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HKRI

香港興業國際集團有限公司*

HKR International Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00480)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

The Board of Directors (the “Board”) of HKR International Limited (the “Company”) announces the results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2021 (the “Period”).

INTERIM RESULTS

The Group’s unaudited revenue for the Period amounted to HK\$1,966.5 million, decreased by 20.7% from HK\$2,480.9 million in the last corresponding period as the number of sold property units delivered and handed-over to the buyers during the Period was comparatively lower than that for the last corresponding period, thereby putting pressure on the property development segment. The Group’s underlying profit excluding net unrealised gains on fair value change of investment properties of HK\$374.8 million accordingly declined by 36.5% from HK\$590.1 million in the last corresponding period. With the net unrealised gains on fair value change of investment properties included, the profit attributable to owners of the Company amounted to HK\$508.0 million, decreased by 14.4% from HK\$593.6 million in the last corresponding period.

Basic earnings per share were HK34.2 cents for the Period, compared to HK40.0 cents for the last corresponding period.

INTERIM DIVIDEND

The Board has declared the payment of an interim dividend of HK3 cents per share for the Period to shareholders of the Company whose names will appear on the Registers of Members of the Company on 6 December 2021. The interim dividend will be paid on 20 December 2021. An interim dividend of HK4 cents per share was paid by the Company to its shareholders for the last corresponding period.

CLOSURE OF REGISTERS OF MEMBERS

The main and branch Registers of Members of the Company will be closed from 2 to 6 December 2021 (both days inclusive) for the interim dividend. During this period, no transfer of shares will be registered. In order to qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 1 December 2021.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>NOTES</i>	For the six months ended 30 September	
		2021 <i>HK\$'M</i> (unaudited)	2020 <i>HK\$'M</i> (unaudited)
Revenue	3	1,966.5	2,480.9
Cost of sales		<u>(1,127.1)</u>	<u>(1,442.3)</u>
Gross profit		839.4	1,038.6
Other income		126.6	146.8
Other gains and losses		(20.5)	98.6
Selling, administrative and other operating expenses		(320.5)	(263.0)
Change in fair value of investment properties			
Realised (losses)/gains on disposals		(1.1)	2.7
Unrealised gains/(losses)		118.6	(4.6)
Finance costs	4	(55.8)	(71.9)
Share of results of associates		–	–
Share of results of joint ventures		<u>158.9</u>	<u>102.3</u>
Profit before taxation	5	845.6	1,049.5
Taxation	6	<u>(224.6)</u>	<u>(292.9)</u>
Profit for the period		<u><u>621.0</u></u>	<u><u>756.6</u></u>
Profit for the period attributable to:			
Owners of the Company		508.0	593.6
Non-controlling interests		<u>113.0</u>	<u>163.0</u>
		<u><u>621.0</u></u>	<u><u>756.6</u></u>
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share	8		
Basic		<u><u>34.2</u></u>	<u><u>40.0</u></u>
Diluted		<u><u>34.2</u></u>	<u><u>40.0</u></u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the six months ended	
	30 September	
	2021	2020
	<i>HK\$'M</i>	<i>HK\$'M</i>
	(unaudited)	(unaudited)
Profit for the period	<u>621.0</u>	<u>756.6</u>
Other comprehensive income/(expense):		
<i>Items that will not be reclassified to profit or loss</i>		
Investments in equity instruments measured at fair value through other comprehensive income:		
Fair value changes during the period	3.1	(0.9)
Deferred tax arising from fair value changes	<u>(0.2)</u>	<u>–</u>
	<u>2.9</u>	<u>(0.9)</u>
<i>Items that may be subsequently reclassified to profit or loss</i>		
Exchange differences arising from foreign joint ventures	130.5	282.9
Exchange differences arising from translation of other foreign operations	(80.3)	224.9
Release of exchange reserve upon deregistration of foreign subsidiaries	<u>(0.3)</u>	<u>(77.3)</u>
	<u>49.9</u>	<u>430.5</u>
Other comprehensive income for the period (net of tax)	<u>52.8</u>	<u>429.6</u>
Total comprehensive income for the period	<u><u>673.8</u></u>	<u><u>1,186.2</u></u>
Total comprehensive income attributable to:		
Owners of the Company	560.8	1,023.2
Non-controlling interests	<u>113.0</u>	<u>163.0</u>
	<u><u>673.8</u></u>	<u><u>1,186.2</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 September	31 March
	2021	2021
<i>NOTE</i>	<i>HK\$'M</i>	<i>HK\$'M</i>
	(unaudited)	(audited)
Non-current assets		
Investment properties	14,118.0	15,075.2
Property, plant and equipment	2,742.2	2,768.0
Right-of-use assets	92.3	103.0
Interests in associates	–	–
Interests in joint ventures	9,870.5	9,643.0
Properties held for development for sale	4,518.5	932.4
Equity instruments measured at fair value through other comprehensive income	55.0	52.6
Financial assets at fair value through profit or loss	527.8	527.3
Investments in debt instruments measured at amortised cost	91.5	85.1
Other assets	702.4	335.7
Deferred tax assets	66.1	113.9
	32,784.3	29,636.2
Current assets		
Inventories	40.3	44.3
Properties held for sale	2,283.0	2,205.1
Properties under development for sale	4,284.3	2,131.6
Trade receivables	72.7	79.5
Deposits, prepayments and other receivables	338.8	733.9
Amounts due from associates	4.1	4.1
Amounts due from joint ventures	202.8	193.3
Investments in debt instruments measured at amortised cost	29.0	26.8
Taxation recoverable	74.2	29.3
Bank balances and cash	3,277.4	3,060.9
	10,606.6	8,508.8
Assets classified as held for sale	1,009.3	–
	11,615.9	8,508.8

		30 September	31 March
		2021	2021
	<i>NOTE</i>	<i>HK\$'M</i>	<i>HK\$'M</i>
		(unaudited)	(audited)
Current liabilities			
Trade payables, provision and accrued charges	<i>10</i>	1,155.5	1,032.2
Deposits received and other financial liabilities		163.6	151.7
Contract liabilities		744.9	300.2
Bank and other loans due within one year		2,722.3	776.8
Lease liabilities		14.5	18.9
Other liabilities due within one year		–	295.0
Taxation payable		482.7	463.3
		<u>5,283.5</u>	<u>3,038.1</u>
Net current assets		<u>6,332.4</u>	<u>5,470.7</u>
Total assets less current liabilities		<u>39,116.7</u>	<u>35,106.9</u>
Non-current liabilities			
Contract liabilities		58.9	30.3
Bank and other loans due after one year		8,870.5	6,908.0
Lease liabilities		52.3	57.9
Other liabilities due after one year		2,623.7	1,037.0
Deferred tax liabilities		426.1	469.0
		<u>12,031.5</u>	<u>8,502.2</u>
		<u>27,085.2</u>	<u>26,604.7</u>
Capital and reserves			
Share capital		371.3	371.3
Reserves		23,798.4	23,312.6
Equity attributable to owners of the Company		<u>24,169.7</u>	<u>23,683.9</u>
Non-controlling interests		<u>2,915.5</u>	<u>2,920.8</u>
		<u>27,085.2</u>	<u>26,604.7</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on historical cost basis, except for certain properties and financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the preparation of the condensed consolidated financial statement for the six months ended 30 September 2021 are consistent with those set out in the annual report for the year ended 31 March 2021 except as described in notes 2(a) and 2(b) below.

(a) Assets classified as assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. Investment properties classified as assets held for sale are stated at fair value at the end of the reporting period.

(b) Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) adopted by the Group

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2021 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 39, HKFRS 4, Interest Rate Benchmark Reform Phase 2
HKFRS 7, HKFRS 9 and HKFRS 16

COVID-19-Related Rent Concessions beyond 30 June 2021

The Group has early adopted Amendment to HKFRS 16: COVID-19-Related Rent Concessions beyond 30 June 2021 ahead of its effective date. The amendment extends, by one year, the original amendment issued by HKICPA in June 2020. It permits lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. The amendment does not affect lessors.

The application of the amendments to HKFRSs has no material impact on the Group’s financial performance and financial position and/or on the disclosures set out in these financial statements.

(c) New and amendments to standards and interpretation issued but not yet effective

Certain new and amendments to standards and interpretation have been published that are not mandatory for the current reporting period and have not been early adopted by the Group. These new and amendments to standards and interpretation are not expected to have a material impact on the Group's consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The Group amended its basis for segment reporting to align it with the operating division that is used internally by the chief operating decision maker for reviewing segment performance. A new "leisure businesses" segment is created to include all services provided by Discovery Bay Recreation Club, Club Siena, Discovery Bay Golf Club, Lantau Yacht Club (those were previously included as "services provided") and DB Ice Rink (that was previously included as "property investment") and the previous "services provided" segment is renamed as "transportation services and property management". The comparative figures for the six months ended 30 September 2020 have been restated on the new operating segment classification to enhance period-to-period comparison.

The Group is organised into six operating divisions: property development, property investment, transportation services and property management, hotel operations, leisure businesses and healthcare. Each of the operating divisions represents an operating and reportable segment.

Disaggregation of revenue

	Property development <i>HK\$'M</i>	Property investment <i>HK\$'M</i>	Transportation services and property management <i>HK\$'M</i>	Hotel operations <i>HK\$'M</i>	Leisure businesses <i>HK\$'M</i>	Healthcare <i>HK\$'M</i>	Total <i>HK\$'M</i>
For the six months ended 30 September 2021							
Types of goods or services:							
Sales of properties	1,243.2	-	-	-	-	-	1,243.2
Hotel revenue	-	-	-	117.9	-	-	117.9
Provision of healthcare services	-	-	-	-	-	84.1	84.1
Other services rendered	8.7	15.6	122.0	-	134.5	-	280.8
	<u>1,251.9</u>	<u>15.6</u>	<u>122.0</u>	<u>117.9</u>	<u>134.5</u>	<u>84.1</u>	<u>1,726.0</u>
Revenue from contracts with customers	1,251.9	15.6	122.0	117.9	134.5	84.1	1,726.0
Rental income	2.9	237.1	0.4	-	0.1	-	240.5
	<u>1,254.8</u>	<u>252.7</u>	<u>122.4</u>	<u>117.9</u>	<u>134.6</u>	<u>84.1</u>	<u>1,966.5</u>
Consolidated revenue, as reported	<u>1,254.8</u>	<u>252.7</u>	<u>122.4</u>	<u>117.9</u>	<u>134.6</u>	<u>84.1</u>	<u>1,966.5</u>
Geographical markets:							
Hong Kong and Macau	804.7	225.9	122.4	108.9	134.6	84.1	1,480.6
Mainland China	440.3	-	-	-	-	-	440.3
Japan	-	26.8	-	-	-	-	26.8
South East Asia	9.8	-	-	9.0	-	-	18.8
	<u>1,254.8</u>	<u>252.7</u>	<u>122.4</u>	<u>117.9</u>	<u>134.6</u>	<u>84.1</u>	<u>1,966.5</u>
Total	<u>1,254.8</u>	<u>252.7</u>	<u>122.4</u>	<u>117.9</u>	<u>134.6</u>	<u>84.1</u>	<u>1,966.5</u>
Timing of revenue recognition:							
A point in time	1,243.2	-	114.7	49.3	84.3	84.1	1,575.6
Over time	8.7	15.6	7.3	68.6	50.2	-	150.4
	<u>1,251.9</u>	<u>15.6</u>	<u>122.0</u>	<u>117.9</u>	<u>134.5</u>	<u>84.1</u>	<u>1,726.0</u>
Total	<u>1,251.9</u>	<u>15.6</u>	<u>122.0</u>	<u>117.9</u>	<u>134.5</u>	<u>84.1</u>	<u>1,726.0</u>

	Property development <i>HKS'M</i>	Property investment <i>HKS'M</i>	Transportation services and property management <i>HKS'M</i>	Hotel operations <i>HKS'M</i>	Leisure businesses <i>HKS'M</i>	Healthcare <i>HKS'M</i>	Total <i>HKS'M</i>
For the six months ended 30 September 2020							
Types of goods or services:							
Sales of properties	1,910.5	–	–	–	–	–	1,910.5
Hotel revenue	–	–	–	47.5	–	–	47.5
Provision of healthcare services	–	–	–	–	–	74.2	74.2
Other services rendered	6.6	14.4	98.6	–	86.8	–	206.4
	<u>1,917.1</u>	<u>14.4</u>	<u>98.6</u>	<u>47.5</u>	<u>86.8</u>	<u>74.2</u>	<u>2,238.6</u>
Revenue from contracts with customers	1,917.1	14.4	98.6	47.5	86.8	74.2	2,238.6
Rental income	2.8	239.5	–	–	–	–	242.3
	<u>1,919.9</u>	<u>253.9</u>	<u>98.6</u>	<u>47.5</u>	<u>86.8</u>	<u>74.2</u>	<u>2,480.9</u>
Consolidated revenue, as reported	<u>1,919.9</u>	<u>253.9</u>	<u>98.6</u>	<u>47.5</u>	<u>86.8</u>	<u>74.2</u>	<u>2,480.9</u>
Geographical markets:							
Hong Kong and Macau	1,152.3	225.2	98.6	42.3	86.8	74.2	1,679.4
Mainland China	746.4	–	–	–	–	–	746.4
Japan	–	28.7	–	–	–	–	28.7
South East Asia	21.2	–	–	5.2	–	–	26.4
	<u>1,919.9</u>	<u>253.9</u>	<u>98.6</u>	<u>47.5</u>	<u>86.8</u>	<u>74.2</u>	<u>2,480.9</u>
Total	<u>1,919.9</u>	<u>253.9</u>	<u>98.6</u>	<u>47.5</u>	<u>86.8</u>	<u>74.2</u>	<u>2,480.9</u>
Timing of revenue recognition:							
A point in time	1,910.5	–	91.1	19.7	43.0	74.2	2,138.5
Over time	6.6	14.4	7.5	27.8	43.8	–	100.1
	<u>1,917.1</u>	<u>14.4</u>	<u>98.6</u>	<u>47.5</u>	<u>86.8</u>	<u>74.2</u>	<u>2,238.6</u>
Total	<u>1,917.1</u>	<u>14.4</u>	<u>98.6</u>	<u>47.5</u>	<u>86.8</u>	<u>74.2</u>	<u>2,238.6</u>

Segment Information

The following is an analysis of the Group's revenue and results by operating and reportable segments for the period under review:

	Property development <i>HK\$'M</i>	Property investment <i>HK\$'M</i>	Transportation services and property management <i>HK\$'M</i>	Hotel operations <i>HK\$'M</i>	Leisure businesses <i>HK\$'M</i>	Healthcare <i>HK\$'M</i>	Total <i>HK\$'M</i>
For the six months ended 30 September 2021							
REVENUE							
Segment revenue – sales to external customers derived by the Group, an associate and joint ventures	1,351.9	1,226.3	122.4	117.9	134.6	84.1	3,037.2
Excluding revenue of an associate and joint ventures	(97.1)	(973.6)	-	-	-	-	(1,070.7)
Consolidated revenue, as reported	<u>1,254.8</u>	<u>252.7</u>	<u>122.4</u>	<u>117.9</u>	<u>134.6</u>	<u>84.1</u>	<u>1,966.5</u>
RESULTS							
Segment results – total realised results of the Group, associates and joint ventures (<i>note a</i>)	274.3	459.6	26.9	(10.9)	4.1	(0.2)	753.8
Excluding realised results of associates and joint ventures not shared by the Group	(2.1)	(145.7)	-	-	-	-	(147.8)
Results attributable to the Group	<u>272.2</u>	<u>313.9</u>	<u>26.9</u>	<u>(10.9)</u>	<u>4.1</u>	<u>(0.2)</u>	606.0
Unallocated other expenses							(1.9)
Unallocated corporate expenses							(63.1)
Finance costs and corporate level exchange difference							(44.2)
Net unrealised gains on fair value change of investment properties (<i>note b</i>)							115.1
Net unrealised gains on fair value change of investment properties attributable to the Group's interest in a joint venture, net of deferred tax							<u>9.1</u>
Profit for the period							621.0
Non-controlling shareholders' share of profit for the period							<u>(113.0)</u>
Profit for the period attributable to owners of the Company							<u><u>508.0</u></u>

	Property development <i>HK\$'M</i>	Property investment <i>HK\$'M</i>	Transportation services and property management <i>HK\$'M</i>	Hotel operations <i>HK\$'M</i>	Leisure businesses <i>HK\$'M</i>	Healthcare <i>HK\$'M</i>	Total <i>HK\$'M</i>
For the six months ended 30 September 2020							
REVENUE							
Segment revenue – sales to external customers derived by the Group, an associate and joint ventures	2,040.9	1,025.5	98.6	47.5	86.8	74.2	3,373.5
Excluding revenue of an associate and joint ventures	(121.0)	(771.6)	–	–	–	–	(892.6)
Consolidated revenue, as reported	<u>1,919.9</u>	<u>253.9</u>	<u>98.6</u>	<u>47.5</u>	<u>86.8</u>	<u>74.2</u>	<u>2,480.9</u>
RESULTS							
Segment results – total realised results of the Group, associates and joint ventures (<i>note a</i>)	491.5	387.9	30.7	(44.0)	9.7	13.2	889.0
Excluding realised results of associates and joint ventures not shared by the Group	0.1	(102.9)	–	–	–	–	(102.8)
Results attributable to the Group	<u>491.6</u>	<u>285.0</u>	<u>30.7</u>	<u>(44.0)</u>	<u>9.7</u>	<u>13.2</u>	<u>786.2</u>
Unallocated other income							89.1
Unallocated corporate expenses							(52.9)
Finance costs and corporate level exchange difference							(57.7)
Net unrealised losses on fair value change of investment properties (<i>note b</i>)							(5.1)
Net unrealised losses on fair value change of investment properties attributable to the Group's interest in a joint venture, net of deferred tax							<u>(3.0)</u>
Profit for the period							756.6
Non-controlling shareholders' share of profit for the period							<u>(163.0)</u>
Profit for the period attributable to owners of the Company							<u><u>593.6</u></u>

Notes:

- (a) The segment results of the Group include the entire results of associates and joint ventures, excluding the net unrealised gains or losses on fair value change of investment properties net of deferred tax arising from change in fair value.
- (b) The net unrealised gains on fair value change of investment properties for the six months ended 30 September 2021 of HK\$115.1 million (six months ended 30 September 2020: loss of HK\$5.1 million) represented the unrealised gains on fair value change of investment properties of HK\$118.6 million (six months ended 30 September 2020: losses of HK\$4.6 million) net of deferred tax charge arising from change in fair value of HK\$3.5 million (six months ended 30 September 2020: HK\$0.5 million).

4. FINANCE COSTS

	For the six months ended	
	30 September	
	2021	2020
	<i>HK\$'M</i>	<i>HK\$'M</i>
Interests on		
Bank and other loans	55.4	55.2
Advances from non-controlling shareholders	15.9	15.6
Lease liabilities	1.4	1.8
Bank and other loans arrangement fees	9.5	14.1
	<u>82.2</u>	<u>86.7</u>
Less: Amounts included in the qualifying assets (<i>note</i>)	<u>(26.4)</u>	<u>(14.8)</u>
	<u><u>55.8</u></u>	<u><u>71.9</u></u>

Note: To the extent funds are borrowed generally and used for the purpose of financing certain properties under development for sale, assets under construction and investment properties under renovation, the capitalisation rate used to determine the amounts of borrowing costs eligible for the capitalisation is 1.39% (six months ended 30 September 2020: 4.83%) per annum.

5. PROFIT BEFORE TAXATION

	For the six months ended	
	30 September	
	2021	2020
	<i>HK\$'M</i>	<i>HK\$'M</i>
Profit before taxation has been arrived at after (crediting)/charging:		
Bank and other interest income	(29.1)	(22.4)
(Gain)/loss on disposal of property, plant and equipment	(0.3)	2.5
Gain on deregistration of subsidiaries	–	(77.6)
Gain on disposal of subsidiaries	(2.2)	–
Net exchange loss/(gain)	15.3	(9.1)
Depreciation on property, plant and equipment	100.3	87.3
Depreciation on right-of-use assets	10.8	10.3
Fair value change of financial assets at fair value through profit or loss	3.9	(14.5)
Impairment loss on investments in debt instruments measured at amortised cost	3.7	0.1
Government grants and subsidies	<u>(56.1)</u>	<u>(72.0)</u>

6. TAXATION

	For the six months ended 30 September	
	2021	2020
	<i>HK\$'M</i>	<i>HK\$'M</i>
Hong Kong Profits Tax calculated at 16.5% of the estimated assessable profit for the period	63.6	44.6
Overseas tax calculated at rates prevailing in respective jurisdictions	72.7	99.2
Land appreciation tax ("LAT")	85.9	116.0
	<u>222.2</u>	<u>259.8</u>
Deferred taxation for the period	2.4	33.1
	<u>224.6</u>	<u>292.9</u>

According to the requirements of the Provisional Regulations of the People's Republic of China (the "PRC") on LAT effective from 1 January 1994 and amended on 8 January 2011, and the Implementation Rules on the Provisional Regulations of the PRC on LAT effective from 27 January 1995, all gains arising from the sale or transfer of real estate in the PRC with effect from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including payments made for acquisition of land use rights, costs and expenses for the development of the land or for construction of new buildings and supporting facilities, or the assessed value for old buildings and structures, tax payable relating to transfer of the real estate and other deductible items prescribed by the Ministry of Finance.

7. DIVIDENDS

	For the six months ended 30 September	
	2021	2020
	<i>HK\$'M</i>	<i>HK\$'M</i>
Final dividend paid for the financial year ended 31 March 2021 of HK5 cents (six months ended 30 September 2020: for the financial year ended 31 March 2020 of HK7 cents) per share	74.3	104.0

The directors of the Company declared an interim dividend of HK3 cents (six months ended 30 September 2020 of HK4 cents) per share totalling approximately HK\$44.6 million (six months ended 30 September 2020: HK\$59.4 million) for the six months ended 30 September 2021.

9. TRADE RECEIVABLES

The credit periods allowed by the Group to its customers are dependent on the general practices in the industries concerned. For property sales, sales terms vary for each property project and are determined with reference to the prevailing market conditions. Property rentals are receivable in advance. Payments for healthcare, clubs and hotel services are receivable on demand.

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the payment due date at the end of the reporting period:

	30 September 2021 <i>HK\$'M</i>	31 March 2021 <i>HK\$'M</i>
Not yet due	50.2	42.7
Overdue:		
0 – 60 days	17.9	29.4
61 – 90 days	0.5	2.2
Over 90 days	4.1	5.2
	<u>72.7</u>	<u>79.5</u>

10. TRADE PAYABLES, PROVISION AND ACCRUED CHARGES

At 30 September 2021, included in trade payables, provision and accrued charges are trade payables of HK\$93.6 million (31 March 2021: HK\$117.1 million), an aged analysis presented based on the payment due date at the end of the reporting period is as follows:

	30 September 2021 <i>HK\$'M</i>	31 March 2021 <i>HK\$'M</i>
Not yet due	59.8	71.3
Overdue:		
0 – 60 days	26.6	42.3
61 – 90 days	3.1	0.3
Over 90 days	4.1	3.2
	<u>93.6</u>	<u>117.1</u>

BUSINESS REVIEW

(Save as otherwise stated below, all projects and operations are 100% owned by the Group)

PROPERTY DEVELOPMENT AND INVESTMENT

The Group's revenue from property development and investment for the Period, including proportionate shares of joint ventures and associates of HK\$535.3 million, was HK\$2,042.8 million. The contribution of property development and investment in the Period, including proportionate shares of joint ventures and associates of HK\$149.8 million, was HK\$586.1 million.

Hong Kong – Property Development

Despite the impact of the COVID-19 pandemic lingering and the ongoing threat of new variants emerging, Hong Kong is well on the road to recovery, with improvements in the economy and employment rate accompanying a greatly improved local epidemic situation. The property market has stabilised on pent-up demand, low interest rates and supportive government policy.

At Discovery Bay (of which the Group holds 50% interest), our two completed property projects, Poggibonsi and IL PICCO, maintained satisfactory sales momentum. During the Period, a total of 38 units of Poggibonsi and 1 unit of IL PICCO were contracted, taking accumulated sales to 182 units and 3 units as of 30 September 2021 respectively. Revenue of 45 units of Poggibonsi and 3 units of IL PICCO was recognised during the Period upon completion in handover and transfer of ownership.

With the Discovery Bay Master Plan 7.0E basic terms agreed and land premium settled, the Group is working on the planning and development of a plot of land in DB North, which increases Discovery Bay's residential land plot by more than 1.3 million square feet to provide over 1,400 units. This paves way for the Group to deliver its long-standing development commitment to the Discovery Bay community.

As of 30 September 2021, all remaining units of La Cresta (a 50:50 partnership with Nan Fung Development Limited), a project located in the high-end Kau To residential district, were duly sold out. Revenue of 2 sold units was recognised upon completion in handover and transfer of ownership during the Period.

The project located on Lo Fai Road, Tai Po, (a 40:60 joint-venture with Hysan Development Company Limited) is set to provide 262 units. The superstructure work of this luxurious low-density residential project is in progress, and the project is targeted to obtain an occupation permit in the first quarter of 2022. The sales launch is scheduled for the second quarter of 2022.

A residential redevelopment project located on Hollywood Road and Upper Lascar Row was acquired in April 2021 with its planning approval being under preparation. The demolition contractor took possession of the site in September. Related demolition works of existing old buildings have commenced in November.

Hong Kong – Property Investment

The office leasing market faced continued strong headwinds as more corporate tenants adopted a hybrid working mode resulting in a change in overall demand in the office market. Nevertheless, the Group successfully retained its tenants in CDW Building in Tsuen Wan to achieve an occupancy rate of 90% as of 30 September 2021, leveraging its quality delivery and services. Meanwhile, the shopping mall 8½ saw improved footfall, with sales performance resumed to pre-COVID-19 level.

The Group further enhanced its investment portfolio value with the renovation of West Gate Tower in Cheung Sha Wan into a commercial building. The renovation was completed during the Period, and the upgraded property offers 24 spacious office floors. The Group received a good market response despite the current situation.

The property investment projects in Discovery Bay, in which the Group holds a 50% interest, recorded stable performance during the Period. Despite the lingering impact of COVID-19, both DB Plaza and DB North achieved committed occupancy rates of 92% and 93% respectively as of 30 September 2021.

More new tenants moved into the new DB Plaza extension during the Period. With the DB Ice Rink in full operation, it is anticipated that the ice rink's growing attendance will continuously draw more footfall to DB Plaza.

The Group's other investment project – a residential building Wellgan Villa in Kowloon Tong – achieved an occupancy rate of 88% as of 30 September 2021. Meanwhile, United Daily News Centre in To Kwa Wan, with an occupancy rate at 95% as of 30 September 2021, will be redeveloped into a residential building.

Mainland China – Property Development

Mainland China's property market and demand are rebounding with sales activity escalating following containment of the pandemic. Transaction volume is expected to grow steadily, governed by continuing price regulation policies intended to maintain a stable and healthy market. The regulatory policies will drive developers to focus on project quality, and help foster sustainable long-term growth.

In Jiaxing, Creekside One debuted in July 2021 and all 98 units were sold out on its launch day. The handover and transfer of ownership of the sold units took place in late October 2021. Mansion One, a prestigious residential project of mid-rise apartments, was recently launched in mid-October and achieved good sales record with 96% of units sold.

The Group's latest project in Jiaxing, Starlight One, is being developed into a deluxe residential project to provide high-rise apartments and villas to local purchasers.

In Hangzhou, the construction of the land plot in Lin'an District, which is a high-quality, low-density development, is underway with completion anticipated in 2023. Pre-sale is scheduled for 2022.

The Group's key residential projects in mainland China are:

Projects	GFA (sq. feet)	Remarks
<i>Jiaying, Zhejiang</i>		
Mansion One	342,000	188 mid-rise apartments. Sales launch in mid-October 2021. 96% of units have been sold.
Creekside One	210,000	98 mid-rise apartments and villas. All sold out. Handover in late October 2021.
Starlight One	768,000	392 high-rise apartments and villas. Construction work in progress. Expected pre-sale: 2022 Expected completion: 2023
<i>Hangzhou, Zhejiang</i>		
Land plot 07-R2-05 in Lin'an District	430,000	Low-density development with plot ratios ranging between 1.0 and 1.2. Foundation work in progress. Expected pre-sale: 2022 Expected completion: 2023
<i>Shanghai</i>		
Elite House	234,000	120 apartment units for strata sale. 98% of units have been sold.

The Group will continue to explore investment opportunities in mainland China to expand its business footprint in other cities, especially in the Yangtze River Delta area.

Mainland China – Property Investment

In Shanghai, the performance of HKRI Taikoo Hui (“HTH”) (in which the Group has a 50% interest) was encouraging. As of 30 September 2021, the two office towers, HKRI Centres One and Two, achieved an occupancy rate of nearly 100%, and the retail mall's occupancy rate reached 96%. Both retail mall turnover and footfall achieved double-digit growth compared to the same period last year. The Group continues to improve the overall tenant quality and mix in order to achieve better returns.

In September 2021, the Group entered into an agreement to acquire a number of office units and parking lots at a commercial property, Jinsha INCITY, in Qiantang District, Hangzhou, which has direct access to the metro line. Upon completion, the Group will own 156 office units and have the right of use of 62 parking lots in the retail cum office building, further expanding the Group's asset portfolio and broadening its recurring income base.

Thailand – Property Development

The Group maintained its cautious approach towards the market in Thailand as its economy was hard hit by the COVID-19 pandemic. Nevertheless, the Thai Government's plans to reopen Bangkok and other key destinations to foreign tourists are underway. We are optimistic on Thailand's medium- and long-term economic development and the Thailand team is well prepared to ramp up the pace of development in the country once macro conditions improve.

Japan – Property Development and Investment

Our five investment properties in Tokyo recorded occupancy rates ranging from 74% to 99% as of 30 September 2021. Notably, the Group owns 646,000 square feet of land in Niseko, Hokkaido. A project study is now underway with the land earmarked for development into a high-end resort.

In October 2021, the Group disposed three investment properties, which are Horizon Place Akasaka, Graphio Nishi-Shinjuku and Haluwa Shiba Koen, at a consideration of JPY19,311.8 million (approximately HK\$1,351.8 million). The disposal represents a good opportunity for the Group to realise its investment in the properties with an attractive return, meanwhile, increasing the working capital of the Group and enhancing its cashflow. The disposal was completed on 15 November 2021.

TRANSPORTATION SERVICES AND PROPERTY MANAGEMENT

The sea, land transport and tunnel services in Discovery Bay are operated by the Group's various subsidiaries, in which the Group holds a 50% interest. With the pandemic stabilising, both ferry and bus ridership, as well as tunnel throughput, have recovered to pre-COVID-19 levels. To further enhance the customer experience, an upgrade of ferry vessels is underway, which includes seats, floor mats and display panels. However, transport services continue to face the key challenge of rising fuel prices and maintenance costs, attributable to a shortage of skilled operations staff and escalating operating costs. The financial burden of the ferry service was partly alleviated by support provided by the Hong Kong Government under the five-year Special Helping Measures, implemented in April 2020.

The Group's property management services in Discovery Bay, and elsewhere in Hong Kong, continued to outperform the market. During the Period, the teams received the Gold Seal for Business Resilience & Community Contribution Awards under the HKQAA Recognition Program for Organisations. As always, the Group prioritised environmental sustainability. Future measures include the replacement of four scrapped buses with newly built models that comply with Euro VI emissions standards, and enhanced food waste handling is in the pipeline at Discovery Bay.

HOTEL OPERATIONS

Hong Kong

Although it is widely believed that global tourism will resume gradually as the vaccination rollout gathers pace, the hotel industry may not be able to immediately resume full operations due to unfavourable factors, including a reluctance to travel, stringent quarantine controls and changes in corporate business travel policy. Nevertheless, Auberge Discovery Bay Hong Kong, in which the Group holds 50% interest, recorded a good occupancy rate due to a sustained trend of staycation resulting in high room revenue. However, there is still a long road to full recovery for the hotel industry.

Mainland China

With the successful containment of the pandemic in mainland China, average occupancy rate at The Sukhothai Shanghai achieved remarkable performance of over 72.7%, supported by strong local business and domestic travel demand between April and September 2021. During the Period, The ZUK Bar and The Retreat were named Best Hotel Bar and winner of the Hotel Spa of the Year accolades respectively. The hotel also ranked top 10 in China and fourth in Shanghai in *Condé Nast Traveler's* 2021 Readers' Choice Awards.

The occupancy rate of hotel and service apartments at The Middle House also recorded strong performance between April and September 2021 with a high level of patronage at its restaurant and bar outlets. The hotel is ranked top five in Shanghai in *Condé Nast Traveler's* 2021 Reader's Choice Awards.

The Group holds a 50% interest in the aforementioned mainland China hotel businesses.

Thailand

Since 2020, Thailand's economy and tourism industry have been hard hit by the COVID-19 pandemic. Though it has been a very difficult year, The Sukhothai Bangkok hotel team delivered exceptional experiences to their guests, and the achievements were recognised by an array of accolades, including No. 4 Hotel in Bangkok, No. 11 Asia City Hotel and No. 73 Hotel in the World in *Travel + Leisure's* 2021 World's Best Awards.

LEISURE BUSINESSES

During the Period, the Group's leisure businesses, including Discovery Bay Recreation Club, Club Siena, Discovery Bay Golf Club, Lantau Yacht Club and DB Ice Rink delivered satisfactory performance.

Lantau Yacht Club was recognised with the Five Gold Anchors by the Marina Industries Association after its extensive revamp. The Five Gold Anchors is among the highest accolades in the industry and is reserved for marinas that provide customers with consistently high standards of service and facilities.

With the relaxation of COVID-related restrictions, DB Ice Rink opened for public skating and skating courses during the Period. This latest international standard rink in Hong Kong received good feedback from the local community and visitors. DB Ice Rink's usage (calculation is based on hours operated for lessons, public skating, rink rental) reached 77.9% in September 2021.

The Group holds a 50% interest in all Discovery Bay's leisure businesses.

HEALTHCARE

The Group's wholly owned subsidiary GenRx Holdings Limited ("GenRx") operates a comprehensive healthcare service network in Hong Kong and Macau, covering specialist services that focus on chronic disease management, Chinese medicine and dental care, supported by medical diagnostic services. GenRx administrates a comprehensive medical network of over 250 affiliated clinics, providing general practitioners, specialists and physiotherapy services.

As an essential part of life, healthcare services demand remained resilient. Clinic operations have started to resume since 2020/2021 pandemic hit, with stable number of patient visits and average spending.

HUMAN RESOURCES

As of 30 September 2021, the Group had a total of 1,546 employees. The Group values staff training and development and believes that these are crucial in enhancing our human resources. The training and development programmes are tailored to address the needs of the Group's various operations, with topics ranging from leadership skills, problem-solving skills and media training to issue and crisis management handling and occupational safety and health.

The Group constantly reviews its staff benefits to maintain our competitive edge in the human capital market. Employees' well-being is always one of our top priorities. During the Period, the Group was named Mental Health Friendly Supreme Organisation by the Department of Health.

OUTLOOK

Reflation of the global economy is expected to gather pace as countries lift restrictions on the back of the global COVID-19 vaccine program. However, downside risks to the growth outlook comprise rising geo-political tensions, the winding down of quantitative easing, as well as the growing threat of vaccine-evading COVID-19 variants. On these factors, the International Monetary Fund slightly lowered its forecast of global GDP growth in 2021 to 5.9%.

Despite the revival of global growth, the outlook expects to see large variations between economies, which are partly attributable to the individual vaccination rates and level of travel restrictions. On the road to economic recovery, we expect volatility to remain heightened in the near-to-mid-term on the pandemic's lingering effects, Sino-US and other geopolitical tensions.

In 2021, though containment measures and travel restrictions remain in place, Hong Kong exited recession and recorded 7% real GDP growth in the first three quarters year-on-year. Other indicators, including the official unemployment rate, showed a gradual decline, pointing to sustained economic recovery going forward.

Supported by low interest rates, pent-up demand and an improving economy, residential sales in Hong Kong gathered pace in 2021, with the number of residential property transactions surging and property prices setting a record high in July. With the favourable government policies announced in the recent Policy Address, more land is expected to be made available. The Group will continue to look for suitable opportunities to expand its portfolio in Hong Kong on top of our ongoing development in Discovery Bay, which is set to create a new cluster with the latest master plan. We remain optimistic on Hong Kong's property market.

As the first major global economy to rebound from the pandemic, mainland China recorded official GDP growth of 9.8% in the first three quarters of 2021. Meanwhile, consumption has rebounded, though from a low base, and commodity prices remain largely stable. We expect China's economy to post steady growth over the next year, underpinned by the country's dual-circulation development strategy. Meanwhile, the Central Government's tightened policy, which is intended to prompt real estate sector deleveraging, is expected to improve the real estate sector's financial health and support its sustainable growth. However, the fallout of the liquidity challenges facing some mainland property developers had an impact on market sentiment. While the Group is well-positioned in the mainland China market with its premium residential offerings, the Group will remain cautious and closely monitor the development of the market.

Throughout the reporting period characterised by extreme global economic disruption, the Group's business segments demonstrated resilience. While remaining flexible, we are committed to prudently exploring suitable investment opportunities that provide enduring value, containing costs, maintaining healthy liquidity, and diversifying our business segments. We will continue to execute our proven core business strategy to drive long-term sustainable growth and safeguard the interests of our shareholders accordingly.

FINANCIAL REVIEW

SEGMENT RESULT ANALYSIS

Property Development

Segment result of the property development segment declined by 44.6% to HK\$272.2 million (six months ended 30 September 2020: HK\$491.6 million), reflecting a lower number of sold units delivered to the buyers as compared to that for the last corresponding period. As of 30 September 2021, the Group has HK\$874.6 million contracted but unrecognised property sales.

Property Investment

Segment results of the property investment segment increased by 10.1% to HK\$313.9 million (six months ended 30 September 2020: HK\$285.0 million) primarily due to the increase in the Group's share of result of joint venture, HTH as compared to that of the last corresponding period. On the other hand, the net rental contribution from other properties in Hong Kong and Japan have experienced declines due to the weakened demand for office space and residences which impacted the occupancy rates of some of the Group's properties such as CDW Building and residential rental properties in Hong Kong.

Transportation Services and Property Management

With the stabilisation of the COVID-19 pandemic and the gradual relaxation of social distancing measures, both the average daily ridership and revenues of ferry and bus services provided in Discovery Bay has reverted to the normal, pre-COVID-19 levels. The Group's property management services provided a stable contribution to both revenue and net profit to the segment.

With the lapse of various one-off subsidies from the Hong Kong Government under the Anti-epidemic Fund and the challenges posed by the rising fuel cost, segment contribution for the Period decreased by 12.4% to HK\$26.9 million (six months ended 30 September 2020: HK\$30.7 million).

Hotel Operations

As the hardest hit business sector by the COVID-19 pandemic, the Group's hotel operations in Hong Kong and Thailand have vastly different operating results and recorded an overall segment loss of HK\$10.9 million for the Period (six months ended 30 September 2020: loss of HK\$44.0 million). In Hong Kong, the Group's targeting on the strong local demand for staycations coupled with strong promotional efforts have yielded the result. Auberge Discovery Bay Hong Kong continued to achieve above-the-market performance in occupancy. In Thailand, under the continued lockdown in Bangkok and widespread of COVID-19 pandemic across the country, The Sukhothai Bangkok's occupancy remained at low level and still in the red for its operating results.

Leisure Businesses

The Leisure Businesses segment, which primarily includes Discovery Bay Recreation Club, Club Siena, Discovery Bay Golf Club, Lantau Yacht Club and DB Ice Rink, recorded segment contribution of HK\$4.1 million for the Period (six months ended 30 September 2020: HK\$9.7 million). Except for Lantau Yacht Club and DB Ice Rink which are still at the early stage of operation and are actively building up their revenue base, all the other clubs are providing a stable profit contribution to the Group.

Healthcare

The Group's healthcare segment loss of HK\$0.2 million decreased by HK\$13.4 million as compared to the last corresponding period (six months ended 30 September 2020: profit of HK\$13.2 million). The overall performance for the Period was stable if the various one-off incomes including the subsidies received from the Hong Kong Government under the Anti-epidemic Fund were excluded from the profit contribution for the last corresponding period.

LIQUIDITY AND FINANCIAL RESOURCES

Net Debt and Capital Structure

As of 30 September 2021, the Group had total bank balances and cash of HK\$3,277.4 million (31 March 2021: HK\$3,060.9 million) and a net debt of HK\$8,315.4 million (31 March 2021: HK\$4,623.9 million) after deducting total bank borrowings and other loans of HK\$11,592.8 million (31 March 2021: HK\$7,684.8 million).

As of 30 September 2021, about 40% of the Group's bank balance and cash were denominated in Hong Kong dollars, 49% in Renminbi, 1% in US dollars, 7% in Japanese Yen and the remaining were mainly in Singapore dollars and Thai Baht.

As of 30 September 2021, the Group's debt portfolio comprised of primarily bilateral and syndicated bank loans to finance its general working capital and the development projects. The unlisted notes of HK\$300 million was issued under Medium Term Note programme in May 2021.

The maturity profile of bank borrowings and other loans were 23.5% (31 March 2021: 10.1%) falling within one year, 5.2% (31 March 2021: 1.4%) falling between one and two years, 68.7% (31 March 2021: 88.5%) falling between two and five years and 2.6% (31 March 2021: nil) falling over 5 years.

As of 30 September 2021, all bank borrowing and other loans were at floating rate bases whereas the unlisted notes were in fixed coupon rate. About 91% of the Group's total bank borrowings and other loans were denominated in Hong Kong dollars and the remaining were in Japanese Yen.

Shareholders' Fund and Gearing

As of 30 September 2021, the shareholders' funds of the Group increased by HK\$485.8 million to HK\$24,169.7 million (31 March 2021: HK\$23,683.9 million).

The Group's gearing ratio was 34.4% (31 March 2021: 19.5%) as calculated by the Group's consolidated net borrowings to the shareholders' funds as of 30 September 2021.

Availability of Facilities

Total available loan facilities as of 30 September 2021 were HK\$15,057.0 million (31 March 2021: HK\$10,461.0 million), of which 86.7% were committed.

As of 30 September 2021, the unutilised credit facilities were approximately HK\$3,458.4 million (31 March 2021: HK\$2,772.4 million). The Group closely monitors its liquidity requirements and arranges financing for its development projects and operations as and when appropriate.

During the Period, the average financing cost was at 1.1% per annum as compared to 1.4% per annum in the last corresponding period.

With the unutilised loan facilities, cash on hand and expected cash flows from operations, the Group has sufficient financial resources to fund its current commitments and future potential investment opportunities ahead.

TREASURY POLICY

The Group has centralised treasury functions and adopted a conservative approach for its treasury management. The Group closely reviews and monitors its foreign currency exposure. To manage foreign currency exposure in certain overseas investments, the Group maintains certain naturally hedged positions and will make any swap or future arrangements as appropriate. The Group's banking facilities are principally on floating rate basis and interest rate swaps will be employed to manage interest rate risk for its short- to medium-term borrowings when appropriate and necessary.

The use of derivative financial instruments is strictly controlled and are primarily used for management of interest rate and currency exposures. It is the policy of the Group to restrict the use of financial derivatives for speculative purpose.

MAJOR ACQUISITIONS AND PROJECTS

In April 2021, the Group completed an acquisition of 18 shops and residential units at Hollywood Road and Upper Lascar Row in Sheung Wan for a consideration of HK\$375.3 million.

In June 2021, the Group completed the acquisition of a plot of land in Lin'an District, Hangzhou at a consideration of HK\$557.0 million.

In May and August 2021, the Group paid the land premium of Discovery Bay Master Plan 7.0E development in the total amount of HK\$5,240.2 million.

In September 2021, a deposit of HK\$149.4 million was made for an acquisition of office units and the right of use of parking lots of a retail cum office building namely, Jinsha INCITY located at Qiantang District, Hangzhou. The total consideration of RMB413.6 million is expected to be settled by 5 instalments and the completion of the acquisition is anticipated to take place on or before 19 January 2022.

PLEDGE OF ASSETS

As of 30 September 2021, certain bank loans of the Group were secured by certain investment properties at a total carrying value of HK\$315.0 million (31 March 2021: HK\$306.6 million).

In addition, the loans to a joint venture by the Group amounting to approximately HK\$813.6 million (31 March 2021: HK\$803.9 million) were subordinated to banks to secure a banking facility granted to the joint venture for financing the development in Tai Po.

FINANCIAL GUARANTEE CONTRACTS

The Group had financial guarantee contracts relating to a corporate guarantee on the Group's proportionate share to the extent of HK\$104.9 million (31 March 2021: HK\$103.2 million) as at 30 September 2021 given to a bank in respect of a banking facility granted to an investee company.

The Company provided a corporate guarantee of proportionate share to banks for securing a banking facility granted to a joint venture to finance the development in Tai Po. The bank loan balance of proportionate share of 40% is HK\$1,277.7 million (31 March 2021: HK\$1,052.5 million) as of 30 September 2021.

In addition, the Company provided a corporate guarantee to a bank securing a banking facility granted to a subsidiary of the Company. The related outstanding bank loan as of 30 September 2021 is HK\$2,696.0 million (31 March 2021: HK\$300.0 million) of which the guarantee is limited to 50% of the indebtedness, i.e. HK\$1,348.0 million (31 March 2021: HK\$150.0 million).

Save as disclosed above, the Group did not have other significant contingent liabilities as of 30 September 2021.

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.

CORPORATE GOVERNANCE

During the Period, the Company has fully complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules save for a deviation of E.1.2 (Chairman of the Board's attendance of the Annual General Meeting). Due to other business engagement, Mr Victor CHA, the Chairman of the Board could not attend the annual general meeting of the Company held on 25 August 2021 (the "AGM") and Mr TANG Moon Wah, the Managing Director of the Company chaired the AGM. Mr CHEUNG Ho Koon and Ms NGAN Man Ying (Executive Directors), Mr Ronald ARCULLI (Non-executive Director), Mr Linus CHEUNG (Independent Non-executive Director ("INED")), chairman of the Remuneration Committee and member of the Audit Committee), Ms Barbara SHIU (INED and member of the Audit Committee) and Mr TANG Kwai Chang (INED, chairman of the Audit Committee and member of the Nomination Committee and the Corporate Governance Committee) were also present at the AGM and available to answer questions.

REVIEW OF INTERIM RESULTS

The interim results of the Group for the Period have not been audited, but have been reviewed by the Audit Committee of the Company and the Group's Auditor, Messrs PricewaterhouseCoopers.

By order of the Board
HKR International Limited
CHA Mou Zing Victor
Executive Chairman

Hong Kong, 17 November 2021

As at the date of this announcement, the Board comprises:

Executive Chairman

Mr CHA Mou Zing Victor

Non-executive Deputy Chairman

Ms WONG CHA May Lung Madeline

Executive Directors

Mr TANG Moon Wah (*Managing Director*)

Mr CHEUNG Ho Koon

Ms NGAN Man Ying

Non-executive Directors

The Honourable Ronald Joseph ARCULLI

Mr CHA Mou Daid Johnson

Independent Non-executive Directors

Mr CHEUNG Wing Lam Linus

Mr FAN Hung Ling Henry

Ms HO Pak Ching Loretta

Ms Barbara SHIU

Mr TANG Kwai Chang

* *Registered under the predecessor ordinance of the Companies Ordinance, Chapter 622 of the laws of Hong Kong*