



Man King  
萬景控股

# Man King Holdings Limited 萬景控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2193

2024  
INTERIM REPORT



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Lo Yuen Cheong (*Chairman*)  
Lo Yick Cheong

#### Non-executive Director

Chan Wai Ying

#### Independent non-executive Directors

Leung Wai Tat Henry  
Lo Man Chi  
Chau Wai Yung  
So Kei Wai (*appointed on 15 July 2024*)

### AUDIT COMMITTEE

Leung Wai Tat Henry (*Chairman*)  
Chan Wai Ying  
Chau Wai Yung  
Lo Man Chi  
So Kei Wai (*appointed on 15 July 2024*)

### REMUNERATION COMMITTEE

Chau Wai Yung (*Chairman*)  
Lo Yuen Cheong  
Leung Wai Tat Henry  
Lo Man Chi  
So Kei Wai (*appointed on 15 July 2024*)

### NOMINATION COMMITTEE

Lo Yuen Cheong (*Chairman*)  
Lo Yick Cheong  
Chau Wai Yung  
Leung Wai Tat Henry  
Lo Man Chi  
So Kei Wai (*appointed on 15 July 2024*)

### AUTHORISED REPRESENTATIVES

Lo Yuen Cheong  
Law Wai Ting

### COMPANY SECRETARY

Law Wai Ting

### SOLICITORS

CFN Lawyers  
Maples and Calder

### AUDITOR

PricewaterhouseCoopers  
Certified Public Accountants  
*Registered Public Interest Entity Auditor*

### PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited  
Industrial and Commercial Bank of China (Asia) Limited

### REGISTERED OFFICE

PO Box 309  
Ugland House  
Grand Cayman  
KY1-1104  
Cayman Islands

### PRINCIPAL OFFICE

Unit D, 10/F  
Skyline Tower  
18 Tong Mi Road  
Mongkok, Kowloon  
Hong Kong

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

Maples Fund Services (Cayman) Limited  
PO Box 1093  
Boundary Hall, Cricket Square  
Grand Cayman  
KY1-1102  
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

### **STOCK CODE**

2193

### **WEBSITE**

<http://www.manking.com.hk>

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

### Overview

The Group is principally engaged in providing civil engineering services in Hong Kong as main contractor.

The engineering works undertaken by the Group are mainly related to (i) roads and drainage (including associated building works and electrical and mechanical works); (ii) site formation (including associated infrastructure works); and (iii) port works. The Group undertakes civil engineering projects in both public and private sectors and, being a main contractor, participates in the procurement of materials, machineries and equipment, selection of subcontractors, carrying out on-site supervision, monitoring work progress and overall co-ordination of day-to-day work of the projects.

As at 30 September 2024, the Group had seven projects in progress, and several completed projects yet to receive the final contract sum. Together with the existing projects in progress, the total estimated outstanding contract sum and work order value amounts to approximately HK\$636.4 million.

The diversified coal transshipment business of the Group through its 20.3% owned One Belt One Road project in Pakistan continued to bring positive return to the Group. During the six months ended 30 September 2024, the Company's share of profit of the project was approximately HK\$10.9 million (2023: HK\$9.5 million).

### FUTURE OUTLOOK

As we navigate the evolving landscape of our industry, the Group remains steadfast in its commitment to delivering high-quality civil engineering services. Our revenue is primarily derived from projects with the Government of the Hong Kong Special Administrative Region (the "HKSAR Government"). We recognise the current economic challenges, particularly the HKSAR Government's low fiscal reserves and stringent regulatory environment.

Nevertheless, our management team remains optimistic about the future. We are proactively adjusting our strategies to address financial constraints and regulatory changes. This includes implementing innovative solutions to enhance project efficiency and cost-effectiveness, as well as reinforcing our compliance mechanisms to meet new legal requirements.

Our resilience is supported by a strong pipeline of projects and a dedicated workforce, whose expertise and commitment are invaluable. Additionally, we are exploring diversification opportunities to reduce our dependency on government contracts by targeting new markets and sectors where our engineering capabilities can be effectively utilised.

The One Belt One Road project in Pakistan, of which the Group owns 20.3%, has commenced its sixth coal transshipment operation season since September 2024. The Group's share of profit in an associate amounted to approximately HK\$10.9 million during the period ended on 30 September 2024, representing an increase of approximately 14.7% as compared to approximately HK\$9.5 million in the prior period. During the period, the Group received cash dividends from the project totaling approximately US\$1.7 million (equivalent to approximately HK\$13.1 million) for the period. The level of dividend distribution from the project has provided a substantial source of funding and returns of the Group, significantly enhancing the overall liquidity environment. The Company will continuously monitor the operation of the project and recommend cash distribution as appropriate when profit earning is in line with our expectation.

Although the economic forecast poses difficulties, we are confident that our strategic initiatives and determined efforts will enable us to overcome these obstacles. Our sound cash flow and low gearing ratio ensure that we remain competitive even in the face of the recent deteriorating economic situation. We are poised to maintain growth and continue contributing to vital infrastructure projects that benefit the community.

Management is prepared to tackle these head-on challenges, ensuring that the Company remains a trusted partner in building a resilient and sustainable future. Our long term commitment remains focused on delivering greater return to our shareholders.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Condensed consolidated interim statement of profit or loss and other comprehensive income

#### Revenue

The Group's revenue for the six months ended 30 September 2024 was approximately HK\$186.7 million, representing a slight increase of approximately 4.5% from approximately HK\$178.7 million in the same period of the last financial year. This increase was mainly due to the combined effect of:

- (i) higher revenue of approximately HK\$62.0 million for some projects in progress during the six months ended 30 September 2024;
- (ii) lower revenue of approximately HK\$44.4 million for a project completed during the six months ended 30 September 2024; and
- (iii) lower revenue of approximately HK\$9.6 million for projects completed before 2024.

#### Gross profit and gross profit margin

The Group's gross profit for the six months ended 30 September 2024 was approximately HK\$14.2 million while it was HK\$5.6 million in the same period of the last financial year.

The gross profit margin increased from approximately 3.1% for the six months ended 30 September 2023 to approximately 7.6% for the six months ended 30 September 2024.

The increase in gross profit and gross profit margin was primarily due to a higher amount of works being certified by customers. During the prior period, construction projects were mainly in phases where temporary works were performed. These projects have now progressed, resulting in more revenue-generating works being certified in the current period.

#### Other income

Other income was approximately HK\$3.8 million and HK\$4.1 million for the six months ended 30 September 2024 and 2023, respectively. Other income included mainly bank interest income received of approximately HK\$2,866,000 for the current period (six months ended 30 September 2023: HK\$3,248,000).



### **Other gains/(losses), net**

The Group recorded other gains, net of approximately HK\$295,000 for the six months ended 30 September 2024, and other losses, net of approximately HK\$283,000 for the six months ended 30 September 2023. The turnaround was primarily due to the increase in fair value changes of financial assets at fair value through profit or loss during the period.

### **Administrative expenses**

Administrative expenses remained stable at approximately HK\$13.2 million and HK\$13.9 million for the six months ended 30 September 2024 and 2023, respectively. Administrative expenses included mainly administrative staff costs, employee benefit expenses and legal and professional expenses.

### **Impairment of financial assets**

As part of the Group's credit risk assessment, an impairment loss provision of approximately HK\$9.4 million was recognised on amounts due from joint operations/an other partner of joint operation for the six months ended 30 September 2024. Credit risks arise when the Group's joint operations partners fail to carry out their contractual obligations, resulting in financial losses to the Group. While the Group does not hold any collateral against these receivables, the risks are partially mitigated through the value of the assets held by the relevant joint operations and the Group's participation in the joint operations.

The amounts due from joint operations/an other partner of joint operation as at 30 September 2024 in which provision was provided primarily relate to the accumulated outstanding balances from a joint operation partner involved in a road and drainage project in Kai Tak Development ("Kai Tak Development project"). The management has assessed that the credit risk from this joint operation partner has increased significantly during the period, taken into account of its historical default experience, financial strength and the current budget of Kai Tak Development project. The management has implemented monitoring procedures to ensure appropriate follow-up actions for recovering overdue debts.

The Kai Tak Development project is expected to be completed in the first quarter of 2025, and the Group is actively negotiating with the customer regarding the total work done performed by the Group.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Finance costs

Finance costs consisted of the bank loan interest expenses of approximately HK\$34,000 (2023: HK\$57,000) and interest expenses on the lease liabilities of approximately HK\$111,000 (2023: HK\$142,000) for the six months ended 30 September 2024.

### Share of profit of an associate

Share of profit of an associate relates to the Group's 20.3% interest in an associate for the provision of bareboat charter and coal transshipment services in Pakistan. The Group's share of profit of an associate for the six months ended 30 September 2024 was approximately HK\$10,907,000 (2023: HK\$9,524,000).

### Income tax credit

The Group recorded income tax credit of approximately HK\$271,000 for the six months ended 30 September 2024 (2023: HK\$1,882,000). Income tax credit was resulted from the recognition of estimated tax losses available for offsetting against future profits.

### Profit for the period

Profit for the period remained stable at approximately HK\$6,744,000 and HK\$6,716,000 for the six months ended 30 September 2024 and 2023, respectively. Although the net profit for this period is comparable to that of the corresponding period of the last financial year, it was the combined effect of an increase in gross profit from construction projects and the recognition of impairment of financial assets. Excluding the one-off impairment of financial assets, the adjusted net profits for the current period was approximately HK\$16,171,000, representing an increase of approximately 141% as compared to that of the corresponding period of last financial year.

### Condensed consolidated interim statement of financial position

Net assets of the Group increased slightly by 2.2% from approximately HK\$272.4 million as at 31 March 2024 to approximately HK\$278.5 million as at 30 September 2024.

Non-current assets decreased slightly from approximately HK\$139.1 million as at 31 March 2024 to approximately HK\$133.0 million as at 30 September 2024, due to decrease in property, plant and equipment, right-of-use assets and investment in an associate.

Net current assets increased by 7.9% from approximately HK\$141.0 million as at 31 March 2024 to approximately HK\$152.1 million as at 30 September 2024, primarily due to the combined effect of the increase in cash and cash equivalents net off with the decrease in trade and other receivable, amounts due from joint operations/an other partner of joint operation, trade and other payables and bank borrowings.

### **Liquidity and financial resources**

As at 30 September 2024, the Group had cash and cash equivalents of approximately HK\$171.1 million (31 March 2024: HK\$153.9 million) and bank deposits with maturity over three months of approximately HK\$20.7 million (31 March 2024: HK\$22.2 million), which were mainly denominated in Hong Kong dollars and United States dollars. Therefore, the management of the Group believes that the Company does not have significant foreign exchange risk. The Group has not adopted any currency hedging policy or other hedging instruments. The Group will continue to monitor its exposure to currency risks closely.

As at 30 September 2024 and 31 March 2024, there was no pledged bank deposit.

As at 30 September 2024, the Group had interest bearing borrowings of approximately HK\$4.9 million (31 March 2024: HK\$0.6 million) with a repayable on demand clause. Such borrowings were denominated in Hong Kong dollars, carried at variable interest rate and had no financial instrument for hedging purpose.

The Group had available unutilised bank borrowings facilities of approximately HK\$24.0 million as at 30 September 2024 (31 March 2024: HK\$20.7 million).

### **Capital structure and gearing ratio**

As at 30 September 2024, the Group's total equity was approximately HK\$278.5 million (31 March 2024: HK\$272.4 million) comprising ordinary share capital, share premium and reserves.

The gearing ratio of the Group, defined as a percentage of interest bearing liabilities divided by the total equity, is approximately 1.8% as at 30 September 2024 (31 March 2024: 0.2%).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Pledge of assets

As at 30 September 2024 and 31 March 2024, there was no pledged bank deposit. Deposits of approximately HK\$3.3 million have been placed and pledged to an insurance institution to secure obligations under the performance bonds issued by an institution to a customer of the Group as at 31 March 2024 and the amount was released during the six months ended 30 September 2024.

### Capital commitments

The Group had no capital commitments on capital expenditure of property, plant and equipment contracted for but not recognised as liabilities as at 30 September 2024 and 31 March 2024.

### Performance bonds and contingent liabilities

Certain customers of the construction contracts undertaken by the Group require the Group entities to issue guarantees for the performance of contract works in the form of performance bonds. The performance bonds are released when the construction contracts are completed or substantially completed.

As at 30 September 2024, the Group did not have any outstanding performance bonds (31 March 2024: HK\$3.3 million).

For details of performance bonds and contingent liability of the Group, please refer to Note 23 to the condensed consolidated interim financial information.

### New business

During the six months ended 30 September 2024, the Company did not commence any new type of business.

### **Significant investment for the purpose of paragraph 32(4A) of Appendix D2 of the Listing Rules**

The Group holds a 20.3% equity interest (comprising 2,030 ordinary shares) in River King Management Holdings Limited ("River King" and together with its subsidiaries, the "River King Group") through Rich Partner Global Limited, a direct wholly-owned subsidiary of the Company. The River King Group is principally engaged in a One Belt One Road project involving the bareboat charter hiring and transshipment of coal by vessels owned or built by the River King Group to a coal fired power station located in Pakistan. The Group's total investment in River King up to 30 September 2024 was approximately HK\$96.7 million. No market fair value was available for this private investment as at 30 September 2024. The Group invested in River King with a view to maintaining a sustainable growth and maximising shareholder return through business diversification. To that end, the Group has been actively involved in the development and operation of the coal transshipment project since its participation. During the six months ended 30 September 2024, the Group's share of profit and other comprehensive loss of River King Group was approximately HK\$10.9 million and HK\$0.6 million, respectively, and received cash dividends of approximately HK\$13.1 million.

Save as aforesaid, the Company did not hold any other significant investment during the six months ended 30 September 2024.

### **MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

During the six months ended 30 September 2024, there was no material acquisition or disposal of subsidiaries and associated companies by the Company.

## DISCLOSURE OF INTERESTS

### DIRECTORS' AND THE CHIEF EXECUTIVE'S INTERESTS IN THE SHARES OF THE COMPANY

As at 30 September 2024, the interests and/or short positions of the Directors and Chief Executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), which or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), to be notified to the Company and the Stock Exchange, were as follows:

Name of Director and Group member/associated corporation	Capacity/nature	Number of issued ordinary shares held (long position)	Percentage of the issued share capital of the Company
Lo Yuen Cheong of the Company	Beneficiary and co-founder of a discretionary trust, interest in a controlled corporation and interest in spouse (Note)	300,372,000	71.55%
	Beneficial owner	4,716,000	1.12%
Lo Yick Cheong of the Company	Beneficiary and co-founder of a discretionary trust, interest in a controlled corporation and interest in spouse (Note)	300,372,000	71.55%
Chan Wai Ying of the Company	Beneficial owner	1,500,000	0.36%
Leung Wai Tat Henry of the Company	Beneficial owner	100,000	0.02%

## DISCLOSURE OF INTERESTS

Name of Director and Group member/associated corporation	Capacity/nature	Number of issued ordinary shares held (long position)	Percentage of the issued share capital of the Company
Lo Yuen Cheong of Jade Vantage Holdings Limited	Beneficiary and co-founder of a discretionary trust, interest in a controlled corporation and interest in spouse (Note)	50,000 of US\$1 each	100%
Lo Yick Cheong of Jade Vantage Holdings Limited	Beneficiary and co-founder of a discretionary trust, interest in a controlled corporation and interest in spouse (Note)	50,000 of US\$1 each	100%

Note: Jade Vantage Holdings Limited, which owns 71.55% of the issued share capital of our Company, is owned as to 100% by LOs Brothers (PTC) Limited, the trustee of the Los Family Trust. Mr. Lo Yuen Cheong, Mr. Lo Yick Cheong and each of their spouses are co-founders of the Los Family Trust, which holds the entire issued share capital of Jade Vantage Holdings Limited, which holds 300,372,000 shares of the Company (the "Shares"). By virtue of the SFO, Mr. Lo Yuen Cheong and Mr. Lo Yick Cheong are deemed to be interested in the Shares in which Jade Vantage Holdings Limited is interested.

Save as disclosed above, none of the Directors nor their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange.

None of the Directors nor the Chief Executive (including their spouse and children under 18 years of age) had any interest in, or had been granted, or exercised, any rights to subscribe for the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) during the six months ended 30 September 2024.

## DISCLOSURE OF INTERESTS

### SUBSTANTIAL SHAREHOLDERS AND OTHER INTERESTS

As at 30 September 2024, so far as the Directors are aware, the following persons (not being a Director or a Chief Executive of the Company) had an interest or short position in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of shareholder	Nature of interest	Number of issued ordinary shares held (long position)	Percentage of the issued share capital of the Company
LOs Brothers (PTC) Limited	Interest in a controlled corporation	300,372,000	71.55%
Jade Vantage Holdings Limited	Beneficial owner	300,372,000	71.55%
Tam Wai Sze, Vera	Beneficiary and co-founder of a discretionary trust, interest in a controlled corporation and interest in spouse (Note)	300,372,000	71.55%
	Beneficial owner	3,276,000	0.78%
Cheung Suk Ching, Savonne	Beneficiary and co-founder of a discretionary trust, interest in a controlled corporation and interest in spouse (Note)	300,372,000	71.55%

Note: Jade Vantage Holdings Limited, which owns 71.55% of the issued share capital of our Company, is owned as to 100% by LOs Brothers (PTC) Limited, the trustee of the Los Family Trust. Mr. Lo Yuen Cheong, Mr. Lo Yick Cheong and each of their spouses are co-founders of the Los Family Trust, which holds the entire issued share capital of Jade Vantage Holdings Limited, which holds 300,372,000 Shares. By virtue of the SFO, Mr. Lo Yuen Cheong and Mr. Lo Yick Cheong are deemed to be interested in the Shares in which Jade Vantage Holdings Limited is interested.

Save as disclosed above, no other person (other than Directors or Chief Executive of the Company) has an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.



### SHARE OPTION SCHEME

The Company conditionally adopted the share option scheme on 3 June 2015, and such scheme has become effective on the listing of the Company on the Stock Exchange on 3 July 2015 (the "Share Option Scheme"). The purpose of the Share Option Scheme is to recognise and acknowledge the contribution of the eligible participants made to the Group. The Board may, at its discretion, grant options pursuant to the Share Option Scheme to Directors (including the independent non-executive Directors), the Company's subsidiaries, employees of the Group and other persons the Board considers have contributed or will contribute to the Group. The maximum number of shares in respect of which options may be granted under the Share Option Scheme must not in aggregate exceed 10% of the issued share capital of the Company at the grant date, unless otherwise approved by the shareholders of the Company in general meeting and/or other requirements prescribed under the Listing Rules. The subscription price of a share in respect of a particular option shall be not less than the highest of (a) the official closing price of the shares on the daily quotation sheet of the Stock Exchange; (b) the average official closing price of the shares on the daily quotation sheet of the Stock Exchange for the five business days immediately preceding the date of grant; and (c) the nominal value of a share. The Share Option Scheme shall remain effective within a period of 10 years from that date. The remaining life of the Share Option Scheme is approximately seven months as at the date of this report.

No option was outstanding, granted, exercised, cancelled or lapsed during the six months ended 30 September 2024.

The total number of share options available for grant under the Share Option Scheme as at 1 April 2024 and 30 September 2024 was 34,874,000.

The total number of shares that may be issued in respect of options granted under the Share Option Scheme during the six months period ended 30 September 2024 divided by the weighted average number of shares in issue for the period was nil.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### CORPORATE GOVERNANCE CODE

The Company has adopted, applied and complied with the code provisions of the Corporate Governance Code (the “CG Code”) set out in Appendix C1 of the Listing Rules for the six months ended 30 September 2024, except for provision C.2.1 in respect of the separate roles of the chairman and chief executive officer.

According to provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lo Yuen Cheong is the Chairman and Chief Executive Officer of the Company, responsible for the financial and operational aspects of the Group, and is jointly responsible for the formulation of business development strategies of the Group. The Board believes that vesting the roles of both Chairman and Chief Executive Officer has the benefit of managing the Group’s business and overall operation in an efficient manner. The Board considers that the balance of power and authority under the present arrangement will not be impaired in light of the operations of the Board with more than half of them being independent non-executive Directors. The Company will review the structure from time to time and shall adjust the situation when suitable circumstance arises.

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors.

Upon specific enquiry with each of the Directors, all Directors confirmed that they have complied with the required standards set out in the Model Code for the six months ended 30 September 2024.

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

The Company bought back a total of 224,000 Shares on the Stock Exchange at an aggregate consideration of approximately HK\$41,000 for the six months ended 30 September 2024 (2023: Nil) at price ranging from HK\$0.175 to HK\$0.189 per Share.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities for the six months ended 30 September 2024.

### **FUTURE PLANS FOR MATERIAL INVESTMENTS OR ACQUISITION OF CAPITAL ASSETS**

The Group had no specific plans for material investments or acquisition of capital assets as at 30 September 2024.

### **INTERIM DIVIDEND**

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 September 2024.

### **REVIEW OF INTERIM RESULTS**

The audit committee of the Company has reviewed the unaudited condensed consolidated interim financial information for the six months ended 30 September 2024 and discussed the financial related matters with the management. PricewaterhouseCoopers, the Company's auditor, has reviewed the unaudited condensed consolidated interim financial information for the six months ended 30 September 2024 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

### **EMOLUMENT POLICY**

The emolument policy of the employees of the Group is set up by the management on the basis of their merit, qualifications and competence.

The remuneration committee of the Company (the "Remuneration Committee") considers and makes recommendations to the Board on the remuneration and other benefits paid by the Company to the Directors by reference to the Company's operating results, individual performance and comparable market rates. The remuneration of all Directors is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

As at 30 September 2024, the Group had an aggregate of 170 full-time employees (31 March 2024: 167 full-time employees). Employee costs excluding directors' emoluments totalled HK\$34.0 million for the six months ended 30 September 2024 (2023: HK\$33.9 million). The Group recruited and promoted individual persons according to their strength and development potential. The Group determined the remuneration packages of all employees including the directors with reference to individual performance and current market salary scale.

By Order of the Board

**Lo Yuen Cheong**

*Chairman and Executive Director*

28 November 2024



羅兵咸永道

## TO THE BOARD OF DIRECTORS OF MAN KING HOLDINGS LIMITED

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

### INTRODUCTION

We have reviewed the interim financial information set out on pages 21 to 50, which comprises the condensed consolidated interim statement of financial position of Man King Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 September 2024 and the condensed consolidated interim statement of profit or loss and other comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "*Interim Financial Reporting*" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "*Interim Financial Reporting*". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF REVIEW

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

# REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “*Interim Financial Reporting*”.

**PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 28 November 2024

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

For the six months ended 30 September 2024

	Notes	Unaudited Six months ended 30 September	
		2024 HK\$'000	2023 HK\$'000
Revenue	6	186,658	178,663
Cost of services		172,426	(173,066)
<b>Gross profit</b>		<b>14,232</b>	5,597
Other income	7	3,762	4,100
Other gains/(losses), net	8	295	(283)
Administrative expenses		(13,151)	(13,905)
Impairment of financial assets		(9,427)	–
<b>Operating loss</b>		<b>(4,289)</b>	(4,491)
Finance costs		(145)	(199)
Share of profit of an associate		10,907	9,524
<b>Profit before income tax</b>	9	<b>6,473</b>	4,834
Income tax credit	11	271	1,882
<b>Profit for the period</b>		<b>6,744</b>	6,716
<b>Other comprehensive (loss)/income</b>			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Share of other comprehensive (loss)/income of an associate		(599)	425
<b>Total comprehensive income for the period attributable to the owners of the Company</b>		<b>6,145</b>	7,141
<b>Earnings per share attributable to owners of the Company</b>			
Basic and diluted per share (HK cents)	12	1.61	1.60

The above condensed consolidated interim statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



# CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	14,119	16,835
Right-of-use assets	13	9,076	9,623
Investment in an associate	14	109,771	112,607
		<b>132,966</b>	139,065
<b>Current assets</b>			
Inventories		4,773	5,070
Contract assets	15	13,127	15,313
Trade and other receivables	16	38,948	52,336
Amounts due from joint operations/an other partner of joint operation	17	9,713	20,155
Financial assets at fair value through profit or loss	5	5,055	4,733
Bank deposits with maturity over three months	18	20,728	22,245
Cash and cash equivalents	18	171,134	153,853
		<b>263,478</b>	273,705
<b>Total assets</b>		<b>396,444</b>	412,770

The above condensed consolidated interim statement of financial position should be read in conjunction with the accompanying notes.

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	19	4,198	4,198
Share premium and other reserves		67,808	68,448
Retained earnings		206,528	199,784
<b>Total equity</b>		<b>278,534</b>	272,430
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		5,316	6,158
Deferred tax liabilities		1,186	1,469
		<b>6,502</b>	7,627
<b>Current liabilities</b>			
Contract liabilities		18,306	22,051
Trade and other payables	20	71,047	88,162
Amounts due to other partners of joint operations	17	12,826	17,810
Bank borrowings		4,861	599
Lease liabilities		3,998	3,721
Tax liabilities		370	370
		<b>111,408</b>	132,713
<b>Total liabilities</b>		<b>117,910</b>	140,340
<b>Total equity and liabilities</b>		<b>396,444</b>	412,770

The above condensed consolidated interim statement of financial position should be read in conjunction with the accompanying notes.

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Unaudited							Total HK\$'000
	Attributable to owners of the Company							
	Share capital HK\$'000	Share premium HK\$'000	Property revaluation reserve HK\$'000	Other reserve HK\$'000 (Note 1)	Exchange reserve HK\$'000	Treasury share reserve HK\$'000 (Note 2)	Retained earnings HK\$'000	
At 1 April 2023	4,198	44,491	1,193	33,600	4,829	–	222,526	310,837
Profit for the period	–	–	–	–	–	–	6,716	6,716
Other comprehensive income	–	–	–	–	425	–	–	425
Total comprehensive income	–	–	–	–	425	–	6,716	7,141
Dividends paid	–	(14,694)	–	–	–	–	–	(14,694)
At 30 September 2023	4,198	29,797	1,193	33,600	5,254	–	229,242	303,284
At 1 April 2024	4,198	29,797	1,193	33,600	3,858	–	199,784	272,430
Profit for the period	–	–	–	–	–	–	6,744	6,744
Other comprehensive loss	–	–	–	–	(599)	–	–	(599)
Total comprehensive income	–	–	–	–	(599)	–	6,744	6,145
Share repurchased	–	–	–	–	–	(41)	–	(41)
At 30 September 2024	4,198	29,797	1,193	33,600	3,259	(41)	206,528	278,534

Notes:

- As part of the group reorganisation, there are series of restructuring within Man King Holdings Limited (the "Company") and its subsidiaries mainly involving interspersing investment holding entities between the operating subsidiaries and investment holding companies. The difference between the Company's share capital and the combined share capital of Concentric Construction Limited and Peako Engineering Co. Limited, the indirect wholly-owned subsidiaries of the Company, was credited to other reserve on 31 December 2014.
- The treasury share reserve represents the shares repurchased but not yet cancelled during the six months ended 30 September 2024.

The above condensed consolidated interim statement of changes in equity should be read in conjunction with the accompanying notes.

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Unaudited	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
<b>Cash flows from operating activities</b>		
Cash used in operations	(3,147)	(31,228)
Tax paid	(12)	(336)
<b>Net cash used in operating activities</b>	<b>(3,159)</b>	<b>(31,564)</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(250)	(965)
Prepayments for property, plant and equipment	–	(1,050)
Proceeds from disposals of property, plant and equipment	346	45
Advances to joint operations	(1,348)	(1,015)
Repayments from joint operations	2,493	653
Dividend received from financial asset at fair value through profit or loss	226	206
Dividend received from an associate	13,144	11,094
Interest received	2,866	3,248
Placement of bank deposits with maturity over three months	(20,728)	–
Withdrawal of bank deposits with maturity over three months	22,245	–
<b>Net cash generated from investing activities</b>	<b>18,994</b>	<b>12,216</b>

The above condensed consolidated interim statement of cash flows should be read in conjunction with the accompanying notes.

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Unaudited	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
<b>Cash flows from financing activities</b>		
Proceeds from bank borrowings	5,000	–
Repayment of bank borrowings	(738)	(849)
Interest paid for bank borrowings	(34)	(57)
Repayment of principal element of lease liabilities	(2,214)	(2,225)
Repayment of interest element of lease liabilities	(111)	(142)
Advance from other partners of joint operations	3,976	3,032
Repayments to other partners of joint operations	(4,392)	(4,768)
Payments on repurchase shares	(41)	–
Dividend paid	–	(14,694)
<b>Net cash generated from/(used in) financing activities</b>	<b>1,446</b>	<b>(19,703)</b>
Net increase/(decrease) in cash and cash equivalents	17,281	(39,051)
Cash and cash equivalents at the beginning of the period	153,853	235,326
<b>Cash and cash equivalents at the end of the period</b>	<b>171,134</b>	<b>196,275</b>

The above condensed consolidated interim statement of cash flows should be read in conjunction with the accompanying notes.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 1 GENERAL INFORMATION

Man King Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 12 November 2014 as an exempted company with limited liability under the Companies Law, (Cap. 22, Law 3 of 1961, as combined and revised) of the Cayman Islands. The address of the Company’s registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “Group”) are principally engaged in the provision of civil engineering works.

The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Its ultimate holding company is LOs Brothers (PTC) Limited and its immediate holding company is Jade Vantage Holdings Limited.

The condensed consolidated interim financial information is presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand (“HK\$’000”), unless otherwise stated.

The condensed consolidated interim financial information has been reviewed, not audited.

## 2 BASIS OF PREPARATION

The condensed consolidated interim financial information has been prepared in accordance with Hong Kong Accounting Standard 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants.

The condensed consolidated interim financial information does not include all the notes of the type normally included in the annual consolidated financial statements. Accordingly, this condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”). The condensed consolidated interim financial information has been prepared on the historical cost basis, except for certain financial assets at fair value through profit or loss (“FVTPL”) which have been measured at fair value.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 March 2024, as described in those annual financial statements, except for the estimation of income tax and the adoptions of new and amended standards.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

**(a) Amended standards and revised interpretation adopted by the Group**

The Group has applied the following amendments for the first time from 1 April 2024:

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (Revised)	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The amendments listed above did not have material impact on the Group’s accounting policies and did not require any adjustments.



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### (b) New and amended standards and revised interpretation issued but not yet applied by the Group

The following amendments have been issued but are not yet effective for the financial period of the Group beginning on 1 April 2024 and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
HKAS 21 (Amendments)	Lack of Exchangeability	1 January 2025
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Hong Kong Interpretation 5 (Revised)	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2025
HKAS 28 and HKFRS 10 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group's management assessed that there are no new and amended standards and revised interpretation that are not yet effective and would not be expected to have a material impact on the financial results or position of the Group.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 4 ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of the Group for the year ended 31 March 2024.

## 5 FINANCIAL RISK MANAGEMENT

### 5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 March 2024.

There have been no changes in the risk management since year end or in any risk management policies.

### 5.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 5 FINANCIAL RISK MANAGEMENT *(Continued)*

### 5.3 Fair value estimation

Financial instruments carried at fair value are analysed by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data that is, unobservable inputs.

The following tables present the carrying value of financial instruments measured at fair value in the condensed consolidated interim statement of financial position.

	Unaudited Fair value measurement as at 30 September 2024		
	Level 1 HK\$'000	Level 2 HK\$'000	Total HK\$'000
<b>Recurring fair value measurements</b>			
Financial assets at FVTPL			
– Listed equity securities	1,703	–	1,703
– Unlisted fund investments	–	3,352	3,352
	1,703	3,352	5,055

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 5 FINANCIAL RISK MANAGEMENT *(Continued)*

### 5.3 Fair value estimation *(Continued)*

	Audited		
	Fair value measurement as at 31 March 2024		
	Level 1 HK\$'000	Level 2 HK\$'000	Total HK\$'000
<b>Recurring fair value measurements</b>			
Financial assets at FVTPL			
– Listed equity securities	1,499	–	1,499
– Unlisted fund investments	–	3,234	3,234
	1,499	3,234	4,733

There were no transfers between levels 1 and 2 and there were no changes in valuation techniques during the period (six months ended 30 September 2023: Nil).

The carrying amounts of the Group's other financial assets including trade and other receivables, amounts due from joint operations/an other partner of joint operation, bank deposits with maturity over three months and cash and cash equivalents; and financial liabilities including trade and other payables, amounts due to other partners of joint operations, lease liabilities and bank borrowings, approximate their fair values as at 30 September 2024 and 31 March 2024.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 6 REVENUE AND SEGMENT INFORMATION

The Company is an investment holding company and the Group is principally engaged in providing civil engineering services in Hong Kong as main contractor ("Civil Engineering Works").

The chief operating decision-maker has been identified as the executive directors of the Company. The executive directors review the Group's internal reporting in order to assess performance and allocate resources. The executive directors have determined the operating segment based on these reports.

The executive directors consider the Group's operation from a business perspective and determine that the Group has one reportable operating segment being the Civil Engineering Works.

The executive directors assess the performance of the operating segment based on a measure of revenue and gross profit. During the six months ended 30 September 2024 and 2023, all the Group's revenue were from contracts with customers and were recognised over time and derived from operations in Hong Kong.

As at 30 September 2024 and 31 March 2024, the Group's non-current assets are all located in Hong Kong except for the investment in an associate. The Group's associate is incorporated in Hong Kong and principally operating in Pakistan.

## 7 OTHER INCOME

	<b>Unaudited</b>	
	<b>Six months ended 30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Management fee income	<b>180</b>	180
Dividend income from financial assets at		
FVTPL	<b>226</b>	206
Bank interest income	<b>2,866</b>	3,248
Others	<b>490</b>	466
	<b>3,762</b>	4,100

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 8 OTHER GAINS/(LOSSES), NET

	Unaudited	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Fair value changes of financial assets at FVTPL	247	(281)
Net exchange (loss)/gain	(200)	13
Gain/(loss) on disposals of property, plant and equipment	248	(15)
	295	(283)

## 9 PROFIT BEFORE INCOME TAX

	Unaudited	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Profit before income tax is arrived at after charging:		
Employee benefit expenses (Note 10)	38,701	37,743
Depreciation of property, plant and equipment (Note 13)	2,868	2,637
Depreciation of right-of-use assets (Note 13)	2,196	2,243
Cost of construction materials	9,714	18,661
Subcontracting charges	119,450	114,680

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 10 EMPLOYEE BENEFIT EXPENSES

	Unaudited	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Directors' remuneration	4,655	3,872
Other staff retirement benefit scheme contributions	1,055	1,003
Other staff salaries and allowances	32,991	32,868
	38,701	37,743

## 11 INCOME TAX CREDIT

	Unaudited	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Hong Kong profits tax	12	–
Deferred taxation	(283)	(1,882)
Income tax credit	(271)	(1,882)

Income tax credit is recognised based on management's best estimate of the projected annual effective income tax rate which is expected for the full financial year.

For the six months ended 30 September 2024 and 2023, no Hong Kong current income tax has been provided as the Group has sufficient tax losses brought forward to offset the assessable profits for the period.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 12 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Unaudited	
	Six months ended 30 September	
	2024	2023
Profit attributable to owners of the Company (HK\$'000)	6,744	6,716
Weighted average number of ordinary shares in issue (thousands) (Note)	419,717	419,818
Basic and diluted earnings per share (HK cents)	1.61	1.60

Note: For the six months ended 30 September 2024, the weighted average number of ordinary shares for the purpose of calculating basic earnings per share has been adjusted for the effect of the ordinary shares of the Company repurchased from the market in July 2024.

For the purpose of determining the diluted earnings per share amount, no adjustment has been made to the basic earnings per share amount for the six months ended 30 September 2024 and 2023 as the Group had no potentially dilutive ordinary shares in issue during these periods.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 13 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Unaudited		
	Property, plant and equipment HK\$'000	Right-of-use assets HK\$'000	Total HK\$'000
<b>At 1 April 2023</b>			
Opening net book amount	16,270	13,726	29,996
Additions	1,024	221	1,245
Disposal	(60)	–	(60)
Depreciation (Note 9)	(2,637)	(2,243)	(4,880)
<b>At 30 September 2023</b>	<b>14,597</b>	<b>11,704</b>	<b>26,301</b>
<b>At 1 April 2024</b>			
Opening net book amount	<b>16,835</b>	<b>9,623</b>	<b>26,458</b>
Additions	<b>250</b>	<b>1,649</b>	<b>1,899</b>
Disposal	<b>(98)</b>	<b>–</b>	<b>(98)</b>
Depreciation (Note 9)	<b>(2,868)</b>	<b>(2,196)</b>	<b>(5,064)</b>
<b>At 30 September 2024</b>	<b>14,119</b>	<b>9,076</b>	<b>23,195</b>

### 14 INVESTMENT IN AN ASSOCIATE

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
Unlisted investments in an associate, at cost	<b>96,712</b>	96,712
Share of post-acquisition results and other comprehensive income, net of dividends	<b>13,059</b>	15,895
	<b>109,771</b>	112,607

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 14 INVESTMENT IN AN ASSOCIATE *(Continued)*

### Share of post-acquisition results and other comprehensive income

	Unaudited	
	30 September 2024 HK\$'000	30 September 2023 HK\$'000
As at 1 April	112,607	111,750
Profit for the period	10,907	9,524
Dividend received	(13,144)	(11,094)
Other comprehensive (loss)/income	(599)	425
As at 30 September	109,771	110,605

Details of the Group's associate at the end of the reporting period are as follows:

Name of entity	Country of incorporation and operation	Proportion of ownership interest held by the Group		Principal activity
		Unaudited 30 September 2024	Audited 31 March 2024	
River King Management Holdings Limited and its subsidiaries ("River King")	Hong Kong, Malta and Pakistan	20.3%	20.3%	Provision of bareboat charter hire services and coal transshipment services

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 15 CONTRACT ASSETS

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
<b>Current</b>		
Unbilled revenue of civil engineering works (Note (a))		
– Ongoing project	–	2,995
Retention receivables of civil engineering works (Note (b))	13,127	12,318
	13,127	15,313
	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
Retention receivables of civil engineering works		
Due within one year	9,316	2,452
Due after one year	3,811	9,866
	13,127	12,318

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 15 CONTRACT ASSETS *(Continued)*

Notes:

- (a) Unbilled revenue represents the Group's right to receive consideration for contract works performed but not yet billed because the rights are conditional upon the satisfaction by the customers of work completed by the Group and the work is pending for the certification by the customers. The contract assets are transferred to trade receivables when the rights become unconditional, which is at the time the Group obtained the certification of the completed construction work from the customers.
- (b) Retention receivables included in contract assets represents the Group's right to receive consideration for work performed and not yet billed because the rights are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the work performed by the Group.

The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

The carrying amounts of contract assets approximated their fair values.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 16 TRADE AND OTHER RECEIVABLES

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
Trade receivables (Note (a))	23,967	34,966
<b>Current</b>		
Other receivables, deposits and prepayments:		
– Deposits (Note (b))	2,836	5,881
– Other receivables	1,109	1,158
– Prepaid expenses	11,036	10,331
	14,981	17,370
	38,948	52,336

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 16 TRADE AND OTHER RECEIVABLES *(Continued)*

Notes:

- (a) Trade debtors are normally due within 30–60 days from customers' certification date.

The ageing analysis of the Group's trade receivables based on customers' certification date at the end of each reporting period is as follows:

	<b>Unaudited</b>	Audited
	<b>30 September</b>	31 March
	<b>2024</b>	2024
	<b>HK\$'000</b>	HK\$'000
0–30 days	<b>21,237</b>	34,966
31–60 days	–	–
Over 60 days	<b>2,730</b>	–
	<b>23,967</b>	34,966

- (b) As at 30 September 2024, deposits included a rental deposit of HK\$226,000 (31 March 2024: HK\$226,000) paid to C & P (Holdings) Hong Kong Limited, which is a related company of the Group (Note 22). As at 31 March 2024, deposits included a balance of HK\$3,323,000 which has been placed and pledged to an insurance institution to secure performance bonds issued by that institution to customers of the Group (Note 23) and the amount was released during the six months ended 30 September 2024.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 17 BALANCES WITH JOINT OPERATIONS AND OTHER PARTNERS OF JOINT OPERATIONS

(i) Amounts due from joint operations/an other partner of joint operation

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
Trade related (Note (a))	3,606	3,476
Non-trade related (Note (b))	15,534	16,679
Less: loss allowance	(9,427)	–
	9,713	20,155
		Unaudited 30 September 2024 HK\$'000
At beginning of the period, 1 April 2024		–
Impairment		9,427
At end of the period, 30 September 2024		9,427

As at 30 September 2024, the management considered there was a significant increase in credit risk after comparing the risk of a default occurring on the amounts due from joint operations/an other partner of joint operation with the risk of default as at the date of initial recognition. Therefore, a provision for impairment of the receivable from the joint operations/an other partner of joint operation amounted to HK\$9,427,000 was recognised during the period.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 17 BALANCES WITH JOINT OPERATIONS AND OTHER PARTNERS OF JOINT OPERATIONS *(Continued)*

### (i) Amounts due from joint operations/an other partner of joint operation *(Continued)*

Notes:

- (a) The Group allows credit period of up to 60 days on trade-related amounts due from joint operations/an other partner of joint operation. The ageing analysis of the Group's trade-related amounts due from joint operations/an other partner of joint operation based on invoice date at the end of each reporting period is as follows:

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
0–30 days	1,086	859
31–60 days	–	1,012
61–90 days	265	419
Over 90 days	2,255	1,186
	<b>3,606</b>	<b>3,476</b>

- (b) The amounts are unsecured, interest-free and repayable on demand.

The amounts due from joint operations/an other partner of joint operation were ultimately borne by other partners of the joint operations.



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 17 BALANCES WITH JOINT OPERATIONS AND OTHER PARTNERS OF JOINT OPERATIONS *(Continued)*

### (ii) Amounts due to other partners of joint operations

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
Trade related (Note (a))	12,429	16,997
Non-trade related (Note (b))	397	813
	<b>12,826</b>	<b>17,810</b>

Notes:

- (a) The credit period on trade-related amounts due to other partners of joint operations is up to 60 days. The ageing analysis of the Group's trade-related amounts due to other partners of joint operations based on invoice date at the end of each reporting period is as follows:

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
0–30 days	1,602	5,756
31–60 days	–	1,540
61–90 days	282	–
Over 90 days	10,545	9,701
	<b>12,429</b>	<b>16,997</b>

- (b) The amounts are unsecured, interest-free and repayable on demand.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 18 BANK DEPOSITS WITH MATURITY OVER THREE MONTHS AND CASH AND CASH EQUIVALENTS

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
Cash at banks	171,128	153,847
Cash on hand	6	6
Cash and cash equivalents	171,134	153,853
Bank deposits with maturity over three months from the date of origination	20,728	22,245
	191,862	176,098
Maximum exposure to credit risk	191,856	176,092

### 19 SHARE CAPITAL

	Number of ordinary shares thousand	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
<b>Authorised:</b>		
At 1 April 2023, 31 March 2024, 1 April 2024 and 30 September 2024	200,000,000	2,000,000
<b>Issued and fully paid:</b>		
At 1 April 2023, 31 March 2024, 1 April 2024 and 30 September 2024	419,818	4,198

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 20 TRADE AND OTHER PAYABLES

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
Trade payables	29,504	40,353
Retention payables	29,873	32,885
Other payables and accruals:		
– Accrued wages and other staff benefits	4,336	8,709
– Accrued operating expenses	2,588	1,385
– Others	4,746	4,830
	71,047	88,162

The credit period on trade purchases is 30 to 60 days.

The ageing analysis of the trade payables based on invoice date is as follows:

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
0–30 days	23,216	24,236
31–60 days	1,747	12,515
61–90 days	536	380
Over 90 days	4,005	3,222
	29,504	40,353

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 20 TRADE AND OTHER PAYABLES *(Continued)*

In the condensed consolidated interim statement of financial position, retention payables were classified as current liabilities. The aging analysis of the retention payables based on invoice date is as follows:

	<b>Unaudited 30 September 2024 HK\$'000</b>	<b>Audited 31 March 2024 HK\$'000</b>
Due within one year	<b>27,898</b>	18,708
Due after one year	<b>1,975</b>	14,177
	<b>29,873</b>	32,885

### 21 DIVIDENDS

During the six months ended 30 September 2023, a final dividend of HK\$14,694,000 in relation to the year ended 31 March 2023 was declared and paid. No dividend was declared and paid during the six months ended 30 September 2024.

The Board of Directors does not recommend the distribution of an interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 22 RELATED PARTY TRANSACTIONS

### (i) Transactions

Saved as disclosed elsewhere in the condensed consolidated interim financial statements, the Group had the following transactions with related parties during the period:

Related party	Nature of transaction	Unaudited	
		Six months ended 30 September	
		2024	2023
		HK\$'000	HK\$'000
C & P (Holdings) Hong Kong Limited (Note)	Lease payments	708	710
River King	Management fee income	180	180

Note: C & P (Holdings) Hong Kong Limited is a related company in which a sibling of the executive directors and the spouse of an executive director, Mr. Lo Yuen Cheong, collectively own its entire interest.

### (ii) Key management personnel compensation

Key management includes executive directors of the Company and other members of key management is as follows:

	Unaudited	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Short term benefits	8,008	7,016
Post-employment benefits	45	45
	8,053	7,061

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 23 PERFORMANCE BONDS AND CONTINGENT LIABILITIES

Certain customers of construction contracts undertaken by the Group require the group entities to issue guarantees for the performance of contract works in the form of performance bonds (Note 16). The performance bonds are released when the construction contracts are completed or substantially completed.

At the end of each reporting period, the Group had outstanding performance bonds as follows:

	<b>Unaudited 30 September 2024 HK\$'000</b>	<b>Audited 31 March 2024 HK\$'000</b>
Issued by an insurance institution	–	3,323