

# Silver Tide Holdings Limited

## 銀濤控股有限公司

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

**Stock code: 1943**



# 2023/24

## INTERIM REPORT

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# CORPORATE INFORMATION

## Directors

Executive Director:  
Mr. Wang Jianfeng  
*(Chairman and Chief Executive Officer)*

Non-executive Directors:  
Mr. Cai Huihui  
Ms. Liu Jingna  
Mr. Ruan Dongdong

Independent Non-executive Directors:  
Mr. Wang Wenxing  
Mr. Xu Da *(resigned on 13 December 2023)*  
Mr. An Wen Long  
*(appointed on 13 December 2023)*  
Ms. Florence Ng

## Registered office in the Cayman Islands

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## Headquarters, head office and principal place of business in Hong Kong

Office Floor 29,  
Queen's Road Centre,  
152 Queen's Road Central,  
Hong Kong

## Company's website

[www.silvertide.hk](http://www.silvertide.hk)

## Company secretary

Ms. Chow Hoi Fei  
*(Certified Public Accountant)*

## Authorised representatives

Ms. Lo Man Kwan  
Ms. Chow Hoi Fei  
*(Certified Public Accountant)*

## Audit committee

Mr. Wang Wenxing *(Chairman)*  
Mr. Cai Huihui  
Ms. Florence Ng

## Nomination committee

Mr. Wang Jianfeng *(Chairman)*  
Mr. Wang Wenxing  
Mr. Xu Da *(resigned on 13 December 2023)*  
Mr. An Wen Long  
*(appointed on 13 December 2023)*

## Remuneration committee

Mr. Xu Da *(Chairman)*  
*(resigned on 13 December 2023)*  
Mr. An Wen Long *(Chairman)*  
*(appointed on 13 December 2023)*  
Mr. Cai Huihui  
Ms. Florence Ng

## Principal share registrar and transfer office in the Cayman Islands

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## Hong Kong branch share registrar and transfer office

Boardroom Share Registrars (HK) Limited  
2103B, 21st Floor  
148 Electric Road  
North Point  
Hong Kong

## Principal banker

Bank of China (Hong Kong) Limited  
24th Floor, Bank of China Tower  
1 Garden Road  
Hong Kong

## Auditor

HLB Hodgson Impey Cheng Limited  
*(Certified Public Accountants)*

## Legal adviser

King & Wood Mallesons

## Stock code

1943

# MANAGEMENT DISCUSSION AND ANALYSIS



## FINANCIAL REVIEW

### Revenue

Our revenue increased from approximately HK\$102.8 million for the six months ended 30 September 2022 to approximately HK\$254.6 million for the six months ended 30 September 2023, representing an increase of approximately 148%. Such increase was mainly due to:

- (i) an increase in revenue derived from two projects which contributed revenue of approximately HK\$136.0 million for the six months ended 30 September 2023 (for the six months ended 30 September 2022: HK\$9.5 million) with initial contract sum of HK\$185.5 million and HK\$91.0 million that commenced in May and August 2022 respectively;
- (ii) an increase in revenue derived from new projects which contributed revenue of approximately HK\$60.5 million for the six months ended 30 September 2023 that commenced during the six months ended 30 September 2023; and
- (iii) partially offset by a decrease in revenue derived from a project with an initial contract sum of approximately HK\$137.2 million which contributed revenue of approximately HK\$27.8 million for the six months ended 30 September 2023 that commenced in November 2021.

### Gross profit and gross profit margin

The gross profit of Silver Tide Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) for the six months ended 30 September 2023 amounted to approximately HK\$15.4 million, representing an increase of approximately 195.0% as compared to the gross profit of approximately HK\$5.2 million for the six months ended 30 September 2022. The Group’s gross profit margin for the six months ended 30 September 2023 was approximately 6.0%, as compared to gross profit margin of approximately 5.1% for the six months ended 30 September 2022. The increase in gross profit mainly resulted from (i) revenue generated from construction segment which increased by HK\$153.0 million while subcontracting costs increased by HK\$111.3 million during the six months ended 30 September 2023; (ii) decrease in depreciation expenses of HK\$2.6 million for the six months ended 30 September 2023 (for the six months ended 30 September 2022: HK\$4.9 million); and (iii) partial offset by an increase in material and consumables costs of HK\$30.2 million for the six months ended 30 September 2023 (for the six months ended 30 September 2022: HK\$8.9 million) as we have procured substantial amount of construction materials and consumables upfront before the commencement of major stage for certain projects as requested by the customers.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Other income and gains

Other income and gains decreased by approximately HK\$1.2 million from approximately HK\$4.1 million for the six months ended 30 September 2022 to approximately HK\$3.0 million for the six months ended 30 September 2023, representing an decrease of approximately 28%. Such decrease was mainly attributable to (i) the decrease in government subsidies of approximately HK\$0.2 million for the six months ended 30 September 2023 (for the six months ended 30 September 2022: HK\$3.9 million); (ii) partial offset by an increase in realised gain arising from financial assets at fair value through profit or loss (“FVTPL”) of approximately HK\$2.1 million for the six months ended 30 September 2023 (for the six months ended 30 September 2022: nil).

## Administrative expenses

Administrative expenses increased by approximately HK\$1.1 million to approximately HK\$11.1 million for the six months ended 30 September 2023 as compared with the administrative expense of approximately HK\$10.0 million for the six months ended 30 September 2022. Such increase was mainly attributable to the increase in motor vehicle expenses due to the acquisition of a new motor vehicle during the six months ended 30 September 2023.

## Other losses

The Group recorded other losses of approximately HK\$9.1 million for the six months ended 30 September 2023 (for the six months ended 30 September 2022: HK\$10.6 million), which was mainly attributable to (i) the decrease in other expenses derived from unrealised loss arising from change in fair value of financial assets at FVTPL of HK\$2.5 million for the six months ended 30 September 2023 (for the six months ended 30 September 2022: HK\$6.4 million); (ii) the decrease in realised loss arising from financial assets at FVTPL from HK\$4.1 million for the six months ended 30 September 2022 to nil for the six months ended 30 September 2023; (iii) partial offset by increase in impairment loss on trade receivables of HK\$6.6 million for the six months ended 30 September 2023 (for the six months ended 30 September 2022: nil).

## Finance costs

Finance costs decreased from approximately HK\$80,000 for the six months ended 30 September 2022 to approximately HK\$58,000 for the six months ended 30 September 2023, representing a decrease of approximately 28%. Such decrease was mainly attributable to the decrease in interest expense on right-of-use-assets during the six months ended 30 September 2023.

# MANAGEMENT DISCUSSION AND ANALYSIS



## Income tax

For the reporting period, the Group's income tax expense amount to approximately HK\$0.4 million as compared with nil income tax expense for the six months ended 30 September 2022. Such increase was mainly due to the increase in assessable profits from construction segment during the six months ended 30 September 2023.

## Loss attributable to owners of the parent

As a result of the foregoing, the loss attributable to owners of the parent amounted to approximately HK\$2.4 million for the six months ended 30 September 2023 as compared to the loss attributable to owners of the parent of approximately HK\$11.4 million for the six months ended 30 September 2022.

## Interim dividend

The board (the "Board") of directors (the "Directors") has resolved not to recommend the declaration of any interim dividend for the six months ended 30 September 2023 (for the six months ended 30 September 2022: nil).

## Liquidity and financial resources

Our primary uses of capital are to satisfy our working capital needs and to fund our construction projects. We financed our working capital primarily from (i) cash generated from operating activities, which primarily comprised cash payments we received from our revenue from the provision of formwork works and other construction works; (ii) bank borrowings; and (iii) proceeds from issuance of new shares. In managing our liquidity, our management monitors and maintains a reasonable level of cash and cash equivalents which are deemed adequate by our management to finance our operations and to mitigate the impacts of fluctuations in cash flows. We rely on cash and cash equivalents on hand, and cash generated from operating activities as the main sources of liquidity. As at 30 September 2023, the cash and cash equivalents, net current assets and total assets less current liabilities were HK\$62.7 million (as at 31 March 2023: HK\$52.2 million), HK\$201.7 million (as at 31 March 2023: HK\$202.7 million) and HK\$214.4 million (as at 31 March 2023: HK\$216.6 million), respectively.

## Contingent liabilities

As at 30 September 2023, the Group did not have any material contingent liabilities (as at 31 March 2023: nil).



# MANAGEMENT DISCUSSION AND ANALYSIS

## Capital commitments

As at 30 September 2023, the Group had capital commitments of approximately HK\$1.4 million (as at 31 March 2023: nil) contracted but not provided for the acquisition of property, plant and equipment.

## Funding and treasury policy

The Group maintains a prudent funding and treasury policy. Surplus funds are maintained in the form of cash deposits with licensed banks. To manage liquidity risk, the Board of Directors 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.

## Foreign currency risk

The Group has no significant exposure to foreign currency risk because almost all of the Group's transactions are denominated in Hong Kong dollars. The management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should and when appropriate.

## Gearing ratio

As at 30 September 2023, the Group's gearing ratio was nil (as at 31 March 2023: nil), representing total bank and other borrowings as a percentage of total equity.

## Pledge of Assets

As at 30 September 2023, the Group did not have any pledge of assets.

## Segment information

Save as disclosed in note 5 to the unaudited condensed consolidated interim financial statements in this report, the Group's business was regarded as two operating segments after the Group diversified the business to dealing and broking services and the Group had no geographical segment information presented as at 30 September 2023.

# MANAGEMENT DISCUSSION AND ANALYSIS



## BUSINESS REVIEW

The Group is principally engaged in the provision of formwork services to both the public and private sectors in the construction industry in Hong Kong. The formwork services undertaken by our Group mainly include (i) traditional formwork using timber and plywood; and (ii) system formwork using aluminium and steel. The Group started its formwork business in 1998 and has more than 25 years of experience in the provision of its services in Hong Kong. In August 2021, the Group diversified the business to dealing and broking service in Hong Kong. Our revenue increased by HK\$151.7 million from approximately HK\$102.8 million for the six months ended 30 September 2022 to approximately HK\$254.6 million for the six months ended 30 September 2023.

## FUTURE PROSPECT

During the year, the Group was principally engaged in the provision of formwork work services and dealing and broking service in Hong Kong. Looking ahead, the Directors are of the view that the general outlook of the formwork industry and the business environment in which the Group operates remains good. The Directors believe that the increase in land supply in the medium to long term and the continuous effort in developing land resources (as supported by the Government of Hong Kong's 2023 Policy Address) offers emerging opportunities to the Group for its business development. However, the Directors are of the view that due to the relatively high level of competition in the Hong Kong construction industry, the Group's profit margin, when tendering for new projects, will continue to be under pressure. The intense market competition may lead to smaller number of successful tenders and quotations, and lower value of contracts awarded to the Group. The Board will take appropriate measures to improve operating efficiency and a prudent approach in tendering profitable projects in order to lessen any adverse impacts to the Group.

In order to maintain its market share in the formwork industry, the Group will continue to closely monitor the market and respond to changes in market conditions. The Group will continue improving the efficiency of work flow throughout the construction process and strengthening the effectiveness of project management.

The Group is committed to broaden its revenue base and diversify its income stream. While focusing on developing its core business, the Group has been exploring other business opportunities and expanding the geographical coverage of the principal business of the Group beyond the Hong Kong market in order to enhance our future development and strengthen the revenue bases of the Group. Further, the Group will explore business opportunities to tap into the drug store chains market in the People's Republic of China which is expected to grow in demand in the coming year. The Directors believe that such exploration would be worthy so that the Group will be well-prepared to grasp such opportunities as they arise. The Directors expect that diversification of the Group's businesses would provide a better return to the shareholders of the Company (the "Shareholders").





## MANAGEMENT DISCUSSION AND ANALYSIS

### 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 INVESTMENTS AND CAPITAL ASSETS

During the reporting period, the Group does not have other plans for material investments and capital assets.

### EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2023, the Group employed 39 employees in Hong Kong (as at 31 March 2023: 48 employees). The remuneration package that our Group offers to employees includes salary, bonuses and other cash subsidies. In general, our Group determines employee salaries based on each employee's qualifications, position and seniority. As required by Hong Kong laws, we have enrolled all of our full time staff in the Mandatory Provident Fund Scheme. We intend to maintain our remuneration package competitive in order to attract and retain talented labour, and we regularly carry out staff evaluation to assess their performance.





### COMPETITION AND CONFLICT OF INTERESTS

During the six months ended 30 September 2023, none of the Directors or the controlling shareholders of the Company and their respective associates (as defined under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) had any interests in a business, apart from the business of the Group, which competes or may compete with the business of the Group or has any other conflict of interest with the Group which would be required to be disclosed under Rule 8.10 of the Listing Rules.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code (the “**Model Code**”) set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry, all Directors have fully complied with the required standards set out in the Model Code during the six months ended 30 September 2023.

### CORPORATE GOVERNANCE PRACTICE

The Company and the Board are devoted to achieve and maintain high standards of corporate governance, as the Board believes that good and effective corporate governance practices are fundamental to obtain and maintain the trust and safeguarding interest of the shareholders and other stakeholders of the Company. The Company has adopted the principles and code provisions set out in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 of the Listing Rules.

To the best knowledge of the Board, except for the deviation from the code provision C.2.1 of the CG Code, the Company has complied with the code provisions in the CG Code during the six months ended 30 September 2023.





## OTHER INFORMATION

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Mr. Wang Jianfeng (“Mr. Wang”) assumed the dual role as the chairman of the Board and the chief executive of the Company. However, the Board believes that with the support of the management, vesting the roles of both chairman of the Board and chief executive officer on Mr. Wang can facilitate the execution of the Group’s business strategies and provide a strong and consistent leadership to improve the Company’s efficiency in decision-making. The Board considers that the appointment of Mr. Wang as the chairman of the Board and the chief executive officer of the Company will not impair the balance of power as all major decisions are made in consultation with members of the Board. In addition, under the supervision by the Board which currently consists of one executive Director, three non-executive Directors and three independent non-executive Directors, the interests of the Shareholders will be adequately and fairly represented. Therefore, the Board considers the deviation from the code provision C.2.1 of the CG Code is appropriate under such circumstances. However, the Board will periodically review the effectiveness of this arrangement and consider separating the roles of chairman of the Board and chief executive officer of the Company when it thinks appropriate.

### AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established on 6 June 2019. The Company has established the Audit Committee 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, supervise, and assist our Board in providing an independent view of our financial reporting processes, and internal control and risk management systems, as well as to oversee the audit process, review our annual and interim financial statements, provide advice and comments to the Board on matters related to corporate governance, and perform other duties and responsibilities as assigned by our Board from time to time.

The Audit Committee has reviewed the Group’s unaudited condensed consolidated financial statements for the six months ended 30 September 2023 and this report and is of the opinion that the relevant unaudited condensed consolidated financial statements have been prepared in compliance with the applicable accounting standards and the requirements under the Listing Rules and that adequate disclosure has been made.

## OTHER INFORMATION



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

As at 30 September 2023, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap.571) (the "SFO")) (i) which were required 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 which were taken or deemed to have under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director	Capacity/Nature	Number of shares held/interested	Percentage of interest
Mr. Wang Jianfeng	Interest in a controlled corporation ( <i>Note</i> )	750,000,000	75.0%

*Note:* The Shares are held by Central Force Premium Group Limited, the equity interest of which is owned as to 100% by Regal Loyalty Limited and Regal Loyalty Limited is entirely owned by Mr. Wang Jianfeng. Mr. Wang Jianfeng is deemed to be interested in all the Shares held by Central Force Premium Group Limited for the purpose of Part XV of the SFO.

Save as disclosed above, as at 30 September 2023, none of the Directors nor chief executive of the Company has registered interests and 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) (i) which were required 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 which were taken or deemed to have under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.



## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

So far as the Directors are aware, as at 30 September 2023, the following persons (not being Directors or chief executive of the Company) have or are deemed or taken to have an interest or short position in the Shares or the 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 or which would be recorded in the register required to be kept under section 336 of the SFO:

The Company

Name	Capacity/Nature	Number of shares held/interested	Percentage of interest
Central Force Premium Group Limited	Beneficial owner	750,000,000	75.0%
Regal Loyalty Limited	Interest in a controlled corporation	750,000,000	75.0%
Ms. Xu Fang	Interest of spouse (Note)	750,000,000	75.0%

*Note:* Ms. Xu Fang is Mr. Wang Jianfeng's spouse and is deemed to be interested in the 750,000,000 Shares in which Mr. Wang Jianfeng is interested for the purpose of the SFO.

Save as disclosed above, as at 30 September 2023, none of the substantial shareholders or other persons, other than the Directors and chief executive of the Company whose interests are set out in the paragraph headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above, had any interests or short positions in the shares or underlying shares as recorded in the register required to be kept by the Company under section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2023.



### CHANGES IN INFORMATION OF DIRECTORS

During the reporting period and up to the date of this report, the following changes in the composition of the board of the Company and Board committees took place:

1. Mr. Xu Da has resigned as an independent non-executive Director and ceased to be the chairman of the remuneration committee of the Company and a member of the nomination committee of the Company with effect from 13 December 2023.
2. Mr. An Wen Long has been appointed as an independent non-executive Director; the chairman of the Remuneration Committee and a member of the Nomination Committee with effect from 13 December 2023.

### SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme on 8 June 2019 (“**Share Option Scheme**”) in which certain participants, including any employee (full-time or part-time), director, consultant, adviser or substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group, may be granted options to subscribe for the shares of the Company (the “**Share(s)**”). The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to above parties and to promote the success of the business of the Group. The Share Option Scheme shall expire at the close of business on 7 June 2029 unless terminated earlier by the shareholders of the Company (the “**Shareholders**”) in a general meeting. The Directors believe that the Share Option Scheme is important for the recruitment and retention of quality executives and employees.

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of grant of the option, which must be a business day;
- (ii) the average of the closing prices of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant of the option; and
- (iii) the nominal value of a Share on the date of grant of the option.



## OTHER INFORMATION

The maximum number of Shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of this Company (excluding, for this purpose, Shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of the Shares in issue as at the date of listing of the Shares. Therefore, the Company may grant options in respect of up to 100,000,000 Shares (or such numbers of Shares as shall result from a sub-division or a consolidation of such 100,000,000 Shares from time to time) to the participants under the Share Option Scheme.

An offer for the grant of options must be accepted within seven days from and inclusive of the day on which such offer is made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK\$1. The total number of Shares issued and to be issued upon exercise of options granted to any grantee (including both exercised and outstanding options) under the Share Option Scheme or any other share option schemes of the Company in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of options in excess of such limit must be separately approved by Shareholders in general meeting with such grantee and his associates abstaining from voting.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

During the six months ended 30 September 2023, no share option was granted, exercised, cancelled or lapsed and there is no outstanding share option under the Share Option Scheme.

### SUBSEQUENT EVENTS AFTER THE SIX MONTHS ENDED 30 SEPTEMBER 2023

The event that has a significant impact on the Group and occurred since 30 September 2023 and up to the date of this report has been stated in the paragraphs headed “Business Review” and “Future Prospect” under the section headed “Management Discussion and Analysis” above.

By order of the Board  
**Silver Tide Holdings Limited**  
**Wang Jianfeng**  
*Chairman, Chief Executive Officer and  
Executive Director*

Hong Kong, 24 November 2023

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

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Notes	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Revenue	6	254,563	102,818
Cost of sales		<u>(239,181)</u>	<u>(97,603)</u>
<b>Gross profit</b>		<b>15,382</b>	<b>5,215</b>
Other income and gains	6	2,980	4,137
Administrative expenses		(11,123)	(10,042)
Other losses	7	(9,133)	(10,641)
Finance costs	8	<u>(58)</u>	<u>(80)</u>
<b>Loss before income tax</b>	9	<b>(1,952)</b>	<b>(11,411)</b>
Income tax expense	10	<u>(442)</u>	<u>–</u>
<b>LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b><u>(2,394)</u></b>	<b><u>(11,411)</u></b>
<b>Loss and total comprehensive loss attributable to owners of the Company</b>		<b><u>(2,394)</u></b>	<b><u>(11,411)</u></b>
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>			
Basic and diluted	12	<b><u>(HK\$0.2 cents)</u></b>	<b><u>(HK\$1.1 cents)</u></b>



# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

	Notes	30 September 2023 (Unaudited) HK\$'000	31 March 2023 (Audited) HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	13	11,873	13,132
Trading right		500	500
Prepayments, other receivables and other assets		83	57
Statutory deposits		205	205
		<hr/>	<hr/>
Total non-current assets		12,661	13,894
<b>CURRENT ASSETS</b>			
Contract assets	14	129,673	149,057
Trade receivables	15	41,771	32,743
Amount due from the ultimate holding company		390	–
Amount due from a related party		152	–
Prepayments, other receivables and other assets		9,775	8,170
Financial assets at fair value through profit or loss ("FVTPL")		16,698	22,393
Trust bank balances held on behalf of customers	16	25,968	29,387
Cash and cash equivalents	16	62,662	52,219
		<hr/>	<hr/>
Total current assets		287,089	293,969
<b>CURRENT LIABILITIES</b>			
Trade payables	17	68,036	79,234
Amount due to the immediate holding company		9,698	5,328
Other payables and accruals		4,819	4,876
Lease liabilities		998	432
Tax payable		1,809	1,367
		<hr/>	<hr/>
Total current liabilities		85,360	91,237
<b>NET CURRENT ASSETS</b>			
		<hr/>	<hr/>
		201,729	202,732
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<hr/>	<hr/>
		214,390	216,626

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

		30 September 2023 (Unaudited) HK\$'000	31 March 2023 (Audited) HK\$'000
	Notes		
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		487	329
Deferred tax liabilities		188	188
		<hr/>	<hr/>
Total non-current liabilities		675	517
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>213,715</b>	<b>216,109</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
Equity attributable to owners of the parent			
Share capital	18	10,000	10,000
Reserves	20	203,715	206,109
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>213,715</b>	<b>216,109</b>
		<hr/> <hr/>	<hr/> <hr/>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Attributable to owners of the Company				
	Share capital HK\$'000 Note 18	Share premium HK\$'000	Merger reserve HK\$'000 Note 20(b)	Retained profits HK\$'000	Total HK\$'000
At 1 April 2022	10,000	99,157	2,000	99,985	211,142
Loss and total comprehensive loss for the period	—	—	—	(11,411)	(11,411)
At 30 September 2022	<u>10,000</u>	<u>99,157</u>	<u>2,000</u>	<u>88,574</u>	<u>199,731</u>
At 1 April 2023	10,000	99,157	2,000	104,952	216,109
Loss and total comprehensive expense for the period	—	—	—	(2,394)	(2,394)
At 30 September 2023	<u>10,000</u>	<u>99,157</u>	<u>2,000</u>	<u>102,558</u>	<u>213,715</u>

\* These reserve accounts comprise the consolidated reserves of HK\$203,715,000 (30 September 2022: HK\$189,731,000) in the consolidated statement of financial position.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Unaudited six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000
Net cash from operating activities	6,921	13,518
<b>Cash flows from investing activities</b>		
Purchases of items of property, plant and equipment	(928)	(5,348)
Increase in amount due from ultimate holding company	(390)	–
Purchase of financial assets at fair value through profit or loss	(9,437)	(31,281)
Sales of financial assets at fair value through profit or loss	14,717	31,589
Net cash flows from/(used in) investing activities	3,962	(5,040)
<b>Cash flows from financing activities</b>		
Principal portion of lease payments	(385)	(1,164)
Interest paid for lease payments	(55)	(80)
Net cash used in financing activities	(440)	(1,244)
Net increase in cash and cash equivalents	10,443	7,234
Cash and cash equivalents at beginning of period	52,219	30,973
Cash equivalents at the end of period	62,662	38,207

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 1. CORPORATE AND GROUP INFORMATION

Silver Tide Holdings Limited (the “**Company**”) is an exempted company incorporated in the Cayman Islands on 24 July 2018 with limited liability. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of operations of the Company is located at Office Floor 29, Queen’s Road Centre, 152 Queen’s Road Central, Hong Kong.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 28 June 2019 (the “**Listing Date**”).

The principal activity of the Company is investment holding. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in providing construction services, including traditional formwork using timber and plywood, system formwork using aluminium and steel, ancillary works such as concrete works and reinforcement works for the public and private sectors in Hong Kong and business of securities dealing and broking.

In the opinion of the directors, the immediate holding company and the ultimate holding company of the Company is Central Force Premium Group Limited (“**Central Force Premium**”), which is incorporated in the British Virgin Islands (“**BVI**”).

### Information about subsidiaries

Particulars of the Company’s subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Forest Honour Limited	BVI	Ordinary share US\$1	100	–	Investment holding
Hop Fat Yuk Ying Engineering Limited	Hong Kong	Ordinary share HK\$2,000,000	–	100	Construction services
Titan Hwaks Limited	BVI	Ordinary share US\$1	100	–	Investment holding
Yellow River Securities Limited	Hong Kong	Ordinary share HK\$11,000,000	–	100	Securities dealing and broking

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 1. CORPORATE AND GROUP INFORMATION (CONTINUED)

### Information about subsidiaries (Continued)

Name	Place of incorporation/ registration and business	Issued ordinary share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Sun Range International Limited	BVI	Ordinary share US\$1	100	–	Inactive
Premier Hero Limited	BVI	Ordinary share US\$50,000	100	–	Investment holding
Wonderful Apex Holding Limited	BVI	Ordinary share US\$50,000	100	–	Investment holding
King Global Group Limited	Cayman Islands	Ordinary share US\$50,000	–	100	Inactive
Useful Tycoon Limited	Cayman Islands	Ordinary share US\$50,000	–	100	Inactive
Liberal Founder Limited	Hong Kong	Ordinary share HK\$10,000	–	100	Inactive
Grateful Courage (HK) Limited	Hong Kong	Ordinary share HK\$10,000	–	100	Inactive
上海曜賽企業管理有限公司	the People Republic of China ("PRC")	Registered capital RMB300,000,000	–	100	Inactive
上海璇昌企業管理有限公司	PRC	Registered capital RMB300,000,000	–	100	Inactive
上海璇冠酒店管理有限公司	PRC	Registered capital RMB10,000,000	–	100	Inactive
上海璇興健康管理有限公司	PRC	Registered capital RMB10,000,000	–	100	Inactive

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”), issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. These condensed consolidated interim financial statements were authorised for issue on 24 November 2023.

These condensed consolidated interim financial statements have been prepared with the same accounting policies adopted in the 2023 annual financial statements, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 April 2023. Details of any changes in accounting policies are set out in note 3. The adoption of the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) have no material effect on these condensed consolidated interim financial statements. The Group has not early adopted any new and revised HKFRSs that has been issued but not yet effective in the current accounting period.

The preparation of these condensed consolidated interim financial statements in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. The significant judgements made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group’s annual financial statements for the year ended 31 March 2023.

These condensed consolidated interim financial statements are presented in Hong Kong Dollars (“HK\$”), unless otherwise stated. These condensed consolidated interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group. These condensed consolidated interim financial statements and notes do not include all of the information required for a complete set of condensed consolidated interim financial statements prepared in accordance with HKFRSs and should be read in conjunction with the 2023 consolidated financial statements.

These condensed consolidated interim financial statements are unaudited, but have been reviewed by the Audit Committee of the Company.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 3. CHANGES IN ACCOUNTING POLICIES

The Group has applied the same accounting policies in these condensed consolidated interim financial statements as in its 2023 annual consolidated financial statements.

### New and amended standards adopted by the Group

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

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

The adoption of the above standards and interpretation did not result in any substantial changes to the Group's accounting policies and had no material financial impact on the condensed consolidated interim financial information.



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these unaudited condensed consolidated interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 31 March 2023.

## 5. OPERATING SEGMENT INFORMATION

The information reported to the directors of the Group, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance contain discrete operating segment financial information and the directors review the financial results of the of these components' performance.

During the six months ended 30 September 2023, the Group has identified two reportable segments. The Group's reportable segments are i) construction services and ii) dealing and broking. The segments are managed separately as each business offers different services and requires different business strategies.

### (a) Segment revenues and results

For the six months ended 30 September 2023 (Unaudited)

	Construction services HK\$'000	Dealing and broking HK\$'000	Unallocated HK\$'000	Total HK\$'000
Revenue to external customers	<u>254,358</u>	<u>205</u>	<u>-</u>	<u>254,563</u>
Segment profit/(loss) before tax	<u>2,681</u>	<u>(1,302)</u>	<u>(3,331)</u>	<u>(1,952)</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 5. OPERATING SEGMENT INFORMATION (CONTINUED)

### (a) Segment revenues and results (Continued)

For the six months ended 30 September 2022 (Unaudited)

	Construction services HK\$'000	Dealing and broking HK\$'000	Unallocated HK\$'000	Total HK\$'000
Revenue to external customers	<u>101,387</u>	<u>1,431</u>	<u>–</u>	<u>102,818</u>
Segment profit/(loss) before tax	<u>1,058</u>	<u>129</u>	<u>(12,598)</u>	<u>(11,411)</u>

### (b) Other segment information included in segment profit or segments assets

For the six months ended 30 September 2023 (Unaudited)

	Construction services HK\$'000	Dealing and broking HK\$'000	Unallocated HK\$'000	Total HK\$'000
Interest income	(62)	(114)	(1)	(177)
Government grants	(192)	–	–	(192)
Finance costs	3	27	28	58
Addition in right-of-use-assets	–	1,109	–	1,109
Addition in property, plant and equipment	916	12	–	928
Depreciation of right-of-use-assets	–	185	215	400
Depreciation of property, plant and equipment	2,888	8	–	2,896
Unrealised loss arising from change in fair value of financial assets at FVTPL	–	–	2,472	2,472
Realised gain arising from financial assets at FVTPL	–	–	(2,057)	(2,057)

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 5. OPERATING SEGMENT INFORMATION (CONTINUED)

- (b) Other segment information included in segment profit or segments assets  
(Continued)

For the six months ended 30 September 2022 (Unaudited)

	Construction services HK\$'000	Dealing and broking HK\$'000	Unallocated HK\$'000	Total HK\$'000
Interest income	(4)	–	–	(4)
Government grants	(3,724)	(119)	(86)	(3,929)
Finance costs	80	–	–	80
Addition in property, plant and equipment	5,348	–	–	5,348
Depreciation of right-of-use-assets	1,236	–	–	1,236
Depreciation of property, plant and equipment	4,016	11	–	4,027
Gain on early termination of lease	(113)	–	–	(113)
Unrealised loss arising from change in fair value of financial assets at FVTPL	–	–	6,456	6,456
Realised loss arising from financial assets at FVTPL	–	–	4,076	4,076

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 5. OPERATING SEGMENT INFORMATION (CONTINUED)

### (c) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

	As at 30 September 2023 (Unaudited) HK\$'000	As at 31 March 2023 (Audited) HK\$'000
<b>Assets</b>		
Construction services	240,519	243,487
Dealing and broking	<u>35,355</u>	<u>37,199</u>
Segment assets	275,874	280,686
Unallocated	<u>23,876</u>	<u>27,177</u>
Total assets	<u><u>299,750</u></u>	<u><u>307,863</u></u>
<b>Segment liabilities</b>		
Construction services	47,341	54,388
Dealing and broking	<u>32,084</u>	<u>29,982</u>
Segment liabilities	79,425	84,370
Unallocated	<u>6,610</u>	<u>7,384</u>
Total liabilities	<u><u>86,035</u></u>	<u><u>91,754</u></u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 5. OPERATING SEGMENT INFORMATION (CONTINUED)

### (c) Segment assets and liabilities (Continued)

#### Geographical information

No geographical information is presented as the Group's revenue was solely derived from customers and operations based in Hong Kong and the non-current assets of the Group were all located in Hong Kong.

#### Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue for the six months ended 30 September 2023 is set out below:

	For six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Customer I	95,943	16,792
Customer II	<u>121,127</u>	<u>72,778</u>

Except for the aforesaid, no revenue from other single external customer accounted for 10% or more of the Group's revenue.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 6. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold or services rendered and earned by the Group. All the Group's revenue is derived from contracts with customers. The geographical regions of the sales to external customers are based on the locations where the services are rendered. All the Group's services are rendered in Hong Kong.

An analysis of revenue, other income and gains is as follows:

	For six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
<b>Revenue from contracts with customers</b>		
Construction services		
Private sector	241,928	88,307
Public sector	12,430	13,080
	<u>254,358</u>	<u>101,387</u>
Dealing and broking		
Brokerage commission	179	1,379
Interest income	26	52
	<u>205</u>	<u>1,431</u>
	<u><u>254,563</u></u>	<u><u>102,818</u></u>
<b>Timing of revenue recognition</b>		
Over time		
Construction services	254,358	101,387
Point in time		
Dealing and broking	205	1,431
	<u>254,563</u>	<u>102,818</u>
<b>Other income and gains</b>		
Bank interest income	177	4
Dividend income on financial assets	86	–
Rental income	99	86
Government grants	192	3,929
Realised gain arising from financial assets at FVTPL	2,057	–
Sundry	1	5
Others	368	113
	<u>2,980</u>	<u>4,137</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 7. OTHER LOSSES

	For six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Unrealised loss arising from change in fair value of financial assets at FVTPL	2,472	6,456
Realised loss arising from financial assets at FVTPL	–	4,076
Impairment loss on trade receivables	6,623	–
Others	38	109
	<u>9,133</u>	<u>10,641</u>

## 8. FINANCE COSTS

	For six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
An analysis of finance costs is as follows:		
Interest on bank loans	3	–
Interest on lease liabilities	55	80
	<u>58</u>	<u>80</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 9. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	For six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Contract costs	239,105	97,478
Depreciation of property, plant and equipment <sup>1</sup>	2,896	4,027
Depreciation of right of use assets	400	1,236
Donation	10	–
Rental expenses – Short term lease <sup>2</sup>	823	1,450
Employee benefit expense (excluding directors' and chief executive's remuneration)		
Wages and salaries <sup>3</sup>	6,893	5,780
Pension scheme contributions <sup>3</sup>	243	300
Other benefit	866	1,118
Government grants <sup>4</sup>	(192)	(3,929)

<sup>1</sup> During the period, depreciation of HK\$2,601,000 (six months ended 30 September 2022: HK\$3,621,000) is included in contract costs as disclosed above.

<sup>2</sup> During the period, rental expenses of HK\$561,000 (six months ended 30 September 2022: HK\$978,000) are included in contract costs as disclosed above.

<sup>3</sup> During the period, wages and salaries of HK\$1,784,000 (six months ended 30 September 2022: HK\$2,264,000) and pension scheme contributions of HK\$77,000 (six months ended 30 September 2022: HK\$100,000), respectively, are included in contract costs disclosed above.

<sup>4</sup> Grants have been received from the Construction Industry Council, an institution established by the Government of the Hong Kong Special Administrative Region, for strengthening hygienic control measures, providing on-the-job training for graduate engineers and trainees during both six months ended 30 September 2023 and 2022.



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 10. INCOME TAX

	For six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Current – Hong Kong Charge for the period	442	–

For the six months ended 30 September 2023 and 2022, Hong Kong profits tax is calculated in accordance with the two-tiered profits tax rates regime. Under two-tiered profit tax rates regime which was effective on 28 March 2019, the first HK\$2 million of assessable profits of the elected subsidiary will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%.

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.

## 11. DIVIDENDS

The board of directors does not recommend the payment of any interim dividend for the six months ended 30 September 2023 and 2022.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company and the weighted average number of 750,000,000 ordinary shares in issue during the six months ended 30 September 2023.

The number of ordinary shares used to calculate the basic earnings per share for the six months ended 30 September 2023 was based on 1,000,000,000 ordinary shares of the Company.

No adjustment has been made to the basic earnings per share amounts presented for the periods ended 30 September 2023 and 30 September 2022 as the Group had no potentially dilutive ordinary shares in issue during these periods.

## 13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2023, the Group acquired assets with a cost of HK\$928,000 (six months ended 30 September 2022: HK\$5,348,000).

During the six months ended 30 September 2023, right-of-use assets amounted to approximately HK\$2,007,000 has been recognised (six months ended 30 September 2022: HK\$2,059,000). In addition, there are right-of-use assets with carrying amount of HK\$3,123,000 were disposed during the six months ended 30 September 2022, resulting in a gain on early termination of lease of HK\$113,000 during the six months ended 30 September 2022.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 14. CONTRACT ASSETS

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Contract assets		
Unbilled revenue	39,219	50,915
Retention receivables	90,662	98,350
Less: Impairment loss on retention receivable	(208)	(208)
	<u>129,673</u>	<u>149,057</u>

### Movements in contract assets:

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
At the beginning of the period/year	149,057	109,205
Addition in contract assets	26,899	68,677
Transfer to accounts receivables	(46,075)	(28,617)
Less: Impairment loss on retention receivable	(208)	(208)
	<u>129,673</u>	<u>149,057</u>
Balance at end of the period/year	<u>129,673</u>	<u>149,057</u>

Unbilled revenue included in contract assets represents the Group's right to receive consideration for work completed and not yet billed because the rights are conditional upon the quality and quantity check 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 accounts receivable when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed construction work from the customers.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 14. CONTRACT ASSETS (CONTINUED)

Retention receivables included in contract assets represent the Group's right to consideration for work performed but not yet collectible 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 accounts receivable 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.

## 15. TRADE RECEIVABLES

Trade receivables represented receivables for contract works. Management generally submit interim payment applications to customers on a monthly basis containing a statement setting out management's estimation of the valuation of the works completed in the preceding month. Upon receiving the interim payment application, the architect or the consultant of the customer will verify such valuation of works completed and issue an interim payment certificate within 30 to 60 days. Within 30 to 60 days after the issuance of the interim payment certificate, the customer will make payment to the Group based on the certified amount stipulated in such certificate, deducting any retention money in accordance with the contract. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables based on the progress payment certificate date is as follows:

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Within 30 days	35,148	27,972
31 to 60 days	–	–
61 to 90 days	–	189
Over 90 days	6,623	4,582
	<u>41,771</u>	<u>32,743</u>
Movements on the impairment loss are as follows:		
Balance at beginning of the period	687	–
Impairment loss recognised on trade receivables	6,623	687
	<u>7,310</u>	<u>687</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 16. CASH AND CASH EQUIVALENTS

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Cash and bank balances <sup>1</sup>	62,662	29,387
Cash and bank balances – trust and segregated accounts <sup>2</sup>	<u>25,968</u>	<u>52,219</u>
Cash and cash equivalents	<u><u>88,630</u></u>	<u><u>81,606</u></u>

Notes:

1. Cash at banks earns interest at floating rates based on daily bank deposit rates.
2. Trust and segregated accounts holds money deposited by clients in the course of the conduct of the regulated activities of securities trading business. The Group has recognised the corresponding accounts payable to respective clients as the Group does not have a currently enforceable right to offset those payables with the deposits placed.

## 17. TRADE PAYABLES

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Trade payables arising from the business of:		
Construction services	41,376	49,321
Arising from securities of cash customers	26,376	29,378
Arising from securities of HKSCC	<u>284</u>	<u>535</u>
	<u><u>68,036</u></u>	<u><u>79,234</u></u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 17. TRADE PAYABLES (CONTINUED)

The settlement terms of trade payables, except for margin clients, arising from the business of dealing in securities are two days after trade date and trade payables arising from the business of dealing in futures contracts are one day after trade date. No ageing analysis is disclosed as in the opinion of the executive directors of the Group, the ageing analysis does not give additional value in view of the nature of this business.

An ageing analysis of the trade payables for construction service as at the end of the reporting period, based on the invoice date or the progress payment certificate date, is as follows:

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Within 30 days	67,480	72,974
31 to 60 days	–	6,260
61 to 90 days	60	–
Over 90 days	496	–
	<u>68,036</u>	<u>79,234</u>

Trade payables are non-interest-bearing. The payment terms of trade payables are stipulated in the relevant contracts with credit periods of 30 days in general.

## 18. SHARE CAPITAL

Details of the share capital of the Company are as follows:

	Unaudited		Audited	
	30 September 2023		31 March 2023	
	Number	HK\$	Number	HK\$
Issued and fully paid				
At 31 March 2023,				
1 April 2023 and				
30 September 2023	<u>1,000,000,000</u>	<u>10,000</u>	<u>1,000,000,000</u>	<u>10,000</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 19. SHARE OPTION SCHEME

The Company operates a share option scheme (the “Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operation. Eligible participants of the Scheme include the Company’s directors, full-time or part-time employees of the Group, consultant, adviser, substantial shareholder, distributor, contractor, supplier, agent, customer, business partner and service provider of the Group. The Scheme became effective on 8 June 2019 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised shares in respect of which options may be granted under the Scheme is such a number of shares representing 10% of the issued share capital of the Company as at the Listing Date, i.e. 100,000,000 shares. The 10% limit may be refreshed at any time by approval of the shareholders in the general meeting. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

Share options granted to directors, chief executive or substantial shareholders of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company’s shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders’ approval in advance in a general meeting.

The offer of a grant of share options must be accepted within 7 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors and ends on a date which is not later than 10 years from the date of offer of the share options.

The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) the closing price of the shares of the Company as stated in the Stock Exchange daily quotations sheet on the date of grant of the share options; (ii) the average closing prices of the shares of the Company as stated in the Stock Exchange daily quotations sheet for the five business days immediately preceding the date of the offer; and (iii) the nominal value of the shares of the Company.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 19. SHARE OPTION SCHEME (CONTINUED)

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

No option has been granted from the date of adoption of the Scheme up to the date of approval of these consolidated financial statements.

## 20. RESERVES

### (a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 18.

### (b) Merger reserve

The merger reserve represents the aggregate of the paid-up share capital of the subsidiaries now comprising the Group before the completion of the reorganisation carried out in initial public offering.

## 21. RELATED PARTY TRANSACTIONS

### (a) Transactions with related parties

No transactions with related parties for both 30 September 2023 and 31 March 2023.

### (b) Outstanding balances with related parties

As disclosed in the condensed consolidated statement of financial position, the Group had an outstanding balance due from the ultimate holding company at 30 September 2023.

The amount due from the ultimate holding company was non-trade, unsecured, interest-free and repayable on demand.



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 21. RELATED PARTY TRANSACTIONS (CONTINUED)

### (c) Compensation of key management personnel of the Group

	Unaudited Six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000
Salaries, allowances and benefits in kind	750	2,055
Pension scheme contributions	–	45
	<u>750</u>	<u>2,100</u>

## 22. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

### Financial assets:

	Unaudited 30 September 2023 HK\$'000	Audited 31 March 2023 HK\$'000
<b>Financial assets measured at fair value</b>		
Financial assets at FVTPL	<u>16,698</u>	<u>22,393</u>
<b>Financial assets measured at amortised cost</b>		
Trade receivables	41,771	32,743
Financial assets included in prepayments, other receivables and other assets	9,134	7,560
Due from the ultimate holding company	390	–
Due from a related party	152	–
Trust bank balances held on behalf of customers	25,968	29,387
Cash and cash equivalents	<u>62,662</u>	<u>52,219</u>
	<u>140,077</u>	<u>121,909</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 22. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

Financial liabilities:

	Unaudited 30 September 2023 HK\$'000	Audited 31 March 2023 HK\$'000
<b>Financial liabilities measured at amortised cost</b>		
Trade payables	68,036	79,234
Other payables and accruals	4,819	4,876
Due to the ultimate holding company	9,698	5,328
Lease liabilities	1,485	761
	<u>84,038</u>	<u>90,199</u>

### Fair value measurement

The fair value measurement of the Group's financial and non-financial assets and liabilities utilised market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "Fair Value Hierarchy"):

- a. Level 1: Quoted prices in active markets for identical items (unadjusted);
- b. Level 2: Observable direct or indirect inputs other than Level 1 inputs;
- c. Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 22. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

Fair value measurement (Continued)

### *Financial instruments not measured at fair value*

Financial instruments not measured at fair value include cash and cash equivalents, trade receivables, contract assets, an amount due from the ultimate holding company, prepayments, other receivables, trade payables, other payables and accruals.

Due to their short term nature, the carrying value of cash and cash equivalents, trade receivables, contract assets, an amount due from the ultimate holding company, prepayments, other receivables, trade payables and other payables and accruals approximates fair value.

## 23. EVENTS AFTER THE REPORTING PERIOD

There is no significant event after the end of the reporting period of the Group.