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# 亞洲聯合基建控股有限公司

## ASIA ALLIED INFRASTRUCTURE HOLDINGS LIMITED

*(Incorporated in Bermuda with Limited Liability)*

(Stock Code: 00711.HK)

### INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

#### FINANCIAL HIGHLIGHTS

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Total revenue	<b>3,789,175</b>	4,158,751
Profit attributable to shareholders of the Company	<b>68,331</b>	40,410
Basic earnings per share	<b>HK3.83 cents</b>	HK2.26 cents
Dividend per share	<b>HK1.13 cents</b>	HK0.67 cent
	<b>30 September</b>	31 March
	<b>2023</b>	2023
Equity per share*	<b>HK\$1.38</b>	HK\$1.36

\* *Equity per share refers to equity attributable to shareholders of the Company divided by the total number of issued ordinary shares as at 30 September 2023 and 31 March 2023 respectively.*

## INTERIM RESULTS

The board of directors (the “Board” or the “Directors”) of Asia Allied Infrastructure Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2023 (the “Review Period”), together with the relevant comparative figures for the corresponding period in 2022 as follows:

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

*For the six months ended 30 September 2023*

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2023</b>	<b>2022</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>REVENUE</b>	4	<b>3,789,175</b>	4,158,751
Cost of sales		<u><b>(3,535,365)</b></u>	<u>(3,890,540)</u>
Gross profit		<b>253,810</b>	268,211
Other income and gains, net	5	<b>117,065</b>	48,802
Administrative expenses		<b>(182,373)</b>	(219,357)
Reversal of provision for litigations	14	–	5,000
Other expenses, net		<b>(9,128)</b>	(16,253)
Finance costs	6	<b>(87,917)</b>	(42,880)
Share of (loss)/profit of a joint venture		<b>(5,803)</b>	1,036
Share of profits and losses of associates		<u><b>7,005</b></u>	<u>10,177</u>
<b>PROFIT BEFORE TAX</b>	7	<b>92,659</b>	54,736
Income tax	8	<u><b>(17,631)</b></u>	<u>(7,325)</u>
<b>PROFIT FOR THE PERIOD</b>		<u><b>75,028</b></u>	<u>47,411</u>
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>			
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences:			
Translation of foreign operations		<b>(9,273)</b>	(13,901)
Reclassification adjustments for gain included in profit or loss upon:			
Deregistration of subsidiaries		<b>10</b>	–
Disposal of subsidiaries		<b>1,802</b>	–
Share of movement in the exchange fluctuation reserve of a joint venture		<b>(169)</b>	(851)
Share of movements in the exchange fluctuation reserves of associates		<u><b>(7,662)</b></u>	<u>(15,899)</u>

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2023</b>	<b>2022</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF INCOME TAX OF NIL</b>		<u>(15,292)</u>	<u>(30,651)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u><u>59,736</u></u>	<u><u>16,760</u></u>
<b>PROFIT FOR THE PERIOD ATTRIBUTABLE TO:</b>			
Shareholders of the Company		68,331	40,410
Non-controlling interests		<u>6,697</u>	<u>7,001</u>
		<u><u>75,028</u></u>	<u><u>47,411</u></u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:</b>			
Shareholders of the Company		53,039	9,759
Non-controlling interests		<u>6,697</u>	<u>7,001</u>
		<u><u>59,736</u></u>	<u><u>16,760</u></u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>			
Basic and diluted	<i>10</i>	<i>HK cents</i> <u><u>3.83</u></u>	<i>HK cents</i> <u><u>2.26</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2023

	<b>30 September 2023</b>	<b>31 March 2023</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	<b>227,979</b>	248,076
Right-of-use assets	<b>159,613</b>	168,617
Goodwill	<b>92,427</b>	93,786
Intangible assets	<b>1,728</b>	1,914
Investments in joint ventures	<b>3,133</b>	9,104
Investments in associates	<b>521,921</b>	494,286
Land held for property development	<b>164,616</b>	164,953
Deferred tax assets	<b>2,500</b>	2,500
	<b>1,173,917</b>	1,183,236
<b>CURRENT ASSETS</b>		
Land held for property development	<b>41,622</b>	41,325
Inventories	<b>3,117</b>	3,263
Contract assets	<b>4,021,488</b>	3,810,314
Trade receivables	<b>864,393</b>	773,609
Prepayments, deposits and other receivables	<b>917,713</b>	1,065,980
Income tax recoverable	<b>31,013</b>	26,099
Equity investments at fair value through profit or loss	<b>8,130</b>	485
Restricted cash and pledged deposits	<b>148</b>	148
Cash and cash equivalents	<b>1,024,663</b>	1,420,100
	<b>6,912,287</b>	7,141,323
Non-current assets and assets of a disposal group classified as held for sale	<b>–</b>	300,417
	<b>6,912,287</b>	7,441,740

		<b>30 September 2023 (Unaudited) HK\$'000</b>	31 March 2023 (Audited) HK\$'000
	<i>Notes</i>		
<b>CURRENT LIABILITIES</b>			
Trade payables	13	1,499,281	1,492,345
Contract liabilities		212,246	344,929
Other payables and accruals		943,799	1,126,894
Bank borrowings		639,836	1,679,637
Lease liabilities		30,499	29,755
Income tax payables		96,154	85,432
		<u>3,421,815</u>	4,758,992
Liabilities directly associated with the assets of a disposal group classified as held for sale	12	–	262,559
Total current liabilities		<u>3,421,815</u>	<u>5,021,551</u>
<b>NET CURRENT ASSETS</b>			
		<u>3,490,472</u>	<u>2,420,189</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>4,664,389</u>	<u>3,603,425</u>
<b>NON-CURRENT LIABILITIES</b>			
Bank borrowings		2,112,022	1,081,332
Lease liabilities		22,520	31,654
Deferred tax liabilities		1,601	1,746
Total non-current liabilities		<u>2,136,143</u>	<u>1,114,732</u>
Net assets		<u>2,528,246</u>	<u>2,488,693</u>
<b>EQUITY</b>			
<b>Equity attributable to shareholders of the Company</b>			
Issued capital	15	179,156	179,623
Reserves		2,298,192	2,260,975
		<u>2,477,348</u>	2,440,598
Non-controlling interests		<u>50,898</u>	<u>48,095</u>
Total equity		<u>2,528,246</u>	<u>2,488,693</u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

*For the six months ended 30 September 2023 (Unaudited)*

## 1. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants.

## 2. SIGNIFICANT ACCOUNTING POLICIES

This unaudited condensed consolidated interim financial information has been prepared on the historical cost basis, except for (i) financial assets at fair value through profit or loss which have been measured at fair value; and (ii) non-current assets and assets of a disposal group classified as held for sale which are stated at the lower of their carrying amounts and fair values less costs to sell.

The accounting policies and methods of computation used in the condensed consolidated interim financial information for the six months ended 30 September 2023 are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2023, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) for the first time for the current period’s condensed consolidated interim financial information:

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKFRS 17	<i>Insurance Contracts</i>
Amendment to HKFRS 17	<i>Initial Application of HKFRS 17 and HKFRS 9 — Comparative Information</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform — Pillar Two Model Rules</i>

The nature and impact of the new and revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 April 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.
- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 April 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The Group has applied the amendments on temporary differences related to leases as at 1 April 2022, with any cumulative effect recognised as an adjustment to the balance of retained profits or other component of equity as appropriate at that date. In addition, the Group has applied the amendments prospectively to transactions other than leases that occurred on or after 1 April 2022, if any.

Prior to the initial application of these amendments, the Group applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. Upon initial application of these amendments, the Group recognised (i) a deferred tax asset for all deductible temporary differences associated with lease liabilities (provided that sufficient taxable profit is available), and (ii) a deferred tax liability for all taxable temporary differences associated with right-of-use assets as at 1 April 2022. The amendments did not have any significant impact on the Group's interim condensed consolidated financial information.

- (d) Amendments to HKAS 12 *International Tax Reform — Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. The Group has applied the amendments and the mandatory temporary exception retrospectively. The Group is currently assessing its exposure to Pillar Two income taxes.

### 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments.

The chief operating decision maker of the Group has been identified as the executive directors of the Company and certain senior management (collectively referred to as the "CODM"). For the purpose of performance assessment and resource allocation by the CODM, the Group's business activities are categorised under the following five reportable operating segments:

- Construction services – provision of construction and consultancy services in areas of civil engineering, electrical and mechanical engineering, foundation and building construction mainly in Hong Kong
- Property development and assets leasing – development and sale of properties, and leasing of assets in Hong Kong, Mainland China and the United Arab Emirates
- Professional services – provision of security, tunnel and other facility management services in Hong Kong
- Non-franchised bus services – provision of non-franchised bus services in Hong Kong
- Medical technology and healthcare – production and sale of positron emission tomography ("PET") radiopharmaceuticals for medical use in Hong Kong

#### Segment revenue and results

Segment results represent the profit generated from each segment, net of selling expenses and administrative expenses directly attributable to each segment without allocation of corporate expenses, interest income, gain on disposal of non-current assets classified as held for sale, non-lease-related finance costs and interest on unallocated lease liabilities. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.



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

**For the six months ended 30 September 2023**

	Construction services (Unaudited) HK\$'000	Property development and assets leasing (Unaudited) HK\$'000	Professional services (Unaudited) HK\$'000	Non- franchised bus services (Unaudited) HK\$'000	Medical technology and healthcare (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
<b>Segment revenue (note 4):</b>						
Sales to external customers	3,365,206	-	404,776	-	19,193	3,789,175
Intersegment sales	-	-	2,883	-	-	2,883
	<u>3,365,206</u>	<u>-</u>	<u>407,659</u>	<u>-</u>	<u>19,193</u>	<u>3,792,058</u>
Reconciliation:						
Elimination of intersegment sales						(2,883)
						<u>3,789,175</u>
<b>Segment results</b>	<u>138,250</u>	<u>(4,844)</u>	<u>(15,016)</u>	<u>704</u>	<u>5,233</u>	<u>124,327</u>
Interest income						6,285
Other income — Gain on disposal of non-current assets classified as held for sale						81,855
Corporate and other unallocated expenses						(32,449)
Finance costs (other than interest on segment lease liabilities)						(87,359)
Profit before tax						92,659
Income tax						(17,631)
Profit for the period						<u>75,028</u>
<b>Other segment information:</b>						
Share of loss of a joint venture	(5,803)	-	-	-	-	(5,803)
Share of profits and losses of associates	4,550	1,788	-	704	-	7,042
— unallocated assets						(37)
						<u>7,005</u>
Depreciation of property, plant and equipment	(15,123)	(766)	(3,701)	-	(598)	(20,188)
Depreciation of right-of-use assets	(10,366)	(2,347)	(3,857)	-	(1,081)	(17,651)
Amortisation of intangible assets — unallocated assets						(185)
Gain on disposal of property, plant and equipment, net	29	-	1,359	-	-	1,388
Write-off of other receivables	(8,927)	-	-	-	-	(8,927)
Waiver of other payables	5,659	-	-	-	-	5,659
	<u>5,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,659</u>

For the six months ended 30 September 2022

	Construction services (Unaudited) HK\$'000	Property development and assets leasing (Unaudited) HK\$'000	Professional services (Unaudited) HK\$'000	Non-franchised bus services (Unaudited) HK\$'000	Medical technology and healthcare (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
<b>Segment revenue (note 4):</b>						
Sales to external customers	3,648,469	–	489,430	–	20,852	4,158,751
Intersegment sales	–	–	4,355	–	–	4,355
	<u>3,648,469</u>	<u>–</u>	<u>493,785</u>	<u>–</u>	<u>20,852</u>	<u>4,163,106</u>
Reconciliation:						
Elimination of intersegment sales						<u>(4,355)</u>
						<u>4,158,751</u>
<b>Segment results</b>	<u>99,028</u>	<u>1,479</u>	<u>22,963</u>	<u>3,063</u>	<u>6,055</u>	<u>132,588</u>
Interest income						9,130
Corporate and other unallocated expenses						(44,622)
Finance costs (other than interest on segment lease liabilities)						<u>(42,360)</u>
Profit before tax						54,736
Income tax						<u>(7,325)</u>
Profit for the period						<u>47,411</u>
<b>Other segment information:</b>						
Share of profit of a joint venture	1,036	–	–	–	–	1,036
Share of profits and losses of associates	3,974	3,140	–	3,063	–	10,177
Depreciation of property, plant and equipment	(19,275)	(399)	(4,012)	–	(630)	(24,316)
Depreciation of right-of-use assets	(7,041)	(2,708)	(4,893)	–	(1,549)	(16,191)
Amortisation of intangible assets — unallocated assets						(185)
Gain/(loss) on disposal of property, plant and equipment, net	814	–	(26)	–	–	788
Impairment of other receivables	<u>(15,273)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(15,273)</u>

### Segment assets and liabilities

Information about segment assets and liabilities is not disclosed as it is not regularly reviewed by the CODM.

### Information about a major customer

A summary of revenue earned from an external customer, which contributed more than 10% of the Group's revenue for the periods ended 30 September 2023 and 30 September 2022, is set out below:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Customer A:		
Contribution to construction services segment	<b>2,001,370</b>	2,046,284
Contribution to professional services segment	<b>125,416</b>	196,241
	<b><u>2,126,786</u></b>	<b><u>2,242,525</u></b>

## 4. REVENUE

An analysis of the Group's revenue is as follows:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue</b>		
Revenue from contracts with customers	<b><u>3,789,175</u></b>	<b><u>4,158,751</u></b>

## 5. OTHER INCOME AND GAINS, NET

	Six months ended 30 September	
	2023	2022
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Other income</b>		
Interest income	6,285	9,130
Other rental income	322	584
Other service income	587	1,800
Management fee income	1,570	2,297
Government subsidies*	5,811	28,060
Dividend income	–	186
Sundry income	4,577	2,309
	<u>19,152</u>	<u>44,366</u>
<b>Gains, net</b>		
Gain on disposal of subsidiaries	9,010	3,027
Waiver of other payables	5,659	–
Gain on disposal of property, plant and equipment, net	1,389	788
Gain on disposal of non-current assets classified as held for sale	81,855	–
Foreign exchange gains, net	–	621
	<u>97,913</u>	<u>4,436</u>
<b>Other income and gains, net</b>	<u><u>117,065</u></u>	<u><u>48,802</u></u>

\* The amount represented subsidies received under the Anti-epidemic Fund and other support scheme in Hong Kong. All conditions relating to these grants have been fulfilled.

## 6. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interest on:		
Bank borrowings	<b>79,670</b>	35,282
Lease liabilities	<b>1,071</b>	890
	<hr/>	<hr/>
Total interest expenses	<b>80,741</b>	36,172
Amortisation of ancillary costs incurred in connection with the arrangement of bank loans	<b>9,451</b>	8,269
	<hr/>	<hr/>
Total finance costs	<b>90,192</b>	44,441
Less: Amount included in cost of construction work	<b>(2,275)</b>	(1,561)
	<hr/>	<hr/>
	<b>87,917</b>	42,880
	<hr/> <hr/>	<hr/> <hr/>

## 7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Six months ended	
	30 September	
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cost of construction work	3,087,045	3,395,042
Cost of construction-related consultancy services provided	36,752	31,391
Cost of goods sold	7,436	7,717
Cost of security, tunnel and other facility management services provided	404,132	456,390
Depreciation of property, plant and equipment	20,188	24,316
Less: Amount included in cost of sales	(15,811)	(19,107)
	<u>4,377</u>	<u>5,209</u>
Depreciation of right-of-use assets	17,651	16,191
Less: Amount included in cost of sales	(6,055)	(3,826)
	<u>11,596</u>	<u>12,365</u>
Amortisation of intangible assets	185	185
Equity-settled share option expense	592	1,225
Other equity-settled share-based payment expense	756	2,453
Impairment of other receivables	–	15,273
Write-off of other receivables	8,927	–
	<u>8,927</u>	<u>–</u>

## 8. INCOME TAX

An analysis of the Group's income tax is as follows:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	2022
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Current — Hong Kong		
Charge for the period	17,232	12,012
Under/(over)-provision in prior years	188	(3,316)
	<u>17,420</u>	<u>8,696</u>
Current — Elsewhere		
Charge for the period	2,143	200
Over-provision in prior years	(55)	(22)
	<u>2,088</u>	<u>178</u>
Deferred	(1,877)	(1,549)
Total tax expense for the period	<u><u>17,631</u></u>	<u><u>7,325</u></u>

*Note:* Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (six months ended 30 September 2022: HK\$2,000,000) of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

## 9. DIVIDENDS

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	2022
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Final dividend recognised as distribution during the period in respect of 2023 of HK1.05 cents (2022: HK1.10 cents) per ordinary share	18,858	19,820
Interim dividend declared in respect of six months ended 30 September 2023 of HK1.13 cents (six months ended 30 September 2022: HK0.67 cent) per ordinary share	<u>20,194</u>	<u>12,040</u>
	<u><u>39,052</u></u>	<u><u>31,860</u></u>

## 10. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the period attributable to shareholders of the Company and the weighted average number of ordinary shares used in the calculation is the weighted average number of ordinary shares in issue during the period.

In respect of the financial periods ended 30 September 2023 and 30 September 2022, no adjustment has been made to the basic earnings per share amount presented as the share options of the Company outstanding during the financial period had no diluting effect on the basic earnings per share amount presented.

The calculation of the basic and diluted earnings per share amounts is based on the following data:

### Earnings

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Profit for the period attributable to shareholders of the Company, used in the basic and diluted earnings per share calculation	<b>68,331</b>	40,410

### Number of shares

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Weighted average number of ordinary shares in issue during the period, used in the basic and diluted earnings per share calculation	<b>1,782,639,137</b>	1,789,420,568



## 11. TRADE RECEIVABLES

	<b>30 September 2023 (Unaudited) HK\$'000</b>	31 March 2023 (Audited) HK\$'000
Trade receivables	<b>864,393</b>	773,609

The Group generally allows a credit period of not exceeding 60 days to its customers. Interim applications for progress payments on construction contracts are normally submitted on a monthly basis and are normally settled within one month.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed periodically. The majority of the Group's trade receivables that are neither past due nor impaired relate to customers that have good credit quality with reference to the respective settlement history.

The ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date is as follows:

	<b>30 September 2023 (Unaudited) HK\$'000</b>	31 March 2023 (Audited) HK\$'000
Within 1 month	<b>672,532</b>	595,650
1 to 2 months	<b>61,359</b>	68,777
2 to 3 months	<b>27,781</b>	18,337
Over 3 months	<b>102,721</b>	90,845
	<b>864,393</b>	773,609

**12. NON-CURRENT ASSETS AND ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE**

	31 March 2023 (Audited) HK\$'000
<b>Non-current assets classified as held for sale:</b>	
Right-of-use assets	10,447
<b>Assets of a disposal group classified as held for sale:</b>	
Property, plant and equipment	41,416
Right-of-use assets	6,374
Investment properties	11,584
Investment in an associate	1
Goodwill	13,365
Inventories	436
Contract assets	153,656
Trade receivables	27,190
Prepayment, deposit and other receivables	12,542
Income tax recoverable	116
Deferred tax assets	660
Restricted cash and pledged deposits	17,466
Cash and cash equivalents	5,164
	300,417
 <b>Liabilities directly associated with the assets of a disposal group classified as held for sale:</b>	
Trade payables	36,288
Contract liabilities	6,024
Other payables and accruals	23,625
Bank borrowings	195,483
Lease liabilities	1,139
	262,559

At 31 March 2023, non-current assets and assets of a disposal group classified as held for sale included:

- (i) On 30 January 2023, the Group entered into a provisional sale and purchase agreement with an independent third party, pursuant to which the Group shall sell to the purchaser a leasehold land under right-of-use assets at the consideration of HK\$93,750,000. Deposit of HK\$9,375,000 in total has been paid by the purchaser as at 31 March 2023 in accordance with the terms of the agreement. The right-of-use asset was classified as a non-current asset classified as held for sale as at 31 March 2023. The transaction was completed on 28 April 2023 and all the remaining sale proceeds were received on the same date. Further details of the transaction was set out in the Company's announcement dated 30 January 2023.

As a result of the transaction, a gain on disposal of approximately HK\$81,855,000 was recognised in profit or loss during the period ended 30 September 2023.

- (ii) On 14 June 2023, the Group entered into an agreement with one of the shareholders of a non-controlling shareholder of a subsidiary of the Company (the “Buyer”), pursuant to which the Group shall sell to the Buyer 20.99% of the issued shares of ECO Group Holdings Sdn. Bhd., a 50.99% owned subsidiary of the Group, and its subsidiaries (the “ECO Group”) for a total consideration of Ringgit Malaysia (“RM”) 7,665,000 (equivalent to approximately HK\$12,954,000), the transaction was completed on the same date. The Company has provided guarantees in favour of certain banks under banking facilities granted to the ECO Group. The said guarantees remain effective after completion. Further details of the transaction was set out in the Company’s announcements dated 14 June 2023 and 21 June 2023.

As a result of the transaction, a gain of approximately HK\$6,654,000 was recognised in profit or loss during the period ended 30 September 2023.

Subsequent to the reporting period, on 20 October 2023, the Group entered into an agreement with the Buyer, pursuant to which the Group shall sell to the Buyer 30% of the issued shares of ECO Group for a total consideration of RM9,947,000 (equivalent to approximately HK\$16,329,000), the transaction was completed on 1 November 2023. Upon completion of such transaction, the Group has ceased to have any equity interest in ECO Group.

### 13. TRADE PAYABLES

	<b>30 September 2023 (Unaudited) HK\$'000</b>	31 March 2023 (Audited) HK\$'000
Trade payables other than retention payables	<b>845,612</b>	801,995
Retention payables	<b>653,669</b>	690,350
	<b><u>1,499,281</u></b>	<u>1,492,345</u>

The Group’s trade payables (other than retention payables) are non-interest bearing and are normally settled on 30-day terms.

An ageing analysis of the Group’s trade payables (other than retention payables) as at the end of the reporting period, based on the invoice date, is as follows:

	<b>30 September 2023 (Unaudited) HK\$'000</b>	31 March 2023 (Audited) HK\$'000
Within 1 month	<b>299,257</b>	295,250
1 to 2 months	<b>57,531</b>	168,537
2 to 3 months	<b>76,324</b>	73,179
Over 3 months	<b>412,500</b>	265,029
	<b><u>845,612</u></b>	<u>801,995</u>

## 14. PROVISION FOR LITIGATIONS

	(Unaudited) HK\$'000
At 1 April 2022	5,000
Reversal of provision	<u>(5,000)</u>
At 30 September 2022, 31 March 2023 and 30 September 2023	<u><u>–</u></u>

In or about December 2013 and March 2014, a plaintiff commenced two separate legal proceedings against the Group alleging that the Group's termination of a proposed transaction in relation to the sale of a commercial development at No. 8 Clear Water Bay Road and 49% interest in the car park development at No. 8 Clear Water Bay Road (collectively, the "Properties") was wrongful and in breach of a memorandum entered into between the plaintiff and the Group in September 2013 (the "MOU"). The plaintiff claimed against the Group for the loss of capital appreciation of the Properties.

On 16 June 2021, the Court of First Instance in Hong Kong (the "Court") handed down its judgments on the two legal proceedings against the Group and decided that the Group's termination of the proposed transaction in relation to the sale of the Properties was wrongful and in breach of terms and conditions of the MOU (the "Judgments"). The Court therefore ordered the Group to compensate the plaintiff's loss in the sum of HK\$164 million plus interest and the plaintiff's legal costs incurred, which is estimated to be approximately HK\$272 million in aggregate as at 31 March 2021.

As advised by the legal advisers to the Group, having considered the Judgments, the Group has a merit in successfully appealing against the Judgments, and, therefore lodged the Notice of Appeal for the two proceedings to the Court of Appeal on 13 July 2021 and 14 July 2021 accordingly. In order to stay the execution of the enforcement of the Judgments pending appeal, the Group also made the applications for stay of execution of the Judgements on 2 July 2021 and 8 July 2021 accordingly. The stay of execution would be determined on paper and all submissions were filed to the Court in end December of 2021. The Notice of Appeal for the two proceedings and all applications relating to the stay of execution of the Judgements filed to the Court of Appeal are collectively hereinafter referred to as the "Legal Actions".

On 24 March 2022, the Group and the plaintiff entered into an agreement in full and final settlement of the Legal Actions and all related matters with settlement amount of HK\$93.3 million. Pursuant to the settlement agreement, the Group and the plaintiff have been fully and absolutely discharged from all or any liabilities and claims and/or counterclaims, remedies, cause of action of whatever nature, interests, costs, rights and entitlements arising out of or in connection with the Legal Actions, all related applications and appeals as well as the subject matter of the Legal Actions.

## 15. SHARE CAPITAL

	<b>30 September 2023 (Unaudited) HK\$'000</b>	31 March 2023 (Audited) HK\$'000
Authorised:		
5,000,000,000 (as at 31 March 2023: 5,000,000,000) ordinary shares of HK\$0.1 each	<u><b>500,000</b></u>	<u>500,000</u>
Issued and fully paid:		
1,791,557,847 (as at 31 March 2023: 1,796,231,847) ordinary shares of HK\$0.1 each	<u><b>179,156</b></u>	<u>179,623</u>

A summary of the movements in the Company's issued share capital and share premium account during the six months ended 30 September 2023 is as follows:

	<b>Number of ordinary shares in issue (Unaudited)</b>	<b>Issued capital (Unaudited) HK\$'000</b>	<b>Share premium account (Unaudited) HK\$'000</b>	<b>Total (Unaudited) HK\$'000</b>
At 1 April 2023	<b>1,796,231,847</b>	<b>179,623</b>	<b>739,410</b>	<b>919,033</b>
Cancellation of repurchased shares	<u><b>(4,674,000)</b></u>	<u><b>(467)</b></u>	<u><b>(1,928)</b></u>	<u><b>(2,395)</b></u>
At 30 September 2023	<u><b>1,791,557,847</b></u>	<u><b>179,156</b></u>	<u><b>737,482</b></u>	<u><b>916,638</b></u>

Subsequent to the reporting period and up to the date of this condensed consolidated interim financial information, 2,820,000 ordinary shares in total were repurchased by the Company on the Stock Exchange of an aggregate consideration of HK\$1,461,020. Such shares together with 1,652,000 shares, which were repurchased but not yet cancelled during the reporting period, were cancelled accordingly in November 2023.

## 16. CONTINGENT LIABILITIES

At the end of the reporting period, the Group had the following contingent liabilities, which have not been provided for in the condensed consolidated interim financial information:

### (a) Corporate guarantees and performance bonds given

	<b>30 September 2023 (Unaudited) HK\$'000</b>	31 March 2023 (Audited) HK\$'000
Indemnities issued to financial institutions for performance bonds in respect of construction and professional services contracts undertaken by:		
— subsidiaries	<b>880,559</b>	954,341
— joint operations	<b>96,044</b>	96,044
— a joint venture	<b>32,939</b>	32,939
	<b>1,009,542</b>	1,083,324
Guarantees issued to financial institutions to secure credit facilities granted to associates ( <i>note (ii)</i> )	<b>742,680</b>	541,468
	<b>1,752,222</b>	1,624,792

In addition to the above, corporate guarantees were provided by the Group to two parties to indemnify them any losses and liabilities that they may incur in connection with certain construction works of the Group in which the two parties have involvement. In the opinion of the Directors, the financial impact of the contingent liabilities that may arise from these arrangements is assessed to be minimal.

#### Notes:

- (i) In the opinion of the Directors, the fair values of the financial guarantee contracts of the Group are insignificant at initial recognition and the possibility of the default of the parties involved is remote. Accordingly, no value has been recognised in the condensed consolidated statement of financial position in respect of these financial guarantee contracts.
- (ii) At 30 September 2023, the banking facilities granted to associates and guaranteed by the Group were utilised to the extent of HK\$556,164,000 (31 March 2023: HK\$403,877,000).

**(b) Litigations**

The legal proceedings arose from four sets of Sale and Purchase Agreement dated 4 August 2011 and 3 March 2012 respectively (the “SPAs”), pursuant to which the Group purchased four flat top barges (the “Vessels”) from a plaintiff. The SPAs stipulated that the plaintiff should buy back the Vessels from the Group in the total consideration of HK\$15,150,000 (the “Buyback”) after 36 months from the Vessels’ respective delivery dates (the “Buyback Dates”). The Buyback did not take place on the Buyback Dates nor after rounds of negotiations in 2015. In May 2018, the Group disposed of the Vessels to a third party.

In June 2021, the plaintiff commenced the legal proceedings alleging that the Group was in breach of the SPAs and claims, inter alia, for (i) loss of rental charges beyond the Buyback Dates and (ii) loss of difference between the market price and the buyback price of the Vessels.

The Group counterclaims against the plaintiff for, inter alia, (i) the difference between the buyback prices under the SPAs and the selling price to the third party and (ii) the costs of maintaining the Vessels beyond the Buyback Dates until disposal to the third party.

The plaintiff is now claiming loss and damages in the sum of approximately HK\$9,511,000 against the Group while the Group is counterclaiming loss and damages in the sum of approximately HK\$16,985,000.

With regard to case progress, the case management summons hearing has been heard in November 2023 for directions for further conduct of the case. The case is ready to be set down for trial and is subject to the plaintiff’s application to set the case down.

As advised by the legal advisers to the Group, the Group has a reasonable chance of success in defending and/or counterclaim against the plaintiff.

**17. PLEDGE OF ASSETS**

At the end of the reporting period, the following assets were pledged to secure the banking facilities granted to the Group:

	<b>30 September 2023 (Unaudited) HK\$’000</b>	31 March 2023 (Audited) HK\$’000
Property, plant and equipment	<b>38,792</b>	47,283
Right-of-use assets	<b>106,358</b>	108,597
Bank deposits	<b>148</b>	148
	<b>145,298</b>	156,028

In addition to the above, as at 30 September 2023 and 31 March 2023, the Group has pledged the equity interest in a wholly-owned subsidiary to secure a banking facility granted to an associate.

**18. EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed in notes 12 and 15 to the condensed consolidated interim financial information, there are no other significant events occurred subsequent to the reporting period.

## **BUSINESS REVIEW**

During the Review Period, the Group's financial performance has an increase in gross profit margin, net profit was comparable to the same period last year, revenue declined by a slight percentage to HK\$3.79 billion (2022: HK\$4.16 billion). In the face of labour shortage, high operating and finance costs challenges, management focused on cost reduction and cash flow management during the Review Period, including strengthening cost and efficiency management, and also planned to relocate certain administrative functions to lower-cost regions outside of Hong Kong. Additionally, in the current complex and changing macroeconomic environment, renewal of the sufficient credit facilities has ensured the financial stability and reduced short-term bank borrowings, which reflects our long-term stable relationship and trust with the banks.

The overall outlook for the construction industry remains positive, with the Hong Kong Government implementing various supportive policies such as infrastructure investment, large-scale urban development and accelerated public housing construction. Based on the Group's proven track record, technical expertise and reputation for successfully delivering government projects, the Group holds a large number of project contracts, and achieve steady overall development.

### **Construction**

The construction segment recorded revenue of HK\$3.37 billion for the Review Period, a slight decrease from the HK\$3.65 billion achieved in the previous period. Segmental profit was increased to HK\$138.3 million (2022: HK\$99.0 million). As at 30 September 2023, with brand reputation and professional technology, the total value of ongoing contracts on hand reached an all-time high of HK\$20.40 billion.

The Group secured 7 new projects during the Review Period, including Demolition, Foundation, Superstructure and Associated Works Contract For Redevelopment of Kwong Wah Hospital (Phase 2); Improvement Works at Mui Wo, Phase 2 Stage 2; and Construction of Trunk Sewage Rising Main in Cheung Sha Wan.

The construction segment is currently involved in a total of 43 ongoing projects, including a waterworks contract relating to the Relocation of the Diamond Hill Fresh Water and Salt Water Service Reservoirs to Caverns; Sau Nga Road Stormwater Storage Scheme; Construction of a 30-classroom Primary School and a 6-classroom Kindergarten at Site E-1, Development of Anderson Road Quarry Site, Sai Kung and Drainage Improvement Works in Tsim Sha Tsui.

A total of 5 projects were completed during the Review Period, including Hong Kong Disneyland Resort Project — Arendelle Completion Package; and Foundation for Public Rental Housing Development at North West Kowloon Reclamation (NWKR) Site (East).



The shortage of both professional and skilled labour continued to pose challenges to Hong Kong's construction industry, resulting in persistently high staff and labour expenses. While the government's foreign labour import policy is expected to help ease some of this pressure, labour costs are likely to remain high due to the costs associated with the importation of foreign labour. To meet this challenge, the Group will maintain a prudent cost reduction strategy and ensure that it has the expertise and technology to maintain a competitive edge in relation to the government's plan to promote high-productivity construction technologies.

### **Property Development and Assets Leasing**

The property development and assets leasing segment faced a market environment of macroeconomics and high interest rates during the Review Period, and consumer confidence in property development has not yet been restored, and the sales situation has not yet reached ideal conditions.

The Group will maintain a prudent approach going forward and continue to monitor the market with cautious optimism. The Group continued the sales activities at "128 Waterloo" a premium residential property located on Waterloo Road, Ho Man Tin, and "SOYO" the hybrid residential and retail building at Soy Street, Mongkok. As for the land parcel in Tung Chung, the land exchange application was approved in 2022 and land premium with the authorities are still in progress.

### **Professional Services**

The professional services segment has achieved revenue of HK\$404.8 million (2022: HK\$489.4 million) during the Review Period.

Given the labour-intensive nature of the segment, made it costly for the Group to complete its existing contracts at the previously agreed prices, which led to the performance of the professional services segment was lacklustre during the Review Period. However, the Group maintained close working relationships with well-known and high-quality institutions and organizations, the segment will be able to price new contracts at current market rates and continue to make a stable contribution to the Group.

The tunnel management business now operates five tunnels in Hong Kong continued to contribute stable revenue. Currently, the market is becoming increasingly competitive, which slightly affects margin levels. The Group will continue improve service quality and management performance.

## **Non-franchised Bus Services**

The non-franchised bus services segment has been affected by high interest rates, which have reduced profit margins. The segment continued to operate local scheduled bus services (including shuttle bus services for students, employees and residents) during the Review Period and maintained a number of sizeable contracts with renowned organisations, schools and property management companies. In addition, with the slow recovery of tourism activities in Hong Kong and the reopening of the border, the business will benefit from the resumption of local bus tours.

The management is optimistic about the potential development of this segment and believes that it will continue to show gradual improvement.

## **Medical Technology and Healthcare**

Hong Kong Cyclotron Laboratories Limited (“HKCL”) achieved a profitable result during the Review Period, with revenue of HK\$19.2 million (2022: HK\$20.9 million) and segmental profit of HK\$5.2 million (2022: HK\$6.1 million), performance coincidence the management’s expectations. HKCL specializes in the production of PET drugs and operates one of the largest PET radiopharmacy distribution networks in Hong Kong, as well as being a key supplier of fluorodeoxyglucose to Hong Kong public hospital, private hospital and imaging centers in Hong Kong. Given its high-profile clients, including the Hong Kong Hospital Authority and several private imaging centres. HKCL is currently building a second laboratory, the construction and equipment installation work is progressing smoothly, which is expected to be completed by the end of 2023.

## **Other Business**

The online building materials procurement and management platform, operated by Mattex Asia Development Limited continued to make solid progress during the Review Period. The business will continue to enhance its competitiveness.

## **OUTLOOK AND PROSPECTS**

### **Construction**

While the industry outlook is generally positive due to the introduction of favourable government policies and planned public sector projects, such as the Northern Metropolis, the Shenzhen Park of Hetao, and Kau Yi Chau Artificial Islands, as well as various planned public transport and railway upgrades mentioned in the 2023 Policy Address. The Group's construction segment is likely to remain affected by the challenging business environment, particularly macroeconomic uncertainties, high interest rates and labour shortages.

However, the government's ongoing infrastructure investment, the expansion of the hospital network, the increase in the supply of public housing, and promotion of the application of advanced technologies will all benefit the development of Hong Kong's construction sector and present new opportunities for the Group. The construction segment is in a relatively strong position given the large number of projects it currently has on hand.

The Group will continuously improve efficiency and implement cost-cutting measures to save costs, as well as strengthening cooperation with more large enterprises for large-scale government projects, capturing development opportunities.

### **Property Development and Assets Leasing**

The overall market outlook for this segment is expected to remain challenging due to the high interest rate environment and generally weak consumer sentiment in Hong Kong. However, recent government policies have provided some relief, with a slight uptick in sales activity in the market following the 2023 Policy Address, largely due to the announcement of plans to shorten the Special Stamp Duty period, halve the Buyer's Stamp Duty and New Residential Stamp Duty, and suspend stamp duty on residential properties purchased by incoming talents.

The Group will adopt a wait-and-see approach to its operations in this segment. It will refrain from investing for the time being to monitor the market closely and ensure a stable situation before embarking on new property projects.

### **Professional Services**

The Group will continue to provide quality professional services to clients while seizing greater market share and fresh opportunities.

## **Non-franchised Bus Services**

The Group's bus business will expand its customer base to explore potential lucrative opportunities going forward.

## **Medical Technology and Healthcare**

Given HKCL's satisfied performance during the Review Period, management is optimistic about the prospects of this segment. The launch of the second laboratory will further enhance the company's capabilities. With the increasing health awareness and aging population in Hong Kong, the Group believes the business has great potential and development prospect in serving the society at large.

## **Other Business**

The Group will continue to look for suitable development opportunities to drive further business growth. In the complex and uncertain macro environment, the management will continue to examine opportunities with cautious manner.

## **Conclusion**

While the Hong Kong economy is gradually recovering, the global macro environment remains uncertain. The Group continues to closely monitor market trends and government policies and is cautiously optimistic that the launch of green initiatives such as 'Smart City' will create new opportunities for the Group.

The Group will enhance its competitiveness by investing in advanced construction technologies and strengthening cooperation with more enterprises in the labour shortage and high interest rate environment. Management remains committed to creating long-term value for the Group's stakeholders and will endeavour to deliver the best possible returns.

## LIQUIDITY AND FINANCIAL RESOURCES

The financial position of the Group remained stable during the period under review. The Group operates a centralized treasury function to monitor its cash position, cashflow and funding requirements, that mainly relies upon internally generated funds as well as bank borrowings to finance its operations and expansion, which is supplemented by equity funding when it is required.

Subsequent to the announcement dated 13 March 2023, a 3-year transferable term loan facility (the “Facility I”) was increased to HK\$1.25 billion after an accession option was exercised. Other terms in the Facility I, including events of default, remain unchanged.

Subsequent to the announcement dated 4 August 2023, a 3-year term and revolving credit facility (the “Facility II”) was increased to HK\$1.23 billion after an accession option was exercised. Other terms in the Facility II, including events of default, remain unchanged.

At 30 September 2023, the total net debts of the Group amounted to approximately HK\$1,780.1 million, representing total debts of approximately HK\$2,804.9 million less total of cash and bank balances of approximately HK\$1,024.8 million. The debt maturity profile, based on scheduled repayment dates set out in loan agreements of the Group at 30 September 2023, is analysed as follows:

	<b>As at 30 September 2023 (Unaudited) HK\$ million</b>	<b>As at 31 March 2023 (Audited) HK\$ million</b>
Bank borrowings and lease liabilities repayable:		
Within one year or on demand	<b>670.3</b>	1,709.4
After one year, but within two years	<b>535.2</b>	223.7
After two years, but within five years	<b>1,597.8</b>	887.1
Over five years	<b>1.6</b>	2.1
	<hr/>	<hr/>
Total debts	<b>2,804.9</b>	2,822.3
	<hr/> <hr/>	<hr/> <hr/>

The Group has continued to implement a prudent financial management policy, at 30 September 2023, the gearing ratio of the Group, being the proportion of net interest bearing debts to equity attributable to shareholders of the Company, was 0.72 (31 March 2023: 0.57).

To minimise exposure on foreign exchange fluctuations, the Group's bank borrowings and cash balances are primarily denominated in Hong Kong dollars or Renminbi which are the same as the functional currency of the relevant group entities. The Group has no significant exposure to foreign exchange rate fluctuations and shall use derivative contracts to hedge against its exposure to currency risk only when it is required. Furthermore, the Group's bank borrowings have not been hedged by any interest rate financial instruments.

## **CONTINGENT LIABILITIES**

Details of the contingent liabilities of the Group are set out in Note 16 to the condensed consolidated interim financial information.

## **PLEDGE OF ASSETS**

Details of the pledge of assets of the Group are set out in Note 17 to the condensed consolidated interim financial information.

## **EMPLOYEE AND REMUNERATION POLICIES**

The Group had approximately 6,700 employees as at 30 September 2023. Total remuneration of employees for the Review Period amounted to approximately HK\$777.2 million. Employees are remunerated according to their nature of work and the market trend, with merit-based components incorporated in the annual increment review to reward and motivate individual performance. Employee bonus is distributable based on the performance of the respective divisions and the employees concerned. Moreover, the Group also provides in-house training program and sponsorship for external training courses which are complementary to their job functions.

To provide incentives for employees to achieve performance goals, the Company adopted the restricted share award scheme on 1 August 2017, pursuant to which the Company may grant to eligible participants restricted shares of the Company, which will align the interests of employees directly to the shareholders of the Company through ownership of shares of the Company. Such grant shares are acquired by the scheme trustee on the market of the Stock Exchange and held upon trust for the benefit of the grantees and shall become vested in the grantees upon satisfaction of specified vesting criteria.

In addition, the Company had also adopted a share option scheme (the “Share Option Scheme”), under which the Directors are authorised to grant share options to the eligible participants to subscribe for shares of the Company for the purpose of, among other things, providing incentives and rewards to, and recognising the contributions of, the eligible participants. The Share Option Scheme was valid and effective for a period of 10 years commencing on 3 September 2012 and expired on 2 September 2022, after which no further share options shall be offered or granted but the share options granted prior to the expiry date shall continue to be valid and exercisable in accordance with the provisions of the Share Option Scheme.

## **INTERIM DIVIDEND**

The Board has declared an interim dividend of HK1.13 cents per share for the six months ended 30 September 2023 (the “Interim Dividend”) (six months ended 30 September 2022: HK0.67 cent), amounting to approximately HK\$20.2 million (six months ended 30 September 2022: HK\$12.0 million), to the shareholders whose names appear on the register of members of the Company on 27 December 2023. The Interim Dividend will be paid on 5 January 2024.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the entitlement to the Interim Dividend, the register of members of the Company will be closed during the following period:

Latest time to lodge transfer documents for registration	4:30 p.m. on Wednesday, 20 December 2023
Closure of register of members	Thursday, 21 December 2023 to Wednesday, 27 December 2023 (both days inclusive)

In order to be eligible for the entitlement to the Interim Dividend, all completed transfer documents accompanied by the relevant share certificate(s) must be lodged with the Hong Kong Branch Share Registrar of the Company, Tricor Secretaries Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than the latest time as stated above for registration.

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

During the Review Period, the Company repurchased 6,326,000 shares of the Company at an aggregate consideration of HK\$3,252,170 (before expenses) on the Stock Exchange. Among the repurchased shares, 4,674,000 shares were cancelled during the Review Period and the remaining shares were cancelled in November 2023.

Particulars of the repurchase during the Review Period are as follows:

<b>Months of share repurchase</b>	<b>Number of shares repurchased</b>	<b>Highest price paid per share</b> <i>HK\$</i>	<b>Lowest price paid per share</b> <i>HK\$</i>	<b>Aggregate consideration paid (before expenses)</b> <i>HK\$</i>
July	1,530,000	0.50	0.50	765,000
August	3,144,000	0.53	0.49	1,630,450
September	1,652,000	0.52	0.50	856,720
Total	<u>6,326,000</u>			<u>3,252,170</u>

The Directors considered that the repurchases were made with a view to enhancing the net assets value per share and earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Review Period.

## CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions of the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the Review Period.

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, after a specific enquiry made by the Company, that they have fully complied with the required standard set out in the Model Code throughout the Review Period.



## **EVENTS AFTER THE REPORTING PERIOD**

Details of the significant events of the Group after the reporting period are set out in Note 18 to the condensed consolidated interim financial information.

## **AUDIT COMMITTEE REVIEW**

The Audit Committee of the Board (the “Audit Committee”) comprises five members, namely Mr. Wu William Wai Leung (Chairman of the Audit Committee), Ms. Wong Wendy Dick Yee, Dr. Yim Yuk Lun, Stanley, Mr. Lam Yau Fung, Curt and Mr. Ho Gilbert Chi Hang, all being Non-executive Directors or Independent Non-executive Directors. The Audit Committee has reviewed with the management and given its consent to the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the unaudited condensed consolidated interim financial information of the Group for the Review Period.

By Order of the Board  
**ASIA ALLIED INFRASTRUCTURE  
HOLDINGS LIMITED**  
**Pang Yat Ting, Dominic**  
*Chairman*

Hong Kong, 27 November 2023

*As at the date of this announcement, the executive directors of the Company are Mr. Pang Yat Ting, Dominic, Mr. Xu Jianhua, Jerry, Ir Dr. Pang Yat Bond, Derrick JP and Mr. Shea Chun Lok, Quadrant, the non-executive directors of the Company are Ms. Wong Wendy Dick Yee and Dr. Yim Yuk Lun, Stanley BBS JP, and the independent non-executive directors of the Company are Mr. Wu William Wai Leung, Mr. Lam Yau Fung, Curt, Mr. Ho Gilbert Chi Hang and Dr. Yen Gordon.*