



GAIN PLUS HOLDINGS LIMITED
德益控股有限公司

(incorporated in the Cayman Islands with limited liability)
Stock code : 9900

Interim Report
2023-24

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Corporate Information

Board of Directors

Executive Directors

Mr. Tsang Chiu Kwan
(Chairman and Chief Executive Officer)
Mr. Lau Ka Ho

Independent Non-executive Directors

Mr. So Chun Man
Mr. Chen Yeung Tak
Mr. Wong Max Aaron
(resigned on 6 October 2023)
Mr. Lai Ming Ho
(appointed on 6 October 2023)

Authorised Representatives

Mr. Tsang Chiu Kwan
Mr. Lau Ka Ho

Company Secretary

Mr. Lau Ka Ho

Audit Committee

Mr. Chen Yeung Tak *(Chairman)*
Mr. So Chun Man
Mr. Wong Max Aaron
(resigned on 6 October 2023)
Mr. Lai Ming Ho
(appointed on 6 October 2023)

Remuneration Committee

Mr. So Chun Man *(Chairman)*
Mr. Chen Yeung Tak
Mr. Lau Ka Ho

Nomination Committee

Mr. Chen Yeung Tak *(Chairman)*
Mr. So Chun Man
Mr. Lau Ka Ho

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditors
35/F., One Pacific Place
88 Queensway
Hong Kong

Principal Bankers

DBS Bank (Hong Kong) Limited
11th Floor, the Center
99 Queen's Road Central
Hong Kong

Bank of China (Hong Kong) Limited
Bank of China Tower
1 Garden Road
Hong Kong



Registered Office

Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

Company Website

www.gainplus.hk

Stock Code

9900

Headquarter and Principal Place of Business in Hong Kong

Unit 1323A, Level 13
Landmark North
39 Lung Sum Avenue
Sheung Shui, the New Territories
Hong Kong

Cayman Islands Principal Share Registrar and Transfer Office

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman
KY1-1108
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



Management Discussion and Analysis

Business Review and Outlook

The principal activity of Gain Plus Holdings Limited (the “Company”, together with its subsidiaries, “Our Group”) is investment holding. Our Group is an established construction contractor in Hong Kong founded in 2004, principally engaged in subcontracting works, providing repair, maintenance, addition and alteration services (“RMAA Services”) and building construction services. Our RMAA Services include general upkeep, restoration and improvement of existing facilities and components of buildings and their surroundings; and our building construction services primarily consist of building works and civil works for new buildings such as columbarium blocks, demolition of staff quarters, road enhancement works and lift tower.

Looking forward, the directors of the Company (the “Directors”) consider that the future opportunities and challenges which the Group face will be affected by uncertainty to construction industry due to the availability of construction projects from the public and private sectors in Hong Kong.

Our Group stays positive about the prospect of the construction market and will continue to focus on our core business.

Financial Review

Revenue

Our revenue decreased from approximately HK\$606.2 million for the six months ended 30 September 2022 to approximately HK\$482.0 million for the six months ended 30 September 2023 (the “Period”). The decrease was mainly attributable to the decrease in revenue derived from the provision of RMAA Services due to less projects were performed in 2023.

Cost of Services

Our cost of services decreased from approximately HK\$566.2 million for the six months ended 30 September 2022 to approximately HK\$450.8 million for the Period, which is in line with the decrease in revenue for the Period comparing with the figures for the six months ended 30 September 2022.



Gross Profit

Our gross profit decreased from approximately HK\$40.0 million for the six months ended 30 September 2022 to approximately HK\$31.2 million for the Period. Our gross profit margin decreased from approximately 6.6% for the six months ended 30 September 2022 to approximately 6.5% for the Period. Such decrease was mainly attributable to the decrease in the gross profit margin of the provision of RMAA Services.

Other Income, Other Gains and Losses

Our other income, other gains and losses increased from approximately HK\$0.6 million gains for the six months ended 30 September 2022 to approximately HK\$4.4 million gains for the Period. The increase was mainly due to increase of bank interest income during the Period.

Administrative Expenses

Our administrative expenses increased from approximately HK\$11.4 million for the six months ended 30 September 2022 to approximately HK\$15.2 million for the Period. The increase was mainly due to increase in Directors' remuneration during the Period.

Finance Costs

Our finance costs increased from approximately HK\$12,000 for the six months ended 30 September 2022 to approximately HK\$15,000 for the Period, which was mainly due to the new lease liabilities entered during the Period.

Income Tax Expense

The income tax expense decreased by approximately HK\$2.2 million for the Period. Our effective tax rate was approximately 13.8% for the Period (for the six months ended 30 September 2022: approximately 16.2%), which was in the range of the statutory two tier tax rate between 8.25% and 16.5%.

Profit for the Period

Our net profit decreased from approximately HK\$24.7 million for the six months ended 30 September 2022 to approximately HK\$16.3 million for the Period. Such decrease was mainly due to the decrease in the revenue derived from the provision of RMAA Services due to less projects were performed in 2023.



Liquidity and Financial Resources

The Group maintained a sound financial position during the Period. As at 30 September 2023, the Group had a bank balances of approximately HK\$182.9 million (31 March 2023: approximately HK\$187.9 million). The total interest-bearing borrowings, including lease liabilities and bank borrowings, of the Group as at 30 September 2023 was approximately HK\$0.4 million (31 March 2023: nil), and the current ratio as at 30 September 2023 was approximately 4.0 (31 March 2023: approximately 4.5).

As at 30 September 2023, bank balances, bank borrowings and lease liabilities were denominated in Hong Kong Dollars.

Gearing Ratio

The gearing ratio of the Group as at 30 September 2023 was approximately 0.1% (31 March 2023: nil). Such increase was primarily attributable to the increase in lease liabilities during the Period. The gearing ratio is calculated by dividing the total debt which represents lease liabilities and bank borrowings by total equity as at the end of the reporting periods multiplied by 100%.

Capital Structure

There has been no change in the capital structure of the Company during the Period. The share capital of the Group only comprises of ordinary shares, share premium and capital and other reserves. The Group finances its working capital requirements mainly through a combination of its cash flows generated from operations, borrowings and proceeds from share offer.

Commitment

The operating lease commitment of the Group was related to the lease of its office, workshops and warehouses.

The capital commitment of the Group was capital expenditure in respect of the acquisition of plant and equipment contracted for but not provided in the unaudited condensed consolidated interim financial statements. As at 30 September 2023, the amount was approximately HK\$1.4 million (31 March 2023: approximately HK\$0.6 million).



Segment Information

Segment information is disclosed in note 4 of the notes to the unaudited condensed consolidated interim financial statements.

Future Plans for Material Investment and Capital Assets

The Group did not have any other plans for material investment and capital assets.

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

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

Significant Investment

As at 30 September 2023, the Group did not hold any significant investment.

Contingent Liabilities

As at 30 September 2023, the Group did not have material contingent liabilities.

Exposure to Exchange Rate Fluctuation

The Group's revenue generating operations are mainly transacted in Hong Kong Dollars. The Directors consider that the impact of foreign exchange exposure to the Group is minimal.

Charge of Group's Assets

As at 30 September 2023, the Group did not charge any of Group's assets for bank borrowings.



Employees and Remuneration Policies

As at 30 September 2023, the Group had a total of 211 employees (31 March 2023: 282 employees). The Group's gross staff costs for the Period amounted to approximately HK\$28.4 million (six months ended 30 September 2022: approximately HK\$25.0 million). To ensure that the Group is able to attract and retain Directors and staff capable of attaining the best performance levels, remuneration packages are reviewed on a regular basis. In addition, discretionary bonus is offered to eligible employees by reference to the Group's results and individual performance. There was no forfeited contribution under Mandatory Provident Fund Scheme during the Period. We provide various types of trainings to our employees and sponsor our employees to attend training courses.

Fundraising Activities of the Group

During the Period, the Company had not issued any equity securities for cash.

Unaudited Condensed Consolidated Interim Financial Statements

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

For the six months ended 30 September 2023

	Notes	Six months ended 30 September	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	3	482,034	606,188
Cost of services		(450,848)	(566,221)
Gross profit		31,186	39,967
Other income, other gains and losses	5	4,440	555
Impairment losses under expected credit loss model, net of reversal		(3,374)	343
Administrative expenses		(15,246)	(11,430)
Finance costs		(15)	(12)
Share of result of an associate		1,888	—
Profit before taxation	7	18,879	29,423
Income tax expense	6	(2,565)	(4,753)
Profit and total comprehensive income for the period		16,314	24,670
Profit and total comprehensive income for the period attributable to:			
Owners of the Company		13,691	24,670
Non-controlling interest		2,623	—
		16,314	24,670
Earnings per share			
Basic (HK cents)	9	3.68	6.63

Unaudited Condensed Consolidated Statement of Financial Position

As at 30 September 2023

	Notes	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Non-current assets			
Plant and equipment	10	2,840	2,635
Right-of-use assets	11	413	—
Interest in an associate		4,775	2,887
Deposits for acquisition of plant and equipment		200	17
Deferred tax assets		1,192	814
		9,420	6,353
Current assets			
Trade and other receivables	12	91,228	87,830
Financial assets at fair value through profit or loss ("FVTPL")		14,872	14,643
Contract assets	13	90,074	67,938
Amount due from an associate		13,232	3,527
Amount due from a shareholder		10	10
Bank balances		182,910	187,934
		392,326	361,882
Current liabilities			
Trade and other payables	14	75,361	62,527
Tax payable		8,290	5,347
Contract liabilities		13,226	12,226
Lease liabilities		275	—
		97,152	80,100
Net current assets		295,174	281,782
Total assets less current liabilities		304,594	288,135

Unaudited Condensed Consolidated Statement of Financial Position (Continued)

As at 30 September 2023

	Note	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Non-current liabilities			
Lease liabilities		145	—
Net assets		304,449	288,135
Capital and reserves			
Share capital	15	3,720	3,720
Reserves		298,182	284,491
Equity attributable to owners of the Company		301,902	288,211
Non-controlling interest		2,547	(76)
Total equity		304,449	288,135

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2023

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Net cash (used in) generated from operating activities	(7,558)	39,184
Investing activities		
Purchases of plant and equipment	(915)	(11)
Proceeds from disposals of plant and equipment	416	922
Deposits paid for acquisition of plant and equipment	(210)	—
Net cash inflow from disposed of a subsidiary	57	—
Interest and dividend received	3,333	134
Proceeds from disposals of financial assets at FVTPL	—	8,258
Proceeds from disposals of financial liabilities at FVTPL	—	145
Purchase of financial liabilities at FVTPL	—	(26)
Net cash generated from investing activities	2,681	9,422
Financing activities		
New bank borrowing raised	—	7,425
Repayments of bank borrowings	—	(11,130)
Repayments of lease liabilities	(131)	(126)
Interest paid on lease liabilities	(16)	(5)
Interest paid on bank borrowings	—	(7)
Net cash used in financing activities	(147)	(3,843)
Net (decrease) increase in cash and cash equivalents	(5,024)	44,763
Cash and cash equivalents at the beginning of the period	187,934	57,641
Cash and cash equivalents at the end of the period	182,910	102,404

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2023

	Reserves						Non-controlling interest	Total
	Share capital	Share premium	Capital reserve	Other reserve	Retained earnings	Sub-total		
	HK\$'000	HK\$'000	HK\$'000 (note a)	HK\$'000 (note b)	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2023 (Audited)	3,720	132,532	(48,883)	(3,337)	204,179	288,211	(76)	288,135
Profit and total comprehensive income for the period	–	–	–	–	13,691	13,691	2,623	16,314
At 30 September 2023 (Unaudited)	3,720	132,532	(48,883)	(3,337)	217,870	301,902	2,547	304,449
At 1 April 2022 (Audited)	3,720	132,532	(48,883)	(3,337)	147,421	231,453	–	231,453
Profit and total comprehensive income for the period	–	–	–	–	24,670	24,670	–	24,670
At 30 September 2022 (Unaudited)	3,720	132,532	(48,883)	(3,337)	172,091	256,123	–	256,123



Unaudited Condensed Consolidated Statement of Changes in Equity (Continued)

For the six months ended 30 September 2023

Notes:

- (a) The capital reserve represents the difference between the nominal value of share capital of Nation Max Holdings Limited (“Nation Max”) and Double Gain Engineering Limited (“Double Gain”) upon insertion of Nation Max between Double Gain and its then shareholders as part of the group reorganisation on 23 January 2019.
- (b) Other reserve brought forward from prior year represents the differences between the principal amount of amounts due from Mr. Tsang Chiu Kwan and Mr. Tsang Man Ping, both being the then shareholders of the Company, and present value of estimated future cash flows discounted at the original effective interest rate, and the differences are recognised directly in equity as deemed distributions.



Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2023

1. General Information

Gain Plus Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 4 July 2017 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the Company’s registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands. The Company has established a place of business in Hong Kong which is located at Unit 1323A, Level 13, Landmark North, 39 Lung Sum Avenue, Sheung Shui, New Territories, Hong Kong.

The Company acts as an investment holding company and its subsidiaries are principally engaged in the provision of building construction services and repair, maintenance, addition and alteration services (“RMAA Services”). The Company and its subsidiaries are hereafter collectively referred to as the “Group”.

The condensed consolidated interim financial statements has not been audited by the auditor of the Company.



2. Basis of Preparation and Principal Accounting Policies

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

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis except for financial assets/liabilities at fair value through profit or loss which are measured at fair value, as appropriate. Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the unaudited condensed consolidated interim financial statements for the six months ended 30 September 2023 are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2023.

Application of amendments to HKFRSs

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

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

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

3. Revenue

Disaggregation of revenue from contracts with customers:

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Types of services		
Provision of building construction services	60,386	46,251
Provision of RMAA Services	421,648	559,937
Total revenue	482,034	606,188
Timing of revenue recognition		
Over time	482,034	606,188

4. Segment Information

The Group focuses primarily on the provision of building construction services and RMAA Services in Hong Kong. The operation of the Group constitutes one single operating and reportable segment. The management of the Group, being the chief operating decision maker of the Group, reviews the revenue and operating results of the Group as a whole to make decisions about resource allocation and performance assessment and accordingly no separate segment information is prepared other than entity-wide disclosure.

5. Other Income, Other Gains and Losses

	Six months ended	
	30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Other income:		
Interest income from an associate	215	—
Bank interest income	3,118	—
Investment interest and dividend income	—	101
Handling income	10	44
Subsidies from government and others	145	776
Gain on disposals of plant and equipment	417	913
Gain on disposal of a subsidiary	57	—
Others	249	36
	4,211	1,870
Other gains and losses:		
Increase in fair value of financial liabilities at FVTPL	—	156
Increase (Decrease) in fair value of financial assets at FVTPL	229	(1,471)
	229	(1,315)
Total other income, other gains and losses	4,440	555

6. Income Tax Expense

	Six months ended	
	30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax		
Hong Kong Profits Tax	2,943	4,794
Deferred tax	(378)	(41)
Income tax expense	2,565	4,753

Hong Kong Profits Tax has been provided at the rate of 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million for both periods.

7. Profit before taxation

	Six months ended	
	30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit for the period is arrived at after charging:		
Depreciation of right-of-use assets	138	130
Depreciation of plant and equipment	738	813

8. Dividends

No dividend were paid, declared or proposed for the six months ended 30 September 2023 (six months ended 30 September 2022: Nil).

9. Earnings Per Share

	Six months ended	
	30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit and total comprehensive income for the period attributable to owners of the Company for the purpose of calculating basic earnings per share	13,691	24,670
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share ('000)	372,000	372,000
Basic earnings per share (in HK cents)	3.68	6.63

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

10. Plant and Equipment

	Leasehold improvements	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
COST					
At 1 April 2022	207	1,272	602	6,837	8,918
Additions	—	—	338	1,083	1,421
Disposals/written-off	—	—	(462)	(1,219)	(1,681)
At 31 March 2023 (audited)	207	1,272	478	6,701	8,658
Additions	—	—	2	941	943
Disposals	—	—	—	(851)	(851)
At 30 September 2023 (unaudited)	207	1,272	480	6,791	8,750
DEPRECIATION					
At 1 April 2022	196	954	586	4,442	6,178
Provided for the year	9	254	31	1,223	1,517
Eliminated on disposals/written-off	—	—	(462)	(1,210)	(1,672)
At 31 March 2023 (audited)	205	1,208	155	4,455	6,023
Provided for the period	2	35	36	665	738
Eliminated on disposals	—	—	—	(851)	(851)
At 30 September 2023 (unaudited)	207	1,243	191	4,269	5,910
CARRYING VALUES					
At 30 September 2023 (unaudited)	—	29	289	2,522	2,840
At 31 March 2023 (audited)	2	64	323	2,246	2,635



11. Right-of-Use Assets

	Leased property HK\$'000
<hr/>	
At 30 September 2023 (unaudited)	
Carrying amount	413
<hr/>	
At 31 March 2023 (audited)	
Carrying amount	—
<hr/>	
For the six months ended	
30 September 2023 (unaudited)	
Depreciation charge	138
<hr/>	
For the year ended 31 March 2023 (audited)	
Depreciation charge	259
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12. Trade and Other Receivables

The following is an aged analysis of trade receivables presented based on date of works certified at the end of the reporting periods, net of allowance for credit losses.

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
1-30 days	49,314	34,993
31-60 days	17,206	18,362
61-90 days	288	—
Over 90 days	2,256	5,275
Trade receivables	69,064	58,630
Less: Allowance for credit losses	(2,234)	(443)
Trade receivables, net	66,830	58,187
Prepayment to subcontractors	12,671	18,392
Other receivables and prepayments	11,727	11,251
Total trade and other receivables	91,228	87,830

As at 30 September 2023, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK\$17,679,000 (31 March 2023: approximately HK\$23,358,000) which are past due as at the reporting date. Out of the past due balances, approximately HK\$368,000 (31 March 2023: approximately HK\$5,188,000) has been past due 90 days or more and is not considered as in default since the Group is still engaging with those corresponding debtors in active projects or the Group considers good cooperation relationships with these debtors exist and with good repayment record. The Group does not hold any collateral over these balances.

The Group's management closely monitors the credit quality of debtors and considers the debtors that are past due but not impaired to be of a good credit quality. Based on the payment pattern of the customers of the Group, debtors that are past due but not impaired are generally collectible.

As at 30 September 2023, included in other receivables and prepayments mainly represent the surety bond paid to a main contractor amounting to HK\$10,100,000 (31 March 2023: HK\$10,100,000).

13. Contract Assets

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Analysed as current:		
Retention receivables of construction contracts (Note a)	13,226	10,413
Unbilled revenue of construction contracts (Note b)	83,576	62,670
	96,802	73,083
Less: Allowance for credit losses	(6,728)	(5,145)
	90,074	67,938

Notes:

- (a) Retention receivables included in contract assets represent the Group's right to receive consideration for work performed and not yet billed because the rights are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the construction work performed by the Group. As at 30 September 2023, the due dates for retention receivables are one to two years (31 March 2023: one to two years) after the completion of construction work.
- (b) Unbilled revenue included in contract assets represents the Group's right to receive consideration for work completed but not yet billed because the rights are conditional upon the satisfaction by the customers on the construction work completed by the Group and the work is pending for the certification by the customers. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed construction work from the customers.

14. Trade and Other Payables

The following is an aged analysis of trade payables presented based on the invoice dates at the end of the reporting periods:

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
1-30 days	44,904	32,694
31-60 days	3,199	4,830
61-90 days	999	1,795
Over 90 days	14,339	6,228
Trade payables	63,441	45,547
Retention payables	2,877	3,912
Accruals	9,043	13,068
Total trade and other payables	75,361	62,527

As at 30 September 2023, all the retention payables were aged within one to two years (31 March 2023: aged within one to two years).



15. Share Capital

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2022, 31 March 2023 and 30 September 2023	780,000,000	7,800
Issued and fully paid:		
At 1 April 2022, 31 March 2023 and 30 September 2023	372,000,000	3,720

16. Share Option Scheme

The Company's share option scheme (the "Share Option Scheme") was adopted pursuant to a resolution passed on 23 January 2018, amended and modified by the resolutions of the board of Directors (the "Board") on 16 December 2019, for the primary purpose of providing incentives to the Directors and eligible employees. Under the scheme, the Directors may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to outside third parties for settlement in respect of goods or services provided to the Company. Details of the Share Option Scheme are disclosed in the Directors' Report of 2022-2023 annual report dated 28 June 2023.

During the six months ended 30 September 2023, the Group did not granted any share option under the Share Option Scheme of the Company (six months ended 30 September 2022: nil).

17. Disposal of a subsidiary

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash inflow on disposal of:		
– Golden Leasing Limited	100	–

a. Disposal of a subsidiary during the six months ended 30 September 2023

Disposal of Golden Leasing Limited

On 1 September 2023, Gain Large Limited, a subsidiary of the Company, entered into an agreement with an independent third party to dispose of 100% equity interest in a subsidiary, Golden Leasing Limited, for an aggregate cash consideration of HK\$100,000. Golden Leasing Limited is dormant.

The disposal was completed on 1 September 2023.

An analysis of assets and liabilities over which control was lost:

	HK\$'000
	(unaudited)
Assets	
Cash and bank balances	43
Net assets disposed of	43



17. Disposal of a subsidiary (Continued)

a. Disposal of a subsidiary during the six months ended 30 September 2023 (Continued)

Gain on disposal of a subsidiary

	HK\$'000 (unaudited)
Cash consideration	100
Net assets disposed of	(43)
Net cash inflow	57

b. Disposal of a subsidiary during the six months ended 30 September 2022

There is no disposal of a subsidiary during the six months ended 30 September 2022.

18. Fair Value Measurements of Financial Instruments

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

Some of the Group's financial assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

	Fair value as at		Fair value hierarchy	Valuation technique and key input
	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)		
Financial assets at FVTPL				
Unlisted fund investments	14,872	14,643	Level 3	Inputs obtained from broker quotes or a pricing service that are indicative and not corroborated with observable market data

There were no transfers between Level 1, 2 and 3 in both periods.



18. Fair Value Measurements of Financial Instruments (Continued)

a. Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)

In accounting for the fair value measurement of the unlisted fund investments, the management of the Group has determined that the reported net asset values of unlisted fund investments provided by the fund managers represent the fair value of the unlisted private equity funds. The fund managers used methodology based on relevant comparable data whether possible to quantify the adjustment from cost or latest financing price when adjustment if necessary, or to determine the closing price per share quoted on the relevant stock exchanges, or to justify that cost or latest financing price is still a proper approximation of fair value of the underlying investments held by the unlisted private equity funds in determining the net asset values. The factors to be considered in fund managers' assessment may require the exercise of the judgment. The underlying investments of approximately HK\$14,872,000 (31 March 2023: approximately HK\$14,643,000) held by the unlisted fund were valued using cost or latest finance price without adjustment.

18. Fair Value Measurements of Financial Instruments (Continued)

b. Reconciliation of Level 3 fair value measurements of financial assets

	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Equity-linked notes and unlisted fund investments		
At 1 April	14,643	16,319
Purchase	—	—
Total gain (loss):		
— In profit or loss	229	(1,924)
At 30 September (unaudited)	14,872	14,395

Note: The gain and loss arising from the remeasurement are presented in the “other income, other gains and losses” line item in the unaudited condensed consolidated statement of profit or loss.

c. Pledge of financial instruments

No financial instrument has been pledged for bank borrowings (31 March 2023: Nil).

19. Related Party Transactions

Other than the transactions and balances disclosed elsewhere in the unaudited condensed consolidated interim financial statements, the Group had the following transactions with related parties during the periods:

(i) Transactions

	Six months ended	
	30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Purchases of materials from:		
Victor Link Trading Limited (Note a)	—	31
Interest income from:		
Skyway Construction Engineering Limited (Note b)	215	—

Notes:

- The Group's related party transactions were carried out in accordance with the terms and conditions mutually agreed by the contracting parties. Mr. Tsang Chiu Kwan and Mr. Tsang Man Ping are the then common directors and ultimate controlling parties of Victor Link Trading Limited (Mr. Tsang Man Ping resigned as an executive Director of the Company on 30 June 2021).
- The Group's related party transactions were carried out in accordance with the terms and conditions mutually agreed by the contracting parties. Skyway Construction Engineering Limited is an associate of the Group.

19. Related Party Transactions (Continued)

(ii) Compensation of key management personnel

The remuneration of key management personnel (including the Directors of the Company) of the Group during the periods are as follows:

	Six months ended	
	30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Short-term benefits	11,385	7,401



Other Information

Corporate Governance Code

The Company endeavors to adopt prevailing best corporate governance practices. During the Period, the Company has complied with the code provisions set out in the Corporate Governance Code (the “CG Code”) as contained in Appendix 14 of the Listing Rules apart from the code provision C.2.1 as disclosed below.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The positions of chairman and chief executive officer of the Company are held by Mr. Tsang Chiu Kwan (“Mr. CK Tsang”), who has in-depth industry experience and knowledge about the operation and management of the business of the Company. Mr. CK Tsang is responsible for the overall strategic planning and business development as well as executing the overall operation of the Group. The Board believes that this arrangement enhances the effective and efficient planning and implementation of business decisions and strategies under the strong and consistent leadership, and would be overall beneficial to the management and development of the Group’s business.

Code of Conduct for 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 standard of dealings set out in Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the “Model Code”). The Company had also made specific enquiry of all the Directors and each of them was in compliance with the Model Code during the Period and up to the date of this report.

Pursuant to B.13 of the Model Code, the Directors have also requested all employees of the Company or director or employee of subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he/she would be prohibited from dealing by the Model Code as if he/she were a Director.

Directors' and Chief Executive's Interests in Short Positions in Shares, Underlying Shares and Debentures

As at 30 September 2023, the interests and short positions of the Directors and chief executive of the Company in the shares of the Company ("Shares"), underlying shares and debentures of the Company or any 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 had to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have taken under such provisions of the SFO, or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 13 of Appendix 16 to the Listing Rules, were as follows:

(i) Long position in the Shares of the Company

Name of Director	Nature of interest	Number and class of Shares (Note 1)	Approximate percentage of shareholding
Mr. Tsang Chiu Kwan (Note 2)	Interest in controlled corporation	104,625,000 ordinary Shares (L)	28.125%

Notes:

1. The letter (L) denotes the person's long interest in the Shares of the Company.
2. Mr. Tsang Chiu Kwan beneficially owns the entire issued share capital of Universe King International Investment Limited ("Universe King") and is deemed, or taken to be, interested in all the Shares held by Universe King for purposes of the SFO.



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

Name of Director	Name of associated corporation	Nature of interest	Number of Shares held	Percentage of interest
Mr. Tsang Chiu Kwan	Universe King	Beneficial Owner	1,000	100%

Save as disclosed above and so far as is known to the Directors, as at 30 September 2023, none of the Directors or chief executive of the Company had or was deemed to have any other interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by Directors as referred to in Rules 13 of Appendix 16 to the Listing Rules.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 30 September 2023, so far as is known to the Directors, the following persons had an interest or a short position in the Shares or the underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or, who were directly or indirectly, be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name of shareholders	Nature of interest	Number of Shares (Note 1)	Approximate percentage of shareholding
Mr. Tsang Chiu Kwan (Note 2)	Interest in controlled corporation	104,625,000 Shares (L)	28.125%
Ms. Leung Wai Ling ("Ms. Leung") (Note 3)	Interest of spouse	104,625,000 Shares (L)	28.125%
Universe King	Beneficial owner	104,625,000 Shares (L)	28.125%
Mr. Lai Wai Lam Ricky ("Mr. Lai") (Note 4)	Interest in controlled corporation	62,775,000 Shares (L)	16.875%
Ms. Chu Siu Ping ("Ms. Chu") (Note 5)	Interest of spouse	62,775,000 Shares (L)	16.875%
Giant Winchain Limited ("Giant Winchain")	Beneficial owner	62,775,000 Shares (L)	16.875%



Notes:

1. The letter (L) denotes the person's long interest in the Shares of the Company.
2. Mr. Tsang Chiu Kwan beneficially owns the entire issued share capital of Universe King and is deemed, or taken to be, interested in all the Shares held by Universe King for purposes of the SFO.
3. Ms. Leung is the spouse of Mr. Tsang Chiu Kwan and is deemed, or taken to be, interested in all the Shares held by Mr. Tsang Chiu Kwan for purposes of the SFO.
4. Mr. Lai beneficially owns the entire issued share capital of Giant Winchain and is deemed, or taken to be, interested in all the Shares held by Giant Winchain for purposes of the SFO.
5. Ms. Chu is the spouse of Mr. Lai and is deemed, or taken to be, interested in all the Shares held by Mr. Lai for purposes of the SFO.

Save as disclosed above and so far as is known to the Directors, the Directors are not aware of any person who, as at 30 September 2023, had an interest or short position in the Shares or the underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or, who were directly or indirectly, be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

Directors' Rights to Acquire Securities or Debenture

Save as disclosed above, at no time during the Period were any rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any other body corporate.



Purchase, Sale or Redemption of the Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period and up to the date of this report.

Dividend

No interim dividend has been declared in respect of the six months ended 30 September 2023 (six months ended 30 September 2022: Nil).

Directors' Interests in Competing Interests

For the Period, the Directors were not aware of any business or interest of the Directors, the controlling shareholders, and their respective close associates (as defined under the Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

A deed of non-competition dated 16 December 2019 was entered into by the controlling shareholders in favour of the Company (for itself and as trustee for its subsidiaries), details of which are set out in the section headed "Relationship with Controlling Shareholders" of the listing documents dated 16 December 2019 for Transfer of Listing.

Share Option Scheme

The Share Option Scheme of the Company is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules. The Share Option Scheme was adopted on 23 January 2018, amended and modified by the resolutions of the Board on 16 December 2019. As of the date of this report, no option has been granted, agreed to be granted, exercised, cancelled or lapsed under the Share Option Scheme.

Events After the Period

There are no material subsequent events undertaken by the Company or by the Group after 30 September 2023.



Update on Directors' Information

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors are set out as follow:

- Mr. Lai Ming Ho was appointed as an independent non-executive Director and a member of the audit committee of the Company (the "Audit Committee") on 6 October 2023.
- Mr. Wong Max Aaron resigned as an independent non-executive Director, and ceased to be a member of the Audit Committee on 6 October 2023.

Audit Committee

The Audit Committee has been established on 23 January 2018 with written terms of reference, which revised effective from 30 December 2019, in compliance with Rule 3.21 of the Listing Rules. The primary duties of the Audit Committee are, among other things, to review and supervise the Group's financial reporting process, to nominate and monitor the Company's external auditor, and to oversee the risk management and internal control systems of the Company. The Audit Committee comprises three independent non-executive Directors, namely Mr. Chen Yeung Tak, as the chairman of the Audit Committee, Mr. So Chun Man and Mr. Lai Ming Ho. The Audit Committee has reviewed the unaudited condensed consolidated interim financial statements of the Company for the Period and is of the opinion that such results complied with the applicable accounting standards and the requirements under the Listing Rules, and that adequate disclosures have been made.