



# 2024

INTERIM REPORT

**ECI Technology Holdings Limited**

*(incorporated in the Cayman Islands with limited liability)*  
Stock code: 8013

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

*This report will be available on the Company’s website <http://www.ecinfohk.com> and will remain on the “Latest Listed Company Information” page on the website of the Stock Exchange at <http://www.hkexnews.hk> for at least 7 days from the date of its posting.*

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# CORPORATE INFORMATION

## EXECUTIVE DIRECTORS

Dr. Ng Tai Wing  
(*Chairman and Chief Executive Officer*)

Mr. Law Wing Chong

Ms. Wong Tsz Man

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Hui Chun Ho Eric

Mr. Sung Wai Tak Herman

Dr. Chow Kin San

Dr. Luk Che Chung, *JP*  
(appointed on 5 September 2023)

## COMPANY SECRETARY

Mr. Lau Chi Yuen

## COMPLIANCE OFFICER

Dr. Ng Tai Wing

## AUTHORISED REPRESENTATIVES

Dr. Ng Tai Wing

Mr. Law Wing Chong

## AUDIT COMMITTEE

Mr. Hui Chun Ho Eric  
(*Committee Chairman*)

Mr. Sung Wai Tak Herman

Dr. Chow Kin San

Dr. Luk Che Chung, *JP*  
(appointed on 5 September 2023)

## REMUNERATION COMMITTEE

Mr. Sung Wai Tak Herman  
(*Committee Chairman*)

Mr. Hui Chun Ho Eric

Dr. Chow Kin San

Dr. Luk Che Chung, *JP*  
(appointed on 5 September 2023)

## NOMINATION COMMITTEE

Dr. Ng Tai Wing  
(*Committee Chairman*)

Mr. Hui Chun Ho Eric

Mr. Sung Wai Tak Herman

Dr. Chow Kin San

Dr. Luk Che Chung, *JP*  
(appointed on 5 September 2023)

## REGISTERED PIE AUDITOR

SHINEWING (HK) CPA Limited  
17/F, Chubb Tower

Windsor House  
311 Gloucester Road  
Causeway Bay  
Hong Kong

## **LEGAL ADVISER**

*As to Hong Kong law*  
Raymond Siu & Lawyers  
Units 1302-3 & 1802  
Ruttonjee House  
11 Duddell Street  
Central  
Hong Kong

## **PRINCIPAL BANKER**

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

## **HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Factory D on 3/F of Block II of  
Camelpaint Buildings  
Block I and Block II  
No. 62 Hoi Yuen Road, Kowloon  
Hong Kong

## **REGISTERED OFFICE**

Ocorian Trust (Cayman) Limited  
Windward 3, Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

## **PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

Ocorian Trust (Cayman) Limited  
Windward 3, Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

## **HONG KONG BRANCH SHARE REGISTRAR**

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

## **GEM STOCK CODE**

8013

## **COMPANY'S WEBSITE**

[www.ecinfohk.com](http://www.ecinfohk.com)

## FINANCIAL HIGHLIGHTS

Revenue of ECI Technology Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) for the six months ended 29 February 2024 (the “Period”) amounted to approximately HK\$105,913,000 (2023: approximately HK\$76,490,000) while gross profit of the Group for the Period amounted to approximately HK\$27,434,000 (2022: approximately HK\$20,703,000).

The profit for the Period of the Group amounted to approximately HK\$6,788,000 (2023: approximately HK\$4,075,000).

The board (the “Board”) of directors (the “Directors”) does not recommend the payment of an interim dividend for the Period.

# REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF ECI TECHNOLOGY HOLDINGS LIMITED  
*(incorporated in the Cayman Islands with limited liability)*

## INTRODUCTION

We have reviewed the interim condensed consolidated financial statements of ECI Technology Holdings Limited (the “Company”) and its subsidiaries set out on pages 7 to 36, which comprise the interim condensed consolidated statement of financial position as at 29 February 2024 and the related interim condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and other explanatory notes. The Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) require the preparation of a report on interim financial statements to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors of the Company are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of these interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

SHINEWING (HK) CPA Limited

*Certified Public Accountants*

**Lee Shun Ming**

Practising Certificate Number: P07068

Hong Kong

25 April 2024



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

FOR THE SIX MONTHS ENDED 29 FEBRUARY 2024

	Notes	Six months ended	
		29 February 2024 HK\$'000 (Unaudited)	28 February 2023 HK\$'000 (Unaudited)
Revenue	4	105,913	76,490
Cost of sales		(78,479)	(55,787)
Gross profit		27,434	20,703
Other income and gain, net	6	964	1,108
Administrative expenses		(20,780)	(17,228)
(Impairment loss) reversal of impairment loss on trade receivables and contract assets		(53)	35
Fair value loss on financial asset at fair value through profit or loss ("FVTPL")		(29)	(13)
Profit from operations		7,536	4,605
Finance costs	7	(125)	(93)
Profit before taxation		7,411	4,512
Income tax expenses	8	(623)	(437)
Profit for the period	9	6,788	4,075

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

FOR THE SIX MONTHS ENDED 29 FEBRUARY 2024

	Notes	Six months ended	
		29 February 2024 HK\$'000 (Unaudited)	28 February 2023 HK\$'000 (Unaudited)
<b>Other comprehensive income</b>			
Item that will not to be reclassified subsequently to profit or loss:			
Change in fair value of a financial asset at fair value through other comprehensive income ("FVTOCI")		415	(1,615)
<b>Total comprehensive income for the period attributable to owners of the Company</b>		<b>7,203</b>	<b>2,460</b>
<b>Earnings per share</b>			
Basic and diluted (HK cent)	10	0.424	0.255

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 29 FEBRUARY 2024

	Notes	29 February 2024 HK\$'000 (Unaudited)	31 August 2023 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	12	7,927	5,988
Right-of-use assets	13	3,255	3,754
Deposit for acquisition of non-current assets		2,037	1,560
Financial asset at FVTOCI	14	396	2,580
		<b>13,615</b>	<b>13,882</b>
<b>Current assets</b>			
Trade receivables	15	37,314	32,774
Contract assets	16	17,080	25,742
Deposits, prepayments and other receivables	17	2,766	2,098
Financial assets at FVTPL	18	73	102
Pledged bank deposits	19	2,000	2,000
Bank balances and cash	19	34,501	21,709
		<b>93,734</b>	<b>84,425</b>
<b>Current liabilities</b>			
Trade payables	20	7,017	9,659
Accruals and other payables	20	4,095	2,461
Tax payable		941	597
Bank borrowings	21	4,132	4,000
Lease liabilities	13	2,308	2,439
Contract liabilities	16	3,525	951
		<b>22,018</b>	<b>20,107</b>
<b>Net current assets</b>		<b>71,716</b>	<b>64,318</b>
<b>Total assets less current liabilities</b>		<b>85,331</b>	<b>78,200</b>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AT 29 FEBRUARY 2024

	Notes	29 February 2024 HK\$'000 (Unaudited)	31 August 2023 HK\$'000 (Audited)
<b>Non-current liabilities</b>			
Bank borrowings	21	463	–
Lease liabilities	13	1,456	1,945
Deferred tax liability	22	630	676
		2,549	2,621
		82,782	75,579
<b>Capital and reserves</b>			
Share capital	23	16,000	16,000
Reserves		66,782	59,579
		82,782	75,579

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 29 FEBRUARY 2024

	Attributable to owners of the Company				Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (Note)	Retained earnings HK\$'000	
At 1 September 2022 (audited)	16,000	24,187	2,179	28,353	70,719
Profit and total comprehensive income for the period	-	-	-	4,075	4,075
Net fair value change on financial assets at FVTOCI	-	-	(1,615)	-	(1,615)
At 28 February 2023 (unaudited)	16,000	24,187	564	32,428	73,179
At 1 September 2023 (audited)	16,000	24,187	1,415	33,977	75,579
Profit and total comprehensive income for the period	-	-	-	6,788	6,788
Net fair value change on financial assets at FVTOCI	-	-	415	-	415
Transfer of cumulative fair value change of financial assets at FVTOCI upon disposal	-	-	427	(427)	-
At 29 February 2024 (unaudited)	16,000	24,187	2,257	40,338	82,782

Note:

Other reserve represents the difference between the nominal value of the issued share capital of subsidiaries acquired pursuant to a group reorganisation over the consideration paid for acquiring these subsidiaries and fair value change of financial assets at FVTOCI.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 29 FEBRUARY 2024

	Six months ended	
	29 February 2024 HK\$'000 (Unaudited)	28 February 2023 HK\$'000 (Unaudited)
<b>NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES</b>	<b>13,235</b>	<b>(1,047)</b>
<b>INVESTING ACTIVITIES</b>		
Purchases of financial assets at FVTOCI	–	(3,026)
Proceed from disposal of financial assets at FVTOCI	2,599	–
Proceed from disposal of property, plant and equipment	350	–
Interest received	256	–
Compensation received upon written-off of right-of-use assets	97	–
Deposit paid for acquisition of non-current assets	(1,069)	(361)
Purchase of property, plant and equipment	(1,847)	(275)
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>	<b>386</b>	<b>(3,662)</b>
<b>FINANCING ACTIVITIES</b>		
New bank borrowings raised	8,595	8,000
Repayment of bank borrowings	(8,000)	(8,125)
Repayment of lease liabilities	(1,356)	(1,075)
Interest paid	(125)	(93)
Government grants received	57	694
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(829)</b>	<b>(599)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>12,792</b>	<b>(5,308)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>21,709</b>	<b>37,511</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, REPRESENTED BY BANK BALANCES AND CASH</b>	<b>34,501</b>	<b>32,203</b>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 29 FEBRUARY 2024

## 1. GENERAL INFORMATION

ECI Technology Holdings Limited (the “Company”) was incorporated in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 3 October 2016 as an exempted company with limited liability and the shares of the Company are listed on the GEM of The Stock Exchange of Hong Kong Limited on 10 March 2017.

The address of its registered office is Ocorian Trust (Cayman) Limited at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is Factory D on 3/F of Block II of Camelpaint Buildings, Block I and Block II, No. 62 Hoi Yuen Road, Kowloon, Hong Kong.

In the opinion of directors of the Company, its ultimate holding company and immediate holding company is ECI Asia Investment Limited, a company incorporated in British Virgin Islands (the “BVI”), which is controlled by Dr. Ng Tai Wing.

The Company is an investment holding company. Its major operating subsidiaries are engaged in the provision of installation and maintenance services, security guarding services and EV charging operation.

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

These interim condensed consolidated financial statements have not been audited.

## **2. BASIS OF PREPARATION**

These interim condensed consolidated financial statements for the six months ended 29 February 2024 have been prepared in accordance with HKAS 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 GEM of The Stock Exchange. These interim condensed consolidated financial statements should be read in conjunction with the annual financial statements of the Group for the year ended 31 August 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA, and any public announcement made by the Company during the interim reporting period.

## **3. PRINCIPAL ACCOUNTING POLICIES**

The interim condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as appropriate.

The accounting policies used in the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 August 2023 except as described below.





**3. PRINCIPAL ACCOUNTING POLICIES** *(Continued)*

***Application of new and amendments to HKFRS***

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

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

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

#### 4. REVENUE

Revenue represents the revenue arising on provision of installation, maintenance, security guarding services and EV charging operation for the period.

An analysis of the Group's respective revenue for the six months ended 29 February 2024 and 28 February 2023 is as follows:

	Six months ended	
	29 February 2024 HK\$'000 (Unaudited)	28 February 2023 HK\$'000 (Unaudited)
Maintenance services	40,274	37,560
Installation services	51,379	36,281
Security guarding services	14,163	2,649
Electric vehicle charging operation ("EV charging operation")	97	–
	<b>105,913</b>	<b>76,490</b>
<b>Timing of revenue recognition</b>		
At point in time	97	–
Over time	105,816	76,490
	<b>105,913</b>	<b>76,490</b>

During the six months ended 29 February 2024, the Group's operating revenue was generated from contracts with customers within the scope of HKFRS 15.

## 5. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of services provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

During the six months ended 29 February 2024, the Group commenced EV charging operation to diversify the Group’s business and enhance long-term growth potential of the Group. The CODM reviews the financial information of installation and maintenance services, security guarding services and EV charging operation separately for performance assessment and resources allocation. Accordingly, the Group’s operating and reportable segments are as follows:

- Installation and maintenance services
- Security guarding services
- EV charging operation

## 5. SEGMENT INFORMATION *(Continued)*

### *Segment revenue and results*

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

*For the six months ended 29 February 2024*

	Installation and maintenance services HK\$'000 (Unaudited)	Security guarding services HK\$'000 (Unaudited)	EV charging operation HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<b>REVENUE</b>				
External sales	91,653	14,163	97	105,913
Segment profit (loss)	8,841	844	(71)	9,614
Fair value loss on financial asset at FVTPL				(29)
Unallocated corporate expenses				(2,174)
Profit before taxation				7,411

5. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For the six months ended 28 February 2023

	Installation and maintenance services HK\$'000 (Unaudited)	Security guarding services HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<b>REVENUE</b>			
External sales	73,841	2,649	76,490
Segment profit (loss)	7,060	(398)	6,662
Unallocated income			5
Fair value loss on financial asset at FVTPL			(13)
Unallocated corporate expenses			(2,142)
Profit before taxation			4,512

Segment profit (loss) represents the profit earned by (loss from) each segment without allocation of certain other income, central administration costs, directors' emoluments, and fair value loss on financial asset at FVTPL. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

## 5. SEGMENT INFORMATION *(Continued)*

### *Other segment information*

*For the six months ended 29 February 2024*

	Installation and maintenance services HK\$'000 (Unaudited)	Security guarding services HK\$'000 (Unaudited)	EV charging operation HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to non-current assets (Note)	1,817	–	1,835	3,652
Depreciation and amortisation	1,563	–	108	1,671
Impairment loss (reversal of impairment loss) of trade receivables and contract assets	54	(1)	–	53
Government grants	119	–	–	119
Gain on disposal of property, plant and equipment	350	–	–	350
Gain on written-off of right-of-use assets	33	–	–	33
Interest income	255	1	–	256
Finance costs	121	4	–	125

5. SEGMENT INFORMATION (Continued)

*Other segment information (Continued)*

*For the six months ended 28 February 2023*

	Installation and maintenance services HK\$'000 (Unaudited)	Security guarding services HK\$'000 (Unaudited)	EV charging operation HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to non-current assets (Note)	1,804	–	–	1,804
Depreciation and amortisation	1,308	32	–	1,340
(Reversal of impairment loss) impairment loss of trade receivables and contract assets	(62)	27	–	(35)
Government grants	606	83	–	689
Interest income	289	1	–	290
Finance costs	83	10	–	93

Note: Additions to non-current assets include property, plant and equipment, right-of-use assets and deposit for acquisition of non-current assets for the six months ended 29 February 2024 and 28 February 2023.

## 5. SEGMENT INFORMATION *(Continued)*

### **Segment assets and liabilities**

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

	29 February 2024 HK\$'000 (Unaudited)	31 August 2023 HK\$'000 (Audited)
<b>Segment assets</b>		
Installation and maintenance services	98,839	90,935
Security guarding services	5,479	5,309
EV charging operation	2,301	–
<b>Total segment assets</b>	<b>106,619</b>	<b>96,244</b>
Unallocated corporate assets	730	2,063
<b>Consolidated assets</b>	<b>107,349</b>	<b>98,307</b>
<b>Segment liabilities</b>		
Installation and maintenance services	23,444	21,610
Security guarding services	570	679
EV charging operation	–	–
<b>Total segment liabilities</b>	<b>24,014</b>	<b>22,289</b>
Unallocated corporate liabilities	553	439
<b>Consolidated liabilities</b>	<b>24,567</b>	<b>22,728</b>

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than financial asset at FVTPL, certain deposits and prepayment and certain bank balances and cash.
- all liabilities are allocated to operating segments other than certain accruals and other payables.

### **Geographical information**

No geographical information is presented as all revenue from external customers and non-current assets of the Group are derived from or located in Hong Kong.



## 6. OTHER INCOME AND GAIN, NET

	Six months ended	
	29 February 2024 HK\$'000 (Unaudited)	28 February 2023 HK\$'000 (Unaudited)
Bank interest income	256	290
Rental income	102	102
Government grants (note (i))	119	694
Gain on disposal of property, plant and equipment	350	–
Gain on written-off of right-of-use assets (note (ii))	33	–
Sundry income	104	22
	<b>964</b>	<b>1,108</b>

Note (i): During the six months ended 29 February 2024, the Group recognised government subsidies of approximately nil (2023: HK\$694,000) in respect of Coronavirus Disease 2019 related subsidies, including those related to Employment Support Scheme (“ESS”). There are no unfulfilled conditions or other contingencies attached to these grants.

Note (ii): During the six months ended 29 February 2024, the Group received insurance compensation of approximately HK\$97,000 due to written-off of a right-of-use asset in respect of motor vehicle with carrying amount of approximately HK\$64,000. Thus gain on written-off of approximately HK\$33,000 was recognised during the six months ended 29 February 2024.

## 7. FINANCE COSTS

	Six months ended	
	29 February 2024 HK\$'000 (Unaudited)	28 February 2023 HK\$'000 (Unaudited)
Interests on:		
Bank borrowings	46	5
Lease liabilities	79	88
	<hr/>	<hr/>
	125	93

## 8. INCOME TAX EXPENSES

	Six months ended	
	29 February 2024 HK\$'000 (Unaudited)	28 February 2023 HK\$'000 (Unaudited)
Current tax:		
Hong Kong Profits Tax	669	460
Deferred tax	(46)	(23)
	<hr/>	<hr/>
	623	437

Notes:

- (a) 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.
- (b) Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying corporation will be taxed at 8.25% (2023: 8.25%), and profits above HK\$2,000,000 will be taxed at 16.5% (2023: 16.5%). For the six months ended 29 February 2024 and 28 February 2023, Hong Kong Profits Tax of the qualified entity is calculated in accordance with the two-tiered profits tax rates regime. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

## 9. PROFIT FOR THE PERIOD

Profit for the period is arrived at after charging (crediting):

	Six months ended	
	29 February 2024 HK\$'000 (Unaudited)	28 February 2023 HK\$'000 (Unaudited)
Directors' remuneration		
– fees	251	245
– salaries, allowances and other benefits	1,508	1,227
– contributions to retirement benefit scheme	44	36
Other staff costs (excluding directors' emoluments)		
– salaries and other benefits	47,556	38,340
– contributions to retirement benefit scheme	2,186	1,783
<b>Total staff costs</b>	<b>51,545</b>	<b>41,631</b>
Auditor's remuneration	410	400
Depreciation of property, plant and equipment	500	327
Depreciation of right-of-use assets	1,171	1,013
Impairment loss (reversal of impairment loss) on trade receivable and contract assets	53	(35)
Lease expenses for short-term leases	300	358

## 10. EARNINGS PER SHARE

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

	Six months ended	
	29 February 2024 HK\$'000 (Unaudited)	28 February 2023 HK\$'000 (Unaudited)
<b>Earnings</b>		
Profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	6,788	4,075

	Six months ended	
	29 February 2024 '000 (Unaudited)	28 February 2023 '000 (Unaudited)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,600,000	1,600,000

Diluted earnings per share were the same as basic earnings per share as there were no potential dilutive ordinary shares outstanding during the six months ended 29 February 2024 and 28 February 2023.

## 11. DIVIDEND

No dividend has been paid, declared or proposed by the Company during the six months ended 29 February 2024 and 28 February 2023, nor has any dividend been proposed since the end of the reporting period.

## 12. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 29 February 2024, the Group acquired plant and equipment with total costs of approximately HK\$2,439,000 (six months ended 28 February 2023: approximately HK\$275,000).

At 29 February 2024, the carrying values of leasehold land and buildings of approximately HK\$4,736,000 (31 August 2023: HK\$4,834,000) were pledged to secure bank borrowings to the Group.

## 13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

During the six months ended 29 February 2024, the Group entered into one new lease arrangement in respect of buildings (six months ended 28 February 2023: two renewal lease arrangements in respect of building). Right-of-use assets and lease liabilities of approximately HK\$736,000 (six months ended 28 February 2023: HK\$1,168,000) were recognised at the inception of the leases.

During the six months ended 29 February 2024, the Group had write-off a right-of-use asset in respect of motor vehicle with carrying amount of approximately HK\$64,000 (six months ended 28 February 2023: nil).

## 14. FINANCIAL ASSET AT FVTOCI

	29 February 2024 HK\$'000 (Unaudited)	31 August 2023 HK\$'000 (Audited)
– Listed equity securities in Hong Kong	–	2,150
– Unlisted equity securities in Hong Kong	396	430
	<hr/> 396	<hr/> 2,580

## 15. TRADE RECEIVABLES

	29 February 2024 HK\$'000 (Unaudited)	31 August 2023 HK\$'000 (Audited)
Trade receivables	38,109	33,499
Less: allowance for impairment of trade receivables	(795)	(725)
	<b>37,314</b>	<b>32,774</b>

As at 29 February 2024, the gross amount of trade receivable arising from contracts with customer amounted to HK\$38,109,000 (31 August 2023: HK\$33,499,000)

The Group does not have a standardised and universal credit period granted to its customers, and the credit period of individual customer is considered on a case-by-case basis and stipulated in the project contract, as appropriate. The following is an aged analysis of trade receivables, presented based on the date of certified report which approximates revenue recognition date, at the end of the reporting period:

	29 February 2024 HK\$'000 (Unaudited)	31 August 2023 HK\$'000 (Audited)
Within 30 days	21,871	14,764
31 – 60 days	7,010	8,481
61 – 90 days	2,398	4,858
Over 90 days	6,035	4,671
	<b>37,314</b>	<b>32,774</b>

## 15. TRADE RECEIVABLES *(Continued)*

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

	HK\$'000
As at 1 September 2022 (Audited)	546
Impairment losses recognised	179
<hr/>	
As at 31 August 2023 and 1 September 2023 (Audited)	725
Impairment losses recognised	70
<hr/>	
As at 29 February 2024 (Unaudited)	795
<hr/> <hr/>	

## 16. CONTRACT ASSETS/CONTRACT LIABILITIES

	29 February 2024 HK\$'000 (Unaudited)	31 August 2023 HK\$'000 (Audited)
Contract assets	17,095	25,774
Less: allowance for impairment of contract assets	(15)	(32)
<hr/>		
	17,080	25,742
<hr/> <hr/>		
Contract liabilities	3,525	951
<hr/> <hr/>		

The contract assets primarily relate to the Group's rights to consideration for work completed but not yet billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. The contract liabilities primarily relate to the advanced consideration received from customers, for which revenue is recognised based on the progress of the provision of related services.

## 16. CONTRACT ASSETS/CONTRACT LIABILITIES *(Continued)*

The balance of contract assets and contract liabilities are expected to be recovered/settled within one year.

The movement in the allowance for impairment of contract assets is set out below:

	HK\$'000
As at 1 September 2022 (Audited)	37
Reversal of impairment losses recognised	(5)
<hr/>	
As at 31 August 2023 and 1 September 2023 (Audited)	32
Reversal of impairment losses recognised	(17)
<hr/>	
As at 29 February 2024 (Unaudited)	15

## 17. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	29 February 2024 HK\$'000 (Unaudited)	31 August 2023 HK\$'000 (Audited)
Deposits	1,165	1,036
Prepayments	1,560	1,021
Other receivables	41	41
<hr/>		
	2,766	2,098



## 18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	29 February 2024 HK\$'000 (Unaudited)	31 August 2023 HK\$'000 (Audited)
– Equity securities listed in Hong Kong	73	102

The listed securities are stated at fair value. The fair value of the listed securities have been determined by reference to published price quotations in the open market.

## 19. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

Bank balances carried interest at the prevailing market rates which range from 0.0001% to 4.1% per annum for the six months ended 29 February 2024 (31 August 2023: 0.0001% to 3.75%).

Pledged bank deposits represents deposits pledged to banks to secure banking facilities granted to the Group. Deposits amounting to HK\$2,000,000 (31 August 2023: HK\$2,000,000) have been pledged to secure bank overdrafts, short-term bank loans and undrawn facilities and are therefore classified as current assets. The pledged bank deposit will be released upon settlement of relevant bank borrowings.

The pledged bank deposits carry fixed interest rate of 1.7% (31 August 2023: 1.7%) per annum.

## 20. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

	29 February 2024 HK\$'000 (Unaudited)	31 August 2023 HK\$'000 (Audited)
Trade payables	7,017	9,659

## 20. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES *(Continued)*

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

	29 February 2024 HK\$'000 (Unaudited)	31 August 2023 HK\$'000 (Audited)
Within 30 days	3,570	6,965
31 – 60 days	278	599
61 – 90 days	245	278
Over 90 days	2,924	1,817
	<hr/> 7,017	<hr/> 9,659

Trade payables represented payables to suppliers and subcontractors. The credit terms granted by subcontractors were stipulated in the relevant contracts and the payables were usually due for settlement within 30 – 60 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

As at 29 February 2024, approximately HK\$1,856,000 (31 August 2023: HK\$622,000) of accrued staff cost was included in accruals and other payables.

## 21. BANK BORROWINGS

	29 February 2024 HK\$'000 (Unaudited)	31 August 2023 HK\$'000 (Audited)
Secured	4,595	4,000
Current	4,132	4,000
Non-Current	463	–
	<b>4,595</b>	<b>4,000</b>

At 29 February 2024, secured bank borrowings carried interest at rates ranging from 3.25% to 6.18% (31 August 2023: 2.15% to 5.52%) per annum.

The bank borrowings were denominated in Hong Kong dollar for the six months ended 29 February 2024 and the year ended 31 August 2023.

## 22. DEFERRED TAX LIABILITY

The following is the deferred tax liability recognised and movements thereon during the current period and prior year:

	Accelerated tax depreciation HK\$'000
At 1 September 2022 (Audited)	638
Charged to profit or loss	38
At 31 August 2023 and 1 September 2023 (Audited)	676
Credited to profit or loss	(46)
At 29 February 2024 (Unaudited)	<b>630</b>

## 23. SHARE CAPITAL

	Number of ordinary shares	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
<b>Authorised:</b>		
At 1 September 2022 (Audited), 28 February 2023 (Unaudited), 31 August 2023 (Audited) and 29 February 2024 (Unaudited)	3,800,000,000	38,000
<b>Issued and fully paid:</b>		
At 1 September 2022 (Audited), 28 February 2023 (Unaudited), 31 August 2023 (Audited) and 29 February 2024 (Unaudited)	1,600,000,000	16,000

## 24. CAPITAL COMMITMENT

As at 29 February 2024, the Group did not have any capital commitments (31 August 2023: HK\$598,000) in relation to the acquisition of new software and plant and equipment.

## 25. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group entered into transactions with its related parties as follows:

### (a) Balances with related parties

Related Party	Nature of balance	29 February 2024	31 August 2023
		HK\$'000 (Unaudited)	HK\$'000 (Audited)
Land Power International Property Management Limited (Note i and ii)	Rental deposit received	17	17
Guardman Property Management Limited (Note i and ii)	Rental deposit received	17	17

### (b) Transactions with related parties

Related Party	Nature of transaction	Six months ended	
		29 February 2024	28 February 2023
		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Land Power International Property Management Limited (Notes i and ii)	Rental income	51	51
Guardman Property Management Limited (Notes i and ii)	Rental income	51	51

Notes:

- i. These related parties are owned and controlled by the controlling shareholders of the Company.
- ii. None of the above related party balances or transactions falls under the definition of connected transaction or continuing connected transaction as defined in Chapter 20 of the GEM Listing Rules.

## 25. RELATED PARTY TRANSACTIONS *(Continued)*

### (c) *Compensation to key management personnel*

The remuneration of members of key management personnel, including directors of the Company, during the six months ended 29 February 2024 and 28 February 2023 were as follows:

	Six months ended	
	29 February 2024 HK\$'000 (Unaudited)	28 February 2023 HK\$'000 (Unaudited)
Short-term benefits	1,759	1,472
Contributions to retirement benefits scheme	44	36
	<hr/> <b>1,803</b>	<hr/> <b>1,508</b>

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

Our extra-low voltage (“ELV”) solutions primarily focus on a central monitoring system that has been deployed in Hong Kong since 2013 in residential and commercial buildings for enhancing control and security. ELV solutions cover all the new modern technologies that are increasingly becoming a must-have system in every building such as CCTV, fire alarm systems, public address systems, audio/video solutions, access control systems, car park systems and clubhouse management systems. Our team of experts offer consultation, design, integration, implementation and maintenance services to our clients in both private and public sectors. We specialise in a wide range of audio-visual and security systems.

Recently, we have completed installation and maintenance projects for various customers from both private sector and government departments such as the Drainage Services Department, Hong Kong Police Force, the Leisure and Cultural Services Department, etc. During the six months ended 29 February 2024, some of the major projects were completed, such as modification of CABD system at Joint-user Government Office Buildings and Government Quarters, replacement of CCTV system at West Kowloon Law Courts Building and replacement of security system for Hong Kong Police Force at various venues.

With respect to maintenance work, the Group has successfully retained its customers base and is actively seeking opportunities to increase its market share. The Group was awarded a major contract for various sewage treatment works, which we have been working on for over nine years, by Chevalier (Envirotech) Limited on provision of maintenance and installation of electronic and E&M control systems for Drainage Services Department. The contract commenced in January 2024.

## **BUSINESS REVIEW (continued)**

Regarding our security guarding operation, the Group strives to enhance its business reputation and expand its operation. During the Period, we were the successful bidder for security guarding services for the global events “The Standard Chartered Hong Kong Marathon 2024”, “THE UNICEF Charity Run 2023” and “Hong Kong Streetathon 2023”. The Group gained reputation and improved experiences after completing the marathon project which has equipped us to bid for similar event projects in the future. We have also managed to maintain our customer base for security projects in the private sector, including but not limited to Villa Esplanada.

With respect to our EV charging operation, we are currently running two service stations at Cairnhill and Shui On Centre. Both sites have commenced operation in the current period.

## **OUTLOOK AND PROSPECTS**

The Group’s ELV solutions cover commercial buildings, shopping malls, hospitals and government facilities in both the private and public sectors. In order to provide the most suitable solutions to our valued customers, we integrate the latest technology with various intelligent devices and keep the technology up-to-date through internal development and collaboration with overseas companies to offer the best solutions to our customers. For example, with the extensive use of smartphones in recent years, we are continuously optimizing our carpark system to include more diversified payment methods for the convenience of users. In addition to developing new technologies ourselves, the Group will explore opportunities with third-party strategic partners to establish various parking systems and strive to build the most advanced technology in Hong Kong.





## OUTLOOK AND PROSPECTS (continued)

Looking ahead, we will focus on bidding ELV maintenance services and aim to strengthen the relationship with our customers by offering high quality and timely services. Further, expanding our maintenance services business segment will increase our market share and enhance our reputation in the industry.

As for our security guarding operation, growth is resuming. Security projects in Villa Esplanada are in progress and we expect more security projects in 2024. Apart from the provision of building security services, with our strong background and experiences in temporary and short-term event projects, we will look for and participate in more event security guarding projects in the coming years.

For our EV charging operation, we are currently running two service stations at Cairnhill and Shui On Centre. With our experiences gained from these first two stations, we will seek potential opportunities on new stations to further expand this new business.

Lastly, the Group will continue to invest in the development of our in-house capabilities as well as collaborate with other business partners to provide one-stop solutions and security guarding services into a fully integrated platform in a new way, thereby generating long-term and sustainable growth in shareholder value.

## FINANCIAL REVIEW

### *Revenue*

The revenue of the Group increased by approximately 38.47% from approximately HK\$76,490,000 for the six months ended 28 February 2023 to approximately HK\$105,913,000 for the Period. The increase in revenue was mainly due to the increase in revenue generated from the security guarding services.

### *Cost of Sales and Gross Profit*

The majority of the Group's cost of sales comprised direct labour, direct material and equipment. The cost of sales increased by approximately 40.18% from approximately HK\$55,787,000 for the six months ended 28 February 2023 to approximately HK\$78,479,000 for the Period, which was in line with the increase in revenue.

The Group's gross profit increased by approximately 32.51% from approximately HK\$20,703,000 for the six months ended 28 February 2023 to approximately HK\$27,434,000 for the Period.

### *Administrative Expenses*

The Group's administrative expenses increased by approximately 20.61% from approximately HK\$17,228,000 for the six months ended 28 February 2023 to approximately HK\$20,780,000 for the Period, which was mainly due to the increase in office staff salaries.

### *Profit attributable to owners of the Company*

The Group recorded a profit attributable to owners of the Company of approximately HK\$6,788,000 for the Period (2023: approximately HK\$4,075,000). The increase in the profit attributable to owners of the Company was mainly due to the increase in revenue generated from the security guarding services.



## FINANCIAL REVIEW (continued)

### Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 29 February 2024 (28 February 2023: Nil).

### Financial Assets

As at 29 February 2024, the Group's financial assets consisted of securities listed on the Stock Exchange and the performance of the listed securities was as follows:

Company Name/(Stock Code)	Number of shares held at 29 February 2024	Percentage of shareholdings at 29 February 2024	Carrying amount at 31 August 2023 HK\$'000	Fair value changes on financial assets for the period ended 29 February 2024 HK\$'000	Fair value at 29 February 2024 HK\$'000	Percentage of total financial assets at fair value through profit or loss at 29 February 2024	Percentage of total assets of the Group as at 29 February 2024
Allied Sustainability and Environmental Consultants Group Limited (8320)	1,125,000	0.16%	102	(29)	73	100%	0.06%

Allied Sustainability and Environmental Consultants Group Limited (“AEC”, together with its subsidiaries, the “AEC Group”) is an investment holding company with its subsidiaries mainly engaged in the provision of environmental consulting services. It mainly operates through four segments. Green Building Certification Consultancy segment is involved in consultancy on the application of green building certification for new buildings, existing buildings and interiors of buildings. Sustainability and Environmental Consultancy segment is involved in consultancy on sustainability and environmental impact assessment for compliance with statutory requirements in relation to environmental impact and pollution control. Acoustics, Noise and Vibration Control and Audio-Visual Design Consultancy segment is involved in designs for architectural acoustic, mechanical vibration, noise control and audio-visual systems. ESG Reporting and Consultancy segment involves conducting assessment of the ESG systems, preparing reports in compliance with the GEM Listing Rules and the Rules Governing the Listing of Securities on the Stock Exchange, and related services. AEC operates its business in Hong Kong, the Mainland China and Macau.

## **FINANCIAL REVIEW (continued)**

### ***Bank Borrowings***

Details of bank borrowing are set out in note 21 to the interim condensed consolidated financial statements.

### ***Gearing Ratio***

The gearing ratio, being its total debts (including bank borrowings and lease liabilities) divided by its total equity, was 0.1 as at 29 February 2024 (31 August 2023: 0.1).

### ***Commitments and Contingent Liabilities***

Details of capital commitments are set out in note 24 to the interim condensed consolidated financial statements. The Group had no significant contingent liabilities as at 29 February 2024.

### ***Foreign Exchange Exposure***

Since the Group's business activities are operated in Hong Kong only and all relevant transactions are denominated in Hong Kong dollars, the Directors consider that the Group's exposure to foreign exchange risks is insignificant.

### ***Employees and Remuneration Policies***

As at 29 February 2024, the Group had a total of 377 employees (28 February 2023: 364). The increase in the number of employees was mainly due to the increase in operating scale of the Group. The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employee. The Group recognizes the importance of good relationships with its employees. The remuneration payable to its employees includes salaries and allowances.



## FINANCIAL REVIEW (continued)

### Use of Proceeds from the Listing

The Company's shares were successfully listed on GEM of the Stock Exchange on 10 March 2017 (the "Listing Date") by way of share offer. After deduction of all related listing expenses and commissions, the net proceeds from listing amounted to approximately HK\$31.5 million. As announced by the Company on 20 September 2019, certain unutilised proceeds from the Listing would be re-allocated for other purposes. Up to 29 February 2024, the Group has unutilised proceeds from the Listing of approximately HK\$3.5 million. A summary of utilised and unutilised proceeds are set out in the table below:

Intended use of proceeds	Revised allocation of unutilised net proceeds as at 20 September 2019 HK\$' million (note i)	Approximate amount utilised as at 29 February 2024 HK\$' million	Approximate amount unutilised as at 29 February 2024 HK\$' million	Notes
Obtaining additional licences and qualifications	3.5	-	3.5	ii
Expansion of existing security guarding operating segment	5.0	5.0	-	
Salary payment and purchase of capital assets of the major maintenance projects at the Hong Kong-Zhuhai-Macao Bridge and the West Kowloon Station	6.5	6.5	-	
<b>Total</b>	<b>15.0</b>	<b>11.5</b>	<b>3.5</b>	<b>iii</b>

#### Notes:

- (i) As announced in the announcement dated 20 September 2019, the Directors have resolved to change the use of unutilised net proceeds from the Listing.
- (ii) The Group plans to obtain additional license and qualification and is currently in the process of satisfying the minimum working capital and employed capital requirement of "Electrical and Mechanical Installation for Sewage Treatment and Screening Plant". Since the plan is being delayed, the unutilised proceeds is intended to be fully utilised in 2025.
- (iii) The unutilised proceeds as at 29 February 2024 had been placed in interest-bearing deposits with licensed banks in Hong Kong.

## OTHER INFORMATION

### SHARE OPTION SCHEME

The share option scheme of the Company (the “Share Option Scheme”) has been conditionally adopted by the sole shareholder on 17 February 2017.

The Board may, at its discretion, offer to grant an option to any person belonging to any of the following classes of participants (the “Eligible Participants”), to take up options to subscribe for the shares:

- (i) any full-time or part-time employees, executives or officers of our Group;
- (ii) any Directors (including executive Directors, non-executive Directors and independent non-executive Directors) of our Group; and
- (iii) any suppliers, customers, consultants, agents, advisers and related entities to our Group.

Unless terminated by the Company by resolution in general meeting, the Share Option Scheme shall be valid and effective for a period of 10 years commencing from 10 March 2017, i.e. the date on which the Share Option Scheme becomes unconditional, and up to 9 March 2027.

The purpose of the Share Option Scheme is to enable our Company to grant options to selected participants as incentives or rewards for their contribution to our Group. The Share Option Scheme will reward the Eligible Participants who have contributed or will contribute to the Company and the Group and motivate the Eligible Participants to optimize their performance efficiency for the benefit of the Group and the shareholders. Besides, it can help attract and retain or otherwise maintain on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

The total number of Shares which may be issued upon exercise of all options under the Share Option Scheme must not in aggregate exceed 10% of the total number of Shares in issue at the time dealings in the Shares first commence on the Stock Exchange, which amounts to 160,000,000 Shares. Unless approved by the Shareholders, the total number of Shares issued and to be issued upon exercise of all outstanding options granted to each Eligible Participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue, which is 16,000,000 Shares.



## SHARE OPTION SCHEME (continued)

An option may be accepted by an Eligible Participant with a payment of HK\$1.00 to the Company. The exercise price of the option shall not be less than the highest of: (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant, and (iii) the nominal value of a Share.

The Directors may, subject to the requirements of the GEM Listing Rules, fix the vesting period and the period within which the option may be exercised, but in any event not exceed 10 years from the date of grant.

No options had been granted or agreed to be granted under the Share Option Scheme during the year and up to the date of this interim report. The Company did not have any outstanding share options, warrants and instruments convertible into shares as at 29 February 2024 and up to the date of this report. As at 1 September 2023 and 29 February 2024, the number of share options available for grant under the Share Option Scheme was 160,000,000 and 160,000,000 respectively.

Save for the Share Option Scheme, the Company did not have any other share scheme. The number of Shares that may be issued in respect of all share options granted under the Share Option Scheme during the six months ended 29 February 2024 divided by the weighted average number of Shares in issue for the said period was nil.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

So far as the Directors are aware, as at 29 February 2024, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, are as follows:—

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (continued)

### *Long positions in the Shares of the Company*

Name of Director	Capacity/ Nature of Interest	Number of Shares held (Note 1)	Approximate percentage of shareholding (Note 2)
Dr. Ng Tai Wing ("Dr. Ng")	Interest in controlled corporation (Note 3)	880,000,000 (L)	55%
Ms. Wong Tsz Man	Interest of spouse (Note 4)	880,000,000 (L)	55%

#### Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) The approximate percentage of shareholding is calculated based on 1,600,000,000 Shares in issue as at 29 February 2024.
- (3) These Shares are held by ECI Asia Investment Limited ("ECI Asia", an associated corporation of the Company), and all the issued shares of HK\$0.01 each of ECI Asia are owned by Dr. Ng. Pursuant to the SFO, Dr. Ng is deemed to have an interest in all the shares in which ECI Asia has, or is deemed to have.
- (4) Ms. Wong Tsz Man is the spouse of Dr. Ng. Under the SFO, Ms. Wong Tsz Man is deemed to be interested in all of the Shares in which Dr. Ng is interested.

Save as disclosed above, as at 29 February 2024 and as at the date of this report, none of the Directors or chief executive of the Company had registered an interest or a short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise required pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.



## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND/OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 29 February 2024, the following persons have or are deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Name of Shareholders	Capacity/Nature of interest	Number of Shares held (Note 1)	Approximate percentage of shareholding (Note 2)
ECI Asia (Note 3)	Beneficial owner	880,000,000 (L)	55%
Mr. Yang Shuo	Beneficial owner	320,000,000 (L)	20%

Notes:

- (1) The letter “L” denotes the person’s long position in the Shares.
- (2) The approximate percentage of shareholding is calculated based on 1,600,000,000 shares in issue as at 29 February 2024.
- (3) These Shares are registered in the name of ECI Asia which is a controlled corporation of Dr. Ng. As Ms. Wong Tsz Man is the spouse of Dr. Ng, she is deemed to be interested in all the shares held by ECI Asia under the SFO.

## **SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND/OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY (continued)**

Save as disclosed above, as at 29 February 2024 and as at the date of this report, the Directors were not aware that any person, other than the Directors or chief executive of the Company, whose interests are set out in the section “Directors’ and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations” above, had registered an interest or short position in the Shares or underlying shares of the Company that was required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or to be recorded in the register pursuant to Section 336 of the SFO.

## **RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Other than the Share Option Scheme and as disclosed under the section “Directors’ and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations” above, at no time during the six months ended 29 February 2024 and up to the date of this report, was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) or to acquire benefits by means of acquisitions of Shares in, or debentures of, the Company or any other body corporate.



## INTEREST IN COMPETING BUSINESSES

The controlling shareholders (as defined under GEM Listing Rules) of the Company have executed the deed of non-competition dated 17 February 2017 (the “Deed of Non-competition”) in favour of the Company, details of which were set out in the prospectus of the Company dated 27 February 2017. Pursuant to the Deed of Non-competition, the controlling shareholders of the Company have undertaken to the Company (for itself and as trustee for each of our subsidiaries from time to time) that, with effect from the Listing Date, they would not and would procure that none of their close associates (except for any members of the Group) shall, except through their interests in the Company, whether as principal or agent and whether undertaken directly or indirectly, either on their own account or in conjunction with or on behalf of any person, corporate, partnership, joint venture or other contractual arrangement and whether for profit or otherwise, among other things, carry on, participate, acquire or hold any right or interest or otherwise be interested, involved or engaged in or connected with, directly or indirectly, any business which is, directly or indirectly, in any respect in competition with or similar to or is likely to be in competition with the business of the Group in Hong Kong or such other places as our Group may conduct or carry on business from time to time.

The controlling shareholders of the Company have confirmed to the Company that for the six months ended 29 February 2024 and up to the date of this report, they and their respective close associates (as defined under the GEM Listing Rules) have complied with the undertakings contained in the Deed of Non-competition.

For the six months ended 29 February 2024 and up to the date of this report, none of the Directors, the controlling shareholders or their respective close associates (as defined under the GEM Listing Rules) had any business or interest in a business which competes or may compete with the business of the Group and any other conflicts of interest with the Group.

## CORPORATE GOVERNANCE CODE

The Company and the Directors recognize the importance of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability.

The Company has adopted the code provisions stated in the Corporate Governance Code of Appendix C1 (previously Appendix 15) to the GEM Listing Rules (the “CG Code”). Except for the deviation from provision C.2.1 of the Principles of Good Corporate Governance, Code Provisions and Recommended Best Practices, the Company’s corporate governance practices have complied with the CG Code during the six months ended 29 February 2024 and up to the date of this report.

Provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Dr. Ng is the chairman and chief executive officer of the Company. In view of the fact that Dr. Ng being one of the founders of the Group and has been operating and managing the Group since 2003, the Board believes that the vesting of the roles of chairman and chief executive officer in Dr. Ng is beneficial to the business operations and management of the Group and will provide a strong and consistent leadership to the Group. Accordingly, the Directors consider that the deviation from provision C.2.1 of the CG Code is appropriate in such circumstances.



## CODE OF CONDUCT FOR THE REQUIRED STANDARD OF DEALINGS

Under Code Provision C.1.3 of the CG Code, the Company has adopted its written guidelines on the code of conduct regarding Directors' dealings in the Company's securities (the "Guidelines") on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings"). Having made specific enquires by the Company, all Directors and the relevant employees have confirmed that they had complied with the Required Standard of Dealings and the Guideline adopted by the Company throughout the six months ended 29 February 2024 and up to the date of this report.

"Relevant employee" includes any employee or a director or employee of a subsidiary or holding company who, because of his position or office, is likely to possess inside information in relation to the Company or its securities.

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

Neither did the Company redeem nor did the Company or any of its subsidiaries purchase or sell any of the Company's listed securities during the six months ended 29 February 2024 and up to the date of this report.

## AUDIT COMMITTEE

The Company has established the audit committee (“Audit Committee”) on 17 February 2017 in compliance with Rule 5.28 of the GEM Listing Rules. Written terms of reference in compliance with paragraph D.3.3 of Part 2 of the CG Code as set out in Appendix C1 to the GEM Listing Rules has been adopted.

The Audit Committee consists of four independent non-executive Directors, namely Mr. Hui Chun Ho Eric, Mr. Sung Wai Tak Herman, Dr. Chow Kin San and Dr. Luk Che Chung, *JP*. Mr. Hui Chun Ho Eric is the chairman of the Audit Committee.

Among other things, the primary duties of the Audit Committee are to make recommendations to the Board on the appointment, re-appointment or removal of external auditor; review financial statements of the Company and judgments in respect of financial reporting; and oversee internal control and risk management procedures of the Company.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed the financial reporting matters with senior management of the Company relating to the preparation of the unaudited interim condensed consolidated financial information of the Group for the six months ended 29 February 2024. In addition, the independent auditor of the Company has reviewed the unaudited interim results for the six months ended 28 February 2023 in accordance with Hong Kong Standard on Review Engagement 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.



## AUDIT COMMITTEE (continued)

The findings in relation to the unaudited interim condensed consolidated financial statements of the Group for the six months ended 29 February 2024 have been taken into consideration by the Audit Committee in its review of the interim results for the six months ended 29 February 2024, which have been approved by the Board on 24 April 2024 prior to its issuance.

By the order of the Board

**ECI Technology Holdings Limited**

**Dr. Ng Tai Wing**

*Chairman and Chief Executive Officer*

As at the date of this report, the Board comprises seven Directors, including three executive Directors, Dr. Ng Tai Wing (Chairman and Chief Executive Officer), Mr. Law Wing Chong and Ms. Wong Tsz Man; and four independent non-executive Directors, Mr. Hui Chun Ho Eric, Mr. Sung Wai Tak Herman, Dr. Chow Kin San and Dr. Luk Che Chung, *JP*.