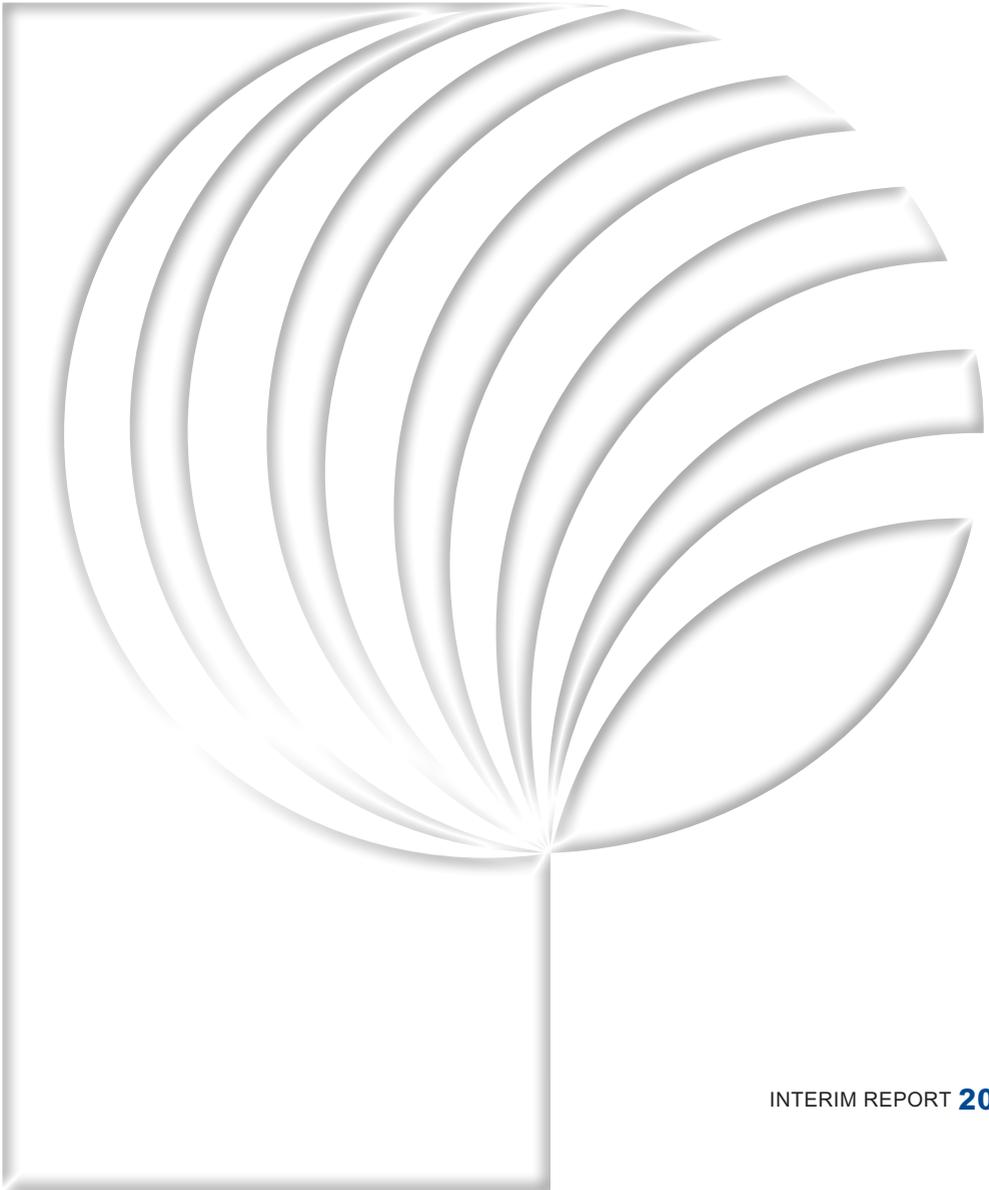




PIONEER GLOBAL GROUP LIMITED  
建生國際集團有限公司

Stock Code : 00224



INTERIM REPORT **2021**



**PIONEER GLOBAL GROUP LIMITED**

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### **Executive Directors**

Rossana WANG GAW, *Chairman*

Goodwin GAW, *Vice Chairman*

Kenneth GAW, *Managing Director*

Christina GAW

Alan Kam Hung LEE

#### **Independent Non-executive Directors**

Dr. Charles Wai Bun CHEUNG, JP

Arnold Tin Chee IP

Stephen TAN

### AUDIT COMMITTEE

Dr. Charles Wai Bun CHEUNG, JP, *Chairman*

Arnold Tin Chee IP

Stephen TAN

### COMPANY SECRETARY

Tsui Yan LAW

### BANKERS

Citibank N.A. Hong Kong

Standard Chartered Bank

(Hong Kong) Limited

The Hongkong and Shanghai Banking

Corporation Limited

Hang Seng Bank Limited

### SOLICITORS

Fangda Partners

Mayer Brown

### AUDITOR

CHENG & CHENG LIMITED

### REGISTERED OFFICE

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM 10, Bermuda

### PRINCIPAL OFFICE IN HONG KONG

18th Floor

68 Yee Wo Street

Causeway Bay

Hong Kong

### SHARE REGISTRAR & TRANSFER OFFICE IN BERMUDA

MUFG Fund Services (Bermuda) Limited

4th Floor, North Cedar House

41 Cedar Avenue

Hamilton HM 12, Bermuda

### SHARE REGISTRARS & TRANSFER OFFICE IN HONG KONG

Computershare Hong Kong Investor

Services Limited

17th Floor, Hopewell Centre

183 Queen's Road East

Hong Kong

### INFORMATION

<http://www.pioneerglobalgroup.com>

<http://www.irasia.com/listco/hk/pioneer/index.htm>

Bloomberg: 224:HK

Reuters: 0224.hk

The Board of Directors of Pioneer Global Group Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2021, together with the comparative figures for the corresponding period in 2020 as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		<b>For the six months ended</b>	
		<b>30 September</b>	
		<b>2021</b>	2020
	<i>Notes</i>	<b>(Unaudited)</b>	(Unaudited)
		<b>HK\$'000</b>	HK\$'000
Revenue of Group and associates			
Company and subsidiaries		<b>135,234</b>	137,249
Share of associates ( <i>Note</i> )		<b>14,046</b>	14,867
		<b>149,280</b>	152,116
Revenue of Company and subsidiaries	5	<b>135,234</b>	137,249
Properties operating expenses		<b>(22,323)</b>	(19,409)
Staff costs		<b>(8,128)</b>	(7,261)
Depreciation		<b>(457)</b>	(340)
Other expenses		<b>(2,345)</b>	(2,191)
		<b>(33,253)</b>	(29,201)
Operating profit	4	<b>101,981</b>	108,048
Share of results of associates		<b>(21,094)</b>	(34,939)
Change in fair value of investment properties		<b>139,929</b>	(3,635)
Change in fair value of investments in equity instruments at fair value through profit or loss (“FVTPL”)		<b>2,265</b>	(1,081)
Other gains and losses		<b>(264)</b>	(12)
Finance costs	6	<b>(24,547)</b>	(33,644)
Profit before taxation	7	<b>198,270</b>	34,737
Taxation			
Current	8	<b>(8,861)</b>	(8,840)
Deferred	8	<b>(2,984)</b>	(2,621)
Profit for the period		<b>186,425</b>	23,276
Profit attributable to:			
Shareholders of the Company		<b>146,916</b>	12,038
Non-controlling interests		<b>39,509</b>	11,238
		<b>186,425</b>	23,276
Interim dividend	9	<b>11,540</b>	–
		<b>HK cents</b>	HK cents
Earnings per share	10	<b>12.73</b>	1.04

*Note:* The amounts represent revenue generated by associates at the percentage of Group’s equity interest in associates.

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

	For the six months ended	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Profit for the period	<b>186,425</b>	23,276
Other comprehensive income/(expense):		
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Change in fair value of investments in equity instruments designated at fair value through other comprehensive income ("FVTOCI")	<b>(9,265)</b>	(17,429)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Change in fair value of investments in debt instruments at FVTOCI	<b>(21)</b>	228
Exchange difference on translation of associates	<b>(23,922)</b>	–
	<b>(33,208)</b>	(17,201)
Total comprehensive income for the period	<b>153,217</b>	6,075
Total comprehensive income/(expense) attributable to:		
Shareholders of the Company	<b>112,638</b>	(6,973)
Non-controlling interests	<b>40,579</b>	13,048
	<b>153,217</b>	6,075

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 September 2021 (Unaudited) HK\$'000	At 31 March 2021 (Audited) HK\$'000
	<i>Notes</i>		
<b>ASSETS</b>			
Non-current assets			
Investment properties	11	7,945,500	7,789,800
Interests in associates		2,461,824	2,510,172
Debt instruments at FVTOCI	17	2,029	2,050
Equity instruments designated at FVTOCI	17	253,204	265,677
Equity instruments at FVTPL	17	175,778	173,513
Property, plant & equipment		2,383	3,783
Right-of-use assets		1,221	–
Other assets		300	300
		<b>10,842,239</b>	10,745,295
Current assets			
Debtors, advances & prepayments	12	19,839	23,716
Tax recoverable		292	581
Cash & bank balances	13	232,160	186,826
		<b>252,291</b>	211,123
<b>Total assets</b>		<b>11,094,530</b>	10,956,418
<b>EQUITY</b>			
Share capital		115,404	115,404
Reserves		7,376,175	7,263,537
Shareholders' funds		7,491,579	7,378,941
Non-controlling interests		1,142,754	1,126,975
<b>Total equity</b>		<b>8,634,333</b>	8,505,916

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		At 30 September 2021 (Unaudited) HK\$'000	At 31 March 2021 (Audited) HK\$'000
	<i>Notes</i>		
<b>LIABILITIES</b>			
Non-current liabilities			
Creditors & other payables	14	36,688	44,989
Secured bank loans	15	863,500	–
Lease liabilities		764	938
Deferred taxation		79,220	76,235
		<b>980,172</b>	122,162
Current liabilities			
Creditors & other payables	14	53,738	45,703
Secured bank loans	15	1,417,500	2,281,000
Lease liabilities		344	400
Tax liabilities		8,443	1,237
		<b>1,480,025</b>	2,328,340
<b>Total liabilities</b>		<b>2,460,197</b>	2,450,502
<b>Total equity and liabilities</b>		<b>11,094,530</b>	10,956,418

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to shareholders of the Company

	Share capital	Share premium	Capital reserve & contributed surplus	Exchange reserve	Investment revaluation reserve	Property revaluation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2021	115,404	547,748	41,242	34,597	88,821	174,497	6,376,632	7,378,941	1,126,975	8,505,916
Fair value change of investments in										
– equity instruments designated at FVTOCI	–	–	–	–	(10,335)	–	–	(10,335)	1,070	(9,265)
– debt instruments at FVTOCI	–	–	–	–	(21)	–	–	(21)	–	(21)
Exchange on translation of associates	–	–	–	(23,922)	–	–	–	(23,922)	–	(23,922)
Other comprehensive income/ (expense) for the period	–	–	–	(23,922)	(10,356)	–	–	(34,278)	1,070	(33,208)
Profit for the period	–	–	–	–	–	–	146,916	146,916	39,509	186,425
Total comprehensive income/ (expense) for the period	–	–	–	(23,922)	(10,356)	–	146,916	112,638	40,579	153,217
Dividend paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	(24,800)	(24,800)
<b>At 30 September 2021</b>	<b>115,404</b>	<b>547,748</b>	<b>41,242</b>	<b>10,675</b>	<b>78,465</b>	<b>174,497</b>	<b>6,523,548</b>	<b>7,491,579</b>	<b>1,142,754</b>	<b>8,634,333</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Attributable to shareholders of the Company

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve & contributed surplus HK\$'000	Exchange reserve HK\$'000	Investment revaluation reserve HK\$'000	Property revaluation reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 April 2020	115,404	547,748	41,242	1,982	62,826	174,497	6,084,103	7,027,802	1,075,293	8,103,095
Fair value change of investments in										
– equity instruments designated at FVTOCI	-	-	-	-	(19,239)	-	-	(19,239)	1,810	(17,429)
– debt instruments at FVTOCI	-	-	-	-	228	-	-	228	-	228
Other comprehensive income/(expense) for the period	-	-	-	-	(19,011)	-	-	(19,011)	1,810	(17,201)
Profit for the period	-	-	-	-	-	-	12,038	12,038	11,238	23,276
Total comprehensive income/(expense) for the period	-	-	-	-	(19,011)	-	12,038	(6,973)	13,048	6,075
<b>At 30 September 2020</b>	<b>115,404</b>	<b>547,748</b>	<b>41,242</b>	<b>1,982</b>	<b>43,815</b>	<b>174,497</b>	<b>6,096,141</b>	<b>7,020,829</b>	<b>1,088,341</b>	<b>8,109,170</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended	
	30 September	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash inflow from operating activities	<b>99,052</b>	90,134
Cash flows from investing activities		
Additions to investment properties	<b>(15,771)</b>	(235)
Associates:		
Advance to associates	<b>(19)</b>	(41)
Distribution from associates	<b>3,351</b>	1,797
Additional investment	<b>–</b>	(58,500)
Financial instruments:		
Addition of equity instruments designated at FVTOCI	<b>–</b>	(23)
Proceeds from return of capital of equity instruments designated at FVTOCI	<b>1,882</b>	766
Proceeds from disposal of equity instruments designated at FVTOCI	<b>1,057</b>	–
Property, plant & equipment:		
Purchase of property, plant & equipment	<b>(327)</b>	(165)
Proceeds from disposal of property, plant & equipment	<b>50</b>	290
Dividend received from investments in equity instruments designated at FVTOCI	<b>4,692</b>	4,512
Interest received	<b>2,514</b>	2,556
Net cash used in investing activities	<b>(2,571)</b>	(49,043)
Cash flows from financing activities		
Repayment of lease liabilities	<b>(230)</b>	(490)
Interest paid	<b>(24,444)</b>	(33,760)
Other finance costs paid	<b>(1,678)</b>	(426)
Dividend paid to non-controlling shareholders of subsidiaries	<b>(24,800)</b>	–
Net cash used in financing activities	<b>(51,152)</b>	(34,676)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	For the six months ended	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net increase in cash and cash equivalents	<b>45,329</b>	6,415
Exchange difference	<b>5</b>	50
Cash and cash equivalents at the beginning of the period	<b>186,826</b>	390,267
Cash and cash equivalents at the end of the period	<b>232,160</b>	396,732
Analysis of the balances of cash and cash equivalents		
Bank balances, cash and deposits placed with banks up to three months' maturity	<b>232,160</b>	396,732

## NOTES TO FINANCIAL STATEMENTS

For the six months ended 30 September 2021

### 1. Basis of Preparation

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2021 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”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

### 2. Application of Hong Kong Financial Reporting Standards (“HKFRSs”) and Principal Accounting Policies

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

Other than changes in accounting policies resulting from application of amendments to HKFRSs, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2021 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2021. Details of the changes in accounting policies are set out below.

#### Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily 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 HKFRS 16	Covid-19 – Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

The application of the amendments to HKFRSs in the current period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

### **3. Financial Risks Management**

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and equity price risk. There have been no changes in the Group's financial risk management policies and procedures since the year ended 31 March 2021.

### **4. Segment Information**

Segment information is presented in respect of the Group primary business segments. In accordance with the internal financial reporting of the Group provided to the chief operating decision maker (i.e. Board of Directors) for the purposes of allocating resources to segments, assessing their performance and making strategic decisions, the reportable and operating segments are (i) properties and hotels and (ii) investments and others.

#### 4. Segment Information (Continued)

The following are the analysis of the Group's revenue and result; assets and liabilities by reportable and operating segments for the period under review:

##### Segment Revenue and Result

For the six months ended 30 September 2021 (30 September 2020)

	Properties and hotels		Investments and others		Consolidated	
	2021	2020	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Segment revenue</b>						
Company and subsidiaries	<b>130,204</b>	130,648	<b>5,030</b>	6,601	<b>135,234</b>	137,249
<b>Segment result</b>	<b>97,470</b>	101,998	<b>4,632</b>	6,167	<b>102,102</b>	108,165
Unallocated corporate expenses					<b>(121)</b>	(117)
Operating profit					<b>101,981</b>	108,048
Share of results of associates	<b>(21,094)</b>	(34,939)	-	-	<b>(21,094)</b>	(34,939)
Change in fair value of investment properties	<b>139,929</b>	(3,635)	-	-	<b>139,929</b>	(3,635)
Change in fair value of investments in equity instruments at FVTPL	<b>2,265</b>	(1,081)	-	-	<b>2,265</b>	(1,081)
Other gains and losses	-	-	<b>(264)</b>	(12)	<b>(264)</b>	(12)
Finance costs					<b>(24,547)</b>	(33,644)
Profit before taxation					<b>198,270</b>	34,737
<b>Other information</b>						
Capital expenditure	<b>15,790</b>	58,776	<b>327</b>	188	<b>16,117</b>	58,964

Segment result represents the profit earned by each segment without allocation of general administrative expenses incurred by corporate office, share of results of associates, change in fair value of investment properties, change in fair value of investments in equity instruments at FVTPL, other gains and losses and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and performance assessment.

#### 4. Segment Information (Continued)

##### Segment Assets and Liabilities

As at 30 September 2021 (31 March 2021)

	Properties and hotels		Investments and others		Consolidated	
	30 September	31 March	30 September	31 March	30 September	31 March
	2021	2021	2021	2021	2021	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	<b>8,311,292</b>	8,176,750	<b>321,414</b>	269,496	<b>8,632,706</b>	8,446,246
Interests in associates	<b>2,461,824</b>	2,510,172	-	-	<b>2,461,824</b>	2,510,172
Consolidated total assets					<b>11,094,530</b>	10,956,418
Segment liabilities	<b>(2,456,756)</b>	(2,446,462)	<b>(1,123)</b>	(2,257)	<b>(2,457,879)</b>	(2,448,719)
Unallocated corporate liabilities					<b>(2,318)</b>	(1,783)
Consolidated total liabilities					<b>(2,460,197)</b>	(2,450,502)

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable and operating segments other than interests in associates.
- all liabilities are allocated to reportable and operating segments other than creditors and other payables of investment holding companies.

##### Geographical Segments

In geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets. Overseas segments mainly include China, Thailand and Malaysia.

#### 4. Segment Information (Continued)

##### Geographical Segments (Continued)

##### Segment revenue

*For the six months ended 30 September 2021 (30 September 2020)*

	<b>2021</b> <b>HK\$'000</b>	2020 HK\$'000
Hong Kong	<b>134,114</b>	135,473
Overseas	<b>1,120</b>	1,776
	<b>135,234</b>	137,249

##### Segment assets

*As at 30 September 2021 (31 March 2021)*

	<b>30 September</b> <b>2021</b> <b>HK\$'000</b>	31 March 2021 HK\$'000
Hong Kong	<b>8,354,602</b>	8,174,595
Overseas	<b>278,104</b>	271,651
	<b>8,632,706</b>	8,446,246

## 5. Revenue

Disaggregation of revenue from contracts with customers by major service lines is as follows:

	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
<b>Revenue from contracts with customers within scope of HKFRS 15</b>		
Property expenses recovery from tenants	<b>19,753</b>	19,147
<b>Revenue from other sources</b>		
Rental income from property leasing	<b>110,451</b>	111,500
Dividend income		
– equity instruments designated at FVTOCI	<b>4,692</b>	4,512
Interest income		
– financial assets at amortized cost	<b>304</b>	2,059
– debt instruments at FVTOCI	<b>34</b>	31
	<b>135,234</b>	137,249

## 6. Finance Costs

	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
Interest on bank loans	<b>22,840</b>	33,208
Interest on lease liabilities	<b>29</b>	11
Other finance costs	<b>1,678</b>	425
	<b>24,547</b>	33,644

## 7. Profit Before Taxation

	2021 HK\$'000	2020 HK\$'000
<b>Profit before taxation has been arrived at after charging:</b>		
Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	6,440	5,573
Short-term lease payment for directors' quarters	1,560	1,560
Pension scheme contributions	128	128
Auditor's remuneration	300	305
Depreciation	457	340
<b>and after crediting:</b>		
Rental income from property leasing	110,451	111,500
Less: (direct outgoings)/add: other income	(2,266)	392
Listed investment income	4,127	3,240
Unlisted investment income	565	1,272
Interest income	338	2,090
Net exchange gain	3	49

## 8. Taxation

	2021		2020			
	Current taxation HK\$'000	Deferred taxation HK\$'000	Total HK\$'000	Current taxation HK\$'000	Deferred taxation HK\$'000	Total HK\$'000
Company and subsidiaries						
Hong Kong	8,861	2,559	11,420	8,840	2,371	11,211
Overseas	-	425	425	-	250	250
	8,861	2,984	11,845	8,840	2,621	11,461

Hong Kong profits tax has been provided at the rate of 16.5% (2020: 16.5%) on the estimated Hong Kong source assessable profits for the period. Overseas tax has been provided at the applicable rates in the countries in which the tax is levied.

## 9. Interim Dividend

The Board of Directors declares an interim dividend of HK1.0 cent (2020: nil) per ordinary share, totaling HK\$11,540,000 for the six months ended 30 September 2021 (2020: nil) to shareholders whose names appear on the register of members of the Company at the close of business on 27 January 2022. This amount is not included as a liability in these interim financial statements.

## 10. Earnings Per Share

Earnings per share is calculated on profit attributable to ordinary shareholders of the Company amounting to HK\$146,916,000 (2020: HK\$12,038,000) and on the 1,154,038,656 shares (2020: 1,154,038,656 shares) in issue during the period.

No diluted earnings per share have been presented for the periods ended 30 September 2021 and 30 September 2020 as the Company had no dilutive potential ordinary shares during both periods.

## 11. Investment Properties

	HK\$'000
<hr/>	
<b>Fair Value</b>	
At 1 April 2020	7,584,000
Additions	1,013
Revaluation	204,787
<hr/>	
At 31 March 2021 and 1 April 2021	<b>7,789,800</b>
Additions	<b>15,771</b>
Revaluation	<b>139,929</b>
<hr/>	
<b>At 30 September 2021</b>	<b>7,945,500</b>
<hr/>	

Investment properties are properties held by the owner or by the lessee as a right-of-use asset to earn rentals or for capital appreciation or both.

Investment properties have been valued at 30 September 2021 and 31 March 2021 by AA Property Services Limited, an independent professional valuer, who has recognized relevant professional qualifications and experiences in valuation of properties. The directors of the Company had on-going discussions with the valuers upon producing the valuation reports in respect of valuation assumption use and other inputs relevant for the valuations of the Group's investment properties.

As at 30 September 2021 and 31 March 2021, the fair value of the investment properties was determined on the basis of capitalization of the net income receivable with due allowance for reversionary income potential.

## 12. Debtors, Advances & Prepayments

Debtors, advances & prepayments comprised the following:

	<b>30 September 2021 HK\$'000</b>	31 March 2021 HK\$'000
Deferred rental receivables	<b>8,722</b>	11,143
Other deposits and prepayments	<b>9,729</b>	8,055
Debtors	<b>1,388</b>	4,518
	<b>19,839</b>	23,716

Debtors mainly comprise rental receivables. Rent from leasing of investment properties are normally received in advance.

At the reporting date, the aging analysis of the debtors based on the date of invoices and which are past due but not impaired was as follows:

	<b>30 September 2021 HK\$'000</b>	31 March 2021 HK\$'000
0 – 30 days	<b>1,175</b>	4,012
31 – 60 days	<b>173</b>	431
61 – 90 days	<b>2</b>	4
> 90 days	<b>38</b>	71
	<b>1,388</b>	4,518

## 13. Cash & Bank Balances

	<b>30 September 2021 HK\$'000</b>	31 March 2021 HK\$'000
Cash at bank and in hand	<b>35,577</b>	35,172
Short-term bank deposits	<b>196,583</b>	151,654
Cash and cash equivalents	<b>232,160</b>	186,826

#### 14. Creditors & Other Payables

	<b>30 September 2021 HK\$'000</b>	31 March 2021 HK\$'000
Creditors and other payables (due within one year)		
Rental deposits received	<b>31,695</b>	25,194
Accruals	<b>14,794</b>	13,088
Creditors	<b>7,249</b>	7,421
	<b>53,738</b>	45,703
Creditors and other payables (due more than one year)		
Rental deposits received	<b>36,688</b>	44,989
	<b>90,426</b>	90,692

At the reporting date, the aging analysis of the creditors based on the date of the invoices was as follows:

	<b>30 September 2021 HK\$'000</b>	31 March 2021 HK\$'000
0 – 30 days	<b>4,227</b>	5,357
31 – 60 days	<b>1,277</b>	748
61 – 90 days	<b>941</b>	451
> 90 days	<b>804</b>	865
	<b>7,249</b>	7,421

## 15. Secured Bank Loans

	<b>30 September 2021 HK\$'000</b>	31 March 2021 HK\$'000
Current		
Repayable within one year	<b>1,417,500</b>	2,281,000
Non-current		
Repayable more than one year but not exceeding two years	<b>263,500</b>	–
Repayable more than two years but not exceeding five years	<b>600,000</b>	–
	<b>863,500</b>	–

As at 30 September 2021 and 31 March 2021, all bank loans were denominated in Hong Kong dollars. The effective interest rate at 30 September 2021 was 1.33% p.a. (31 March 2021: 2.91% p.a.).

## 16. Guarantees & Commitments

	<b>30 September 2021 HK\$'000</b>	31 March 2021 HK\$'000
Guarantees		
– given to a bank by the Company in respect of banking facilities utilized by subsidiaries of the Company	<b>1,879,800</b>	1,879,800
Commitments (contracted but not provided for)		
– for total future minimum lease payments in respect of land and buildings		
– not later than one year	<b>1,110</b>	1,350
– for purchase of equity instruments designated at FVTOCI		
– not later than one year	<b>1,698</b>	1,776
	<b>1,882,608</b>	1,882,926

## **17. Investments in Debt Instruments at FVTOCI/Equity Instruments Designated at FVTOCI/Equity Instruments at FVTPL**

The Group's financial instruments are measured at fair value. They are classified as debt instruments at FVTOCI, equity instruments designated at FVTOCI and equity instruments at FVTPL. The financial instruments are grouped into 3 levels based on the degree to which the inputs to the fair value measurements are observable.

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: fair value measurements are those derived from inputs other than quoted prices included with level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## 17. Investments in Debt Instruments at FVTOCI/Equity Instruments Designated at FVTOCI/Equity Instruments at FVTPL (Continued)

The following table provides an analysis of the Group's financial instruments that are grouped into different levels of fair value measurements.

	30 September 2021				31 March 2021			
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>Investments in debt instruments at FVTOCI</b>								
<i>Debt securities classified as non-current assets</i>								
Listed outside Hong Kong	2,029	-	-	2,029	2,050	-	-	2,050
	<b>2,029</b>	-	-	<b>2,029</b>	2,050	-	-	2,050
<b>Investments in equity instruments designated at FVTOCI</b>								
<i>Equity investments classified as non-current assets</i>								
Listed in Hong Kong	97,618	-	-	97,618	113,152	-	-	113,152
Listed outside Hong Kong	-	-	-	-	981	-	-	981
Unlisted in Hong Kong	-	-	37	37	-	-	37	37
Unlisted outside Hong Kong	-	-	155,549	155,549	-	-	151,507	151,507
	<b>97,618</b>	-	<b>155,586</b>	<b>253,204</b>	114,133	-	151,544	265,677
<b>Investments in equity instruments at FVTPL</b>								
<i>Equity investments classified as non-current assets</i>								
Unlisted in Hong Kong	-	-	88,532	88,532	-	-	88,231	88,231
Unlisted outside Hong Kong	-	-	87,246	87,246	-	-	85,282	85,282
	-	-	<b>175,778</b>	<b>175,778</b>	-	-	173,513	173,513
	<b>99,647</b>	-	<b>331,364</b>	<b>431,011</b>	116,183	-	325,057	441,240

## 17. Investments in Debt Instruments at FVTOCI/Equity Instruments Designated at FVTOCI/Equity Instruments at FVTPL (Continued)

The fair value of the listed investments are measured using quoted prices in active market (level 1 inputs). They are derived from the current bid price of the listed shares, debt securities and investment funds at reporting date.

For unlisted investments that do not have quoted market price in active markets, they are measured using valuation techniques in which maximizing the use of observable market data where it is available (level 2 input).

For unlisted investments that do not have quoted market price in active markets, they are measured using valuation techniques in which any significant input is based on observable market data (level 3 inputs).

The unlisted equity instruments at FVTPL represents a 4% ownership in a company which indirectly holds an investment property in Shanghai, China and a 3.13% ownership in a company which indirectly holds an investment property in Tai Koo Shing, Hong Kong for rental income. The investments were classified as level 3.

The unlisted equity instruments at FVTOCI outside Hong Kong mainly represents a 9.75% ownership in a Malaysian private company with principal operation in property development in Malaysia. The fair value measurement remains at level 3.

The following table shows the movement of level 3 financial instruments during the period/year:

	<b>HK\$'000</b>
At 1 April 2020	296,768
Return of capital	(1,517)
Total gains or losses recognized due to change in fair value of investments:	
In profit or loss	(968)
In other comprehensive income	30,774
At 31 March 2021 and 1 April 2021	<b>325,057</b>
Return of capital	<b>(1,882)</b>
Total gains or losses recognized due to change in fair value of investments:	
In profit or loss	<b>2,265</b>
In other comprehensive income	<b>5,924</b>
<b>At 30 September 2021</b>	<b>331,364</b>

## 18. Related Party Transactions

### (a) Transaction with related parties

Based on the lease agreements signed with the related companies, rental income of HK\$6,293,000 (2020: HK\$5,781,000) was accounted for during the interim period.

### (b) Key management personnel compensation

The remuneration of Directors and other members of key management during the period were as follows:

	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
Directors' fees	<b>138</b>	138
Salaries, allowances and benefits	<b>4,866</b>	4,866
Pension scheme contributions	<b>36</b>	36
	<b>5,040</b>	5,040

## BUSINESS REVIEW

As the world entered its second year of the COVID-19 pandemic, we have seen hugely divergent plans among different countries on how to exit pandemic era policies. Western countries which were hit hard by the pandemic have all rolled out various “living with COVID” exit plans during the summer months of this year. On the other hand, East Asian countries have largely stuck to highly restrictive “zero tolerance” policies through Q3 this year.

In Hong Kong, the domestic economy has been recovering and we have seen falling unemployment on the back of record low interest rate and government subsidies such as the consumption voucher scheme. Mass market residential prices and sales volume had perform strongly during the year, strictly from domestic market demand. However, while the government here has successfully enforced the “zero COVID” policy, there is currently no roadmap on how we will emerge from these restrictions and the continued border closure had been devastating for the hotel and tourism industry. Even the normally resilient office sector has been under pressure, facing falling rents and higher vacancies.

While Thailand successfully contained the pandemic during the early days, the country had struggled to deal with an outbreak of the virus for much of this year due to insufficient vaccine availability. In addition to restrictions on inbound travelers, the government also implemented emergency measures on domestic travels. Although the sand box travel scheme for vaccinated travelers provided some relief to the island of Phuket, the majority of Thailand’s tourism industry remained in the doldrum.

For the six months ended 30 September 2021, total revenues for the Group including share of associates was HK\$149.3 million, compared to HK\$152.1 million during the same period in 2020. The slight drop in total revenues was due mainly to a drop in passive interest income. The Group’s investment properties have been relatively resilient during the period, providing HK\$130.2 million in revenues (2020: HK\$130.6 million). Operating profit was HK\$102.0 million, compared to HK\$108.0 million during the same period in 2020. The drop in operating profit was due to lower passive interest income and higher repairs and maintenance cost for the interim period 2021. With the InterContinental Hong Kong still closed and our hotels in Thailand continuing to struggle under COVID travel restrictions, share of results of associates suffered a loss

of HK\$21.1 million (2020: loss of HK\$34.9 million). On the other hand, change in fair value of investment properties recovered to a gain of HK\$139.9 million this period, compared to a loss of HK\$3.6 million for the interim period ended 30 September 2020. For the six months ended 30 September 2021, the Group's net profit improved substantially to HK\$186.4 million (2020: HK\$23.3 million), of which net profit attributable to shareholders was HK\$146.9 million (2020: HK\$12.0 million).

## **Property Investments (Hong Kong and Asia)**

### ***By Subsidiaries***

As of 30 September 2021, the occupancy rate at the Group's investment property Pioneer Place (245,678 sq. ft.) in Kwun Tong, Hong Kong dropped to 87% (30 September 2020: 100%). For the interim reporting period, Pioneer Place contributed rental and related revenues of HK\$30.8 million (2020: HK\$31.7 million) and fair value increase of HK\$20.0 million (2020: no fair value increase).

At the end of September 2021, the Group's 60% owned 68 Yee Wo Street Building (229,200 sq. ft.) in Causeway Bay, Hong Kong has an occupancy rate of 87%, (30 September 2020: 88%). For the six months ended 30 September 2021, the property contributed rental and related revenues of HK\$58.1 million (2020: HK\$60.4 million) and fair value increase of HK\$70.0 million (2020: no fair value increase).

The Club Lusitano Building (80,100 sq. ft.) in Central, Hong Kong has an occupancy rate of 90%, a slight increase compared to an occupancy rate of 88% as of 30 September 2020. For the interim period, the property contributed HK\$30.3 million (2020: HK\$29.6 million) in rental and related revenues and a fair value increase of HK\$34.2 million (2020: decrease of HK\$0.2 million).

The 56,740 sq. ft. commercial podium of Kiu Fat Building (115 – 119 Queen's Road West) in Sai Ying Pun, Hong Kong has an occupancy rate of 100% (30 September 2020: 54%). For the six months ended 30 September 2021, the property contributed HK\$9.9 million (2020: HK\$7.9 million) in rental and related revenues and a fair value increase of HK\$14.0 million (2020: decrease of HK\$5.4 million).

### ***By Associates***

The Group has an investment in Shanghai K. Wah Centre (7.7%), China through an associate. As of 30 September 2021, the property enjoys a 100% occupancy rate (30 September 2020: 94%) and the share of associate's results recorded a profit of HK\$6.9 million (2020: HK\$4.4 million).

The Group owns an effective stake of 5.1% in three adjacent commercial buildings in Tokyo, Japan through an associate. The three buildings are the Aoyama Building (400,594 sq. ft.), Mihashi Building (5,419 sq. ft.), and Clover Aoyama Building (9,250 sq. ft.) on Aoyama Dori on top of three subway lines. As of 30 September 2021, the three buildings have occupancy rates of 84%, 91%, and 70% (30 September 2020: 96%, 91% and 70%) respectively. These are relatively lower occupancy for these buildings which have historically enjoyed very high occupancies. We expect to see improvements as Japan has recently dropped its state of emergency restrictions during the last quarter and is now planning to start reopening the country to vaccinated business travelers. During the reporting period, this investment recorded a share of associate's profit of HK\$0.8 million (2020: HK\$6.1 million).

### ***By Equity Instruments***

The Group was part of an investment consortium that acquired the Cityplaza Three (half block) and Cityplaza Four in Tai Koo Shing, Hong Kong in 2019. The two adjacent buildings have a total GFA of 792,780 sq. ft. and the Group's investment constituted a 0.9% effective stake in the properties. As of 30 September 2021, the properties have an occupancy rate of 85% (30 September 2020: 98%). This investment recorded a fair value increase of HK\$0.3 million during the period (2020: decrease of HK\$6.8 million).

The Group has an investment in Ciro's Plaza (4.0%) in Shanghai, China through an equity instrument. As of 30 September 2021, the property had an occupancy rate of 87% (30 September 2020: 79%) and the investment recorded a fair value increase of HK\$2.0 million (2020: HK\$5.7 million).

### **Hotel Investments (Hong Kong and Thailand)**

The Group's investments in the hotel industry have all been made through associate companies.

The Group owns 30% in InterContinental Hong Kong and accounts for it as an associate company. The hotel is currently closed for major refurbishment and is planned to be reopened as The Regent Hotel Hong Kong in 2022, re-establishing the original name of the hotel when it was first opened in 1980. The only part of the hotel that remains operational has been the Yan Toh Heen Restaurant. Due to COVID social distancing policies in Hong Kong, business has been challenging especially for Chinese restaurants, where people traditionally prefer larger format meals. As such, the hotel only had revenues of HK\$12.9 million during the six months ended 30 September 2021 (2020: HK\$17.1 million), and suffered an operating loss of HK\$24.7 million during the period (2020: loss of HK\$99.5 million). The share of results from this associate recorded a loss of HK\$17.5 million (compared to HK\$47.1 million loss in 2020).

In Thailand, the Group's two hotels in Bangkok and Pattaya were heavily affected by COVID-19 travel restrictions imposed by the Thai government both for inbound and domestic travelers. For the six months ended 30 September 2021, the Pullman Bangkok Hotel G (owned by the Group's 49.5% owned associate company) had revenues of Baht 56.1 million (HK\$13.3 million equivalent) (2020: Baht 33.4 million, HK\$8.1 million equivalent) and operating loss of Baht 11.4 million (HK\$2.7 million equivalent) (2020: loss of Baht 33.1 million, HK\$8.0 million equivalent), with an average occupancy of 20% (2020: 4%). Though still obviously very challenging, the Pullman Bangkok Hotel G performance improved slightly from the previous year because of increase in inbound quarantine business. During the same period, the Pullman Pattaya Hotel G (held by the Group through the same 49.5% owned associate that holds the Pullman Bangkok Hotel G) had revenues of Baht 30.3 million (HK\$7.2 million equivalent) (2020: Baht 47.9 million, HK\$11.6 million equivalent) and operating loss of Baht 17.9 million (HK\$4.2 million equivalent) (2020: profit of Baht 3.3 million, HK\$0.8 million equivalent), with an average occupancy rate of 17% (2020: 20%). The Pullman Pattaya Hotel G performance dropped from the prior period largely because of Thailand's internal COVID policies restricting domestic travels between provinces. These policies decimated the domestic staycation business which was providing badly needed support to the tourism industry. Due to the aforementioned situation, the share of results of the associate recorded a loss of HK\$10.9 million during the period (2020: profit of HK\$4.1 million).

## PROSPECTS

Throughout the summer, leisure travels for destinations which have reopened in US and Europe saw strong demand and provided encouraging signs of how the world will look like if COVID era travel restrictions no longer exist. It is clear that people still enjoy to travel and the pent up demand is strong, albeit business travel will take longer to get back to normal compared to the leisure sector. As this report is being written, many Asian countries including Japan, South Korea, Singapore, Thailand, Malaysia, Australia have all announced or implemented plans to relax travel restrictions. The only major holdout is China (and by extension Hong Kong) which is continuing to steadfastly stick to “zero COVID” strategy. For everywhere outside of China and Hong Kong, we believe that the worst of the pandemic is behind us and people are ready to live with COVID as a part of our world. However, Asia’s travel industry will not fully recover as long as China’s outbound tourism doesn’t resume.

China, with its large domestic economy, seems destined to live with a closed border for a longer period. Hong Kong, on the other hand, is stuck in isolation as China has thus far required strict quarantine for travelers from Hong Kong. At the same time, it has been highly inconvenient for Hong Kong residents to travel to the rest of the world due to our government’s stringent quarantine measures. This has really undermined Hong Kong’s traditional position as the business hub of Asia.

## FINANCIAL REVIEW

### Liquidity and Financial Resources

The Group continued to enjoy a healthy financial position. As at 30 September 2021, the Group had cash and bank balances amounting to HK\$232.2 million (31 March 2021: HK\$186.8 million) together with an undrawn standby banking facility of HK\$50.0 million (31 March 2021: HK\$50.0 million). Cash and bank balances are mainly in Hong Kong dollars and United States dollars.

As at 30 September 2021, the total bank borrowings of the Group were HK\$2,281.0 million (31 March 2021: HK\$2,281.0 million). The bank loan of Pioneer Place of HK\$600.0 million was re-financed with a 3-year tenor in June 2021 and the bank loan of Club Lusitano Building of HK\$263.5 million was refinanced with a 2-year tenor in September 2021. The maturity profile of the bank borrowings is spread over a period of 3 years. As at 30 September 2021, 87% of the bank borrowings were on floating rate basis while 13% were on fixed rate basis. The Group’s total debt to total assets ratio was 20.6% (31 March 2021: 20.8%) and net debt to total assets ratio was 18.5% (31 March 2021: 19.1%).

There is no foreign currency risk to the Group's financial liabilities as they are all denominated in Hong Kong dollars. However, the Group has investments in associates operating in Thailand, China and Japan with carrying amounts of HK\$317.0 million, HK\$238.0 million and HK\$132.5 million equivalents respectively as at 30 September 2021 (31 March 2021: HK\$354.3 million, HK\$228.6 million and HK\$135.1 million equivalents respectively). The management will closely monitor the currency market and take any necessary measures to reduce the exposure.

### **Pledge of Assets**

As at 30 September 2021, investment properties with a carrying value of HK\$7,864.1 million (31 March 2021: HK\$7,710.1 million) were pledged to secure bank loan facilities to the extent of HK\$2,281.0 million (31 March 2021: HK\$2,281.0 million) of which all facilities have been fully utilized.

### **Contingent Liabilities**

As at 30 September 2021, the Group had guarantees HK\$1,879.8 million (31 March 2021: HK\$1,879.8 million) given to a bank in respect of banking facilities utilized by subsidiaries.

## **EMPLOYEES**

As at 30 September 2021, the number of salaried staff at the holding company level was 18 (31 March 2021: 18). The Group ensures that its employees' remuneration packages are competitive. Employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

## **DISCLOSURE OF DIRECTORS' INTERESTS**

As at 30 September 2021, the following Directors of the Company were interested, or were deemed to be interested in the following long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which (a) were required to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") adopted by the Company to be notified to the Company and the Stock Exchange.

## Long Position in Shares of the Company

### Number of ordinary shares

Name of director	Interests held			Total	%
	Personal interests	by controlled corporation	Interests held by family trust		
Rossana Wang Gaw	100,000	312,814,946 <sup>1</sup>	215,768,260 <sup>2</sup>	528,683,206	45.81
Kenneth Gaw	61,418,428	12,725,857 <sup>3</sup>	41,305,864 <sup>4</sup>	115,450,149	10.00
Christina Gaw	–	19,699,216 <sup>5</sup>	–	19,699,216	1.71
Stephen Tan	–	4,136,754 <sup>6</sup>	–	4,136,754	0.36

- Mrs. Rossana Wang Gaw owns the entire issued share capital of Forward Investments Inc. and Vitality Holdings Limited, which were beneficially interested in 283,200,215 and 29,614,731 shares respectively.
- Family trust of which Mrs. Rossana Wang Gaw is the sole beneficiary held an aggregate of 215,768,260 shares.
- Mr. Kenneth Gaw owns the entire issued share capital of Top Elite Company Limited, which was beneficially interested in 12,725,857 shares.
- Family trust of which Mr. Kenneth Gaw is the sole beneficiary held an aggregate of 41,305,864 shares.
- Ms. Christina Gaw owns the entire issued share capital of Eternity Rich Investments Limited, which was beneficially interested in 19,699,216 shares.
- Mr. Stephen Tan and his spouse together own 0.59% issued share capital of Bangkok Mercantile (Hong Kong) Company Limited (“Bangkok Mercantile”), besides, Mr. Stephen Tan and his brother jointly own 0.52% of Bangkok Mercantile which was beneficially interested in 4,136,754 shares. Mr. Stephen Tan is the Chairman of Bangkok Mercantile and its directors are accustomed to act in accordance with the direction of Mr. Stephen Tan.

## Long Position in Shares of Associated Corporations

Name of company	Name of director	Number of Ordinary shares held by controlled corporation	%
Pioneer Hospitality Siam (GBR) Limited	Rossana Wang Gaw	30,300,000*	50.5
Pioneer Hospitality Siam (GBR) Limited	Kenneth Gaw	30,300,000*	50.5
Keencity Properties Limited	Rossana Wang Gaw	5,019,205*	50.5
Keencity Properties Limited	Kenneth Gaw	5,019,205*	50.5

\* Interested by Mrs. Rossana Wang Gaw and Mr. Kenneth Gaw represented the same interests and were therefore duplicated amongst these two directors for the purpose of the SFO.

Save as disclosed above, as at 30 September 2021, none of the Directors of the Company were interested, or were deemed to be interested in the long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code adopted by the Company to be notified to the Company and the Stock Exchange.

## DISCLOSURE OF SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 September 2021, so far as the Directors were aware, the following persons (other than a director or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO.

Name of shareholder	Number of ordinary shares	%
Asset-Plus Investments Ltd.	115,351,866	9.99
Forward Investments Inc.	283,200,215 <sup>1</sup>	24.54
Intercontinental Enterprises Corp.	215,768,260 <sup>2</sup>	18.70
Prosperous Island Limited	97,324,936	8.43

- Forward Investments Inc. of which Mrs. Rossana Wang Gaw is the sole beneficiary held an aggregate of 283,200,215 shares, which duplicated to those disclosed in "Long Position in Shares of the Company".
- Family trust of which Mrs. Rossana Wang Gaw is the sole beneficiary held an aggregate of 215,768,260 shares, which duplicated to those disclosed in "Long Position in Shares of the Company".

Save as disclosed above, the Directors were not aware of any other persons (other than a director or chief executive of the Company) who, as at 30 September 2021, had interests or short positions in the shares and underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO.

## **DIRECTORS' RIGHT TO ACQUIRE SHARES**

As at 30 September 2021, no outstanding options granted under the share option scheme. During the six months period ended 30 September 2021, none of the directors had exercised any rights to subscribe for shares of the Company or any other body corporate.

## **INTERIM DIVIDEND**

The Board of Directors recommends the payment of an interim dividend for the six months ended 30 September 2021 at the rate of HK1.0 cent per share (2020: nil), payable on 24 February 2022 to all persons registered as shareholders on 27 January 2022. The transfer books and register of members of the Company will be closed from 25 January 2022 to 27 January 2022 both days inclusive, during which period no transfer of shares will be effected.

In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's 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 for registration not later than 4:30 p.m. on Monday, 24 January 2022.

## **REVIEW OF INTERIM REPORT**

The Audit Committee comprises three independent non-executive directors, including Dr. Charles Wai Bun Cheung, JP, Mr. Stephen Tan and Mr. Arnold Tin Chee Ip. The Committee has reviewed and recommended for board approval of the unaudited consolidated interim financial statements of the Group for the six months ended 30 September 2021.

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

During the six months ended 30 September 2021, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the shares of the Company.

## **CHANGE IN INFORMATION OF DIRECTOR**

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in information of Director since the date of the last annual report are set out below:

<b>Name of director</b>	<b>Detail of change</b>
Dr. Charles Wai Bun Cheung, JP	Resigned as an independent non-executive director of Yin He Holdings Limited whose shares are listed on the GEM Board of the Stock Exchange, with effect from 23 August 2021.

## CORPORATE GOVERNANCE

During the six months ended 30 September 2021, the Company has applied the principles of and complied with the applicable code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules.

## COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules for securities transactions by Directors of the Company. The Company having made specific enquiry of all Directors, confirmed that all Directors have complied with the required standard set out in the Model Code throughout the period ended 30 September 2021.

By Order of the Board

**Kenneth Gaw**

*Managing Director*

Hong Kong, 25 November 2021