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# **G&M** Holdings Limited 信越控股有限公司

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

**(Stock code: 6038)**

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021**

### **FINANCIAL HIGHLIGHTS**

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue	<b>158,434</b>	135,524
Gross profit	<b>41,169</b>	35,827
Profit before income tax	<b>23,440</b>	19,560
Profit for the period	<b>19,859</b>	16,498
Basic earnings per share <i>(HK cents)</i>	<b>2.0</b>	1.6
Diluted earnings per share <i>(HK cents)</i>	<b>2.0</b>	1.6

The Board recommended the payment of an interim dividend of HK0.55 cents per share for the period ended 30 June 2021.

The board (the “**Board**”) of directors (the “**Directors**”) of G & M Holdings Limited (the “**Company**”) is pleased to present the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2021 (the “**Period**”), together with the comparative figures for the corresponding period in 2020 (the “**Corresponding Period**”).

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

For the six months ended 30 June 2021

	Notes	Six months ended 30 June	
		2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000
<b>Revenue</b>	5	<b>158,434</b>	135,524
Cost of revenue		<u>(117,265)</u>	<u>(99,697)</u>
<b>Gross profit</b>		<b>41,169</b>	35,827
Other income, gains and losses		<b>51</b>	2,055
Administrative and other operating expenses		<b>(17,482)</b>	(18,232)
Finance costs		<u>(298)</u>	<u>(90)</u>
<b>Profit before income tax</b>	6	<b>23,440</b>	19,560
Income tax expense	7	<u>(3,581)</u>	<u>(3,062)</u>
<b>Profit for the period</b>		<u><b>19,859</b></u>	<u>16,498</u>
<b>Other comprehensive income</b>			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
– Exchange difference arising from translation of foreign operation		<u>(1)</u>	<u>(6)</u>
<b>Total comprehensive income for the period</b>		<u><b>19,858</b></u>	<u>16,492</u>
		<i>HK cents</i>	<i>HK cents</i>
<b>Earnings per share</b>			
– Basic	10	<b>2.0</b>	1.6
– Diluted	10	<u><b>2.0</b></u>	<u>1.6</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2021*

		30 June 2021 (unaudited) <i>HK\$'000</i>	31 December 2020 (audited) <i>HK\$'000</i>
	<i>Notes</i>		
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		7,116	2,321
Deposits and prepayment	11	1,345	3,109
Financial assets at fair value through profit and loss		1,388	–
Right-of-use assets		<u>11,661</u>	<u>13,956</u>
		<u>21,510</u>	<u>19,386</u>
<b>Current assets</b>			
Inventories		1,051	1,328
Contract assets		96,556	90,628
Trade and other receivables	11	83,657	83,440
Pledged bank deposits		5,000	5,000
Cash and bank balances		<u>137,351</u>	<u>149,157</u>
		<u>323,615</u>	<u>329,553</u>
<b>Current liabilities</b>			
Contract liabilities		32,651	50,571
Trade and other payables	12	38,801	46,297
Tax payable		2,252	57
Bank borrowings	13	2,585	1,127
Lease liabilities		2,663	2,886
Dividend payable		<u>11,000</u>	<u>–</u>
		<u>89,952</u>	<u>100,938</u>
<b>Net current assets</b>		<u>233,663</u>	<u>228,615</u>
<b>Non-current liabilities</b>			
Lease liabilities		<u>9,424</u>	<u>11,128</u>
<b>NET ASSETS</b>		<u>245,749</u>	<u>236,873</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	14	10,000	10,000
Reserves		<u>235,749</u>	<u>226,873</u>
<b>Total equity</b>		<u>245,749</u>	<u>236,873</u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempt company with limited liability on 29 November 2016 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands. Its principal place of business is located at 11th Floor, Magnet Place Tower 1, 77-81 Container Port Road, Kwai Chung, New Territories, Hong Kong.

The Company is an investment holding company and the principal activities of the Company and its subsidiaries (collectively referred hereafter as the “**Group**”) are the provision of one-stop design and build solutions as well as repair and maintenance services in relation to podium facade and curtain wall works in Hong Kong.

The Company’s parent is Luxury Booming Limited (“**Luxury Booming**”), a limited liability company incorporated in the British Virgin Islands. In the opinion of directors, Luxury Booming is also the ultimate holding company of the Group.

The condensed consolidated financial statements of the Group for six months ended 30 June 2021 are unaudited, but have been reviewed by the audit committee of the Company (the “**Audit Committee**”) and approved by the Board of the Company on 25 August 2021.

### 2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2021 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 disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange. The unaudited condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements and should be read in conjunction with the annual financial statements for the year ended 31 December 2020 (“**Financial Statements 2020**”), which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA.

The condensed consolidated interim financial statements has not been audited or reviewed by Company’s external auditors, but have been reviewed by the audit committee of the Company.

The unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise stated.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis. Except for the adoption of the new or amended HKFRSs for annual periods beginning on 1 January 2021, the accounting policies and methods of computation used in the unaudited condensed consolidated interim financial statements are consistent with those described in the Financial Statements 2020.

#### Adoption of new or revised HKFRSs effective on 1 January 2021

During the interim period, the Group has adopted all the following new or amended HKFRSs which are first effective for the reporting period and relevant to the Group.

Amendments to HKFRS 16	COVID-19-Related Rent Concessions
Amendments to HKAS 39, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

The adoption of these new standards or amendments to existing standards does not have any significant impact on the results and financial position of the Group's unaudited condensed consolidated interim financial statements.

### 4. SEGMENT REPORTING

#### (a) Segment information

The Group has only one operating segment that qualifies as reporting segment under HKFRS 8. The Group operates in Hong Kong and the PRC. All the Group's revenue are derived from Hong Kong, and more than 99% of the Group's non-current assets are located in Hong Kong. Accordingly, no separate segmental analysis is presented.

#### (b) Information about major customers

Revenue from major customers, each of them accounted for 10% or more of the Group's revenue, as set out below:

	Six months ended 30 June	
	2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000
Customer I	112,048	77,088
Customer II	35,128	29,421
Customer III	N/A*	23,854

\* The corresponding revenue does not contribute over 10% of the Group's revenue in respective period.

## 5. REVENUE

The Group is principally engaged in the provision of one-stop design and build solutions as well as repair and maintenance services in relation to podium facade and curtain wall work in Hong Kong.

	<b>Six months ended 30 June</b>	
	<b>2021</b>	2020
	<b>(unaudited)</b>	(unaudited)
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue recognised overtime:</b>		
Design and build projects		
– Podium facade and related works	<b>140,947</b>	87,378
– Curtain wall works	<b>5,509</b>	41,730
	<b>146,456</b>	129,108
Repair and maintenance services	<b>11,978</b>	6,416
	<b>158,434</b>	135,524

## 6. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging the following:

	<b>Six months ended 30 June</b>	
	<b>2021</b>	2020
	<b>(unaudited)</b>	(unaudited)
	<b>HK\$'000</b>	<b>HK\$'000</b>
Auditor's remuneration	<b>300</b>	300
Cost of inventories recognised as expenses <sup>#</sup>	<b>50,667</b>	46,570
Depreciation charge:		
Property, plant and equipment*	<b>1,537</b>	590
Right-of-use assets*		
– building, car parks and machinery	<b>1,745</b>	1,340
Warranty expenses <sup>#</sup>	<b>20</b>	–
Employee benefit expenses (including directors' emoluments)		
– Salaries, allowances and other benefits	<b>29,659</b>	25,729
– Contributions to defined contribution retirement plan	<b>1,078</b>	1,014
– Equity settled share-based payment	<b>18</b>	–
	<b>30,755</b>	26,743

<sup>#</sup> Included in cost of revenue

\* Included in administrative and other operating expense

## 7. INCOME TAX EXPENSE

The amount of income tax expense in the condensed consolidated statement of profit or loss and other comprehensive income represents:

	<b>Six months ended 30 June</b>	
	<b>2021</b>	2020
	<b>(unaudited)</b>	(unaudited)
	<b>HK\$'000</b>	HK\$'000
Hong Kong Profits Tax		
– Current	<b>3,578</b>	3,059
PRC Enterprise Income Tax		
– Current	<u>3</u>	<u>3</u>
Tax for the period	<u><b>3,581</b></u>	<u>3,062</u>

For the six months ended 30 June 2021 and 2020, under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The two-tiered profit tax rates regime was only applicable to a nominated qualified entity in the Group. The profits of group entity not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% on their estimated assessable profit.

The Group's PRC subsidiary was eligible to be classified as small enterprise by the local bureau and the corresponding assessable profits are taxed at progressive rate. The first RMB1,000,000 assessable profit is taxed at 5% and assessable profit above RMB1,000,000 but less than RMB3,000,000 is taxed at 10%. Enterprise income tax for each of the six months ended 30 June 2021 and 2020 is calculated by applying the applicable progressive tax rate on the estimated assessable profits for the period.

## 8. SHARE-BASED PAYMENT

During the six months ended 30 June 2021, share-based payment of approximately HK\$18,000 (six months ended 30 June 2020: nil) has been recognised in the profit or loss. The corresponding amount of approximately HK\$18,000 (six months ended 30 June 2020: nil) has been credited to share option reserve.

## 9. DIVIDENDS

The Directors propose the payment of an interim dividend of HK0.55 cents per share, amounting to HK\$5.5 million for the six months ended 30 June 2021 (six months ended 30 June 2020: nil).

The final dividend of HK\$11,000,000 for the year ended 31 December 2020 has been approved by shareholders at the Company's annual general meeting and the payment for which has been despatched on 21 July 2021 (six months ended 30 June 2020: HK\$14,000,000 despatched on 17 July 2020).

## 10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on following data:

	<b>Six months ended 30 June</b>	
	<b>2021</b>	2020
	<b>(unaudited)</b>	(unaudited)
<b>Earnings</b>		
Profit for the period attributable to owners of the Company <i>(HK\$'000)</i>	<u><b>19,859</b></u>	<u>16,498</u>
<b>Weighted average number of ordinary shares in issue</b>		
Weighted average number of ordinary shares in issue during the period <i>('000)</i>	<u><b>1,000,000</b></u>	<u>1,000,000</u>
Basic earnings per share <i>(HK cents)</i>	<u><b>2.0</b></u>	<u>1.6</u>

For the six months ended 30 June 2021 and 2020, diluted earnings per share are the same as the basic earnings per share as there were anti-dilutive effect arising from the share options.

## 11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<b>As at 30 June 2021 (unaudited) HK\$'000</b>	As at 31 December 2020 (audited) HK\$'000
<b>Non-current</b>		
Prepayment for acquisition of property, plant and equipment	–	1,764
Refundable rental deposits	<u>1,345</u>	<u>1,345</u>
	<u><b>1,345</b></u>	<u>3,109</u>
<b>Current</b>		
Trade receivables	<u>49,727</u>	55,905
Expected credit losses allowance	<u>(75)</u>	(75)
	<b>49,652</b>	55,830
Retention Receivables	<u>1,801</u>	1,791
Expected credit losses allowance	<u>(1,526)</u>	(1,526)
	<b>275</b>	265
Deposits and prepayment	<u>33,730</u>	<u>27,345</u>
	<u><b>83,657</b></u>	<u>83,440</u>



Notes:

- (a) The credit period granted to trade debtors ranged from 20 to 60 days.
- (b) The aging analysis of trade receivables (net of expected credit losses allowance) at the end of each reporting period based on the invoice date as follows:

	As at 30 June 2021 (unaudited) <i>HK\$'000</i>	As at 31 December 2020 (audited) <i>HK\$'000</i>
Within 30 days	46,521	53,563
31 to 60 days	762	216
61 to 90 days	418	247
Over 90 days but less than 1 year	1,466	1,620
Over a year	<u>485</u>	<u>184</u>
	<u><u>49,652</u></u>	<u><u>55,830</u></u>

(c) **Retention receivables**

As at 30 June 2021, based on due date, the Group's retention receivables of approximately HK\$192,000 (31 December 2020: HK\$83,000) were not yet past due and the remaining balance of approximately HK\$83,000 (31 December 2020: HK\$182,000) were past due, of which HK\$19,000 (31 December 2020: HK\$18,000) was past due for over one year. Based on the assessment of the directors, no impairment allowance is necessary for the net retention receivables outstanding at the end of the reporting periods as those balances are from customers with long business relationship and there has not been a significant change in their credit quality.

**12. TRADE AND OTHER PAYABLES**

	As at 30 June 2021 (unaudited) <i>HK\$'000</i>	As at 31 December 2020 (audited) <i>HK\$'000</i>
Trade payables	19,229	26,978
Retention payables	8,055	8,241
Accruals and other payables	<u>11,517</u>	<u>11,078</u>
	<u><u>38,801</u></u>	<u><u>46,297</u></u>

Notes:

- (a) The credit period granted by the suppliers and subcontractors is normally 0 to 60 days.
- (b) The ageing analysis of the trade payables (net), based on invoice date, as of the end of each reporting period is as follows:

	<b>As at 30 June 2021 (unaudited) HK\$'000</b>	<b>As at 31 December 2020 (audited) HK\$'000</b>
Within 30 days	<b>8,566</b>	17,219
31 to 60 days	<b>4,672</b>	3,237
61 to 90 days	<b>1,559</b>	400
Over 90 days	<b>4,432</b>	6,122
	<b><u>19,229</u></b>	<b><u>26,978</u></b>

- (c) As at 30 June 2021, retention payables of approximately HK\$2,121,000 (31 December 2020: HK\$2,179,000) were aged one year or below and the remaining balance of approximately HK\$5,934,000 (31 December 2020: HK\$6,062,000) were aged over one year.

### 13. BANK BORROWINGS

	<b>As at 30 June 2021 (unaudited) HK\$'000</b>	<b>As at 31 December 2020 (audited) HK\$'000</b>
Bank borrowings repayable within one year	<b><u>2,585</u></b>	<b><u>1,127</u></b>

The bank borrowings, including trade financing, are interest bearing at the bank's prime rate or the bank's prime rate adjusted by certain basis points per annum. The interest rates of the Group's bank borrowings as at 30 June 2021 were 3.15% (31 December 2020: 3.13%) per annum.

#### 14. SHARE CAPITAL

The share capital balance as at 30 June 2021 and 31 December 2020 is represented by the issued and fully paid share capital of the Company as follows:

<b>Ordinary share of HK\$0.01 each</b>	<b>Number of shares</b>	<b>Carrying values HK\$'000</b>
<b>Authorised:</b>	<u>10,000,000,000</u>	<u>100,000</u>
<b>Issued and fully paid</b>	<u>1,000,000,000</u>	<u>10,000</u>

#### 15. GUARANTEES

The Group provided guarantee in respect of the surety bonds in favour of the customers of certain construction contracts. Details of these guarantees are as follows:

	<b>As at 30 June 2021 (unaudited) HK\$'000</b>	<b>As at 31 December 2020 (audited) HK\$'000</b>
Aggregate value of the surety bonds issued in favour of customers	<u>48,747</u>	<u>47,660</u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group has more than 20 years history in Hong Kong and provides one-stop design and build solutions and repair and maintenance services in relation to podium facade and curtain wall works in Hong Kong.

The continuous outbreak of COVID-19 has made the operation challenging and the Group experienced delay in the progress for some projects due to the delay of other stage prior to the Group's construction works. Thankfully with our quality track record and technical capability, the Group has been able to secure increasing number of and larger scale projects in the past couple of years; and as such, despite the aforesaid delay in progress and short of original anticipation in revenue for some projects, the Group achieved an increase in revenue by approximately HK\$22.9 million or 16.9% for the Period.

Furthermore, the Group has successfully secured several new contracts during the Period and the outstanding contract sum of the Group's contracts on hand has reached an amount of approximately HK\$791.4 million which compared with the amount of HK\$497.0 million for the Corresponding Period. Although the COVID-19 outbreak did not have any significant impact on our operation, we will maintain a prudent financial management approach to withstand the present challenging global economic conditions.

## PROSPECTS

The Group's major projects on hand as at 30 June 2021 can be summarised as follows:

No.	Type of works undertaken	Location	Expected completion date	Estimated remaining contract value as at 30 June 2021 <i>HK\$ million</i>
1.	Podium facade	Kai Tak, Kowloon	Dec 2022	293.1
2.	Podium facade	Taikoo, Hong Kong	Dec 2021	171.1
3.	Podium facade	Kwun Tong, Kowloon	Jun 2022	159.0
4.	Podium facade	Shatin, New Territories	Dec 2022	86.3
5.	Podium facade	Wetland Park, New Territories	Dec 2021	<u>26.3</u>
				<u><u>735.8</u></u>

Subsequent to the end of the Period and up to the date of this announcement, the Group had been awarded a podium facade contract with contract sum of approximately of HK\$55.6 million. Meanwhile, the Group is in the process of bidding for or pending the results of five sizeable project tenders with an estimated total contract value of over HK\$422.5 million which comprised two podium facade projects with an estimated total contract value of HK\$140.4 million and three curtain wall projects with an estimated total value of HK\$282.1 million. As local pandemic situation is gradually coming under control, the progress of previously delayed projects has resumed and sped up; it is expected the revenue growth trend will continue into the second half of the year 2021.

## FINANCIAL REVIEW

### Revenue

The Group's revenue increased by approximately HK\$22.9 million or 16.9% from approximately HK\$135.5 million for the Corresponding Period to approximately HK\$158.4 million for the Period, which was mainly due to the projects awarded in previous year commencing to generate revenue during the Period.

### **Gross profit and gross profit margin**

The Group's gross profit increased by approximately HK\$5.4 million or 15.1% from approximately HK\$35.8 million for the Corresponding Period to approximately HK\$41.2 million for the Period. Gross profit margin of the Group was approximately 26.0% for the Period, is relatively stable as compared to approximately 26.4% for the Corresponding Period.

### **Administrative and other operating expenses**

The Group's administrative and other operating expenses decreased by approximately HK\$0.7 million or 3.8% from approximately HK\$18.2 million for the Corresponding Period to approximately HK\$17.5 million for the Period, mainly due to the reduction in legal and professional expenses.

### **Profit for the Period**

The Group's profit for the Period amounted to approximately HK\$19.9 million representing an increase of approximately HK\$3.4 million or 20.6% as compared to approximately HK\$16.5 million for the Corresponding Period. The increase in profit is the combined effect of the rise in revenue and gross profit and reduction in administrative expenses, and partially offset by the reduction in other income as the anti-epidemic subsidies of approximately HK\$2.0 million in the Corresponding Period was non-recurring in nature.

### **Receivable turnover days**

The Group's receivable turnover days for the Period decreased to approximately 60.9 days as compared to that of approximately 76.4 days as at 31 December 2020 because the progress certified as at the period end decreased. The Group did not observe any signs of default on any of its trade receivables balance as at 30 June 2021.

### **Bank borrowings**

The Group's bank borrowings as at 30 June 2021 were approximately HK\$2.6 million, representing an increase of approximately HK\$1.5 million as compared to approximately HK\$1.1 million as at 31 December 2020.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

The Group's gearing ratio, calculated by dividing total debts by total equity, as at 30 June 2021 was approximately 1.1% (31 December 2020: 0.5%). The increase was mainly due to the increase in the bank borrowings.

The Group's cash and cash equivalents balances as at 30 June 2021 amounted to approximately HK\$137.4 million, representing a decrease of approximately HK\$11.8 million as compared to that of approximately HK\$149.2 million as at 31 December 2020.

The Group's bank borrowings as at 30 June 2021 were all denominated in Euros. The interest rates were 3.15% per annum.

## **EMPLOYEES AND REMUNERATION POLICIES**

The Group had 110 staff as at 30 June 2021 (30 June 2020: 103 staff) and the total employee benefit expenses for the Period amounted to approximately HK\$30.7 million (Corresponding Period: HK\$26.7 million). Such increase was mainly contributed to the increase in average number of staff salary as a result of the Group's business expansion. The Group determines the remuneration of its employees based on each employee's qualifications, experience and past performance. The remuneration committee makes recommendations to the Board on the overall remuneration policy and structure for our Directors and senior management. The Group maintains a good relationship with its employees and has not experienced any major labour disputes nor any difficulty in recruiting suitable staff.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period to date of the announcement.

## **SHARE OPTION SCHEME**

The Company granted 3,000,000 share options on 16 April 2021 under the share option scheme adopted on 12 May 2017 and no option has been exercised or cancelled since then up to the date of this announcement.

## **PLEDGE OF ASSETS**

As at 30 June 2021, the Group had approximately HK\$5.0 million of pledge bank deposits (31 December 2020: HK\$5.0 million) for a banking facility of the Group.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES**

During the Period, the Group did not have any material acquisitions and disposals of subsidiaries.

## **SIGNIFICANT INVESTMENT HELD**

The Group had not held any significant investments during the Period.

## **CAPITAL COMMITMENT**

The Group had no significant capital commitment as at 30 June 2021.

## **CONTINGENT LIABILITIES**

The Group did not have any significant contingent liabilities as at 30 June 2021.

## **EVENTS AFTER END OF THE PERIOD**

No event has occurred after 30 June 2021 and up to the date of this announcement which would have a material effect on the Group.

## **CORPORATE GOVERNANCE**

The Company has adopted the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”) and has complied with the CG Code throughout the Period, except in relation to provision A.2.1 of the CG Code where the roles of the Group’s Chairman and chief executive officer are both performed by Mr. Lee Chi Hung. The provision A.2.1 of the CG Code requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Please refer to the annual report for year ended 31 December 2020 for the nature of the non-compliance with the provision A.2.1 of the CG Code.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for securities transactions by Directors of Listed Issuer (the “**Model Code**”) as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Upon specific enquiries being made with all Directors, each of them confirmed that they have complied with the required standards set out in the Model Code for the Period and up to the date of this announcement.



## **INTERIM DIVIDEND**

The Board takes into account the Group's overall results of operation, financial position and capital requirements, among other factors, in considering the declaration of dividends.

The Directors recommended the payment of an interim dividend of HK0.55 cents per share, amounting to a total of HK\$5.5 million for the Period and representing a dividend ratio of approximately 27.7%, to shareholders whose names appear on the register of members of the Company at the close of business on 10 September 2021, which is expected to be paid on or about 29 September 2021.

## **CLOSURE OF REGISTER OF MEMBERS**

To ascertain entitlement to the proposed interim dividend, the register of members of the Company will be closed on Friday, 10 September 2021. In order to qualify for the proposed interim dividend, holders of shares of the Company must ensure that all transfers of shares be lodged with the Company's branch share registrar and transfer office in Hong Kong for registration no later than 4:30 p.m. on Thursday, 9 September 2021.

## **AUDIT COMMITTEE**

The Audit Committee currently comprises three independent non-executive Directors, namely Professor Wong Roderick Sue Cheun, Mr. Tai Kwok Leung, Alexander and Mr. Kwan Cheuk Kui, and is chaired by Mr. Tai Kwok Leung, Alexander.

The Audit Committee has reviewed the accounting standards and policies adopted by the Group and the unaudited condensed consolidated interim financial statements of the Group for the Period.

By order of the Board  
**G & M Holdings Limited**  
**Lee Chi Hung**  
*Chairman and Executive Director*

Hong Kong, 25 August 2021

*As at the date of this announcement, the Board comprises Mr. Lee Chi Hung and Ms. Lam Suk Yee, Patricia as executive Directors; Mr. Leung Ping Kwan as non-executive Director; and Professor Wong Roderick Sue Cheun, Mr. Tai Kwok Leung, Alexander and Mr. Kwan Cheuk Kui as independent non-executive Directors.*