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利記控股有限公司
LEE KEE HOLDINGS LIMITED

SINCE 1947

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 637)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2021

The Board of Directors (the "Board") of Lee Kee Holdings Limited (the "Company") hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively "LEE KEE" or the "Group") for the six months ended 30th September 2021 (the "Interim Period" or the "Period") together with the comparative figures for the six months ended 30th September 2020 (the "Comparative Period") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30th September 2021 – unaudited

	Note	**Six months ended 30th September 2021** *HK$'000*	2020 *HK$'000*
Revenue	4	**1,243,843**	864,043
Cost of sales		**(1,179,442)**	(815,980)
Gross profit		**64,401**	48,063
Other income		**3,848**	6,829
Distribution and selling expenses		**(13,922)**	(11,989)
Administrative expenses		**(39,826)**	(34,589)
Other net losses		**(1,556)**	(335)
Profit from operations		**12,945**	7,979
Finance income		**377**	530
Finance costs		**(1,172)**	(825)
Net finance costs	5(a)	**(795)**	(295)

	Note	Six months ended 30th September **2021** *HK$'000*	2020 *HK$'000*
Profit before taxation	5	**12,150**	7,684
Income tax	6	**(4,183)**	(2,265)
Profit for the period		**7,967**	5,419
Attributable to:			
Equity shareholders of the Company		**8,041**	5,397
Non-controlling interests		**(74)**	22
Profit for the period		**7,967**	5,419
Earnings per share	8		
Basic and diluted *(Hong Kong cents)*		**0.97**	0.65

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30th September 2021 – unaudited

	Six months ended 30th September	
	2021	2020
	HK$'000	*HK$'000*
Profit for the period	**7,967**	5,419
Other comprehensive income for the period:		
Items that will not be reclassified to profit or loss, net of nil tax:		
Revaluation of financial assets at fair value through other comprehensive income	**2,556**	3,101
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong, net of nil tax	**3,380**	7,255
Cash flow hedges: net movement in the hedging reserve	**–**	(554)
Other comprehensive income for the period	**5,936**	9,802
Total comprehensive income for the period	**13,903**	15,221
Attributable to:		
Equity shareholders of the Company	**13,977**	15,199
Non-controlling interests	**(74)**	22
Total comprehensive income for the period	**13,903**	15,221

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30th September 2021 – unaudited

	Note	**At 30th September 2021** *HK$'000*	At 31st March 2021 *HK$'000*
Non-current assets			
Investment properties	9	**104,900**	63,600
Other property, plant and equipment	10	**37,521**	32,744
Financial assets at fair value through other comprehensive income		**15,084**	12,528
Prepayments	12	**552**	7,795
Deferred tax assets		**2,664**	2,751
		160,721	119,418
Current assets			
Inventories	11	**452,820**	386,698
Trade and other receivables	12	**285,420**	239,750
Tax recoverable		**403**	1,150
Derivative financial instruments		**124**	828
Cash and cash equivalents	13	**174,776**	288,218
		913,543	916,644
Current liabilities			
Trade and other payables and contract liabilities	14	**39,906**	36,285
Bank borrowings	15	**116,838**	88,559
Lease liabilities		**1,125**	1,406
Tax payable		**1,204**	993
Derivative financial instruments		**1,655**	1,523
		160,728	128,766
Net current assets		**752,815**	787,878
Total assets less current liabilities		**913,536**	907,296

	At 30th September 2021 *HK$'000*	At 31st March 2021 *HK$'000*
Non-current liabilities		
Employee retirement benefit obligations	**1,344**	1,344
Lease liabilities	**597**	9
Deferred tax liabilities	**4,042**	4,005
	5,983	5,358
NET ASSETS	**907,553**	901,938
CAPITAL AND RESERVES		
Share capital	**82,875**	82,875
Reserves	**824,668**	818,979
Total equity attributable to equity shareholders of the Company	**907,543**	901,854
Non-controlling interests	**10**	84
TOTAL EQUITY	**907,553**	901,938

NOTES:

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 11th November 2005 as an exempted company with limited liability under the Companies Law (2004 Revision) of the Cayman Islands. The address of the Company's registered office is Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands.

The principal activity of the Company is investment holding. The principal activities of the Company and its subsidiaries (together, the "Group") are trading of zinc, zinc alloy, nickel, nickel-related products, aluminum, aluminum alloy, stainless steel and other electroplating chemical products, provision of metal testing and consultancy services, as well as alloy production in Hong Kong and Mainland China.

The Company's shares are listed on the Mainboard of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2 BASIS OF PREPARATION

The financial results set out in this announcement do not constitute the Group's interim financial report for the period ended 30th September 2021, but are derived from that interim report.

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 9th November 2021.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2020/21 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2021/22 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2020/21 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The interim financial report is unaudited, but has been reviewed by KPMG 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.

The financial information relating to the financial year ended 31st March 2021 that is included in the interim financial report as comparative information does not constitute the Company's annual consolidated financial statements for that financial year but is derived from those financial statements.

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRSs issued by the HKICPA to the interim financial report for the current accounting period:

- Amendment to HKFRS 16, *Covid-19-related rent concessions beyond 30th June 2021*
- Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, *Interest rate benchmark reform – phase 2*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in the interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT REPORTING

The Group is principally engaged in the trading of zinc, zinc alloy, nickel, nickel-related products, aluminium, aluminium alloy, stainless steel and other electroplating chemical products. Revenue recognised during the period are as follows:

	Six months ended 30th September	
	2021	2020
	HK$'000	*HK$'000*
Revenue		
Sales of goods (recognised at point in time)	**1,243,843**	864,043

(a) Segment revenue and results

The chief operating decision-maker assesses the performance of the operating segments based on a measure of operating results (before income tax) of each segment, which excludes the effects of other income, other net losses and net finance costs.

	Six months ended 30th September			
	2021		2020	
	Revenue	**Segment results**	Revenue	Segment results
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Hong Kong	**596,425**	**(4,743)**	431,365	(6,073)
Mainland China	**647,418**	**15,396**	432,678	7,558
	1,243,843	**10,653**	864,043	1,485

An analysis of the Group's segment assets and segment liabilities by reporting segment is set out below:

	At 30th September 2021		
		Mainland	
	Hong Kong	**China**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Segment assets	**672,144**	**402,120**	**1,074,264**
Segment liabilities	**102,861**	**63,850**	**166,711**

	At 31st March 2021		
		Mainland	
	Hong Kong	China	Total
	HK$'000	*HK$'000*	*HK$'000*
Segment assets	678,593	357,469	1,036,062
Segment liabilities	70,693	63,431	134,124

(b) Reconciliation of reportable segment profit or loss

	Six months ended 30th September	
	2021	2020
	HK$'000	*HK$'000*
Total segment results	**10,653**	1,485
Other income	**3,848**	6,829
Other net losses	**(1,556)**	(335)
Net finance costs	**(795)**	(295)
Profit before taxation	**12,150**	7,684

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30th September	
	2021	2020
	HK$'000	*HK$'000*
(a) Net finance costs		
Interest income	**(377)**	(530)
Interest on lease liabilities	**20**	50
Interest on short-term bank borrowings	**1,152**	640
Interest on mortgage loan	**–**	135
	795	295

	Six months ended 30th September	
	2021	2020
	HK$'000	*HK$'000*
(b) Other items		
Depreciation of property, plant and equipment	**3,179**	2,594
Depreciation of right-of-use assets	**958**	1,169
Short-term lease payments not included in the measurement of lease liabilities – land and buildings	**495**	433
Cost of inventories sold	**1,181,579**	859,239
Gain on disposal of property, plant and equipment	**(550)**	(62)
Change in fair value of investment properties	**2,736**	–
Realised loss on metal future trading contracts and foreign exchange forward contracts	**206**	1,098
Unrealised loss on metal future trading contracts and foreign exchange forward contracts	**210**	803
Staff costs (including directors' remuneration)	**28,911**	26,527
Reversal of write-down of inventories	**(2,137)**	(43,259)
Net foreign exchange gain	**(1,046)**	(1,505)

6 INCOME TAX

	Six months ended 30th September	
	2021	2020
	HK$'000	*HK$'000*
Current tax		
– Hong Kong Profits Tax	**318**	59
– Mainland China Corporate Income Tax	**3,742**	2,187
	4,060	2,246
Deferred tax	**123**	19
	4,183	2,265

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (six months ended 30th September 2020: 16.5%) to the six months ended 30th September 2021. Taxation for Mainland China's subsidiaries is similarly calculated using the estimated annual effective rate of 25% (six months ended 30th September 2020: 25%) to the six months ended 30th September 2021.

7 DIVIDENDS

(i) Dividends payable to equity shareholders attributable to the interim period

The directors do not recommend the payment of interim dividend for the six months ended 30th September 2021 (six months ended 30th September 2020: HK$Nil).

(ii) Dividends payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period

	Six months ended 30th September	
	2021	2020
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year, approved and paid during the interim period, of HK$0.01 per ordinary share (six months ended 30th September 2020: HK$Nil)	**8,288**	–

8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK$8,041,000 (six months ended 30th September 2020: HK$5,397,000) and the weighted average number of 828,750,000 (six months ended 30th September 2020: 828,750,000) ordinary shares in issue during the interim period.

(b) Diluted earnings per share

Diluted earnings per share for the six months ended 30th September 2021 and 2020 are the same as basic earnings per share as there were no potential dilutive ordinary shares outstanding during the periods.

9 INVESTMENT PROPERTIES

The Group entered into an agreement with an independent third party on 29th January 2021 and agreed to purchase an investment property at a consideration of HK$42,000,000. The acquisition was completed on 5th May 2021.

The valuations of investment properties carried at fair value were updated at 30th September 2021 by the Group's independent valuer using the same valuation techniques as were used by this valuer when carrying out the 31st March 2021 valuations, which resulted in a valuation loss of HK$2,736,000 (six months ended 30th September 2020: HK$Nil) recognised in profit or loss for the interim period.

10 OTHER PROPERTY, PLANT AND EQUIPMENT

	Six months ended 30th September	
	2021	2020
	HK$'000	*HK$'000*
Net book value as at the beginning of the period	**32,744**	36,703
Exchange difference	**186**	1,939
Additions	**8,730**	1,552
Disposals	**(2)**	(600)
Depreciation	**(4,137)**	(3,763)
Net book value as at the end of the period	**37,521**	35,831

11 INVENTORIES

	At 30th September 2021 *HK$'000*	At 31st March 2021 *HK$'000*
Finished goods	**462,653**	398,728
Less: write-down of inventories	**(9,833)**	(12,030)
	452,820	386,698

The cost of inventories recognised as expense and included in "cost of sales" amounted to HK$1,181,579,000 (six months ended 30th September 2020: HK$859,239,000) during the six months ended 30th September 2021.

12 TRADE AND OTHER RECEIVABLES

	At 30th September 2021 *HK$'000*	At 31st March 2021 *HK$'000*
Non-current portion		
Prepayments for purchase of property, plant and equipment	**552**	1,808
Prepayments for purchase of investment property	**–**	5,987
	552	7,795
Current portion		
Trade receivables, net of loss allowance	**218,561**	176,483
Prepayments to suppliers	**49,964**	41,993
Deposits	**1,496**	1,516
Other receivables	**15,399**	19,758
	285,420	239,750
	285,972	247,545

The Group grants credit terms to its customers ranging from cash on delivery to 90 days. At the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	At 30th September 2021 *HK$'000*	At 31st March 2021 *HK$'000*
Within 1 month	**163,429**	146,208
Over 1 but within 2 months	**43,843**	15,758
Over 2 but within 3 months	**10,557**	11,636
Over 3 months	**732**	2,881
	218,561	176,483

13 CASH AND CASH EQUIVALENTS

	At 30th September 2021 *HK$'000*	At 31st March 2021 *HK$'000*
Short-term bank deposits	**20,681**	90,546
Cash at bank and on hand	**154,095**	197,672
	174,776	288,218

14 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	At 30th September 2021 *HK$'000*	At 31st March 2021 *HK$'000*
Trade and other payables		
Trade payables	**20,457**	10,461
Accrued expenses and other payables	**9,994**	16,008
	30,451	26,469
Contract liabilities	**9,455**	9,816
	39,906	36,285

At the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	At 30th September 2021 *HK$'000*	At 31st March 2021 *HK$'000*
Within 1 month	**20,149**	10,167
Over 1 but within 3 months	**289**	17
Over 3 months	**19**	277
	20,457	10,461

15 BANK BORROWINGS

	At 30th September 2021 *HK$'000*	At 31st March 2021 *HK$'000*
Current liabilities		
Short-term bank borrowings	**116,838**	88,559

At the end of the reporting period, the bank borrowings were repayable as follows:

	At 30th September 2021 *HK$'000*	At 31st March 2021 *HK$'000*
Within 1 year or on demand	**116,838**	88,559

None of the banking facilities as at 30th September 2021 and 31st March 2021 is subject to the fulfilment of covenant.

The effective interest rates (per annum) at the end of the reporting period were as follows:

	At 30th September 2021	At 31st March 2021
Short-term bank borrowings	**1.87%**	1.73%

OVERALL BUSINESS PERFORMANCE

Financial Review

Despite considerable external challenges during the Interim Period, the Group continued to deliver stable revenue thanks to our ongoing efforts in digitalization, diversification and commitment to sustainability. The Group achieved this within the context of a challenging operating environment marked by supply chain disruptions and delays, rising logistics costs, and scattered COVID-19 outbreaks in different parts of Asia.

The Group's revenue for the Interim Period recorded a 44% increase to HK$1,244 million, compared to the Comparative Period. Tonnage sold by the Group continued to be robust. During the Interim Period, tonnage sold increased around 6% to approximately 50,200 tonnes, compared to 47,100 tonnes in the Comparative Period.

The Group recorded a gross profit of HK$64.4 million and a gross profit margin of 5.2% for the Interim Period, compared with a gross profit of HK$48 million and a gross profit margin of 5.6% for the Comparative Period. The Group recorded a profit attributable to equity holders of the Company of around HK$8.0 million during the Interim Period, compared to a profit of HK$5.4 million during the Comparative Period. This represents two consecutive financial periods of profit recovery since the outbreak of the pandemic.

The profit was attributable to the positive effects of product and service mix, geographic diversification and increased metal prices during the Interim Period.

Global zinc prices were volatile for much of the first half of the Interim Period, after reaching a recent low at the end of March 2021. When a resurgence of new COVID-19 variants began to affect supply chains, the zinc price then resumed its upward trend amidst signs of strong but uneven economic recovery across China and export markets overseas.

Global nickel prices traded at the lower bound during the first half of the Interim Period, before a steady rise throughout the Interim Period due to favorable policies announced by various countries to accelerate the adoption of the Electric Vehicle ("EV"), and the overall demand recovery from steel producers.

With higher tonnage sold and the increase in logistics costs during the Interim Period, the selling and distribution expenses grew 16.1% to HK$13.9 million, compared to the Comparative Period, while the general and administrative expenses were up 15.1% to HK$39.8 million compared to the Comparative Period.

The Group recorded other net losses of HK$1.6 million during the Interim Period, compared to other net losses of HK$0.3 million during the Comparative Period. The increase in other net losses was mainly attributed to the changes in the fair value of investment properties in the Interim Period.

The Group's finance costs for the Interim Period were HK$1.2 million compared to HK$0.8 million in the Comparative Period.

The Group continues to retain a healthy financial position, with HK$175 million bank balances and cash on hand as of 30th September 2021.

Business Review

LEE KEE's resilient business operations helped capture new opportunities while overcoming challenges

Ongoing supply chain disruptions and scattered lockdowns in different regions have impacted the Group's operation throughout the Interim Period. Despite returning to profit, many manufacturers continued to confront low order visibility in the context of uneven recovery and ongoing uncertainty.

At the same time, there has been an ongoing shift of demand towards more sustainable products and services in the global consumer markets. In response to this shift, more and more Group's customers began to enhance their manufacturing processes, requiring more advanced and customised alloys to meet different standards.

During the Interim Period, the Group continued to focus on operational excellence. Building upon its unparalleled reputation for quality, professionalism, and innovation, the Group helped its customers adapt to green supply chains, advanced manufacturing and sustainable sourcing of materials.

To ensure the operations across the Greater China and Southeast Asia were effectively run amidst several lock-downs, the Group continued to invest in digital technologies enabling contactless delivery in its supply chain while ensuring work safety during the Interim Period. The Group commits to be a sustainable and reliable metal supplier, as it continues to prioritize its employees' safety and wellbeing with a COVID-safe work environment.

Ongoing digitalisation journey

With these structural shifts catering to sustainability, the Group's long-term competitiveness rests on its enterprise-wide ability to adopt a digital transformation. By promoting continuous innovation and sustainability within its business, the Group can tap growing business opportunities arising from the digitalisation journey.

The Group's investment in digital technologies has proved invaluable in lessening the disruptions in logistics and the effects of component shortages during the Interim Period. By enabling real-time communication, our agile and digitalised operation allowed LEE KEE to optimise customer engagement, offer value-added solutions, and efficiently manage inventory and resources.

Since the launch of its new initiatives leveraging the use of automation, digital platform, and data analytics, the group has realised quality improvements, operational efficiencies. With further digitalisation, the Group will identify more opportunities to streamline its processes and strengthen its commercial operations.

Metal solutions that cater for new industrial applications

The Group's operating environment is undergoing a considerable change as the pandemic accelerated the development of various emerging industrial applications. The Group has been diversifying its business and expanding its product range to meet the market's changing needs swiftly. It offers brand metals and customised alloys catered to specifications for Electric Vehicles, connected home, smart devices and other new innovations. The Group also introduced other valued added offerings, including consultancy services, technical training, green products, quality assurance on metal, construction materials, and water testing to expand its offerings.

Continuous efforts on sustainability

During the Interim Period, the Group has continued to refine measures to mitigate the adverse environmental impact of its business operations, from emission reduction to use of alternative energy, resource conservation to waste management, such as water mist system and dross recycle machine. On responsible sourcing, we are accredited by Green Council, and bestowed as an established member of the Sustainable Procurement Charter.

In addition, the Group maintained the ISO 14001 Environmental Management System[#] and ISO 45001[#], demonstrating its commitment to occupational health and safety. LEE KEE also participated in the CarbonCare, Business Environment Council (BEC), Low Carbon Charter, and the Aluminium Stewardship initiatives. The Group continued to identify other areas to further its sustainability commitment and raised awareness within the industries in response to the market demand.

The scope and number of group companies certified with the ISO standard are listed on the Company's website.

Prospects

Looking forward to the second half, the Group expects the uneven recovery to persist as various external challenges have not yet subsided. Supply chain constraints, temporary production curbs, global energy challenge are examples of external factors that will continue to affect our customers' manufacturing activity and end-user demand.

Nevertheless, the Group still believes the long-term prospect for the metal industry, particularly the demand outlook for zinc, nickel and aluminium alloy. The Group will strive to navigate the uneven recovery to capture wider business opportunities.

On-going digitalisation efforts has already supported the Group in mitigating logistical challenges and managed its offshore sales operations during the pandemic. The Group will continue to expand the internal smart ordering platform. Leveraging on data analytics, the Group plans to identify more areas for efficiency enhancement and precise inventory planning to reduce the impact of supply disruptions.

The specification of new alloy materials required for greener manufacturing, smart devices and electric vehicles will generate more customised solutions for metal testing and advisory services. With the broadening of the Group's Promet Laboratory's technical capabilities and services scope, the Group will continue to diversify its revenue sources. Leveraging its market position in construction and manufacturing metal testing, the Group will continue to explore opportunity to expand the scope of Promet Laboratory.

On ESG, the Group will focus its efforts in the areas of decarbonisation, recycling and responsible supply chains. In the past few years, the Group has gradually raised the bar on energy efficiency and usage of renewable energy. All these efforts will further support the Group's customers to participate in a responsible supply chain. The Group's management, assisted by its team of experts, will continue to explore sustainable business streams, capture new growth trends to create long-term value to its shareholders.

DIVIDEND

The Board of Directors of the Company does not recommend the payment of interim dividend for the Interim Period.

LIQUIDITY, FINANCIAL RESOURCES AND COMMODITY PRICE RISK

The Group primarily financed its operation through internal resources and borrowings from banks. As at 30th September 2021, the Group had unrestricted cash and bank balances of approximately HK$175 million (as at 31st March 2021: HK$288 million) and bank borrowings of approximately HK$117 million (as at 31st March 2021: HK$88.6 million).

The remaining borrowings, which are short term in nature, were substantially made in United States dollars and Hong Kong dollars with interest chargeable at market rates. The gearing ratio (total borrowings and lease liabilities to total equity) as at 30th September 2021 was 13.1% (as at 31st March 2021: 10.0%). The Group has a current ratio of 568% as at 30th September 2021 (as at 31st March 2021: 712%).

The Group constantly evaluates and monitors its risk exposure to metals prices with reference to the market conditions. In order to control the exposure efficiently and to capitalise on direction of price trends, the Group's management will employ appropriate operating strategies and set inventory levels accordingly.

The Group's foreign exchange exposure mainly resulted from the exchange rate between Hong Kong dollars against United States dollars and Renminbi.

EMPLOYEES

As at 30th September 2021, the Group had approximately 190 employees (2020: 180 employees). Their remuneration, promotion and salary review are assessed based on job responsibilities, work performance, professional experiences and the prevailing industry practices. The key components of the Group's remuneration package include basic salary, and where appropriate, other allowances, incentive bonuses and the Group's contribution to mandatory provident funds (or state-managed retirement benefits scheme). During the Interim Period, staff costs (including directors' emoluments) were approximately HK$28.9 million for the six months ended 30th September 2021 (for the six months ended 30th September 2020: HK$26.5 million).

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

Neither the Company nor any of its subsidiaries has purchased or sold or redeemed any of the Company's listed securities during the Interim Period.

CORPORATE GOVERNANCE

To the knowledge and belief of the Directors, the Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules. The Directors are not aware of any non-compliance with the code provisions of the CG Code during the Interim Period.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors (the "Model Code") set out in Appendix 10 of the Listing Rules. The Company, having made specific enquiry of all the Directors, was not aware of any non-compliance with the Model Code by the Directors during the Interim Period.

REVIEW OF UNAUDITED INTERIM FINANCIAL INFORMATION

The interim financial report is unaudited, but has been reviewed by KPMG, 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.

The unaudited interim financial information for the six months ended 30th September 2021 has also been reviewed by the Company's Audit Committee.

By Order of the Board
CHAN Pak Chung
Chairman

Hong Kong, 9th November 2021

As at the date of this announcement, the Directors of the Company are Mr. CHAN Pak Chung, Ms. CHAN Yuen Shan Clara, Mr. CHAN Ka Chun Patrick, Ms. OKUSAKO CHAN Pui Shan Lillian, Mr. CHUNG Wai Kwok Jimmy, Mr. HO Kwai Ching Mark* and Mr. TAI Lun Paul*.*

* *Independent non-executive Directors*