordingly, Dr. Chan and Mr. Kwong are deemed to be interested in the 208,072,000 Shares held by Manning Properties Limited.
- (2) Ms. Julia Gower Chan is the spouse of Dr. Chan. By virtue of the SFO, Ms. Julia Gower Chan is deemed to be interested in the shares of the Company interested by Dr. Chan.
- (3) Ms. Leung Kwai Ping is the spouse of Mr. Kwong. By virtue of the SFO, Ms. Leung Kwai Ping is deemed to be interested in the shares of the Company interested by Mr. Kwong.
- (4) Based on the number of issued share of 1,382,000,000 shares as at 30 September 2024.

Save as disclosed above, as at 30 September 2024, so far as is known to the Directors, no person, other than the Directors and chief executive of the Company whose interests are set out in the section “Directors’ and Chief Executive’s Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and the Associated Corporation” above, had notified the Company of an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

OTHER INFORMATION

COMPETING AND CONFLICTS OF INTERESTS

The Directors are not aware of any business or interest of the Directors or the controlling shareholders of the Company or any of their respective close associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the six months ended 30 September 2024.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

CORPORATE GOVERNANCE CODE

During the six months ended 30 September 2024 and up to the date of this report, the Company has complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules with an exception of deviation from code provision A.1.8 as explained below:

Under code provision A.1.8, an issuer should arrange appropriate insurance cover in respect of legal action against its directors. The Board has not arranged an insurance cover in respect of Directors' liability as the Board considers that the industry, business and financial situation of the Company are currently stable, and the Company has established sufficient internal control system. The Board will review the need for the insurance cover from time to time.

The Directors will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements from time to time, and to meet the rising expectation of shareholders and other stakeholders of the Company.

OTHER INFORMATION

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standards of dealings set out in Rules 5.46 to 5.67 of the GEM Listing Rules. The Company had made specific enquiries of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings and the Company's code of conduct regarding securities transactions by the Directors during the six months ended 30 September 2024.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2024.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 27 August 2018 (the "Scheme"). The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

No share options has been granted during the six months ended 30 September 2024 and there were no share options outstanding as at 30 September 2024.

OTHER INFORMATION

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") on 27 August 2018 with its written terms of reference in compliance with the GEM Listing Rules and in accordance with the provisions set out in the CG Code which is available on the websites of the Stock Exchange and the Company. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment, reappointment and removal of the external auditor, to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and to monitor the integrity of the Company's annual report and accounts, interim report and quarterly reports before submission to the Board. The Audit Committee currently consists of four members, namely Mr. Choy Wai Shek, Raymond, Mr. Sze Kyran, Ms. Siu Yuk Ming and Mr. Hidaka Masakage, all being independent non-executive Directors. Ms. Siu Yuk Ming currently serves as the chairman of the Audit Committee. The Audit Committee has reviewed and approved the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2024.

By order of the Board
King of Catering (Global) Holdings Ltd.
Dr. Chan Yin Nin
Chairman

Hong Kong, 29 November 2024

As at the date of this report, the Board comprises Dr. Chan Yin Nin, Mr. Man Kwok Hing, Ms. Leung Suet Yiu, Mr. Kazuya Yanagihara, Mr. Tsang Wing Ki and Mr. Leung Chun Yu Edmund as executive Directors; Mr. Fukumitsu Hirokazu and Mr. Takeda Masahiro as non-executive Directors; and Mr. Choy Wai Shek, Raymond, Mr. Sze Kyran, Ms. Siu Yuk Ming and Mr. Hidaka Masakage as independent non-executive Directors.