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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. NG Chun Man (*Chief Executive Officer*)

Dr. LI Zhuang (*Vice President*)

Non-executive Directors

Mr. XIE Hui (*Chairman*)

Mr. JIN Liang

Mr. YAN Jun

Ms. LI Yanmei

Ms. LEE Wing Yee Loretta

Ms. WONG Ling Fong Lisa

Mr. ZHOU Wenjie

Independent Non-executive Directors

Mr. FAN Chiu Tat Martin

Dr. GUAN Yuyan

Mr. HONG Kam Le

Mr. LEUNG Siu Hong

Ms. RU Tingting

BOARD COMMITTEES

Audit Committee

Mr. FAN Chiu Tat Martin (*Chairman*)

Ms. RU Tingting

Mr. LEUNG Siu Hong

Remuneration Committee

Mr. LEUNG Siu Hong (*Chairman*)

Dr. GUAN Yuyan

Ms. RU Tingting

Nomination Committee

Ms. RU Tingting (*Chairman*)

Dr. GUAN Yuyan

Mr. HONG Kam Le

AUTHORISED REPRESENTATIVES UNDER LISTING RULES

Mr. NG Chun Man

Dr. LI Zhuang (*appointed on 26 October 2022*)

Ms. LEE Mei Yi (*resigned on 26 October 2022*)

COMPANY SECRETARY

Dr. LI Zhuang

Ms. LEE Mei Yi (*resigned on 26 October 2022*)

LEGAL ADVISERS

As to Hong Kong law

Bird & Bird

As to Cayman Islands law

Harney Westwood & Riegels

COMPLIANCE ADVISER

Huajin Corporate Finance (International) Limited

INDEPENDENT AUDITOR

RSM Hong Kong

Certified Public Accountants, Hong Kong

PRINCIPAL BANKERS

Hang Seng Bank Limited

DBS Bank (Hong Kong) Limited

The Hongkong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

Harneys Fiduciary (Cayman) Limited

4th Floor, Harbour Place

103 South Church Street

P.O. Box 10240

Grand Cayman KY1-1002

Cayman Islands



Corporate Information

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

11/F China Aerospace Centre
No. 143 Hoi Bun Road
Kwun Tong
Kowloon, Hong Kong

CAYMAN ISLANDS PRINCIPAL REGISTRAR OFFICE

Harneys Fiduciary (Cayman) Limited
3rd Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
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

1955

INVESTOR RELATIONS CONSULTANT

Kredito PR Consultancy Limited
Unit 303, 3/F.,
New East Ocean Centre,
No.9 Science Museum Road
Tsim Sha Tsui, Kowloon, Hong Kong
Phone : +852 2248 1188
Fax : +852 8148 8400

WEBSITE

www.johnsonholdings.com



Management Discussion and Analysis

RESULTS

The Group is a leading environmental hygiene service provider with coverage spanning across Hong Kong, Kowloon and the New Territories, providing cleaning services including building and campus cleaning, park and recreation center cleaning, street cleaning, disinfection services, pest management services, garbage logistics services and environmental improvement services.

The Group recorded a revenue of approximately HK\$1,224.1 million for the six months ended 30 September 2022, representing a decrease of 19.2% compared with the same period last year. The Group's overall gross profit margin decreased from approximately 9.6% to 6.7%, which was mainly due to intense market competition.

Profit attributable to equity holders of the Company decreased by approximately HK\$33.5 million or 49.7% from approximately HK\$67.4 million for the six months ended 30 September 2021 to approximately HK\$33.9 million for the six months ended 30 September 2022. Such decrease was mainly due to decrease in gross profit by approximately HK\$63.4 million from our services, which was partially offset by the decrease in administrative expenses and income tax expenses.

BUSINESS REVIEW AND PROSPECTS

During the Period, the global situation was volatile and turbulent. With the COVID-19 outbreak continuing to rampage across the world, the prospect of global economy remained challenging. Due to the geopolitical tension and persistently high inflation, the implementation of interest rate hikes and monetary tightening policy further weighed on the sluggish economy. Meanwhile, the pandemic prevention and control measures inevitably delivered a blow to the operation of enterprises in Hong Kong, and also imposed severe impact on the human resources market and cargo supply chain. Coupled with the increasing energy prices, the enterprises were faced with severe challenges in their capability in managing operation costs. Despite the challenging operation environment, overall demand for cleaning and disinfection services remained strong as a result of the increase in overall awareness of hygiene among the citizens and enterprises in Hong Kong due to the pandemic. Leveraging on the extensive experiences of our management team, the quality services provided by our frontline team and the trust of our customers, we managed to secure satisfactory renewal contracts from the non-government sector and achieve steady increase in revenue in this sector for our cleaning business amidst intense market competition from the government sector.

For our garbage logistics business, with the dedicated efforts of our specialised operation team and allocation of sufficient resources, service revenue maintained substantial growth during the Period and we have achieved the scale of business. The Group successfully maintained its leading position in securing garbage logistics contracts for the cargo terminal of the Hong Kong Airport during the Period. Meanwhile, following the successful inclusion of Johnson Environmental Company Limited, a subsidiary of the Group, into the list of service suppliers for the Food and Environmental Hygiene Department, we have secured a number of short-term contracts, achieving significant progress and expecting to further explore the government sector market in the future. Despite the continuous growth in service revenue, the profitability of the Company was negatively impacted due to the persistently high fuel price for vehicles and the gross profit margin continued to be under pressure as a result of a substantial increase in service costs, with improvement yet to be made to its profitability. Meanwhile, as the Municipal Solid Waste Charging Bill is expected to officially become effective in the second half of next year, the Group is proactively engaged in campaigns to explain this bill to its customers and to make preparation in advance.



Management Discussion and Analysis

For our distribution agency business, the Group continued to enrich our agency product catalogue as part of our efforts in providing customers with environmental hygiene products and equipment featuring innovative technology, such as fully automated smart cleaning and disinfection robots and antiviral coating services, that fully matches the needs of our customers. To strengthen the Group's competitiveness in winning the tenders, we actively introduce products with innovative technology as a value-added service to help the Group develop a high-end commercial customer base. During the Period, the Group also provided antiviral coating services for Hong Kong Cultural Centre, a number of recreation venues, universities and colleges, making contributions to the community's fight against the pandemic.

On the other hand, the Group is actively developing its professional pest management business in view of the numerous pest and rodent problems in Hong Kong. Unlike general pest control services, integrated pest management is a holistic approach to pest management using early prevention and control measures, coupled with good hygiene procedures and continuous and extensive supervision, thereby reducing the risk of potential pest infection. Meanwhile, it is also expected that new cross-selling opportunities will emerge between the new business and its existing cleaning business, and synergy will be achieved in providing services with innovative technology disinfection products of the distribution agency business.

The new government attaches great importance to environmental hygiene issues and has established its District Matters Co-ordination Task Force. Led by the Deputy Chief Secretary for Administration and with the Environment and Ecology Bureau as the main driving party, the Task Force is responsible for handling environmental hygiene and street management problems in various regions. Moreover, the Deputy Chief Secretary for Administration personally inspected the streets in various districts in Hong Kong, demonstrating the government's determination to tackle environmental hygiene problems. As one of the largest integrated environmental hygiene service providers in Hong Kong, the Group will continue to fully cooperate with the government's work plan on environmental hygiene and provide quality and comprehensive integrated environmental hygiene services, with an aim to assist the government to achieve its vision for a sustainable, green and livable Hong Kong.

Looking ahead, we will continue to maintain cleaning as the core of business, and meanwhile develop new business to enrich the Group's business structure, continue to derive innovation and bring in more talents to enhance internal management capacity. Moreover, we target to advance the Group's general business development, further establish our local market presence and expand our business to Greater Bay Area through strategic merger and acquisition, aiming to develop the Group into an integrated enterprise of smart urban cleaning services in Mainland China and Hong Kong.

FINANCIAL REVIEW

Revenue

The Group's revenue for the six months ended 30 September 2022 and 2021 was approximately HK\$1,224.1 million and HK\$1,514.2 million respectively, representing a decrease of approximately HK\$290.1 million or 19.2%. The decrease was mainly due to the decrease in revenue generated from our government customers as a result of intense market competition partially offset by the increase in revenue from the non-government sector market for our cleaning business.

Management Discussion and Analysis

Cost of services

The cost of services primarily comprised of labour costs, cleaning materials costs and motor vehicles expenses. For the six months ended 30 September 2022 and 2021, the cost of services amounted to approximately HK\$1,141.9 million and HK\$1,368.5 million respectively, representing approximately 93.3% and 90.4% of the Group's revenue for the corresponding periods respectively. The percentage of cost of services to the Group's revenue increased by approximately 2.9% mainly due to the intense competition in the market.

Gross profit and gross profit margin

The Group's gross profit for the six months ended 30 September 2022 was approximately HK\$82.2 million, representing a decrease of approximately HK\$63.4 million or 43.5% from approximately HK\$145.6 million for the corresponding period in 2021. The decrease was mainly due to the decrease in overall revenue.

The gross profit margins of the Group for the six months ended 30 September 2022 and 2021 were approximately 6.7% and 9.6% respectively. As mentioned above, the decrease in gross profit margin was mainly due to the intense market competition. The decrement in revenue was higher than that in the cost of services which resulted in the decrease of gross profit margin.

Administrative expenses

The administrative expenses of the Group for the six months ended 30 September 2022 and 2021 were approximately HK\$45.9 million and HK\$64.3 million respectively, representing a decrease of HK\$18.4 million or 28.6%. The decrease was mainly due to the decrease of remuneration of management and employee expenses. The Group continued to implement its budget cost control measures for administrative expenses during the Period.

Finance costs

The finance costs represented primarily the interest expenses on bank borrowings with floating interest rates. The finance costs amounted to approximately HK\$3.2 million and HK\$2.8 million for the six months ended 30 September 2022 and 2021 respectively, representing approximately 0.3% and 0.2% of the Group's total revenue respectively. The slight increase was mainly due to the increase of average interest rate during the Period.

Profit for the Period attributable to equity holders of the Company

The Group's profit for the Period attributable to equity holders of the Company for the six months ended 30 September 2022 and 2021 were approximately HK\$33.9 million and HK\$67.4 million respectively, representing a decrease of HK\$33.5 million or 49.7%. The decrease was mainly due to combined effect of the factors described above.



Management Discussion and Analysis

Liquidity and financial resources

The Group has funded the liquidity and capital requirements primarily through cash inflows from financing activities. As at 30 September 2022, the capital structure of the Group consisted of equity of approximately HK\$589.8 million (31 March 2022: HK\$580.9 million), bank and other borrowings of approximately HK\$197.1 million (31 March 2022: HK\$51.8 million) and lease liabilities of approximately HK\$12.6 million (31 March 2022: HK\$18.0 million).

Account receivables

As at 30 September 2022, the Group had net account receivables of approximately HK\$578.3 million (31 March 2022: HK\$413.3 million). The increase was mainly due to the delay in the settlement of account receivables by government sector customers. The slow settlement from our government sector customers for the Period was in line with their historical settlement pattern of which they generally settle their invoices faster near the fiscal year end of the Hong Kong Government falling in March than other periods of a year. The Group does not expect any material difficulty in collecting payment from such customers and continues to improve credit and collections management.

Cash position and fund available

During the Period, the Group maintained a healthy liquidity position, with working capital being financed by financing cash flows. As at 30 September 2022, the Group's cash and cash equivalents were approximately HK\$406.5 million (31 March 2022: HK\$422.0 million). The Group pledged bank deposits of approximately HK\$29.4 million (31 March 2022: HK\$24.8 million) to secure the Group's banking facilities. As at 30 September 2022, the current ratio of the Group was approximately 2.0 times (31 March 2022: 2.2 times).

Accruals, other payables and provisions

As at 30 September 2022, the Group had total accruals, other payables and provisions of approximately HK\$286.7 million (31 March 2022: HK\$341.1 million). The decrease was mainly due to the decrease in accrued staff costs and provision. This is generally in line with the decrease in revenue.

Bank and other borrowings

As at 30 September 2022, the Group had total bank and other borrowings of approximately HK\$197.1 million (31 March 2022: HK\$51.8 million). The increase was mainly due to the increased demand of fund from our operating activities, especially owing to the slow settlement from our government sector customers for the Period as described above. As at 30 September 2022, the Group had aggregate banking facilities, which comprised of overdraft and revolving loan facilities, factoring facility and guarantee line facility, of approximately HK\$2,041.9 million, of which approximately HK\$1,474.0 million was unutilised.

Gearing ratio

As at 30 September 2022, the Group's gearing ratio was approximately 35.6% (31 March 2022: 12.4%), calculated by dividing total debts by total equity and multiplying the resulting value by 100%. The Group's total debts include interest-bearing bank and other borrowings, loan from a controlling shareholder and lease liabilities.

Management Discussion and Analysis

Foreign currency exposure

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currency of the Group's entities located in Hong Kong. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Capital expenditure

The Group incurred total capital expenditures of approximately HK\$0.2 million and HK\$18.0 million respectively for the six months ended 30 September 2022 and 2021 for additions of property, plant and equipment. The capital expenditure was principally incurred due to the acquisition of motor vehicles for rendering environmental hygiene service. It was mainly funded by cash generated from operating activities.

Capital Commitment

As at 30 September 2022, the Group had no capital commitment (31 March 2022: Nil).

Charges on the Group's Assets

As at 30 September 2022, the Group pledged certain property, plant and equipment, bank deposits, account receivables, right-of-use assets and financial assets at fair value through profit or loss ("FVTPL") to secure bank and other borrowings, performance bonds relating to deposits for cleaning, janitorial and other related service projects, and lease liabilities.

Contingent Liabilities

(a) Performance bonds

At 30 September 2022 and 31 March 2022, there were contingent liabilities in respect of performance bonds relating to deposits for cleaning, janitorial and other related service projects and an employment compensation insurance contract issued by banks for the Group amounting to approximately HK\$404,854,000 and HK\$422,856,000 respectively. The performance bonds were secured by pledged bank deposits, account receivables, financial assets at FVTPL and were guaranteed by the Company.

(b) Litigations

As at 30 September 2022 and 31 March 2022, the Group has been involved in several on-going litigations and claims concerning personal injuries of its existing or former employees with estimated claim amounts, net of estimated insurance deductibles, of approximately HK\$2,420,000 and HK\$3,072,000 respectively. In the opinion of the directors of the Company, the provision of insurance deductibles had been provided based on insurance policies. The estimated costs and expenses above the insurance deductibles are expected to be adequately covered by the Group's insurance policies.



Management Discussion and Analysis

ACQUISITION, DISPOSAL AND SIGNIFICANT INVESTMENT HELD

During the Period ended 30 September 2022, the Group did not make any material acquisition, disposal nor hold any significant investment.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this interim report, the Group has no specific plan for material investments or capital assets as at 30 September 2022.

EVENTS AFTER THE REPORTING PERIOD

The Group does not have any material events after the end of the reporting period.

HUMAN RESOURCES

As at 30 September 2022, the Group had over 11,000 employees (31 March 2022: over 13,000 employees). Remuneration is determined with reference to market terms and in accordance with the performance, qualification and experience of each individual employee. Discretionary bonuses, based on each individual's performance, are paid to employees as recognition and reward for their contributions. In addition, the Group conducted various training activities, such as training on operational safety, office and management skills, to improve the front-end quality of services and office support during the Period.

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The Shares were listed on the Main Board of the Stock Exchange by way of global offering of 125,000,000 new Shares at an offer price of HK\$1.0 per share on 16 October 2019. The net proceeds from the global offering after deduction of the underwriting commission and related listing expenses were approximately HK\$87.9 million.



Management Discussion and Analysis

The below table sets out the actual use and proposed applications of the net proceeds from 16 October 2019, being the listing date on which the Shares first becoming listed on the Main Board of the Stock Exchange to 30 September 2022:

Purpose	Approximate percentage of total amount	Net proceeds from the global offering (HK\$ million)	Actual use of proceeds up to 30 September 2022 (HK\$ million)	Remaining proceeds as at 30 September 2022 (HK\$ million)	Expected timeline of full utilisation of the remaining proceeds
Financing the upfront cost to manage the cash flow mismatch between salaries payment and collection of sales receipt	34.8%	30.6	30.6	–	N/A
Enhancing operational efficiency and quality of environmental hygiene service by upgrading hardware and software as well as recruiting additional talents mainly for contracting and operation department	19.0%	16.7	12.2	4.5	By March 2024
Acquiring suitable new specialised motor vehicles for rendering environmental hygiene service	17.4%	15.3	15.3	–	N/A
Development of waste management business including, among others, to develop or acquire businesses related to waste management such as running of fleets	17.0%	14.9	14.9	–	N/A
Purchase of suitable new automated cleaning machineries and equipment mainly for rendering environmental hygiene service	5.8%	5.1	5.1	–	N/A
General working capital	6.0%	5.3	5.3	–	N/A
	100%	87.9	83.4	4.5	

All unutilised net proceeds have been deposited with licensed banks in Hong Kong. The Group intends to apply the remaining proceeds as shown above.

During the Period, the Directors consider that these proceeds are intended to be applied in accordance with the proposed application set out in the section headed “Future Plans and Use of Proceeds” in the Company’s prospectus dated 27 September 2019.

The expected timeline of full utilization of the remaining proceeds for enhancing operational efficiency and quality of environmental hygiene service is postponed from March 2023 to March 2024 because the schedules of upgrading hardware and software as well as recruiting additional talents were delayed by the persistent outbreak of COVID-19.



Independent Review Report

**RSM Hong Kong**

29th Floor, Lee Garden Two, 28 Yun Ping Road,
Causeway Bay, Hong Kong

T +852 2598 5123
F +852 2598 7230

www.rsmhk.com

羅申美會計師事務所

香港銅鑼灣恩平道二十八號
利園二期二十九字樓

電話 +852 2598 5123
傳真 +852 2598 7230

www.rsmhk.com

TO THE BOARD OF DIRECTORS OF HONG KONG JOHNSON HOLDINGS CO., LTD.

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 13 to 32 which comprises the condensed consolidated statement of financial position of Hong Kong Johnson Holdings Co., Ltd. (the “**Company**”) and its subsidiaries as at 30 September 2022 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other 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” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. 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 HKICPA. 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.

Independent Review Report

CONCLUSION

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

RSM Hong Kong

Certified Public Accountants

Hong Kong

29 November 2022

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2022

	Note	Six months ended 30 September	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Revenue	6	1,224,108	1,514,163
Cost of services		(1,141,859)	(1,368,516)
Gross profit		82,249	145,647
Other income	7	4,868	1,036
Other gains and losses, net	8	3,417	586
(Allowance)/reversal of allowance for account receivables		(660)	1,132
Administrative expenses		(45,855)	(64,331)
Profit from operations		44,019	84,070
Finance costs	9	(3,230)	(2,832)
Profit before tax		40,789	81,238
Income tax expense	10	(6,880)	(13,807)
Profit for the period	11	33,909	67,431
Other comprehensive income for the period, net of tax		–	–
Total comprehensive income for the period attributable to equity holders of the Company		33,909	67,431
Earnings per share			
Basic and diluted (HK cents per share)	13	6.8	13.5

Condensed Consolidated Statement of Financial Position

At 30 September 2022

	<i>Note</i>	At 30 September 2022 HK\$'000 (unaudited)	At 31 March 2022 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	14	86,819	112,183
Right-of-use assets		32,112	39,016
Financial assets at fair value through profit or loss ("FVTPL")		11,996	12,133
Deferred tax assets		1,116	837
Total non-current assets		132,043	164,169
Current assets			
Account receivables	15	578,347	413,261
Prepayments, deposits and other receivables		10,917	27,166
Inventories		482	318
Pledged bank deposits		29,369	24,806
Bank and cash balances		406,543	422,041
Total current assets		1,025,658	887,592
Current liabilities			
Account payables	16	21,801	40,328
Accruals, other payables and provisions		286,247	337,744
Dividend payable		25,000	–
Loan from a controlling shareholder	17	–	2,000
Bank and other borrowings	18	173,851	20,930
Lease liabilities		5,365	7,455
Current tax liabilities		13,634	4,965
Total current liabilities		525,898	413,422
Net current assets		499,760	474,170
Total assets less current liabilities		631,803	638,339

Condensed Consolidated Statement of Financial Position

At 30 September 2022

	<i>Note</i>	At 30 September 2022 HK\$'000 (unaudited)	At 31 March 2022 HK\$'000 (audited)
Non-current liabilities			
Provisions		407	3,378
Bank and other borrowings	18	23,268	30,905
Lease liabilities		7,245	10,572
Deferred tax liabilities		11,065	12,575
Total non-current liabilities		41,985	57,430
NET ASSETS		589,818	580,909
EQUITY			
Share capital	19	5,000	5,000
Reserves		584,818	575,909
TOTAL EQUITY		589,818	580,909

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2022

	Attributable to equity holders of the Company (unaudited)				
	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Retained earnings HK\$'000	Total equity HK\$'000
At 1 April 2021	5,000	109,499	6,450	367,824	488,773
Total comprehensive income for the period	-	-	-	67,431	67,431
Dividend approved	-	(37,500)	-	-	(37,500)
Changes in equity for the period	-	(37,500)	-	67,431	29,931
At 30 September 2021	5,000	71,999	6,450	435,255	518,704
At 1 April 2022	5,000	71,999	6,450	497,460	580,909
Total comprehensive income for the period	-	-	-	33,909	33,909
Dividend approved	-	-	-	(25,000)	(25,000)
Changes in equity for the period	-	-	-	8,909	8,909
At 30 September 2022	5,000	71,999	6,450	506,369	589,818

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2022

	Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
NET CASH USED IN OPERATING ACTIVITIES	(159,666)	(188,765)
Increase in pledged bank deposits	(4,563)	(17)
Interest received	159	20
Dividend received from financial assets at FVTPL	39	50
Purchases of property, plant and equipment	(210)	(17,993)
Proceeds from disposals of property, plant and equipment	13,725	651
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	9,150	(17,289)
Drawdown of bank and other borrowings	–	30,000
Repayment of bank and other borrowings	(9,030)	(4,195)
Drawdown of loan from a controlling shareholder	–	2,000
Repayment of loan from a controlling shareholder	(2,000)	–
Increase in factoring loans	154,314	272,956
Principal elements of lease payments	(5,417)	(5,124)
Interest paid	(2,849)	(2,206)
NET CASH GENERATED FROM FINANCING ACTIVITIES	135,018	293,431
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(15,498)	87,377
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	422,041	383,738
CASH AND CASH EQUIVALENTS AT END OF PERIOD	406,543	471,115
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	406,543	471,115

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2022

1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 9 July 2018. The address of its registered office is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands. The address of its principal place of business is 11/F, China Aerospace Centre, 143 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively the “Group”) is engaged in provision of cleaning, janitorial and other related services.

2. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These condensed consolidated financial statements do not include all the notes of the type normally included in annual consolidated financial statements. Accordingly, they should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 March 2022. The accounting policies (including the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 March 2022.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2022. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards; and Interpretations. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The accounting policies applied in these condensed consolidated financial statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 March 2022. A number of new or amended standards are effective from 1 April 2022 but they do not have a material effect on the Group’s condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2022

4. FAIR VALUE MEASUREMENTS

Except as disclosed below, the carrying amounts of the Group's financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

The following table shows the carrying amounts and fair value of financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets not measured at fair value of the carrying amount is a reasonable approximation of fair value.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2022

4. FAIR VALUE MEASUREMENTS *(Continued)*

(a) Disclosures of level in fair value hierarchy:

Description	Fair value measurements as at 30 September 2022		
	Level 2 HK\$'000 (unaudited)	Level 3 HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Recurring fair value measurements:			
Financial assets at FVTPL			
Investments in unlisted unit trusts	1,599	–	1,599
Investments in life insurance	–	10,397	10,397
	1,599	10,397	11,996

Description	Fair value measurements as at 31 March 2022		
	Level 2 HK\$'000 (audited)	Level 3 HK\$'000 (audited)	Total HK\$'000 (audited)
Recurring fair value measurements:			
Financial assets at FVTPL			
Investments in unlisted unit trusts	1,860	–	1,860
Investments in life insurance	–	10,273	10,273
	1,860	10,273	12,133

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2022

4. FAIR VALUE MEASUREMENTS *(Continued)*

(b) Reconciliation of financial assets measured at fair value based on level 3:

	Financial assets at FVTPL As at 30 September 2022 HK\$'000 (unaudited)
Financial assets at FVTPL: Investments in life insurance At 1 April 2022	10,273
Total gains recognised in profit or loss	124
At 30 September 2022	10,397

	Financial assets at FVTPL As at 31 March 2022 HK\$'000 (audited)
Financial assets at FVTPL Investments in life insurance At 1 April 2021	9,969
Total gains recognised in profit or loss	304
At 31 March 2022	10,273

The total gains recognised in profit or loss including those for assets held at end of reporting period are presented in other gains and losses, net in the condensed consolidated statement of profit or loss and other comprehensive income.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2022

4. FAIR VALUE MEASUREMENTS *(Continued)*

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements:

The Group's Chief Financial Controller is responsible for the fair value measurements of assets and financial liabilities required for financial reporting purposes, including level 3 fair value measurements. The Chief Financial Controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the Chief Financial Controller and the Board of Directors at least twice a year.

Level 2 fair value measurements

Description	Valuation technique	Assets fair value as at	
		30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
Investments in unlisted unit trusts	Derived from quoted unit prices	1,599	1,860

Level 3 fair value measurements

The investments in life insurance in level 3 represents life insurance policies for key management. The fair value of key management life insurance policies is determined by reference to the cash surrender value of the insurance policies.

If the cash surrender value increased/decreased by 6% per annum, the Group's consolidated profit for the period and retained earnings would be increased/decreased by HK\$624,000 (unaudited) and HK\$616,000 (audited) for the six months ended 30 September 2022 and for the year ended 31 March 2022, respectively.

There were no changes in the valuation techniques used.

5. SEGMENT INFORMATION

The Group has carried on a single business, which is the provision of cleaning, janitorial and other related services in Hong Kong. Accordingly, there is only one single reportable segment of the Group which is regularly reviewed by the chief operating decision maker.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2022

5. SEGMENT INFORMATION *(Continued)*

Geographical information:

No geographical information is presented as all of the Group's business is carried out in Hong Kong and the Group's revenue from external customers is generated and non-current assets are located in Hong Kong during the period.

6. REVENUE

The Group's operations and main revenue streams are those described in the last annual consolidated financial statements for the year ended 31 March 2022. The Group's revenue is derived from cleaning, janitorial and other related services income.

Disaggregation of revenue:

	Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Cleaning, janitorial and other related services income	1,224,108	1,514,163
Timing of revenue recognition		
Services transferred over time	1,224,108	1,514,163

7. OTHER INCOME

	Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Interest income	159	20
Dividend income from financial assets at FVTPL	39	50
Government subsidies from Employment Support Scheme of the Government of the Hong Kong Special Administrative Region	3,087	–
Other government subsidies <i>(note)</i>	1,583	966
	4,868	1,036

Note: The amounts represent government grants for Anti-epidemic fund received and other subsidies received from the Government of the Hong Kong Special Administrative Region (2021: government grants for eligible goods vehicles under One-off Subsidy, the ex-gratia payments for the retirement of certain motor vehicles and other subsidies received from the Government of the Hong Kong Special Administrative Region).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2022

8. OTHER GAINS AND LOSSES, NET

	Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Gain on disposals/written off of property, plant and equipment, net	3,554	458
Fair value (loss)/gain on financial assets at FVTPL	(137)	128
	3,417	586

9. FINANCE COSTS

	Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Interest on lease liabilities	370	598
Interest on bank and other borrowings	2,849	2,206
Interest on loan from a controlling shareholder	11	28
	3,230	2,832

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2022

10. INCOME TAX EXPENSE

	Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Current tax – Hong Kong Profits Tax		
Provision for the period	8,669	13,146
Deferred tax	(1,789)	661
	6,880	13,807

Pursuant to the laws and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in these jurisdictions.

Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profit for the six months ended 30 September 2022 and 2021.

11. PROFIT FOR THE PERIOD

The Group's profit for the period is stated at after charging/(crediting) the followings:

	Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Depreciation of property, plant and equipment	17,269	17,023
Depreciation of right-of-use assets	5,040	5,607
Gain on disposals/written off of property, plant and equipment, net	(3,554)	(458)
Allowance/(reversal of allowance) for account receivables	660	(1,132)
Expenses relating to short-term leases	223	116

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2022

12. DIVIDENDS

The directors do not declare any interim dividend for the six months ended 30 September 2022 (2021: Nil).

The final dividend of HK5.0 cents per ordinary share for the year ended 31 March 2022 was approved by the shareholders at the annual general meeting of the Company held on 9 September 2022 and was subsequently paid on 10 October 2022.

13. EARNINGS PER SHARE

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

	Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Earnings		
Earnings for the purpose of calculating basic earnings per share	33,909	67,431
	2022 '000 (unaudited)	
	2021 '000 (unaudited)	
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	500,000	500,000

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares in issue for the six months ended 30 September 2022 and 2021.

14. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2022, the Group acquired property, plant and equipment of approximately HK\$210,000 (six months ended 30 September 2021: HK\$17,993,000).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2022

15. ACCOUNT RECEIVABLES

	At 30 September 2022 HK\$'000 (unaudited)	At 31 March 2022 HK\$'000 (audited)
Account receivables	581,130	415,384
Allowance for account receivables	(2,783)	(2,123)
	578,347	413,261

The ageing analysis of account receivables, based on invoice date, is as follows:

	At 30 September 2022 HK\$'000 (unaudited)	At 31 March 2022 HK\$'000 (audited)
Up to 90 days	525,466	393,359
91 to 180 days	41,730	20,129
181 days to 1 year	12,535	1,456
Over 1 year	1,399	440
	581,130	415,384

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2022

16. ACCOUNT PAYABLES

The ageing analysis of account payables, based on the date of receipt of goods or services, is as follows:

	At 30 September 2022 HK\$'000 (unaudited)	At 31 March 2022 HK\$'000 (audited)
Up to 30 days	19,324	22,657
31 to 60 days	1,576	16,448
61 to 90 days	864	1,185
Over 90 days	37	38
	21,801	40,328

17. LOAN FROM A CONTROLLING SHAREHOLDER

The loan is unsecured and interest-bearing at 4% per annum, and was fully repaid on 19 May 2022.

18. BANK AND OTHER BORROWINGS

	At 30 September 2022 HK\$'000 (unaudited)	At 31 March 2022 HK\$'000 (audited)
Factoring loans	163,093	8,779
Other borrowings	34,026	43,056
	197,119	51,835

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2022

18. BANK AND OTHER BORROWINGS *(Continued)*

The bank and other borrowings are repayable as follows:

	At 30 September 2022 HK\$'000 (unaudited)	At 31 March 2022 HK\$'000 (audited)
Within one year	173,851	20,930
More than one year, but not exceeding two years	10,779	12,708
More than two years, but not more than five years	12,489	18,197
	197,119	51,835
Less: Amount due for settlement within 12 months (shown under current liabilities)	(173,851)	(20,930)
Amount due for settlement after 12 months (shown under non-current liabilities)	23,268	30,905

The interest rates per annum are as follows:

	At 30 September 2022 (unaudited)	At 31 March 2022 (audited)
Factoring loans	HIBOR +1.6% to HIBOR +1.9%	HIBOR +1.65% to HIBOR +1.9%
Other borrowings	4.23% to 4.92%	4.23% to 4.92%

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2022

19. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised: Ordinary shares of HK\$0.01 each		
At 31 March 2022 (audited) and 30 September 2022 (unaudited)	3,000,000,000	30,000
Issued and fully paid: Ordinary shares of HK\$0.01 each		
At 31 March 2022 (audited) and 30 September 2022 (unaudited)	500,000,000	5,000

20. CONTINGENT LIABILITIES

(a) Performance bonds

As at 30 September 2022 and 31 March 2022, there were contingent liabilities in respect of performance bonds relating to deposits for cleaning, janitorial and other related service projects and an employment compensation insurance contract issued by banks for the Group amounting to approximately HK\$404,854,000 (unaudited) and HK\$422,856,000 (audited), respectively. The performance bonds were secured by the Group's pledged bank deposits, account receivables, financial assets at FVTPL and were guaranteed by the Company.

(b) Litigations

As at 30 September 2022 and 31 March 2022, the Group has been involved in several on-going litigations and claims concerning personal injuries of its existing or former employees and third parties with estimated claim amounts, net of estimated insurance deductibles, of approximately HK\$2,420,000 (unaudited) and HK\$3,072,000 (audited), respectively. In the opinion of the directors of the Company, the provision of insurance deductibles had been provided based on insurance policies. The estimated costs and expenses above the insurance deductibles are expected to be adequately covered by the Group's insurance policies.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2022

21. RELATED PARTY TRANSACTIONS

- (a) In addition to those related party transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following transactions with its related party during the period:

	Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Compliance advisor fee to a related company (<i>note 1</i>)	180	331
Interest expense paid to loan from a controlling shareholder (<i>note 2</i>)	11	28

Note 1: The related company and the Company have the common shareholder – Zhuhai Huafa Group Company Limited.

- (b) Included in the condensed consolidated statement of financial position are the following balances with related parties:

	At 30 September 2022 HK\$'000 (unaudited)	At 31 March 2022 HK\$'000 (audited)
Loan from a controlling shareholder (<i>note 2</i>)	–	2,000
Interest expense payable on loan from a controlling shareholder (<i>note 2</i>)	–	29

Note 2: The controlling shareholder is Hong Kong Huafa Investment Holdings Limited.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2022

21. RELATED PARTY TRANSACTIONS *(Continued)*

- (c) The remuneration of directors and other members of key management personnel during the period is as follows:

	Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Basic salaries and allowances	7,116	9,070
Bonuses	3,256	15,908
Retirement benefit scheme contributions	466	694
	10,838	25,672

22. APPROVAL OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 29 November 2022.

Other Information

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

As at 30 September 2022, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as adopted by the Company, were as follows:

Long positions in the Shares and underlying Shares

Name of Director	Capacity/Nature of interest	Number and Shares held ^(Note 1)	Approximate percentage of shareholding in issue as at 30 September 2022
LEE Wing Yee Loretta	Founder of a discretionary trust who can influence how the trustee exercises his discretion	153,750,000 (L) ^(Note 2)	30.75%

Notes:

- The letter "L" denotes the entity/person's long positions in the Shares.
- Canvest Environmental Protection Group Company Limited ("**Canvest Environmental**") is owned as to 54.75% by Best Approach Developments Limited ("**Best Approach**") (which is in turn directly held as to 55% by Harvest Vista Company Limited ("**Harvest Vista**") and indirectly held as to 45% by Harvest Vista through Century Rise Development Limited ("**Century Rise**"). The entire issued share capital of Harvest Vista is held by HSBC International Trustee Limited as trustee of Harvest VISTA Trust, a trust which Ms. LEE Wing Yee Loretta and Mr. LAI Kin Man are founders and established in accordance with the laws of the British Virgin Islands, and Mr. LAI Chun Tung, spouse of Ms. LEE Wing Yee Loretta, is the beneficiary of Harvest VISTA Trust. The discretionary beneficiaries of Harvest VISTA Trust include Ms. LEE Wing Yee Loretta, Mr. LAI Kin Man and the personal trust of Ms. LEE Wing Yee Loretta (the beneficiaries of which are Ms. LEE Wing Yee Loretta and her immediate family members). Canvest Environmental (China) Company Limited ("**Canvest (China)**") is an investment holding company indirectly wholly owned by Canvest Environmental through Yi Feng Development Limited ("**Yi Feng**") for the purpose of holding Shares. Under the SFO, Best Approach, Harvest Vista, Century Rise, Ms. LEE Wing Yee Loretta, Mr. LAI Kin Man, Mr. LAI Chun Tung and HSBC International Trustee Limited are deemed to be interested in all the Shares held by Canvest (China).

Save as disclosed above, as at 30 September 2022, none of the Directors or chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Other Information

INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 30 September 2022, so far as the Directors are aware, the interests or short positions of the entities/ persons, other than a Director or chief executive of the Company, in the Shares and underlying Shares 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 required to be kept by the Company under Section 336 of the SFO, were as follows:

Name	Capacity/Nature of interest	Number of Shares held ^(Note 1)	Approximate percentage of shareholding in issue as at 30 September 2022
Hong Kong Huafa Investment Holdings Limited (“ Hong Kong Huafa ”)	Beneficial interest and interest in controlled corporation	221,250,000 (L) ^(Note 2)	44.25%
Zhuhai Huafa Group Company Limited (“ Zhuhai Huafa ”)	Interest in controlled corporation	221,250,000 (L) ^(Note 2)	44.25%
Canvest (China)	Beneficial interest	153,750,000 (L)	30.75%
Yi Feng	Interest in controlled corporation	153,750,000 (L) ^(Note 3)	30.75%
Canvest Environmental	Interest in controlled corporation	153,750,000 (L) ^(Note 4)	30.75%
Best Approach	Interest in controlled corporation	153,750,000 (L) ^(Note 5)	30.75%
Century Rise	Interest in controlled corporation	153,750,000 (L) ^(Note 5)	30.75%
Harvest Vista	Interest in controlled corporation	153,750,000 (L) ^(Note 5)	30.75%
LAI Kin Man	Founder of a discretionary trust who can influence how the trustee exercises his discretion	153,750,000 (L) ^(Note 5)	30.75%
LAI Chun Tung	Beneficiary of a trust (other than a discretionary interest)	153,750,000 (L) ^(Note 5)	30.75%
LEE Wing Yee Loretta	Founder of a discretionary trust who can influence how the trustee exercises his discretion	153,750,000 (L) ^(Note 5)	30.75%
HSBC International Trustee Limited	Trustee	153,750,000 (L) ^(Note 5)	30.75%
South Pacific International Trading Limited (“ South Pacific ”)	Beneficial interest	45,000,000 (L)	9.00%
SIIC Estate Company Limited	Interest in controlled corporation	45,000,000 (L) ^(Note 6)	9.00%
SIIC Investment Company Limited	Interest in controlled corporation	45,000,000 (L) ^(Note 6)	9.00%
SIIC International (BVI) Company Limited	Interest in controlled corporation	45,000,000 (L) ^(Note 6)	9.00%
Shanghai Industrial Investment (Holdings) Company Limited (“ SIIC ”)	Interest in controlled corporation	45,000,000 (L) ^(Note 6)	9.00%

Other Information

Notes:

1. The letter “L” denotes the entity/person’s long position in the Shares.
2. 210,000,000 Shares are registered in the name of Hong Kong Huafa and 11,250,000 Shares are registered in the name of Huafa Property Services Group Company Limited (formerly known as HJ Capital (International) Holdings Company Limited) (“**Huafa Property Services**”). Since Huafa Property Services is owned as to a total of 38.78% (i) by Hong Kong Huafa through Huajin Investment Company Limited and (ii) by Zhuhai Huafa Properties Co., Ltd (珠海華發實業股份有限公司) (“**Huafa Properties**”) through Guang Jie Investment Limited, Hong Kong Huafa is deemed to be interested in 11,250,000 Shares held by Huafa Property Services under the SFO. Since the entire share capital of Hong Kong Huafa is wholly owned by Zhuhai Huafa and Huafa Properties is also a non-wholly-owned direct subsidiary of Zhuhai Huafa, under the SFO, Zhuhai Huafa is deemed to be interested in all the Shares held by Hong Kong Huafa and Huafa Property Services. Zhuhai Huafa is a PRC state-owned conglomerate based in Zhuhai, the People’s Republic of China.
3. The Shares are registered in the name of Canvest (China), the entire share capital of which is wholly owned by Yi Feng. Under the SFO, Yi Feng is deemed to be interested in all the Shares held by Canvest (China).
4. Yi Feng is wholly owned by Canvest Environmental. Under the SFO, Canvest Environmental is deemed to be interested in all the Shares held by Canvest (China) (through its shareholding in Yi Feng).
5. Canvest Environmental is owned as to 54.75% by Best Approach (which is in turn directly held as to 55% by Harvest Vista and indirectly held as to 45% by Harvest Vista through Century Rise). The entire issued share capital of Harvest Vista is held by HSBC International Trustee Limited as trustee of Harvest VISTA Trust, a trust which Ms. LEE Wing Yee Loretta and Mr. LAI Kin Man are founders and established in accordance with the laws of the British Virgin Islands, and Mr. LAI Chun Tung, spouse of Ms. LEE Wing Yee Loretta is the beneficiary of Harvest VISTA Trust. The discretionary beneficiaries of Harvest VISTA Trust include Ms. LEE Wing Yee Loretta, Mr. LAI Kin Man and the personal trust of Ms. LEE Wing Yee Loretta (the beneficiaries of which are Ms. LEE Wing Yee Loretta and her immediate family members). Canvest (China) is an investment holding company indirectly wholly owned by Canvest Environmental through Yi Feng for the purpose of holding Shares. Under the SFO, Best Approach, Harvest Vista, Century Rise, Ms. LEE Wing Yee Loretta, Mr. LAI Kin Man, Mr. LAI Chun Tung and HSBC International Trustee Limited are deemed to be interested in all the Shares held by Canvest (China).
6. South Pacific is a direct wholly-owned subsidiary of SIIC Estate Company Limited and an indirect wholly-owned subsidiary of SIIC Investment Company Limited, SIIC International (BVI) Company Limited and SIIC. SIIC is a company incorporated in Hong Kong with limited liability and an overseas conglomerate controlled by the Shanghai municipal government. As at the date of this report, SIIC was the controlling shareholder of Shanghai Industrial Holdings Limited (“**SIHL**”), a limited liability company incorporated in Hong Kong whose shares are listed on the Stock Exchange (stock code: 0363). As at the date of this report, SIHL, through its indirect wholly-owned subsidiary, True Victor Holdings Limited, was interested in approximately 19.48% of Canvest Environmental. South Pacific is principally engaged in securities investment.

Save as disclosed above, as at 30 September 2022, the Company had not been notified of any entities/persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares 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 required to be kept by the Company under Section 336 of the SFO.

Other Information

INTERIM DIVIDEND

The Board does not declare any interim dividend for the Period (2021: Nil).

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

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of its shareholders and to enhance corporate value and accountability. The Company has adopted the principles and code provisions as set out in the CG Code as its own code of corporate governance.

Throughout the Period, the Company has complied with all applicable code provisions set out in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct for Directors in their dealings in the securities of the Company. Specific enquiry has been made to all the Directors and the Directors have confirmed that they have complied with the requested standards set out in the Model Code throughout the Period. The Company has also established written guidelines no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the guidelines by the employees was noted by the Company.

REVIEW OF UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The Company's unaudited interim condensed consolidated financial information for the Period has been reviewed by the audit committee of the Company, which currently comprises three independent non-executive Directors, namely, Mr. FAN Chiu Tat Martin, Ms. RU Tingting and Mr. LEUNG Siu Hong, and by the Company's independent auditor RSM Hong Kong, certified public accountants in Hong Kong, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.



Other Information

CHANGES IN DIRECTOR'S BIOGRAPHICAL DETAILS UNDER RULE 13.51B(1) OF THE LISTING RULES

In accordance with Rule 13.51B(1) of the Listing Rules, changes of Directors' information since the last published 2021/22 annual report of the Company and up to the date of this interim report are set out below:

Name	Details of Change
LI Zhuang	– Appointed as the Company Secretary and an authorised representative of the Company under Rule 3.05 of the Listing Rules both with effect from 26 October 2022.
HONG Kam Le	– Appointed as a company secretary and an authorised representative of UJU HOLDING LIMITED (stock code: 1948) under Rule 3.05 of the Listing Rules both with effect from 31 October 2022. – Appointed as a company secretary and an authorised representative of Kidztech Holdings Limited (stock code: 6918) under Rule 3.05 of the Listing Rules both with effect from 21 July 2022.

Save as disclosed above, there is no other changes in information on Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express gratitude to the Group's management team and staff for their dedication, as well as our shareholders, investors and business partners' support and trust.

For and on behalf of the Board

XIE Hui

Chairman

Hong Kong, 29 November 2022

Definitions

In this interim report, the following expressions have the following meanings unless otherwise specified:

“Board”	the board of Directors
“CG Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
“Company”	Hong Kong Johnson Holdings Co., Ltd. (香港莊臣控股有限公司) (stock code: 1955), a company incorporated in the Cayman Islands as an exempted company with limited liability, the issued Shares are listed on the Main Board of the Stock Exchange
“COVID-19”	coronavirus disease 2019
“Director(s)”	the director(s) of the Company
“Greater Bay Area”	the Guangdong-Hong Kong-Macao Greater Bay Area comprises the two Special Administrative Regions of Hong Kong and Macao, and the nine municipalities of Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing in Guangdong Province
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Mainland China and Hong Kong”	Mainland China and Hong Kong
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Period”	the six months ended 30 September 2022
“PRC”	The People’s Republic of China
“SFO”	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
“Shares”	ordinary shares of HK\$0.01 each in the issued capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

