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WAH WO HOLDINGS GROUP LIMITED

華和控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 9938)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

The board (the “**Board**”) of directors (the “**Directors**”) of WAH WO HOLDINGS GROUP LIMITED (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 September 2023 (the “**Interim Result**”). This announcement contains the full text of the interim report of the Company for the six months ended 30 September 2023 (the “**Interim Report**”) and the contents were prepared in accordance with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Interim Results are unaudited but have been reviewed and approved by the audit committee of the Board. This announcement is published on the websites of the Company (www.wahwoalum.com) and the Stock Exchange (www.hkexnews.hk). The Interim Report will be despatched to the shareholders of the Company and will also be made available at the abovementioned websites in due course.

By Order of the Board

WAH WO HOLDINGS GROUP LIMITED

CHEN Yuet Wa

Chairman and Executive Director

Hong Kong, 28 November 2023

As at the date of this announcement, the Board comprises five members, of which Mr. CHEN Yuet Wa and Mr. CHAN Fai are the executive directors of the Company; and the Mr. CHOW Chi Fai, Mr. CHAN Hon Ki and Mr. YU Chi Wing are the independent non-executive directors of the Company.



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Chen Yuet Wa
(*Chairman and Chief Executive Officer*)
Mr. Chan Fai

Independent Non-executive Directors

Mr. Chow Chi Fai
Mr. Chan Hon Ki
Mr. Yu Chi Wing

AUDIT COMMITTEE

Mr. Chow Chi Fai (*Chairperson*)
Mr. Chan Hon Ki
Mr. Yu Chi Wing

REMUNERATION COMMITTEE

Mr. Chan Hon Ki (*Chairperson*)
Mr. Chen Yuet Wa
Mr. Chow Chi Fai

NOMINATION COMMITTEE

Mr. Chen Yuet Wa (*Chairperson*)
Mr. Yu Chi Wing
Mr. Chan Hon Ki

COMPANY SECRETARY

Mr. Lee Kai Ming (*HKICPA*)

AUTHORISED REPRESENTATIVES

Mr. Chen Yuet Wa
Mr. Lee Kai Ming (*HKICPA*)

AUDITORS

RSM Hong Kong
Certified Public Accountants
Registered Public Interest Entity Auditor
29th Floor, Lee Garden Two
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Hong Kong

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Kwai Chung, New Territories
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

Nanyang Commercial Bank, Ltd.
151 Des Voeux Road Central
Hong Kong

Hongkong and Shanghai Banking
Corporation Ltd
1 Queen's Road Central
Hong Kong

COMPANY WEBSITE

www.wahwoalum.com

STOCK CODE

9938



Management Discussion and Analysis

The board (“**Board**”) of directors (the “**Directors**”) of WAH WO HOLDINGS GROUP LIMITED (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 September 2023 (the “**Review Period**”) together with the comparative figures for the corresponding period ended 30 September 2022.

BUSINESS REVIEW AND OUTLOOK

The Group is an established contractor engaged in façade works with a focus on window in Hong Kong. Façade works can be classified into window, window wall system, curtain wall system and other façade members. We principally provide design and build services for new buildings and renovation services for built premises and trading of tools and equipment. Our services generally include developing designs, conducting structural calculations and preparing shop drawings, as well as management and coordination of various aspects of a project which involve procurement of building materials from material suppliers and/or subcontracting of installation works to our subcontractors, on-site project management and post-project completion and maintenance services. The Group also engaged in rental of investment properties as more resources being allocated to this segment.

Construction and ancillary services

Our design and build services are typically conducted on new buildings and involve the installation of windows and other façade components such as metal doors, louvres, balustrades, grilles and canopy (referred to as “**design and build projects**”). Our renovation services on the other hand are typically conducted on built premises and usually involve the repair, replacement, upgrade or maintenance of windows, metal doors and other façade components (referred to as “**renovation projects**”). We provide design and build services and renovation services for different types of buildings, including residential apartments, commercial buildings, retail premises, universities and hotels in Hong Kong. These different types of buildings can be broadly classified as (i) residential buildings; and (ii) non-residential buildings.



Management Discussion and Analysis

As at 30 September 2023, the Group has a total of 20 ongoing projects, each with an awarded contract sum (exclusive of variation orders) of over HK\$5 million. The aggregate contract sums and the aggregated revenue recognised (inclusive of variation orders and contract sum adjustments as at 30 September 2023) of these ongoing projects as at 30 September 2023 amounted to approximately HK\$927.9 million and HK\$242.6 million respectively.

Rental of investment properties

The Group have acquired investment properties and considered they constituted a good investment opportunity that will offer a stable and attractive rate of return for the Group. Following the acquisition of these investment properties, the Group intends to lease them out for rental income after undergoing renovation and sub-divided them into smaller workshops or studio rooms according to approved plans and drawings. As of 30 September 2023, the Group possessed a total of six investment properties. Two of these investment properties had already been put on the market after undergoing renovation in February 2023, while the other three properties were undergoing renovations. The remaining property was leased out under existing tenancies when it was acquired and targeted to undergo further renovation after the expiration of existing tenancy. As the rental of investment properties segment was still in its early stages, this segment suffered a loss of approximately HK\$192,000 (excluding fair value change (loss) on investment properties of approximately HK\$3,346,000) during the six months ended 30 September 2023. The Group anticipates that this situation will improve as more investment properties are made available for lease in the future.

The Group recorded gross profit of approximately HK\$9,780,000 for the Review Period, as compared with the gross profit of approximately HK\$11,799,000 for the six months ended 30 September 2022. The Group's gross profit margin for the Review Period was approximately 12.2% as compared with approximately 11.6% for the six months ended 30 September 2022.

During the Review Period, the Group recorded a consolidated net loss of approximately HK\$1,615,000 as compared to an unaudited consolidated net profit of approximately HK\$4,252,000 for the corresponding period in 2022. The turnaround from profit to loss in the current period was primarily attributable to (i) non-cash item resulted from the fair value change (loss) of investment properties of approximately HK\$3,346,000; (ii) decrease in revenue and gross profit which resulted from the substantial completion of the projects on hand during Review Period; and (iii) decrease in other income which mainly involve one-off government grants received from the Hong Kong government for the corresponding period in 2022.



Management Discussion and Analysis

Despite signs of economic recovery from novel coronavirus (the COVID-19) situation in Hong Kong, the external environment remains challenging. Factors such as the Israeli-Palestinian conflict, the Russia-Ukraine war, as well as ongoing interest rate hikes and monetary tightening in United State region, have contributed to the continued steady rise in Hong Kong's interest rates. The high interest rate level had been negatively impacting property markets in Hong Kong, and the property prices have been corrected down by nearly 17% since their peak in August 2021. As such, developers in Hong Kong are adopting more control on construction costs and slow down the pace of ongoing building projects. Consequently, the Group expected to face fierce competition within the industry. The Group will remain vigilant and closely monitor the development of business operations. The Group will continue to adopt a more competitive tender pricing policy and stringent control over the production costs in order to achieve reasonable project's gross margin.

Regardless of the near-term challenges and uncertainty in the industry and economy, we will remain focused on our long-term goals. The Group may consider exploring other business opportunities of the Group in order to enhance our future development and to strengthen the revenue bases of the Group. Despite the recent downturn of the property market in Hong Kong, the Group remained considered investment properties constituted a good investment opportunity that will offer a stable and attractive rate of return for the Group and the Directors are optimistic that acquiring investment properties will be a good potential for capital appreciation in the long-run.

During the Review Period, the Group have acquired one further investment properties and allocated more resources and effort towards this segment. As a result, rental income from investment properties has become one of the Group's ordinary business. The Group intends to lease out these investment properties for rental income after the expiration of existing tenancies and renovation. The Group has already set up a design quarter in People's Republic of China to improve the quality of drawing and design for upcoming projects. The Group will be ready to dive into any other opportunities as they arise or come to our attention. We expect that diversification of our business will provide a better return to the shareholders of the Company.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately HK\$21,799,000 or approximately 21.4% from approximately HK\$101,951,000 for the six months ended 30 September 2022 to approximately HK\$80,152,000 for the six months ended 30 September 2023. The decrease in revenue was mainly due to substantial completion of the projects on hand during the Review Period.

Gross Profit and Gross Profit Margin

The gross profit of the Group for the Review Period amounted to approximately HK\$9,780,000, representing a decrease of approximately 17.1% as compared with approximately HK\$11,799,000 for the six months ended 30 September 2022. The Group's gross profit margin for the Review Period was approximately 12.2%, as compared with approximately 11.6% for the six months ended 30 September 2022. The gross profit margin remain stable while the decrease in gross profit was mainly driven by the decrease of works completed for the Review Period.

Fair Value Loss on Investment Properties

Fair value loss on investment properties for the Review Period of approximately HK\$3,346,000 represented non-cash item resulted from the fair value change upon revaluation of investment properties.

Other Income

Other income of the Group for the Review Period amounted to approximately HK\$972,000, representing an decrease of approximately HK\$374,000 as compared with approximately HK\$1,346,000 for the six months ended 30 September 2022. The decrease was primarily due to the one-off government grants received from the Hong Kong government for the corresponding period in 2022.

Administrative Expenses

The administrative expenses of the Group for the Review Period amounted to approximately HK\$8,348,000, representing an increase of approximately 3.8% as compared with approximately HK\$8,042,000 for six months ended 30 September 2022. The administrative expenses remained similar level for the Review Period when compared to six months ended 30 September 2022.



Management Discussion and Analysis

Finance Costs

Finance costs of the Group for the Review Period were approximately HK\$48,000, representing an increase of approximately 118.2% as compared with approximately HK\$22,000 for the six months ended 30 September 2022. The increase was mainly attributable to the inception of bank borrowings during the Review Period offset against the decrease in lease liabilities.

Loss for the Period

As a result of the foregoing, loss attributable to owners of the Company for the Review Period increased by approximately HK\$5,867,000 or approximately 138.0% from profit of approximately HK\$4,252,000 for the six months ended 30 September 2022 to loss of approximately HK\$1,615,000 for the Review Period.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Shares were successfully listed on the Main Board of the Stock Exchange on the Listing Date and there has been no change in capital structure of the Group since then.

As at 30 September 2023 and 31 March 2023, the Company's issued capital was HK\$10,000,000 and the number of its issued ordinary shares was 1,000,000,000 of HK\$0.01 each.

As at 30 September 2023, the Group had total cash and bank balances of approximately HK\$30,661,000 (31 March 2023: approximately HK\$63,555,000). The Group had approximately HK\$6,871,000 (31 March 2023: Nil) interest-bearing bank borrowing as at 30 September 2023.

All the Group's borrowings are arranged on a floating rate basis. The Group will closely monitor and manage its exposure to interest rate fluctuations and will consider engaging in relevant hedging arrangements when appropriate.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

Management Discussion and Analysis

PLEDGE OF ASSETS

As at 30 September 2023, the Group had approximately HK\$15,824,000 (31 March 2023: approximately HK\$10,173,000) of time deposits pledged for certain banking facilities.

Investment properties with carrying value of approximately HK\$113,329,000 as at 30 September 2023 (31 March 2023: approximately HK\$81,700,000) and their respective rental assignments were pledged to secure certain banking facilities.

FOREIGN EXCHANGE RISK

The Group mainly operates in Hong Kong. Most of the operating transactions and revenue were settled in Hong Kong dollars and Renminbi and the Group's assets and liabilities are primarily denominated in Hong Kong dollars and Renminbi. The Group has no significant exposure to other foreign exchange fluctuations. The Group did not engage in any derivatives agreement and did not commit to any financial instrument to hedge its foreign exchange exposure during the Review Period (six months ended 30 September 2022: Nil).

GEARING RATIO

As at 30 September 2023, the gearing ratio (calculated as total debts (including bank borrowings and lease liabilities) divided by the total equity) was approximately 4.3% (31 March 2023: approximately 0.2%).

CAPITAL EXPENDITURE

During the Review Period, the Group invested approximately HK\$641,000 (six months ended 30 September 2022: approximately HK\$111,000) and approximately HK\$15,406,000 (six months ended 30 September 2022: approximately HK\$16,247,000) on the acquisition of property, plant and equipment and investment properties respectively. Capital expenditure was principally funded by internal resources.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 September 2023, the Group had capital commitments of approximately HK\$1,806,000 contracted for property, plant and equipment (31 March 2023: approximately HK\$256,000).



Management Discussion and Analysis

As at 30 September 2023, contingent liabilities not provided for in the financial statements are guarantees given to banks for surety bonds of approximately HK\$21,447,000 (31 March 2023: approximately HK\$12,202,000).

As at 30 September 2023, the surety bonds were secured by the pledge of time deposits of the Group amounting to approximately HK\$15,824,000 (31 March 2023: approximately HK\$10,173,000) and corporate guarantee executed by the Company amounting to HK\$50,000,000 (31 March 2023: HK\$50,000,000) respectively.

In the ordinary course of the Group's construction business, the Group has been subject to a number of claims due to personal injuries suffered by employees of the Group or the Group's subcontractors in accidents arising out of and in the course of their employment. The Directors of the Company are of the opinion that such claims are well covered by insurance and would not result in any material adverse impact on the financial position or results and operations of the Group.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

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

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

During the Review Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

SIGNIFICANT INVESTMENT HELD

During the Review Period, the Group did not hold any significant investments.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed under the section headed "Future plans and use of proceeds" in the prospectus of the Company dated 31 December 2019 and the announcement on a disclosable transaction on acquisition of a property dated 9 October 2023, as at 30 September 2023, the Group does not have any other plans for material investments or capital assets.



Management Discussion and Analysis

EVENTS AFTER END OF THE PERIOD

Except for the above-mentioned, no event has occurred after 30 September 2023 and up to the date of this report which would have a material effect on the Group.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2023, the Group employed a total of 90 employees (including executive Directors and independent non-executive Directors), as compared to a total of 63 employees as at 30 September 2022. Total staff costs which include Directors' emoluments for the Review Period were approximately HK\$14,953,000 (six months ended 30 September 2022: approximately HK\$13,657,000). The salary and benefit level of the employees of the Group are competitive and individual performance is rewarded through the Group's salary and bonus system. The Group conducts annual review on the salary increase, discretionary bonuses and promotions based on the performance of each employee.

The emoluments of the Directors are decided by the Board after recommendation from the remuneration committee of the Company, having considered factors such as the Group's financial performance and the individual performance of the Directors, etc..

The Company has adopted a share option scheme as an incentive to Directors and eligible employees.

During the Review Period, the Group has not experienced any significant problems with its employees due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff.

INTERIM DIVIDEND

The Board has resolved not to recommend the declaration and payment of an interim dividend to shareholders of the Company for the Review Period (six months ended 30 September 2022: Nil).

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2023

	Note	Six months ended 30 September 2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited) (Restated)
REVENUE	3	80,152	101,951
Cost of revenue		(70,372)	(90,152)
Gross profit		9,780	11,799
Fair value loss on investment properties		(3,346)	–
Other income	4	972	1,346
Administrative expenses		(8,348)	(8,042)
(Provision)/reversal of provision for impairment allowance on contract assets, net		(129)	6
Provision for impairment allowance on trade receivables, net		(291)	(249)
Finance costs	6	(48)	(22)
(LOSS)/PROFIT BEFORE TAX	7	(1,410)	4,838
Income tax expense	8	(205)	(586)
(LOSS)/PROFIT FOR THE PERIOD		(1,615)	4,252
OTHER COMPREHENSIVE INCOME <i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation		(16)	–
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		(16)	–
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		(1,631)	4,252
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	10	(HK0.16 cent)	HK0.43 cent

Condensed Consolidated Statement of Financial Position

30 September 2023

	Note	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	11	7,675	8,246
Right-of-use assets	12	3,692	401
Investment properties	13	137,460	125,400
Deposits		1,477	3,766
Deferred tax assets		853	649
Total non-current assets		151,157	138,462
CURRENT ASSETS			
Contract assets	14	53,767	36,386
Trade receivables	15	20,322	21,655
Prepayments, deposits and other receivables		5,109	3,159
Income tax recoverables		7,652	8,203
Pledged deposits		15,824	10,173
Cash and cash equivalents		30,661	63,555
Total current assets		133,335	143,131
CURRENT LIABILITIES			
Contract liabilities	14	816	3,816
Trade payables	16	14,143	18,392
Other payable and accruals		4,718	3,507
Rental deposit received		509	131
Lease liabilities		666	437
Bank borrowings	17	6,871	–
Provisions for rectification works		9,630	9,544
Total current liabilities		37,353	35,827
NET CURRENT ASSETS		95,982	107,304
TOTAL ASSETS LESS CURRENT LIABILITIES		247,139	245,766

Condensed Consolidated Statement of Financial Position

30 September 2023

	Note	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
NON-CURRENT LIABILITIES			
Lease liabilities		2,981	–
Deferred tax liabilities		44	21
Total non-current liabilities		3,025	21
Net assets		244,114	245,745
EQUITY			
Issued capital	18	10,000	10,000
Reserves		234,114	235,745
Total equity		244,114	245,745

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2023

	Attributable to owners of the Company					
	Issued capital	Share premium account	Merger reserve	Foreign currency translation reserve	Retained profits	Total
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
At 1 April 2022	10,000	91,369	20	–	141,504	242,893
Total comprehensive income for the period	–	–	–	–	4,252	4,252
At 30 September 2022	10,000	91,369	20	–	145,756	247,145
At 1 April 2023	10,000	91,369	20	–	144,356	245,745
Total comprehensive loss for the period	–	–	–	(16)	(1,615)	(1,631)
At 30 September 2023	10,000	91,369	20	(16)	142,741	244,114

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2023

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Net cash flows used in operating activities	(20,574)	(8,521)
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposits paid	(256)	–
Interest received	750	14
Purchases of items of property, plant and equipment	(641)	(111)
Purchase of investment properties	(12,664)	(16,247)
(Increase)/decrease in pledged deposits	(5,651)	15,772
Increase in non-pledged time deposits with original maturity more than three months when acquired	(2,220)	–
Net cash flows used in investing activities	(20,682)	(572)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(48)	(22)
Payments of lease liability	(677)	(638)
Bank borrowing raised	6,871	–
Net cash flows generated from/(used in) financing activities	6,146	(660)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(35,110)	(9,753)
Cash and cash equivalents at beginning of period	63,555	62,781
Effect of foreign exchange rate changes, net	(4)	–
CASH AND CASH EQUIVALENTS AT END OF PERIOD	28,441	53,028

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2023

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	28,441	53,028
Non-pledged time deposits	2,220	–
Cash and cash equivalents as stated in the condensed consolidated statement of financial position	30,661	53,028
Non-pledged time deposits with original maturity of more than three months when acquired	(2,220)	–
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	28,441	53,028



Notes to the Unaudited Condensed Consolidated Interim Financial Statements

1. CORPORATE AND GROUP INFORMATION

WAH WO HOLDINGS GROUP LIMITED (the “Company”) is a limited liability company incorporated in the Cayman Islands. The principal place of business of the Company is located at Flat A & D, 4/F, Phase 1, Kwai Shing Industrial Building, 36–40 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong. The shares of the Company were listed on the Main Board of the Stock Exchange on 17 January 2020.

The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the provision of aluminium works related services and trading of tools and equipment and rental of investment properties.

In the opinion of the directors, the immediate and the ultimate holding company of the Company is Ornate Bright Limited, a company incorporated in the British Virgin Islands.

Rental income which is derived from the ordinary business of the Group is presented as part of the Group’s revenue in the current period’s unaudited condensed consolidated financial statements. Accordingly, the rental income included in other income in the prior period’s unaudited condensed consolidated financial statements has been reclassified to revenue to conform to the current period’s presentation.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

2.1 BASIS OF PREPARATION

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

These unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 March 2023.

They have been prepared under the historical cost convention. These unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand (“HK\$’000”) except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2023, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“HKFRSs”) for the first time for the current period’s financial statements.

HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies (amendments)</i>
HKAS 8	<i>Definition of Accounting Estimates (amendments)</i>
HKAS 12	<i>Deferred tax related to assets and liabilities arising from a single transaction (amendments)</i>

The adoption of these revised HKFRSs has had no significant impact on the Group’s unaudited condensed consolidated interim financial statements.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

3. REVENUE

An analysis of revenue is as follows:

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited) (Restated)
Revenue from contracts with customers	79,436	101,739
Rental income (note)	716	212
	80,152	101,951

Note: Rental income which is derived from the ordinary business of the Group is presented as part of the Group's revenue in the current period's unaudited condensed consolidated financial statements. Accordingly, the rental income included in other income in the prior period's unaudited condensed consolidated financial statements has been reclassified to revenue to conform to the current period's presentation.

Disaggregated revenue information

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Types of goods and services		
Construction services of residential buildings	65,381	90,866
Construction services of non-residential buildings	14,055	10,873
Total revenue from contracts with customers	79,436	101,739
Timing of revenue recognition		
Services transferred over time	79,436	101,739
Total revenue from contracts with customers	79,436	101,739

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

4. OTHER INCOME

An analysis of other income is as follows:

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited) (Restated)
Recovery of bad debts	–	269
Bank interest income	750	14
Government grants*	–	1,063
Other sundry income	222	–
	972	1,346

* Government grants were granted from the Employment Support Scheme under the Anti-epidemic Fund of the Hong Kong government. As a condition of receiving the grant from the 2022 Employment Support Scheme, the Group undertakes not to make redundancies.

5. OPERATING SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resources allocation and assessment of segment performance focuses on the revenue and profits from different types of business divisions.

During the six months ended 30 September 2023, as a result of the growing importance of the rental of investment properties business to the consolidated revenue, profit before tax and assets of the Group, discrete financial information of the “construction and ancillary services” segment, and the “rental of investment properties” segment is available to the executive directors of the Company for regular review to make resource allocation decisions and assess performance.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

5. OPERATING SEGMENT INFORMATION *(continued)*

(i) Information about reportable segment result

	Construction and ancillary services HK\$'000	Rental of investment properties HK\$'000	Unallocated HK\$'000	Total HK\$'000
Six months ended 30 September 2023				
External revenue	79,436	716	–	80,152
Segment results	2,424	(3,514)	(320)	(1,410)

	Construction and ancillary services HK\$'000	Rental of investment properties HK\$'000	Unallocated HK\$'000	Total HK\$'000
Six months ended 30 September 2022 (Restated)				
External revenue	101,739	212	–	101,951
Segment results	6,187	(158)	(1,191)	4,838

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

5. OPERATING SEGMENT INFORMATION *(continued)*

(ii) Reconciliation of reportable segment profit or loss

	2023 HK\$'000	2022 HK\$'000 (Restated)
Profit or loss		
Total (loss)/profit of reportable segments	(1,090)	6,029
Unallocated amounts:		
Unallocated income	750	14
Unallocated expenses	(1,070)	(1,205)
Consolidated (loss)/profit before tax	(1,410)	4,838

(iii) Geographical information

Since almost all of the Group's revenue was generated in Hong Kong and almost all of the Group's identifiable assets and liabilities were located in Hong Kong, no geographical information is presented.

6. FINANCE COSTS

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Interest on lease liabilities	2	22
Interest on bank borrowings	46	–
	48	22

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

7. (LOSS)/PROFIT BEFORE TAX

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

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Cost of construction work	70,059	90,001
Depreciation of property, plant and equipment	1,212	1,144
Depreciation of right-of-use assets	596	600
Fair value loss on investment properties	3,346	–
Provision/(reversal of provision) for impairment allowance on contract assets, net	129	(6)
Provision for impairment allowance on trade receivables, net	291	249
Provision for rectification works*	1,206	11,497
Provision for onerous contract**	–	1,400

* For the six months ended 30 September 2023, changes in provision for rectification works of approximately HK\$1,206,000 (six months ended 30 September 2022: approximately HK\$11,497,000) is included in cost of construction work disclosed above.

** As at 30 September 2022, the Group recognised a provision of HK\$1,400,000 for onerous contract in relation to a construction project.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

8. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 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 effective from the year of assessment 2018/2019. The first 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%.

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax		
Provision for the period	385	789
Deferred tax	(180)	(203)
	205	586

9. DIVIDENDS

The board of directors has resolved not to declare an interim dividend by the Company for the six months ended 30 September 2023 (six months ended 30 September 2022: Nil).



Notes to the Unaudited Condensed Consolidated Interim Financial Statements

10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic (loss)/earnings per share amount is based on the (loss)/profit for the period attributable to ordinary equity holders of the Company of approximately HK\$1,615,000 (six months ended 30 September 2022: profit of approximately HK\$4,252,000), and the weighted average number of ordinary shares of 1,000,000,000 (six months ended 30 September 2022: 1,000,000,000) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 September 2023 and 2022.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2023, the Group acquired additional property, plant and equipment of approximately HK\$641,000 (six months ended 30 September 2022: approximately HK\$111,000).

12. RIGHT-OF-USE ASSETS

During the six months ended 30 September 2023, the Group entered into a new lease for the use of office premises in the People's Republic of China (the "PRC") through its newly incorporated wholly owned subsidiary, namely Wah Wo Design (Wuhan) Company Limited, a company incorporated in the PRC, for a fixed term of 5 years commencing from 21 July 2023 with non-cancellable and without extension options. On lease commencement, the Group recognised of approximately HK\$3.6 million of right-of-use assets and lease liabilities.

13. INVESTMENT PROPERTIES

During the six months ended 30 September 2023, there is no change in use of the property, and there is no transfer of investment property to property, plant and equipment (six months ended 30 September 2022: approximately HK\$1,750,000).

During the current period, the Group acquired additional investment property of approximately HK\$15,400,000 (six months ended 30 September 2022: approximately HK\$16,247,000).

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

13. INVESTMENT PROPERTIES *(continued)*

A fair value loss of HK\$3,346,000 (six months ended 30 September 2022: Nil) was recognised in profit or loss during the six months ended 30 September 2023.

There has been no change from the valuation technique used in prior year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

14. CONTRACT ASSETS/(LIABILITIES)

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Contract assets		
– Unbilled revenue	22,592	7,113
– Retention receivables	31,954	29,923
	54,546	37,036
Impairment allowance	(779)	(650)
	53,767	36,386
Contract liabilities	816	3,816

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

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

14. CONTRACT ASSETS/(LIABILITIES) *(continued)*

Retention receivables included in contract assets represent the Group's right to consideration for work performed but not yet collectible because the rights are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the construction work performed by the Group.

The increase in contract assets as at 30 September 2023 was the result of the increase in the provision of construction services near the end of the period.

The Group's trading terms and credit policy with customers are disclosed in note 15 to the unaudited condensed consolidated interim financial statements in this report.

The expected timing of recovery or settlement for contract assets is as follows:

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Within one year	37,627	23,026
After one year	16,140	13,360
	53,767	36,386

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

15. TRADE RECEIVABLES

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Trade receivables	23,132	24,175
Impairment allowance	(2,810)	(2,520)
	20,322	21,655

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

An ageing analysis of the trade receivables as at the end of each of the reporting period, based on the progress payment certificate date and net of impairment allowance, is as follows:

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Within 30 days	7,625	13,327
31 to 90 days	8,300	6,186
91 to 120 days	–	–
Over 120 days	4,397	2,142
	20,322	21,655

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

16. TRADE PAYABLES

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Trade payables	14,143	18,392

An ageing analysis of the trade payables as at the end of each of the reporting period, based on the date of invoice and payment certificate, is as follows:

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Within 30 days	8,185	10,021
31 to 90 days	3,205	3,648
91 to 180 days	781	2,783
Over 180 days	1,972	1,940
	14,143	18,392

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

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

17. BANK BORROWINGS

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Within one year	344	–
More than one year, but not exceeding two years	359	–
More than two years, but not more than five years	1,168	–
More than five years	5,000	–
	6,871	–
Portion of bank loans that are due for repayment after one year but contain a repayment on demand clause (shown under current liabilities)	(6,527)	–
	344	–
Less: Amount due for settlement within 12 months (shown under current liabilities)	(344)	–
	–	–
Amount due for settlement after 12 months	–	–
Analysis by nature as:		
Mortgage loans	6,871	–

The carrying amounts of the Group's bank borrowings are denominated in HK\$.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

17. BANK BORROWINGS *(continued)*

The interest rate of the Group's borrowings as at reporting date was as follows:

	30 September 2023	31 March 2023
Bank borrowings	4.08%	N/A

Bank borrowings were offered at one month HIBOR plus 1.9% per annum, thus exposing the Group to cash flow interest rate risk, and were secured by legal charge on investment properties, rental assignments and corporate guarantee provided by the Company.

As at 30 September 2023, the carrying amount of investment properties of approximately HK\$113,329,000 (31 March 2023: approximately HK\$81,700,000) was secured to a bank for the banking facilities amounting to HK\$92,880,000 (31 March 2023: HK\$81,328,000) granted to the Group. As at 30 September 2023, the Group's undrawn against these banking facilities stood at a HK\$73,052,000 (31 March 2023: HK\$77,673,000).

18. SHARE CAPITAL

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Authorised: 10,000,000,000 ordinary shares of HK\$0.01 each	100,000	100,000
Issued and fully paid: 1,000,000,000 ordinary shares of HK\$0.01 each	10,000	10,000

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

19. CONTINGENT LIABILITIES

- (a) As at 30 September 2023 and 31 March 2023, contingent liabilities not provided for in the consolidated financial statements were as follows:

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Guarantees given to banks for surety bonds	21,447	12,202

As at 30 September 2023, the surety bonds were secured by the pledge of time deposits of the Group amounting to approximately HK\$15,824,000 (31 March 2023: approximately HK\$10,173,000) and corporate guarantee executed by the Company amounting to HK\$50,000,000 (31 March 2023: HK\$50,000,000) respectively.

- (b) In the ordinary course of the Group's construction business, the Group has been subject to a number of claims due to personal injuries suffered by employees of the Group or the Group's subcontractors in accidents arising out of and in the course of their employment. The directors of the Company are of the opinion that such claims are well covered by insurance and would not result in any material adverse impact on the financial position or results and operations of the Group.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

20. CAPITAL COMMITMENTS

Capital commitments contracted for at the end of the reporting period but not yet incurred are as follows:

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Property, plant and equipment	1,806	256

21. OPERATING LEASE ARRANGEMENTS

(a) The Group as lessee

During the period ended 30 September 2023, the Group entered into a short-term lease with Ms. Wong Chun Siu, the spouse of controlling shareholder of the Group, for a warehouse and office premise in Hong Kong and the outstanding lease commitments relating to the warehouse and office premise is HK\$1,240,000 (31 March 2023: Nil).

(b) The Group as lessor

Operating leases relate to investment properties owned by the Group with lease terms of 2 years. The lessee does not have an option to purchase the property at the expiry of the lease period.

Minimum lease payments receivable on leases are as follows:

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Within one year	1,421	516
In the second year	322	10
	1,743	526

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

21. OPERATING LEASE ARRANGEMENTS *(continued)*

(b) The Group as lessor *(continued)*

The following table presents the amounts reported in profit or loss:

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Rental income	717	211
Direct operating expenses, net	(313)	(151)
Other operating expenses	(80)	(119)
	324	(59)

22. RELATED PARTY TRANSACTIONS

(a) Compensation of key management personnel of the Group

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Salaries, bonuses and allowances	1,080	1,056
Pension scheme contributions	18	18
	1,098	1,074

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

22. RELATED PARTY TRANSACTIONS *(continued)*

- (b) In addition to the balances, arrangements and transactions detailed elsewhere in these unaudited condensed consolidated interim financial statements, the Group had the following transactions with related party during the period:

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Lease payments paid to Ms. Wong Chun Siu, the spouse of Mr. Chen Yuet Wa, the controlling shareholder of the Group	688	660
Employee benefits expenses to Mr. Chen Zhenchuan, the brother of the controlling shareholder of the Group	243	243

The transactions were conducted on terms and conditions mutually agreed between the Group and the related party.

23. EVENTS AFTER END OF THE PERIOD

On 9 October 2023, the Group entered into a provisional agreement with a vendor, an independent third party, pursuant to which the Group has agreed to acquire, and the vendor has agreed to sell a premises located at Factory E on 4/F including Flat Roof, Kwai Shing Industrial Building (Phase II), Nos. 42–46 Tai Lin Pai Road, Kwai Chung, New Territories (the "Property") at the consideration of HK\$8,280,000. An initial deposit of HK\$828,000 was paid by the Group on 20 October 2023 and the remaining sum of HK\$7,452,000 shall be paid on or before 8 December 2023. Details are set out in announcement of the Company dated on 9 October 2023.

Corporate Governance and Other Information

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

As at 30 September 2023, interests and short positions in the Shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) held by the Directors and chief executive of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) in Appendix 10 to the Listing Rules are as follows:

(i) Long position in our Shares

Name of Director	Capacity/Nature	Number of Shares	Percentage of shareholding
Mr. Chen Yuet Wa	Interest in a controlled corporation (note)	750,000,000	75%

Note: 750,000,000 Shares are registered in the name of Ornate Bright Limited (“Ornate Bright”), the entire issued capital of which is legally and beneficially owned by Mr. Chen Yuet Wa, our executive Director. By virtue of the SFO, Mr. Chen Yuet Wa is deemed to be interested in all the Shares held by Ornate Bright.

(ii) Long position in the shares of associated corporation

Name of Director	Name of associated corporation	Capacity/Nature	Number of share held	Percentage of Interest
Mr. Chen Yuet Wa	Ornate Bright	Beneficial Owner	1	100%

Corporate Governance and Other Information

Save as disclosed above, as at 30 September 2023, none of the Directors or the chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange under the Model Code.

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

As at 30 September 2023, so far as it is known by or otherwise notified by any Director or the chief executive of the Company, the particulars of the corporations or individuals (other than a Director or chief executive of the Company) who had or were deemed or taken to have an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept under section 336 of the SFO were as follows:

LONG POSITION IN THE SHARES

Name	Capacity/Nature of interest	Number of Shares held	Percentage of interest
Ornate Bright	Beneficial owner (note 1)	750,000,000	75%
Ms. Wong Chun Siu	Interest of spouse (note 2)	750,000,000	75%

Notes:

1. Ornate Bright is wholly-owned by Mr. Chen Yuet Wa.
2. Ms. Wong Chun Siu is the spouse of Mr. Chen Yuet Wa and is deemed or taken to be interested in all the Shares in which Mr. Chen Yuet Wa has, or is deemed to have, an interest for the purposes of the SFO.

Corporate Governance and Other Information

Save as disclosed above, as at 30 September 2023, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register maintained by the Company pursuant to section 336 of the SFO.

SHARE OPTION SCHEME

The share option scheme was conditionally adopted by the Company on 12 December 2019 (the **"Share Option Scheme"**) and shall be valid until 12 December 2029. Pursuant to the Share Option Scheme, certain eligible participants including, among others, the Directors and employees of the Group may be granted option to subscribe for shares. The purpose of the Share Option Scheme is to provide incentives or rewards to participants for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group. A Summary of principal terms of the Share Option Scheme is set out in the paragraph headed "D. Share Option Scheme" in Appendix IV to the Prospectus.

Pursuant to the terms of the Share Option Scheme and in compliance with the provisions in Chapter 17 of the Listing Rules, the maximum number of Shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme and all share option schemes of the Company shall not exceed 100,000,000 Shares, being 10% of the Shares in issue as at the date of this interim report.

Since the adoption of the Share Option Scheme, no option has been granted. Therefore, no option was exercised, cancelled or lapsed during the period and there was no option outstanding as at 30 September 2023.

COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors, the controlling shareholders of the Company or any of their respective close associates (as defined in the Listing Rules) that compete or may compete, directly or indirectly, with the business of the Group and any other conflicts of interest which any such person has or may have with the Group and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules during the Review Period.



Corporate Governance and Other Information

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (THE “CODE”)

According to code provision C.2.1 of the CG Code, the role of the chairman and the chief executive officer of the Company should be separate and should not be performed by the same individual. During the Review Period, the role of the chairman and the chief executive officer of the Company are both performed by Mr. Chen Yuet Wa. In view of Mr. Chen Yuet Wa’s role in the day-to-day management and operations of the Group, being the controlling shareholder of the Group and as one of the Directors if not the sole director of other members of the Group, as at the date of this interim report, the Board believes that it is more effective and efficient overall business planning and implementation of business decisions and strategies of the Group that it shall be in the best interests of the Group for Mr. Chen Yuet Wa to take up the dual roles of chairman and chief executive officer of the Company. Therefore, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstance and that there are sufficient checks and balances in place by the operations of the Board, which comprises experienced and high calibre individuals and adequate independent element in the composition of the Board. The Board will continue to review and consider splitting the roles of chairman and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole. The Directors are aware that the Company is expected to comply with the CG Code. Any deviation from the CG Code should be carefully considered and disclosed in the interim and annual report. Save as disclosed above, the Company will continue to comply with the CG Code to protect the best interests of the shareholders.

Except for code provision C2.1, the Company has adopted and complied with the Code contained in Appendix 14 to the Listing Rules during the Review Period.



Corporate Governance and Other Information

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as a code of conduct regarding the securities transactions of the Company by the Directors. Having made specific enquiries of the Directors, all Directors confirmed that they have complied with the requirements of the Model Code during the Review Period.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the Review Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient amount of public float for the Shares as required under the Listing Rules during the Review Period.

AUDIT COMMITTEE

The Company established the audit committee (the "**Audit Committee**") on 12 December 2019 with written terms of reference in compliance with Rule 3.22 of the Listing Rules and paragraph D.3.3 of the CG Code. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Chow Chi Fai, Mr. Chan Hon Ki and Mr. Yu Chi Wing, to review on matters regarding internal controls, risk management and financial reporting of the Group.



Corporate Governance and Other Information

REVIEW OF INTERIM FINANCIAL RESULTS

The interim financial results of the Group for the Review Period are unaudited but have been reviewed and approved by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

By order of the Board
WAH WO HOLDINGS GROUP LIMITED
Chen Yuet Wa
Chairman and Executive Director

Hong Kong, 28 November 2023

As at the date of this report, the Board comprises five members, of which Mr. CHEN Yuet Wa and Mr. CHAN Fai are the executive directors of the Company; and Mr. CHOW Chi Fai, Mr. CHAN Hon Ki and Mr. YU Chi Wing are the independent non-executive directors of the Company.