

INTERIM REPORT
2021



ASIA COMMERCIAL HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 104)

FINANCIAL HIGHLIGHTS

	Six months ended		
	30th September		
	2021	2020	Change
	HK\$'000	<i>HK\$'000</i>	%
	(unaudited)	(unaudited)	
Operations			
Revenue	430,559	476,513	(10)
Profit attributable to the owners of the Company	35,356	40,109	(12)
Earnings per share – Basic and diluted	4.73 HK cents	5.37 HK cents	(12)
Interim dividend declared	40,046	–	N/A
	As at	As at	
	30th September	31st March	
	2021	2021	Change
	HK\$ million	<i>HK\$ million</i>	%
	(unaudited)	(audited)	
Financial position			
Total assets	753	815	(8)
Equity attributable to the owners of the Company	452	414	9

The Board of Directors (the “Board”) of Asia Commercial Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim report of the Company and its subsidiaries (the “Group”) for the six months ended 30th September 2021 together with the comparative figures of the last corresponding period. The interim financial report has been reviewed by the Company’s audit committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30th September 2021

	Note	Six months ended 30th September 2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue	5	430,559	476,513
Cost of sales		(319,178)	(375,111)
Gross profit		111,381	101,402
Other revenue		9,150	4,279
Distribution costs		(53,439)	(54,928)
Administrative expenses		(14,817)	(18,567)
Other income, net		397	25,474
Change in fair value of an investment property classified as held for sale		(6,745)	–
Gain on disposal of subsidiaries	18	13,175	–
Finance costs	6(a)	(2,981)	(5,242)
Profit before taxation	6	56,121	52,418
Income tax	7	(21,365)	(13,136)
Profit for the period		34,756	39,282
Attributable to:			
Owners of the Company		35,356	40,109
Non-controlling interests		(600)	(827)
		34,756	39,282
Earnings per share	8		
Basic and diluted (HK cents)		4.73	5.37

The notes on pages 8 to 29 form part of these unaudited interim financial statements.

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

For the six months ended 30th September 2021

	Six months ended 30th September 2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit for the period	34,756	39,282
Other comprehensive income for the period		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of overseas subsidiaries	2,852	7,213
Total other comprehensive profit for the period (net of nil tax)	2,852	7,213
Total comprehensive income for the period	37,608	46,495
Attributable to:		
Owners of the Company	38,208	47,322
Non-controlling interests	(600)	(827)
Total comprehensive income for the period	37,608	46,495

The notes on pages 8 to 29 form part of these unaudited interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th September 2021

	Note	As at 30th September 2021 HK\$'000 (unaudited)	As at 31st March 2021 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	10	67,740	81,069
Investment properties		316,837	342,014
Financial assets at fair value through profit or loss		7,773	7,773
Equity instrument at fair value through other comprehensive income		2,336	2,333
Deferred tax assets		2,418	2,418
Deposits and prepayments	11	20,819	9,306
		417,923	444,913
Current assets			
Inventories		96,289	111,332
Trade and other receivables	11	72,035	115,291
Trading securities		900	510
Income tax recoverable		950	12,021
Cash and cash equivalents		145,412	130,663
		315,586	369,817
Investment property held for sale		19,004	–
		334,590	369,817
Current liabilities			
Trade and other payables	12	101,342	99,917
Contract liabilities		1,819	2,441
Bank loans		93,000	164,090
Lease liabilities		40,361	68,556
Current income tax payable		13,707	14,362
		250,229	349,366
Net current assets		84,361	20,451
Total assets less current liabilities		502,284	465,364

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

As at 30th September 2021

	Note	As at 30th September 2021 HK\$'000 (unaudited)	As at 31st March 2021 HK\$'000 (audited)
Non-current liabilities			
Rental deposits received and receipt in advance		2,663	2,546
Deferred tax liabilities		26,387	26,387
Lease liabilities		21,431	27,689
		<u>50,481</u>	<u>56,622</u>
Net assets		<u>451,803</u>	<u>408,742</u>
Capital and reserves			
Share capital	13	149,424	149,424
Reserves		<u>302,384</u>	<u>264,176</u>
Total equity attributable to the owners of the Company		451,808	413,600
Non-controlling interests		<u>(5)</u>	<u>(4,858)</u>
Total equity		<u>451,803</u>	<u>408,742</u>

The notes on pages 8 to 29 form part of these unaudited interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED

For the six months ended 30th September 2021

	Attributable to owners of the Company							Sub-total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000	
	Share capital HK\$'000	Revaluation reserve HK\$'000	Exchange reserve HK\$'000	Capital reserve HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000	Share option reserve HK\$'000				Accumulated losses HK\$'000
At 1st April 2020	149,424	61,371	29,509	252,381	7,263	10,734	9,906	(177,104)	194,060	(2,075)	341,409
Total comprehensive income for the period	-	-	7,213	-	-	-	-	40,109	47,322	(827)	46,495
At 30th September 2020	149,424	61,371	36,722	252,381	7,263	10,734	9,906	(136,995)	241,382	(2,902)	367,904
At 1st April 2021	149,424	59,514	41,083	252,381	7,263	10,734	-	(106,799)	264,176	(4,858)	408,742
Total comprehensive income for the period	-	-	2,852	-	-	-	-	35,356	38,208	(600)	37,608
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	5,453	5,453
At 30th September 2021	149,424	59,514	43,935	252,381	7,263	10,734	-	(71,443)	302,384	(5)	451,803

The notes on pages 8 to 29 form part of these unaudited interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30th September 2021

	Six months ended	
	30th September	
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
NET CASH GENERATED FROM OPERATING ACTIVITIES	118,386	52,116
INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment	(1,610)	(2,161)
Deposit paid	(7,828)	–
Payment for purchase of intangible assets	(21)	(72)
Bank interest income received	713	180
Proceeds from disposal of investment property	–	1,500
Proceeds from disposal of subsidiaries	7,218	–
Deposit received for an investment property held for sale	9,261	–
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	7,733	(553)
FINANCING ACTIVITIES		
Proceeds from new bank loans	–	24,712
Repayment of bank loans	(71,308)	(22,938)
Interest paid on bank loans	(1,094)	(2,638)
Capital element of lease rentals paid	(35,062)	(34,566)
Interest element of lease rentals paid	(1,921)	(3,260)
NET CASH USED IN FINANCING ACTIVITIES	(109,385)	(38,690)
NET INCREASE IN CASH AND CASH EQUIVALENTS	16,734	12,873
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	130,663	69,121
EFFECT OF FOREIGN EXCHANGE RATE CHANGES, NET	(1,985)	2,051
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	145,412	84,045
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	145,412	84,045

The notes on pages 8 to 29 form part of these unaudited interim financial statements.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1. GENERAL

The Group is principally engaged in trading of watches (retail and wholesale) and property leasing.

The Company is a limited company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are Victoria Place, 5th Floor, 31 Victoria Street, Hamilton, HM10, Bermuda and Room 3901, 39th Floor, The Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong respectively.

The unaudited condensed interim financial statements are presented in thousand of units of Hong Kong dollars (HK\$'000), unless otherwise stated, and have been approved for issue by the Board of Directors on 22nd November 2021.

2. BASIS OF PREPARATION

The unaudited condensed interim financial statements have been prepared in accordance with 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"), including compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The preparation of the unaudited condensed interim financial statements in conformity with HKAS 34 requires management to make judgments, 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 be different from these estimates.

The accounting policies adopted in the preparation of the unaudited condensed interim financial statements are consistent with those used in the preparation of the Group's 2021 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 annual financial statements which are set out in note 3.

3. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRSs issued by the HKICPA to this 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

Other than the amendment to HKFRS 16, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Amendment to HKFRS 16, COVID-19 related rent concessions beyond 30th June 2021 (2021 amendment)

The Group previously applied the practical expedient in HKFRS 16 such that as lessee it was not required to assess whether rent concessions occurring as a direct consequence of the COVID-19 pandemic were lease modifications, if the eligibility conditions are met. One of these conditions requires the reduction in lease payments affect only payments originally due on or before a specified time limit. The 2021 amendment extends this time limit from 30th June 2021 to 30th June 2022. The Group has early adopted the 2021 amendment in this financial period. There is no impact on the opening balance of equity at 1st April 2021.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

3. CHANGES IN ACCOUNTING POLICIES (Continued)

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, Interest rate benchmark reform – Phase 2

The amendments provide targeted reliefs from (i) accounting for changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities as modifications, and (ii) discontinuing hedge accounting when an interest rate benchmark is replaced by an alternative benchmark rate as a result of the reform of interbank offered rates (“IBOR reform”). The amendments do not have an impact on this interim financial report as the Group does not have contracts that are indexed to benchmark interest rates which are subject to the IBOR reform.

Other than the Amendment to HKFRS 16, none of these have had a material impact on the accounting policies of the Group.

4. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

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

The interim condensed consolidated financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31st March 2021.

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

(a) Fair value measurements recognised in the statement of financial position

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

4. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(a) Fair value measurements recognised in the statement of financial position (Continued)

	30th September 2021				31st March 2021			
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	Total HK\$'000	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	Total HK\$'000
Recurring fair value measurements								
Assets								
Unlisted equity instruments of fair value through other comprehensive income	-	2,336	-	2,336	-	2,333	-	2,333
Financial assets at fair value through profit or loss	-	7,773	-	7,773	-	7,773	-	7,773
Trading securities	900	-	-	900	510	-	-	510
Total	900	10,109	-	11,009	510	10,106	-	10,616

There were no transfers between in Level 1 and Level 2, or transfers into or out of Level 3 during the period. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

There were no other changes in valuation techniques during the period.

The carrying amount of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30th September 2021 and 31st March 2021 because of the immediate or short term maturity of these financial instruments.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

4. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(b) Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values financial instruments.

(i) *Trading securities*

Fair value is based on closing bid price quoted in an active market at the end of the reporting period without any deduction for transaction costs.

(ii) *Equity instruments*

Fair value is determined by reference to the bid price quoted in the second hand market or closing bid price quoted in an active market at the end of the reporting period without any deduction for transaction costs.

(iii) *Unlisted equity securities*

Fair value is determined by reference to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

5. REVENUE AND SEGMENT INFORMATION

The Group manages its business by divisions. In a manner consistent with the way in which information is reported internally to the board of directors of the Company, being the chief operating decision makers (“CODM”) for the purposes of resource allocations and performance assessments. The Group has presented two reportable segments: (i) sale of watches (retail and wholesale) and (ii) properties leasing. No operating segments have been aggregated to form these two reportable segments.

For the purposes of assessing segment performance and allocating resources between segments, the CODM monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

The accounting policies of the reportable segments are the same as the Group’s accounting policies described in the annual financial statements for the year ended 31st March 2021. Segment profit/(loss) represents the profit earned by/(loss) from each segment without allocation of central administration costs and corporate costs which cannot be meaningfully allocated to individual segment. This is the measure reported to the CODM for purposes of resource allocation and performance assessment.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation and amortisation of assets attributable to those segments.

The revenue from external parties reported to the CODM is measured in a manner consistent with that in the condensed consolidated statement of profit or loss.

All assets are allocated to reportable segments other than deferred tax assets and other corporate assets.

All liabilities are allocated to reportable segments other than current income tax payables, deferred tax liabilities and borrowings not attributable to individual segments and other corporate liabilities.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

5. REVENUE AND SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue, results, assets and liabilities by operating segment for the periods:

	For the six months ended 30th September 2021 (unaudited)				
	Sale of watches HK\$'000	Properties leasing HK\$'000	Segmental total HK\$'000	Unallocated HK\$'000	Total HK\$'000
Disaggregated by time of revenue recognition					
Point in time	421,816	-	421,816	2,015	423,831
Over time	-	6,638	6,638	90	6,728
External revenue (Note)	<u>421,816</u>	<u>6,638</u>	<u>428,454</u>	<u>2,105</u>	<u>430,559</u>
Operating profit/(loss)	57,503	(697)	56,806	(5,244)	51,562
Interest income	713	-	713	-	713
Other income, net	10	-	10	387	397
Gain on disposal of subsidiaries	-	-	-	13,175	13,175
Change in fair value of an investment property classified as held for sale	-	(6,745)	(6,745)	-	(6,745)
Finance costs	(2,822)	-	(2,822)	(159)	(2,981)
Segment results	<u>55,404</u>	<u>(7,442)</u>	<u>47,962</u>	<u>8,159</u>	<u>56,121</u>
Income tax expense					<u>(21,365)</u>
Profit for the period					<u><u>34,756</u></u>
Depreciation and amortisation	<u>(15,575)</u>	<u>(400)</u>	<u>(15,975)</u>	<u>(110)</u>	<u>(16,085)</u>

Note:

There were no inter-segment sales during the six months ended 30th September 2021.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

5. REVENUE AND SEGMENT INFORMATION (Continued)

	As at 30th September 2021 (unaudited)				
	Sale of watches HK\$'000	Properties leasing HK\$'000	Segmental total HK\$'000	Unallocated HK\$'000	Total HK\$'000
Segment assets	<u>367,354</u>	<u>354,932</u>	<u>722,286</u>	<u>20,036</u>	<u>742,322</u>
Financial assets at fair value through profit or loss					<u>7,773</u>
Deferred tax assets					<u>2,418</u>
Total assets					<u>752,513</u>
Additions to non-current segment assets during the reporting period	<u>1,576</u>	<u>8,134</u>	<u>9,710</u>	<u>15</u>	<u>9,725</u>
Segment liabilities	<u>234,265</u>	<u>21,841</u>	<u>256,106</u>	<u>4,510</u>	<u>260,616</u>
Current income tax payable					<u>13,707</u>
Deferred tax liabilities					<u>26,387</u>
Total liabilities					<u>300,710</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

5. REVENUE AND SEGMENT INFORMATION (Continued)

	For the six months ended 30th September 2020 (unaudited)				
	Sale of watches <i>HK\$'000</i>	Properties leasing <i>HK\$'000</i>	Segmental total <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Disaggregated by time of revenue recognition					
Point in time	467,038	–	467,038	8	467,046
Over time	–	6,329	6,329	3,138	9,467
External revenue (<i>Note</i>)	<u>467,038</u>	<u>6,329</u>	<u>473,367</u>	<u>3,146</u>	<u>476,513</u>
Operating profit/(loss)	41,138	246	41,384	(9,378)	32,006
Interest income	180	–	180	–	180
Other income, net	23,288	–	23,288	2,186	25,474
Finance costs	(5,198)	–	(5,198)	(44)	(5,242)
Segment results	<u>59,408</u>	<u>246</u>	<u>59,654</u>	<u>(7,236)</u>	<u>52,418</u>
Income tax expense					(13,136)
Profit for the period					<u>39,282</u>
Depreciation and amortisation	<u>(17,651)</u>	<u>(383)</u>	<u>(18,034)</u>	<u>(1,132)</u>	<u>(19,166)</u>

Note:

There were no inter-segment sales during the six months ended 30th September 2020.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

5. REVENUE AND SEGMENT INFORMATION (Continued)

	As at 31st March 2021 (audited)				
	Sale of watches HK\$'000	Properties leasing HK\$'000	Segmental total HK\$'000	Unallocated HK\$'000	Total HK\$'000
Segment assets	<u>430,124</u>	<u>354,066</u>	<u>784,190</u>	<u>20,349</u>	804,539
Financial assets at fair value through profit or loss					7,773
Deferred tax assets					<u>2,418</u>
Total assets					<u>814,730</u>
Additions to non-current segment assets during the reporting period	<u>11,500</u>	<u>8,696</u>	<u>20,196</u>	<u>2,638</u>	<u>22,834</u>
Segment liabilities	<u>326,576</u>	<u>22,337</u>	<u>348,913</u>	<u>16,326</u>	365,239
Current income tax payable					14,362
Deferred tax liabilities					<u>26,387</u>
Total liabilities					<u>405,988</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

5. REVENUE AND SEGMENT INFORMATION (Continued)

Geographic Information

The following is an analysis of geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, intangible assets, right-of-use assets, investment properties and deposits and prepayments. The geographical location of customers is referred to the location at which the services were provided or the goods delivered. The geographical locations of non-current assets are based on the physical location of the assets.

	Revenues from external customers		Non-current assets	
	Six months ended		30th	
	30th September		September	
	2021	2020	2021	31st
	HK\$'000	HK\$'000	HK\$'000	March
	(unaudited)	(unaudited)	(unaudited)	2021
				HK\$'000
				(audited)
The People's Republic of China, excluding Hong Kong	420,345	423,956	50,970	85,755
Hong Kong (place of domicile)	9,525	51,900	249,381	249,985
United Kingdom	–	–	87,571	79,099
Switzerland	689	657	17,474	17,550
	430,559	476,513	405,396	432,389

Information about major customers

For the six months ended 30th September 2021, revenue of approximately HK\$66,605,000 (the six months ended 30th September 2020: approximately HK\$120,449,000) was derived from a single external customer who contributed more than 10% of total of the Group. This revenue was attributable to the sale of watches segment.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

6. PROFIT BEFORE TAXATION

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

(a) Finance costs

	Six months ended 30th September 2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Interest on bank borrowings wholly repayable within five years	1,060	1,982
Interest on lease liabilities	1,921	3,260
	<hr/>	<hr/>
Total interest expenses on financial liabilities not at fair value through profit or loss	2,981	5,242
	<hr/> <hr/>	<hr/> <hr/>

(b) Other items

	Six months ended 30th September 2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Net exchange gain	(243)	(374)
Amortisation of intangible assets	1	–
Depreciation charge		
– property, plant and equipment	2,151	4,109
– right-of-use assets	13,933	15,057
Write-down/(reversal of write-down) of inventories, net	151	(2,204)
Reversal of impairment loss of other receivables	–	(75)
Staff costs including directors' fees and emoluments	26,277	28,555
Cost of inventories recognised as expenses	319,178	375,111
Interest income on bank deposits	(713)	(180)
Gain on disposal of subsidiaries	(13,175)	–
Loss on disposal of an investment property	–	100
Change in fair value of an investment property classified as held for sale	6,745	–
Gain on lease modification	–	(23,177)
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

7. INCOME TAX IN THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Six months ended	
	30th September	2020
	2021	<i>HK\$'000</i>
	<i>HK\$'000</i>	<i>(unaudited)</i>
	(unaudited)	<i>(unaudited)</i>
Current tax		
PRC Corporate Income Tax		
– Charge for the period	21,365	13,136
Deferred tax		
Origination and reversal of temporary differences	<u>–</u>	<u>–</u>
	<u>21,365</u>	<u>13,136</u>

The subsidiaries in Hong Kong are subject to Hong Kong Profits Tax at the rate of 16.5% (2020: 16.5%). No Hong Kong Profits Tax has been provided for in the financial statements for the six months ended 30th September 2021 and 2020 either because the Hong Kong subsidiaries have accumulated tax losses brought forward which exceeded the estimated assessable profits or the Hong Kong subsidiaries sustained losses for taxation purpose.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

The subsidiaries in Switzerland are subject to Switzerland Profits Tax at the rate of 16% (2020: 16%). No Switzerland Profits Tax has been provided for the six months ended 30th September 2021 and 2020 as the Group has no estimated assessable profits in Switzerland.

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

8. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on profit attributable to owners of the Company of HK\$35,356,000 (2020: HK\$40,109,000) and the weighted average number of 747,123,000 ordinary shares (2020: 747,123,000 ordinary shares) in issue during the six months ended 30th September 2021.

(b) Diluted earnings per share

Diluted earnings per share is equal to the basic earnings per share for the six months ended 30th September 2021, as there is no dilutive potential ordinary share in issue during the period.

For the six months ended 30th September 2020, diluted earnings per share was equal to the basic earnings per share, as the share options had no dilutive effect because the average market price of ordinary shares did not exceed the exercise price of the share options.

9. DIVIDENDS

Dividends payable to equity shareholders attributable to the interim period

	Six months ended 30th September 2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Interim dividend declared after the interim period of HK\$0.0536 per share (2020: Nil)	40,046	–

The interim dividend declared after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

	Ownership interests in leasehold land and buildings held for own use carried at cost	Other properties leased for own use carried at cost	Other property, plant and equipment	Construction in progress	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Carrying amount at 1st April 2020	30,629	63,198	12,492	-	106,319
Translation differences	790	1,772	270	-	2,832
Additions	-	-	2,277	-	2,277
Reassessment	-	2,788	-	-	2,788
Depreciation charge	(404)	(14,653)	(4,109)	-	(19,166)
	<u>31,015</u>	<u>53,105</u>	<u>10,930</u>	<u>-</u>	<u>95,050</u>
Carrying amount at 30th September 2020	<u>31,015</u>	<u>53,105</u>	<u>10,930</u>	<u>-</u>	<u>95,050</u>
Carrying amount at 1st April 2021	29,744	45,514	5,811	-	81,069
Translation differences	306	685	65	-	1,056
Additions	-	498	851	759	2,108
Disposal of subsidiaries	-	(394)	(15)	-	(409)
Depreciation charge	(409)	(13,524)	(2,151)	-	(16,084)
	<u>29,641</u>	<u>32,779</u>	<u>4,561</u>	<u>759</u>	<u>67,740</u>
Carrying amount at 30th September 2021	<u>29,641</u>	<u>32,779</u>	<u>4,561</u>	<u>759</u>	<u>67,740</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

11. TRADE AND OTHER RECEIVABLES

	As at 30th September 2021 HK\$'000 (unaudited)	As at 31st March 2021 HK\$'000 (audited)
Trade receivables, net of loss allowance		
– Third parties	25,943	68,756
– Related parties	7,313	6,996
	33,256	75,752
Other receivables		
– Third parties	13,336	12,732
– Related parties	2,506	2,189
	15,842	14,921
Financial assets measured at amortised cost	49,098	90,673
Deposits and prepayments	43,756	33,924
	92,854	124,597
Analysed as:		
Non-current	20,819	9,306
Current	72,035	115,291
	92,854	124,597

(a) Aging Analysis

The Group allows credit period of up to 180 days to its customers. The aging analysis of trade receivables at the end of the reporting period based on invoice date and net of loss allowance is as follows:

	As at 30th September 2021 HK\$'000 (unaudited)	As at 31st March 2021 HK\$'000 (audited)
Up to 90 days	25,235	67,846
91 to 180 days	330	485
181 to 365 days	624	1,081
Over 365 days	7,067	6,340
	33,256	75,752

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

12. TRADE AND OTHER PAYABLES

	As at 30th September 2021 HK\$'000 (unaudited)	As at 31st March 2021 HK\$'000 (audited)
Trade payables		
– Third parties	7,639	6,542
– Related parties	129	13
	7,768	6,555
Other payables and accrued charges	23,063	33,286
Financial liabilities measured at amortised cost	30,831	39,841
Rental received in advance	75	75
Deposits received (<i>note (a)</i>)	11,990	3,046
Other tax payable	58,446	56,955
	101,342	99,917

Note:

- (a) The balance included a deposit received from the disposal of an investment property classified as held for sale amounting to approximately HK\$9,261,000.

(a) Aging Analysis

The aging analysis of trade payables based on date of receipt of goods as at the end of the reporting period is as follows:

	As at 30th September 2021 HK\$'000 (unaudited)	As at 31st March 2021 HK\$'000 (audited)
Up to 90 days	3,916	2,707
91 to 180 days	46	294
181 to 365 days	–	–
Over 365 days	3,806	3,554
	7,768	6,555

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

13. SHARE CAPITAL

	Nominal value per share <i>HK\$</i>	Number of shares <i>'000</i> (unaudited)	Amount <i>HK\$'000</i> (unaudited)
Authorised:			
At 1st April 2020, 31st March 2021, 1st April 2021 and 30th September 2021	0.2	2,500,000	500,000
Issued and fully paid:			
At 1st April 2020, 31st March 2021, 1st April 2021 and 30th September 2021	0.2	747,123	149,424

14. RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration of key management personnel of the Group, including amounts paid to the Company's directors and certain of highest paid employees are as follows:

	Six months ended 30th September	
	2021	2020
	HK\$'000	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Short-term employee benefits	3,680	6,204
Post-employment benefits	29	18
	3,709	6,222

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

14. RELATED PARTY TRANSACTIONS (Continued)

(b) Other transactions

	Notes	Six months ended 30th September 2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Leasing of offices and warehouses to three (2020: four) related companies ultimately owned by the wife of the late Mr. Eav Yin and controlled by the late Mr. Eav Yin	(i)	3,132	3,085
Purchase of products from nil (2020: two) related company ultimately owned by the wife of the late Mr. Eav Yin and controlled by the late Mr. Eav Yin	(ii)	-	21
Leasing of office and warehouse from one (2020: one) related company ultimately owned by the wife of the late Mr. Eav Yin and controlled by the late Mr. Eav Yin		507	457
Sales of watch movement to nil (2020: one) related company ultimately owned by the wife of the late Mr. Eav Yin and controlled by the late Mr. Eav Yin		-	410
Sales of gourmet products to nil (2020: three) related company ultimately owned by the wife of the late Mr. Eav Yin and controlled by the late Mr. Eav Yin		-	27
		256	1,000
Present value of lease liabilities by Leasing of office and warehouse from one (2020: one) related company ultimately owned by the wife of the late Mr. Eav Yin and controlled by the late Mr. Eav Yin		-	256
- Not later than one year		-	256
- Later than one year and not later than five years		-	-
		256	1,256

Note:

Mdm. Lam Kim Phung, the wife of the late Mr. Eav Yin, is the administrator/executor of the estate of Mr. Eav Yin.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

14. RELATED PARTY TRANSACTIONS (Continued)

(b) Other transactions (Continued)

Notes:

- (i) Leasing of offices and warehouses

During the six months ended 30th September 2021 and 2020, the Group leased an office and warehouse space to three (2020: four) related companies ultimately owned by the wife of the late Mr. Eav Yin and controlled by the late Mr. Eav Yin.

As at 30th September 2021 and 31st March 2021, commitments under operating leases receivable from the companies over which ultimately owned by the wife of the late Mr. Eav Yin and controlled by the late Mr. Eav Yin were as follows:

	As at 30th September 2021 HK\$'000 (unaudited)	As at 31st March 2021 HK\$'000 (audited)
Not later than one year	1,720	4,586
Later than one year and not later than five years	<u>—</u>	<u>—</u>
	<u>1,720</u>	<u>4,586</u>

Leases for properties are negotiated for terms ranging from 0.25 to 2.21 years (31st March 2021: 0.25 to 2.92 years) and related commitments are included in Note 16.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

14. RELATED PARTY TRANSACTIONS (Continued)

(b) Other transactions (Continued)

Notes: (Continued)

(ii) Purchase of products

The Group purchased products from a related company during the six months ended 30th September 2021 which represented watches, watch spare parts and components (including watch movements), watch accessories and packaging. The Group also outsourced watch assembly, processing and after-sales services such as maintenance and repairs to the above related parties. The purchase of products includes the fees and charges for these services.

(c) Balances with related companies

	As at 30th September 2021 HK\$'000 (unaudited)	As at 31st March 2021 HK\$'000 (audited)
Trade and other receivables due from four (31st March 2021: three) related companies ultimately owned by the wife of the late Mr. Eav Yin and controlled by the late Mr. Eav Yin	9,819	9,185
Trade and other payables due to one (31st March 2021: one) related company ultimately owned by the wife of the late Mr. Eav Yin and controlled by the late Mr. Eav Yin	129	13

15. PLEDGE OF ASSETS

The assets pledged for certain banking facilities of the Group were as follows:

	As at 30th September 2021 HK\$'000 (unaudited)	As at 31st March 2021 HK\$'000 (audited)
Land and buildings	11,160	11,266
Investment properties	293,629	318,939
	304,789	330,205

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

16. COMMITMENTS

At the reporting date, the Group had the following outstanding commitments.

(a) Capital commitments

Signification capital expenditure contracted for at the end of the reporting period but not recognised as liabilities as follows:

	As at 30th September 2021 HK\$'000 (unaudited)	As at 31st March 2021 HK\$'000 (audited)
Contracted for:		
Construction work for properties	2,347	8,355

(b) Operating lease commitments – as lessor

Undiscounted lease payments receivable on leases are as follows:

	As at 30th September 2021 HK\$'000 (unaudited)	As at 31st March 2021 HK\$'000 (audited)
Not later than one year	9,323	12,043
Later than one year and not later than five years	20,045	23,554
Over five years	–	329
	29,368	35,926

17. CONTINGENT LIABILITIES

So far as the Directors are aware, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration or claims which is, in the opinion of the Directors, of material importance is known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

18. DISPOSAL OF SUBSIDIARIES

On 12th August 2021, the Group entered into the Sale and Purchase Agreement to dispose of the Group's 70% equity interest in Reign Abalone Limited Group ("RBL Group") and HK\$12,000,000 of its shareholder's loans due to the Group. The total consideration to the Group is approximately HK\$12,000,000 plus a notional interest accrued at the prime rate minus 0.5% per annum on the outstanding deferred consideration. RBL Group is principally engaged in gourmet business. Details are disclosed in the Group's announcement dated 12th August 2021.

Consideration received:

	<i>HK\$'000</i>
Cash received	8,000
Deferred cash consideration (<i>Note</i>)	4,450
	<hr/>
Total consideration	12,450
	<hr/> <hr/>

Note:

The deferred consideration will be settled in cash in tranches (of HK\$1,000,000 each) against receipt of the assignment consideration to be paid by the Purchaser over the next four years with the last instalment due in August 2025 in accordance with the Sale and Purchase Agreement. The consideration for each tranche is equal to its principal amount plus a notional interest accrued at the prime rate minus 0.5% per annum.

Gain on disposal of subsidiaries:

	<i>HK\$'000</i>
Consideration received and receivable	12,450
Net liabilities disposed of	18,178
Non-controlling interests	(5,453)
Assignment of shareholder's loan due to the Group	(12,000)
	<hr/>
Gain on disposal	13,175
	<hr/> <hr/>

Net cash inflow/(outflow) arising on disposal of subsidiaries

	<i>HK\$'000</i>
Consideration received in cash and cash equivalents	8,000
Less: Cash and cash equivalent balances disposed of	(782)
	<hr/>
	7,218
	<hr/> <hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

Interim Review

For the six months ended 30th September 2021, the Group's consolidated revenue amounted to HK\$431 million, representing a drop of 10% (2020: decrease of 1%) from HK\$477 million in the same period of last year was mainly due to the drop in watches sales in Hong Kong. Sales for the reporting period in Hong Kong and China amounted to HK\$10 million and HK\$420 million, representing a decrease of 82% and 1% respectively as compared with the corresponding period in last year. Gross profit margin increased by 5% to 26% during this period was due to improvement in product mix with higher gross profit margin.

Distribution costs slightly decreased by 3% to HK\$53 million during this period which were comparable to last year. Administrative expenses decreased by 20% to HK\$15 million during this period were mainly attributable to the decrease in consultancy fee. Finance costs decreased to HK\$3 million during this period because of the decrease in interest on lease liabilities.

Other income was minimal during this period as compared with that from the same period of last year of HK\$25 million. The amount for last year was mainly due to the one-off gain arising from the reassessment of the lease liability upon rental reduction for some stores. In addition, the Group has an one-off gain of HK\$13 million during this period from the disposal of the gourmet business acquired in late July 2019 as the future outlook of this business was not promising given the current COVID-19 pandemic.

As a result of the above, the Group achieved a net profit of HK\$35 million in this period as compared with a net profit of HK\$40 million in the same period of last year.

Liquidity and financial resources

As at 30th September 2021, the Group's total cash balance amounted to HK\$145 million (31st March 2021: HK\$131 million). The increase was mainly due to the increase in operating cashflow during the period. Gearing ratio of the Group, expressed as a ratio of total borrowings over total equity, was 21% as at 30th September 2021 (31st March 2021: 40%).

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Interim Review (Continued)

Foreign exchange risks

The Group views its main currencies as Hong Kong dollars, Renminbi and Swiss Francs. The Group monitors its exposure to foreign exchange risks and, when it considers necessary and appropriate, will hedge its foreign exchange risks by using financial instruments.

Prospect

The Group currently operates 6 stores in China. The Group remained focus on its core stores and has streamlined their operating costs and will continue to do so with a view to further enhance the cost efficiency of each store. The overall sentiment in the luxury retail business in China was good. Looking ahead, the Group believes that the momentum can be maintained as the COVID-19 pandemic is further under control.

Apart from the “Sale of watches” segment which continues to be the core business of the Group, the Group is also developing its business in the “Properties leasing” segment and acquired two renowned residential properties in London in previous years.

The Group is determined to rebuild its financial strength and confidence to improve its business and take a cautious approach in its future expansion.

On behalf of the Group, we sincerely thank for the kind and positive support of our shareholders, customers, suppliers and associates.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance practices by emphasising a quality board of directors, sound internal control, transparency and accountability to all the shareholders of the Company.

The Company has complied with all the code provisions set out in the Corporate Governance Code (the “Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited throughout the period ended 30th September 2021 except for the deviation from the code provisions A.2.1, A.4.1, A.5.1, D.1.4 and those discussed below:

In respect of Code Provision A.2.1 of the Code, since the deceased of Mr. Eav Yin as the Chairman on 4th September 2020, the position of the Chairman has been vacant and has not been filled up as at the date of this report while the function of the chief executive officer is divided between the remaining executive directors. The Board of the Company as a whole and the executive directors have discharged the duties of the Chairman. The Board and the Nomination Committee of the Company will continuously review and discuss the adjustment to the composition of the Board.

The Company was incorporated in Bermuda and enacted by private act, the Asia Commercial Holdings Limited Company Act, 1989 of Bermuda (the “1989 Act”). Pursuant to section 3(e) of the 1989 Act, director holding office as executive chairman or managing director shall not be subject to retirement by rotation at each annual general meeting as provided in the Bye-Laws.

As the Company is bound by the provision of the 1989 Act, at this time, the Bye-Laws cannot be amended to fully reflect the requirements of the Code. As such, a special resolution was passed at the special general meeting held on 28th March 2007 to amend the Bye-Laws of the Company so that, inter alia, (i) every director (save for a director holding office as Chairman or Managing Director) of the Company shall be subject to retirement by rotation at least once every three years; (ii) a director may be removed by an ordinary resolution in general meeting instead of a special resolution; (iii) any director appointed by the Board to fill a casual vacancy or as an additional director shall hold office until the next following general meeting, instead of the next annual general meeting.

CORPORATE GOVERNANCE (Continued)

To enhance good corporate governance practices, the Chairman of the Board will voluntarily retire from his directorship at annual general meeting of the Company at least once every three years in order for the Company to comply with the Code, provided that being eligible for re-election, he may offer himself for re-election at the annual general meeting.

Code provision A.4.1 of the Code provides that non-executive director should be appointed for a specific term, subject to re-election.

During the period, except for the newly appointment of Mr. Kee Wah Sze as independent non-executive director of the Company for a term of 3 years commencing on 10th August 2020, the non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation at least once every three years and re-election at the annual general meeting in accordance with the Company's Bye-Laws. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are not less exacting than those in the Code.

Code provision A.5.1 of the Code provides that the nomination committee should be chaired by the chairman of the board or an independent non-executive director. Since the deceased of Mr. Eav Yin on 4th September 2020, the chairman of the nomination committee has been vacant and has not been filled up as the date of this report. The Board will appoint the chairman of the nomination committee as soon as practicable for filling such vacancy.

Code provision D.1.4 stipulates that directors should clearly understand delegation arrangements in place. The Company should have formal letters of appointment for directors setting out the key terms and conditions of their appointments.

CORPORATE GOVERNANCE (Continued)

Except for the newly appointment of Mr. Kee Wah Sze as independent non-executive director of the Company in August 2020, the Company has not entered into any written letters of appointment with its Directors. However, the Board recognises that (i) the Directors have already been subject to the laws and regulations applicable to directors of a company listed on The Stock Exchange of Hong Kong Limited, including the Listing Rules as well as the fiduciary duties to act in the best interests of the Company and its shareholders; (ii) all of them are well established in their professions and (iii) the current arrangement has been adopted by the Company for several years and has proven to be effective. Therefore, the Board considers that the Directors are able to carry out their duties in a responsible and effective manner under the current arrangement.

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

Compliance of the Model Code for Securities Transaction by Directors of Listed Issuers

The Company has adopted a code for securities transactions by Directors of the Company (the "Code of Conduct") on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules.

All Directors have confirmed that they complied with the required standards set out in the Code of Conduct throughout the period under review.

DISCLOSURE OF INTERESTS

Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures

As at 30th September 2021, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required to be and were recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules were as follows:

Long positions in shares and underlying shares of the Company

Name of Director	Nature of interest	Number of ordinary shares and underlying shares (if any) of HK\$0.2 each held	Approximate percentage of aggregate interests to total issued share capital
Ms. Eav Xin Qi Rosanna	<i>Note 1</i>	2,087,472	0.28
Mr. Eav Feng Ming, Jonathan	<i>Note 2</i>	707,400	0.09

DISCLOSURE OF INTERESTS (Continued)

Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures (Continued)

Long positions in shares and underlying shares of the Company (Continued)

Note 1: All the 2,087,472 shares are personal interest of Ms. Eav Xin Qi Rosanna.

Note 2: All the 707,400 shares are personal interest of Mr. Eav Feng Ming, Jonathan.

Save as disclosed herein, as at 30th September 2021, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required to be recorded in the register kept by the Company under Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Director's Rights to Acquire Shares or Debentures

Save as disclosed herein, at no time during the six months ended 30th September 2021, was the Company or any of its associated corporations a party to any arrangement to enable the Directors or chief executive to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the Directors or executive or their spouses or children under 18 years of age was granted any right to subscribe for any shares in, or debentures of, the Company or any of its associated corporations.

DISCLOSURE OF INTERESTS (Continued)

Substantial Shareholders' Interests

As at 30th September 2021, so far as is known to any Directors and chief executive of the Company, the following persons (other than the Directors or chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of the Part XV of the SFO, or which were recorded in the register kept by the Company or required to be notified under Section 336 of the SFO:

Name of shareholder	Capacity		Number of ordinary shares and underlying shares (if any) of HK\$0.2 each held	Approximate percentage of issued share capital %
	(Notes)	Notes		
Mdm. Lam Kim Phung	6	1	441,484,400	59.09
Century Hero International Limited	7	2	291,210,668	38.98
Chanchhaya Trustee Holding Corporation	7	3	59,176,800	7.92
Goodideal Industrial Limited	7	4	51,133,864	6.84
Covenhills Limited	7	5	64,255,243	8.60

Notes:

- 351,172,400 shares are held by Mdm. Lam Kim Phung and 90,312,000 shares represent the interest held by Mdm. Lam Kim Phung, as the administrator/executor of the estate of Mr. Eav Yin. Among the 90,312,000 shares, (a) 30,202,800 shares are interest of the administrator/executor of the estate of Mr. Eav Yin, (b) 932,400 shares by Debonair Company Limited and (c) 59,176,800 shares by Chanchhaya Trustee Holding Corporation (as a trustee of Eav An Unit Trust). Debonair Company Limited is wholly owned by Mdm. Lam Kim Phung who is the administrator/executor of the estate of Mr. Eav Yin. Eav An Unit Trust is a discretionary trust of which Mr. Eav Yin is the founder, the beneficiaries include Mdm. Lam Kim Phung who is the administrator/executor of the estate of Mr. Eav Yin and her children.
- Century Hero International Limited is wholly owned by Mdm. Lam Kim Phung who is a director of this company.

DISCLOSURE OF INTERESTS (Continued)

Substantial Shareholders' Interests (Continued)

Notes: (Continued)

3. Chanchhaya Trustee Holding Corporation is the trustee of Eav An Unit Trust, a discretionary trust, the beneficiaries of which include Mdm. Lam Kim Phung who is the administrator/executor of the estate of Mr. Eav Yin and her children.
4. Goodideal Industrial Limited is 87% owned by Mdm. Lam Kim Phung who is a director of this company.
5. Covenhills Limited is owned equally by the estate beneficiary of late Mr. Leong Lou Teck, Mr. Leong Lum Thye, Miss Leong Yoke Kheng and Mr. Leong Siew Khuen.
6. Beneficial owner; Administrator/Executor.
7. Beneficial owner.

All the interests disclosed above represent long positions in shares and underlying shares of the Company. Save as disclosed above, as at 30th September 2021, there was no other person (other than the Directors or chief executive of the Company) who was recorded in the register of the Company as having an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

OTHER INFORMATION

Interim Dividend

The Board of Directors declared an interim dividend of HK\$0.0536 per share for the six months ended 30th September 2021 (2020: Nil) and payable on or about 24th December 2021 to shareholders whose names appear on the Register of Members of the Company on 10th December 2021.

Closure of Register of Members

The register of members of the Company will be closed from 7th December 2021 to 10th December 2021, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 6th December 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 Company's listed securities during the six months ended 30th September 2021.

Employees and Remuneration Policy

There were 119 employees in the Group as at 30th September 2021. The Group offers competitive remuneration packages to employees in line with market trends. Incentives such as discretionary bonuses and share awards are offered to motivate employees.

2002 Share Option Scheme

On 20th September 2002, the shareholders of the Company approved the adoption of a new share option scheme (the "2002 Share Option Scheme"). The purpose of the 2002 Share Option Scheme was to encourage qualifying grantees to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. The 2002 Share Option Scheme was expired on 20th September 2012. As of 1st April 2021, the beginning of this period, there were already no outstanding share options as they were all lapsed on 30th March 2021.

OTHER INFORMATION (Continued)

Share Award Plan 2010

On 13th September 2010, the shareholders of the Company approved the adoption of a share award plan (the “Share Award Plan 2010”).

The Share Award Plan 2010 is a ten-year discretionary share award and ownership plan. It is primarily for encouraging or facilitating the holding of shares by those selected employees of the Group who, as determined by the Board, are eligible to participate in the plan and to whom new shares are or will be awarded. The Directors will make use of the plan to award new shares to those selected employees of the Group on suitable terms as incentives and rewards for their contribution to the Group.

The Share Award Plan 2010 was expired on 13th September 2020 and no award was granted before and hence there was no outstanding award as at 30th September 2021.

By order of the Board
Asia Commercial Holdings Limited
Cheng Ka Chung
Company Secretary

Hong Kong, 22nd November 2021