

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

HKRI

香港興業國際集團有限公司*
HKR International Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00480)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

The Board of Directors (the “Board”) of HKR International Limited (the “Company”) announces the results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2022 (the “Period”).

INTERIM RESULTS

The Group’s unaudited revenue for the Period amounted to HK\$796.3 million, decreased by 57.7% from HK\$1,882.4 million (restated) in the last corresponding period. Since there has been no scheduled completion of property development projects until the second half of the financial year, both revenue and profit generated from sale of properties declined substantially.

During the Period, other factors affecting the underlying profit of the Group (excluding net unrealised losses on fair value change of investment properties) included: i) rising interest rates leading to an increase in net finance costs; ii) continuous depreciation of Renminbi, Thai baht and Japanese yen during the Period leading to net exchange losses arising from translating foreign currency denominated assets; iii) fair value loss of financial assets at fair value through profit or loss; and iv) decrease in the Group’s share of results of joint ventures.

As a result, the Group’s underlying profit excluding net unrealised losses on fair value change of investment properties of HK\$28.4 million accordingly declined by 92.4% from HK\$374.8 million in the last corresponding period. With the net unrealised losses on fair value change of investment properties included, the profit attributable to owners of the Company amounted to HK\$17.6 million, decreased by 96.5% from HK\$508.0 million in the last corresponding period.

Basic earnings per share were HK1.2 cents for the Period, compared to HK34.2 cents for the last corresponding period.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend to its shareholders for the Period. An interim dividend of HK3 cents per share was paid by the Company to its shareholders for the last corresponding period.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the six months ended	
		30 September	
	<i>Notes</i>	2022	2021
		HK\$'M	HK\$'M
		(unaudited)	(restated and unaudited)
Continuing operations			
Revenue	3	796.3	1,882.4
Cost of sales		<u>(443.5)</u>	<u>(1,059.0)</u>
Gross profit		352.8	823.4
Other income		105.1	126.5
Other gains and losses		(111.1)	(20.5)
Selling, administrative and other operating expenses		(310.2)	(304.7)
Change in fair value and gains/(losses) on disposal of investment properties			
Realised gains/(losses) on disposals		26.9	(1.1)
Unrealised (losses)/gains		(16.6)	118.6
Finance costs	4	(85.3)	(55.5)
Share of results of associates		(0.1)	–
Share of results of joint ventures		<u>123.8</u>	<u>158.9</u>
Profit before taxation	5	85.3	845.6
Taxation	6	<u>(46.4)</u>	<u>(224.4)</u>
Profit for the period from continuing operations		38.9	621.2
Discontinued operation			
Loss for the period from discontinued operation	8	<u>–</u>	<u>(0.2)</u>
Profit for the period		<u>38.9</u>	<u>621.0</u>
Profit for the period attributable to owners of the Company:			
From continuing operations		17.6	507.5
From discontinued operation	8	<u>–</u>	<u>0.5</u>
Profit for the period attributable to owners of the Company	7	<u>17.6</u>	<u>508.0</u>
Profit/(loss) for the period attributable to non-controlling interests:			
From continuing operations		21.3	113.7
From discontinued operation		<u>–</u>	<u>(0.7)</u>
Profit for the period attributable to non-controlling interests		<u>21.3</u>	<u>113.0</u>

		For the six months ended	
		30 September	
	<i>Note</i>	2022	2021
		<i>HK cents</i>	<i>HK cents</i>
		(unaudited)	(unaudited)
Earnings per share from continuing operations	<i>10</i>		
Basic		<u>1.2</u>	<u>34.2</u>
Diluted		<u>1.2</u>	<u>34.2</u>
Earnings per share from discontinued operation	<i>10</i>		
Basic		<u>-</u>	<u>-</u>
Diluted		<u>-</u>	<u>-</u>

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

	For the six months ended 30 September	
	2022	2021
	<i>HK\$'M</i>	<i>HK\$'M</i>
	(unaudited)	(unaudited)
Profit for the period	<u>38.9</u>	<u>621.0</u>
Other comprehensive (expense)/income:		
<i>Items that will not be reclassified to profit or loss</i>		
Investments in equity instruments measured at fair value through other comprehensive income:		
Fair value changes during the period	(21.4)	3.1
Deferred tax arising from fair value changes	<u>0.1</u>	<u>(0.2)</u>
	<u>(21.3)</u>	<u>2.9</u>
<i>Items that may be subsequently reclassified to profit or loss</i>		
Exchange differences arising from foreign joint ventures	(888.9)	130.5
Exchange differences arising from translation of other foreign operations	(743.3)	(80.3)
Release of exchange reserve upon deregistration of foreign subsidiaries	<u>1.9</u>	<u>(0.3)</u>
	<u>(1,630.3)</u>	<u>49.9</u>
Other comprehensive (expense)/income for the period, net of tax	<u>(1,651.6)</u>	<u>52.8</u>
Total comprehensive (expense)/income for the period	<u>(1,612.7)</u>	<u>673.8</u>
Total comprehensive (expense)/income attributable to:		
Owners of the Company	(1,634.0)	560.8
Non-controlling interests	<u>21.3</u>	<u>113.0</u>
	<u>(1,612.7)</u>	<u>673.8</u>
Total comprehensive (expense)/income attributable to owners of the Company arises from:		
Continuing operations	(1,612.7)	675.3
Discontinued operation	<u>-</u>	<u>(1.5)</u>
	<u>(1,612.7)</u>	<u>673.8</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	30 September 2022 HK\$'M (unaudited)	31 March 2022 HK\$'M (audited)
Non-current assets			
Investment properties		14,219.4	14,303.1
Property, plant and equipment		2,639.5	2,741.8
Right-of-use assets		79.6	85.5
Interests in associates		–	–
Interests in joint ventures		9,941.8	10,222.2
Properties held for development for sale		4,503.6	4,592.0
Equity instruments measured at fair value through other comprehensive income		21.8	44.2
Financial assets at fair value through profit or loss		462.4	528.0
Investments in debt instruments measured at amortised cost		58.8	73.0
Other assets		548.6	702.0
Deferred tax assets		60.0	57.6
		32,535.5	33,349.4
Current assets			
Inventories		34.9	32.5
Properties held for sale		780.4	877.8
Properties under development for sale		5,666.2	4,596.8
Trade receivables	11	51.9	63.9
Deposits, prepayments and other receivables		379.6	1,252.4
Amounts due from associates		4.1	4.1
Amounts due from joint ventures		199.0	205.3
Investments in debt instruments measured at amortised cost		41.2	34.3
Taxation recoverable		113.1	85.8
Bank balances and cash		1,920.4	2,717.7
		9,190.8	9,870.6
Assets classified as held for sale		–	187.5
		9,190.8	10,058.1
Current liabilities			
Trade payables, provision and accrued charges	12	1,037.4	1,081.3
Deposits received and other financial liabilities		150.4	159.9
Contract liabilities		78.5	138.8
Bank and other loans due within one year		2,295.9	2,390.8
Lease liabilities		5.8	7.1
Taxation payable		306.3	320.7
		3,874.3	4,098.6
Net current assets		5,316.5	5,959.5
Total assets less current liabilities		37,852.0	39,308.9

	30 September 2022 <i>HK\$'M</i> (unaudited)	31 March 2022 <i>HK\$'M</i> (audited)
Non-current liabilities		
Contract liabilities	54.1	63.8
Bank and other loans due after one year	8,669.2	8,264.6
Lease liabilities	48.9	52.6
Other liabilities due after one year	2,496.6	2,479.1
Deferred tax liabilities	392.9	502.5
	<u>11,661.7</u>	<u>11,362.6</u>
	<u>26,190.3</u>	<u>27,946.3</u>
Capital and reserves		
Share capital	371.3	371.3
Reserves	22,947.3	24,655.6
Equity attributable to owners of the Company	23,318.6	25,026.9
Non-controlling interests	2,871.7	2,919.4
	<u>26,190.3</u>	<u>27,946.3</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in the preparation of the condensed consolidated financial statement for the six months ended 30 September 2022 are consistent with those set out in the annual report for the year ended 31 March 2022 except as described in Note 2(a) below.

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

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Annual Improvements	Annual Improvements to HKFRSs 2018–2020 Cycle
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combinations

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

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

3. REVENUE AND SEGMENT INFORMATION

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

The segment information reported as below does not include the financial information of “Healthcare” operating segment as it has become a discontinued operation described in Note 8. Accordingly, the comparative figures of the segment information for the six months ended 30 September 2021 are represented.

Disaggregation of revenue

Continuing operations

	Property development <i>HK\$'M</i>	Property investment <i>HK\$'M</i>	Transportation services and property management <i>HK\$'M</i>	Hotel operations <i>HK\$'M</i>	Leisure businesses <i>HK\$'M</i>	Total <i>HK\$'M</i>
For the six months ended 30 September 2022						
Types of goods or services:						
Sales of properties	126.5	-	-	-	-	126.5
Hotel revenue	-	-	-	126.4	-	126.4
Other services rendered	<u>12.5</u>	<u>16.1</u>	<u>127.8</u>	<u>-</u>	<u>148.6</u>	<u>305.0</u>
Revenue from contracts with customers	139.0	16.1	127.8	126.4	148.6	557.9
Rental income	<u>-</u>	<u>237.5</u>	<u>0.4</u>	<u>-</u>	<u>0.5</u>	<u>238.4</u>
Consolidated revenue, as reported	<u>139.0</u>	<u>253.6</u>	<u>128.2</u>	<u>126.4</u>	<u>149.1</u>	<u>796.3</u>
Geographical markets:						
Hong Kong	58.2	240.5	128.2	100.8	149.1	676.8
Mainland China	80.4	12.8	-	-	-	93.2
Japan	-	0.3	-	-	-	0.3
South East Asia	<u>0.4</u>	<u>-</u>	<u>-</u>	<u>25.6</u>	<u>-</u>	<u>26.0</u>
Total	<u>139.0</u>	<u>253.6</u>	<u>128.2</u>	<u>126.4</u>	<u>149.1</u>	<u>796.3</u>
Timing of revenue recognition:						
A point in time	126.5	-	120.1	56.2	89.8	392.6
Over time	<u>12.5</u>	<u>16.1</u>	<u>7.7</u>	<u>70.2</u>	<u>58.8</u>	<u>165.3</u>
Total	<u>139.0</u>	<u>16.1</u>	<u>127.8</u>	<u>126.4</u>	<u>148.6</u>	<u>557.9</u>

	Property development <i>HK\$'M</i>	Property investment <i>HK\$'M</i>	Transportation services and property management <i>HK\$'M</i>	Hotel operations <i>HK\$'M</i>	Leisure businesses <i>HK\$'M</i>	Total <i>HK\$'M</i>
For the six months ended 30 September 2021						
Types of goods or services:						
Sales of properties	1,243.2	–	–	–	–	1,243.2
Hotel revenue	–	–	–	117.9	–	117.9
Other services rendered	<u>8.7</u>	<u>15.6</u>	<u>122.0</u>	<u>–</u>	<u>134.5</u>	<u>280.8</u>
Revenue from contracts with customers	1,251.9	15.6	122.0	117.9	134.5	1,641.9
Rental income	<u>2.9</u>	<u>237.1</u>	<u>0.4</u>	<u>–</u>	<u>0.1</u>	<u>240.5</u>
Consolidated revenue, as reported	<u>1,254.8</u>	<u>252.7</u>	<u>122.4</u>	<u>117.9</u>	<u>134.6</u>	<u>1,882.4</u>
Geographical markets:						
Hong Kong	804.7	225.9	122.4	108.9	134.6	1,396.5
Mainland China	440.3	–	–	–	–	440.3
Japan	–	26.8	–	–	–	26.8
South East Asia	<u>9.8</u>	<u>–</u>	<u>–</u>	<u>9.0</u>	<u>–</u>	<u>18.8</u>
Total	<u>1,254.8</u>	<u>252.7</u>	<u>122.4</u>	<u>117.9</u>	<u>134.6</u>	<u>1,882.4</u>
Timing of revenue recognition:						
A point in time	1,243.2	–	114.7	49.3	84.3	1,491.5
Over time	<u>8.7</u>	<u>15.6</u>	<u>7.3</u>	<u>68.6</u>	<u>50.2</u>	<u>150.4</u>
Total	<u>1,251.9</u>	<u>15.6</u>	<u>122.0</u>	<u>117.9</u>	<u>134.5</u>	<u>1,641.9</u>

Segment Information

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

Continuing operations

	Property development <i>HK\$'M</i>	Property investment <i>HK\$'M</i>	Transportation services and property management <i>HK\$'M</i>	Hotel operations <i>HK\$'M</i>	Leisure businesses <i>HK\$'M</i>	Total <i>HK\$'M</i>
For the six months ended 30 September 2022						
REVENUE						
Segment revenue – sales to external customers derived by the Group, an associate and joint ventures	184.8	1,108.1	128.2	126.4	149.1	1,696.6
Excluding revenue of an associate and joint ventures	<u>(45.8)</u>	<u>(854.5)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(900.3)</u>
Consolidated revenue, as reported	<u>139.0</u>	<u>253.6</u>	<u>128.2</u>	<u>126.4</u>	<u>149.1</u>	<u>796.3</u>
RESULTS						
Segment results – total realised results of the Group, associates and joint ventures (<i>note a</i>)	(126.5)	405.9	32.2	(4.9)	17.1	323.8
Excluding realised results of associates and joint ventures not shared by the Group	<u>15.0</u>	<u>(127.3)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(112.3)</u>
Results attributable to the Group	<u>(111.5)</u>	<u>278.6</u>	<u>32.2</u>	<u>(4.9)</u>	<u>17.1</u>	211.5
Unallocated other expenses						(13.0)
Unallocated corporate expenses						(58.8)
Finance costs and corporate level exchange difference						(89.8)
Net unrealised losses on fair value change of investment properties (<i>note b</i>)						(16.6)
Net unrealised gains on fair value change of investment properties attributable to the Group's interest in a joint venture, net of deferred tax						<u>5.6</u>
Profit for the period						38.9
Non-controlling shareholders' share of profit for the period						<u>(21.3)</u>
Profit for the period attributable to owners of the Company						<u>17.6</u>

	Property development HK\$'M	Property investment HK\$'M	Transportation services and property management HK\$'M	Hotel operations HK\$'M	Leisure businesses HK\$'M	Total HK\$'M
For the six months ended 30 September 2021						
REVENUE						
Segment revenue – sales to external customers derived by the Group, an associate and joint ventures	1,351.9	1,226.3	122.4	117.9	134.6	2,953.1
Excluding revenue of an associate and joint ventures	<u>(97.1)</u>	<u>(973.6)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(1,070.7)</u>
Consolidated revenue, as reported	<u>1,254.8</u>	<u>252.7</u>	<u>122.4</u>	<u>117.9</u>	<u>134.6</u>	<u>1,882.4</u>
RESULTS						
Segment results – total realised results of the Group, associates and joint ventures (<i>note a</i>)	274.3	459.6	26.9	(10.9)	4.1	754.0
Excluding realised results of associates and joint ventures not shared by the Group	<u>(2.1)</u>	<u>(145.7)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(147.8)</u>
Results attributable to the Group	<u>272.2</u>	<u>313.9</u>	<u>26.9</u>	<u>(10.9)</u>	<u>4.1</u>	606.2
Unallocated other expenses						(1.9)
Unallocated corporate expenses						(63.1)
Finance costs and corporate level exchange difference						(44.2)
Net unrealised gains on fair value change of investment properties (<i>note b</i>)						115.1
Net unrealised gains on fair value change of investment properties attributable to the Group's interest in a joint venture, net of deferred tax						<u>9.1</u>
Profit for the period						621.2
Non-controlling shareholders' share of profit for the period						<u>(113.7)</u>
Profit for the period attributable to owners of the Company						<u>507.5</u>

Notes:

- (a) The segment results of the Group include the entire results of associates and joint ventures, excluding the net unrealised gains or losses on fair value change of investment properties net of deferred tax arising from change in fair value.
- (b) The net unrealised losses on fair value change of investment properties for the six months ended 30 September 2022 of HK\$16.6 million (six months ended 30 September 2021: gains of HK\$115.1 million) represented the unrealised losses on fair value change of investment properties of HK\$16.6 million (six months ended 30 September 2021: gains of HK\$118.6 million) net of deferred tax charge arising from change in fair value of HK\$nil (six months ended 30 September 2021: HK\$3.5 million).

4. FINANCE COSTS

	For the six months ended	
	30 September	
	2022	2021
	HK\$'M	HK\$'M
Continuing operations		
Interests on		
Bank and other loans	98.6	55.4
Advances from non-controlling shareholders	30.0	15.9
Lease liabilities	1.2	1.1
Bank and other loans arrangement fees	<u>15.0</u>	<u>9.5</u>
	144.8	81.9
Less: Amounts included in the qualifying assets (<i>note</i>)	<u>(59.5)</u>	<u>(26.4)</u>
	<u>85.3</u>	<u>55.5</u>

Note: To the extent funds are borrowed generally and used for the purpose of financing certain properties under development for sale, assets under construction and investment properties under construction, the capitalisation rate used to determine the amounts of borrowing costs eligible for the capitalisation is 2.24% (six months ended 30 September 2021: 1.39%) per annum.

5. PROFIT BEFORE TAXATION

	For the six months ended	
	30 September	
	2022	2021
	HK\$'M	HK\$'M
Continuing operations		
Profit before taxation has been arrived at after (crediting)/charging:		
Bank and other interest income	(19.1)	(29.1)
Loss/(gain) on disposal of property, plant and equipment	0.1	(0.3)
Net gain on deregistration of subsidiaries	(0.5)	–
Net gain on disposal of subsidiaries	–	(2.2)
Net exchange loss	70.8	15.3
Depreciation on property, plant and equipment	96.1	97.5
Depreciation on right-of-use assets	4.4	4.4
Fair value change of financial assets at fair value through profit or loss	35.5	3.9
Impairment loss on investments in debt instruments measured at amortised cost	3.1	3.7
Government grants and subsidies	<u>(60.3)</u>	<u>(56.0)</u>

6. TAXATION

	For the six months ended	
	30 September	
	2022	2021
	<i>HK\$'M</i>	<i>HK\$'M</i>
Continuing operations		
Hong Kong Profits Tax calculated at 16.5% of the estimated assessable profit for the period	25.0	63.1
Overseas tax calculated at rates prevailing in respective jurisdictions	96.4	73.0
Land appreciation tax ("LAT")	<u>8.3</u>	<u>85.9</u>
	129.7	222.0
Deferred taxation for the period	<u>(83.3)</u>	<u>2.4</u>
	<u>46.4</u>	<u>224.4</u>

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

7. PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY

Profit for the period attributable to owners of the Company comprises:

	For the six months ended	
	30 September	
	2022	2021
	HK\$'M	HK\$'M
(a) Net unrealised (losses)/gains on change in fair value of investment properties during the period		
– The Group	(16.6)	118.6
Deferred tax charge	–	(3.5)
Attributable to non-controlling interests	<u>0.2</u>	<u>9.0</u>
	(16.4)	124.1
– Joint venture, net of deferred tax	<u>5.6</u>	<u>9.1</u>
	(10.8)	133.2
(b) Profits excluding net unrealised gains on change in fair value of investment properties		
From continuing operations	28.4	374.3
From discontinued operation	<u>–</u>	<u>0.5</u>
	28.4	374.8
Net accumulated gains on change in fair value of investment properties, net of deferred tax recognised in profit or loss in prior years for properties disposed of during the period	<u>9.2</u>	<u>45.1</u>
	37.6	419.9
Sub-total	26.8	553.1
Less: Net accumulated gains on change in fair value of investment properties, net of deferred tax recognised in profit or loss in prior years for properties disposed of during the period	<u>(9.2)</u>	<u>(45.1)</u>
Profit for the period attributable to owners of the Company	<u>17.6</u>	<u>508.0</u>

8. DISCONTINUED OPERATION

The Group had operated a comprehensive healthcare service network in Hong Kong and Macau. The operation was disposed during the year ended 31 March 2022.

The consolidated profit for the period ended 30 September 2021 from the discontinued operation is set out below. The comparative figures in the condensed consolidated statement of profit or loss have been re-presented to show Healthcare operating segment as discontinued operation.

	For the six months ended 30 September 2021 <i>HK\$'M</i>
Revenue	84.1
Cost of sales	<u>(68.1)</u>
Gross profit	16.0
Other income	0.1
Selling, administrative and other operating expenses	(15.8)
Finance costs	<u>(0.3)</u>
Profit before taxation	–
Taxation	<u>(0.2)</u>
Loss for the period	<u>(0.2)</u>
Profit/(loss) for the period attributable to:	
Owner of the Company	0.5
Non-controlling interests	<u>(0.7)</u>
	<u>(0.2)</u>

9. DIVIDENDS

	For the six months ended	
	30 September	
	2022	2021
	<i>HK\$'M</i>	<i>HK\$'M</i>
Final dividend paid for the financial year ended 31 March 2022 of HK5 cents (six months ended 30 September 2021: for the financial year ended 31 March 2021 of HK5 cents) per share	<u>74.3</u>	<u>74.3</u>

The directors of the Company do not declare any interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: HK3 cents per share totaling HK\$44.6 million).

10. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	For the six months ended 30 September	
	2022	2021
	<i>HK\$'M</i>	<i>HK\$'M</i>
Earnings		
Earnings for the purpose of calculating basic and diluted earnings per share arising from:		
Continuing operations	17.6	507.5
Discontinued operation	—	0.5
	<u>17.6</u>	<u>508.0</u>
	For the six months ended 30 September	
	2022	2021
Number of shares		
Number of ordinary shares in issue during the period for the purpose of calculating basic earnings per share	1,485,301,803	1,485,301,803
Effect of dilutive potential ordinary shares:		
Adjustment in relation to share options issued by the Company	—	—
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>1,485,301,803</u>	<u>1,485,301,803</u>

For the six months ended 30 September 2022 and 2021, diluted earnings per share was the same as the basic earnings per share since the share options had anti-dilutive effect.

11. TRADE RECEIVABLES

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

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

	30 September 2022	31 March 2022
	<i>HK\$'M</i>	<i>HK\$'M</i>
Not yet due	26.0	36.4
Overdue:		
0–60 days	11.6	18.9
61–90 days	3.6	4.4
Over 90 days	<u>10.7</u>	<u>4.2</u>
	<u>51.9</u>	<u>63.9</u>

12. TRADE PAYABLES, PROVISION AND ACCRUED CHARGES

At 30 September 2022, included in trade payables, provision and accrued charges are trade payables of HK\$158.2 million (31 March 2022: HK\$76.2 million), an aged analysis presented based on the payment due date at the end of the reporting period is as follows:

	30 September 2022 <i>HK\$'M</i>	31 March 2022 <i>HK\$'M</i>
Not yet due	145.6	41.8
Overdue:		
0–60 days	10.3	28.1
61–90 days	0.7	2.7
Over 90 days	1.6	3.6
	<u>158.2</u>	<u>76.2</u>

BUSINESS REVIEW

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

PROPERTY DEVELOPMENT AND INVESTMENT

The Group's revenue from property development and investment for the Period, including proportionate shares of joint ventures and associates of HK\$450.1 million, was HK\$842.7 million. The contribution of property development and investment in the Period, including proportionate shares of joint ventures and associates of HK\$118.1 million, was HK\$167.1 million.

Property Development

Hong Kong

Amid the pandemic's resurgence and strict social distancing measures at the beginning of the Period, economic activities were adversely impacted and property sales activities were also interrupted. With the negative impact from interest rate hike in major economies, Hong Kong's residential property market was inevitably affected, recording a modest downward trend for the transaction price. The market is likely to experience turmoil and the Group will remain cautious when implementing its strategies.

At Discovery Bay ("DB") (in which the Group holds a 50% interest), upgrade works and planning continued during the Period. The investments are indications of the Group's commitment to the community and its quest to turn a new page for Discovery Bay. Apart from providing high-quality housing that aligns with the market's expanding expectations, the current residential community will also be enhanced through renovation of infrastructure and facilities.

Under the Discovery Bay Master Plan 7.0E, the planning and development of a land plot in DB North continued. The whole project is expected to cover a gross floor area ("GFA") of over 1.3 million square feet and provide over 1,400 residential units. Construction of its first phase (Phase 19) commenced in February 2022, and the foundation work is expected to be completed by 2023.

For Discovery Bay Area 6f, the rezoning from staff quarters to residential use was approved in principle by the Town Planning Board in January 2022, and the master plan approval is being processed by the Lands Department. Upon completion, Area 6f will provide over 500 residential units. During the Period, further applications, which comprise changing the land use of Discovery Bay Service Area 10b and Marina Club Area B, were submitted to Town Planning Board.

Occupancy Permit of VILLA LUCCA (a 40:60 joint-venture with Hysan Development Company Limited), the luxury residential project with sea view in Tai Po, was obtained in May 2022. The project was co-created by 6 internationally acclaimed design teams of architectural, interior and landscape design professionals, and is equipped with a 34,000 square feet state-of-the-art clubhouse CLUB LUCCA, offering 30 recreational facilities. With its top-notch standards and convenient accessibility, VILLA LUCCA is well-positioned to benefit from the future Northern Metropolis Development Plan. Since the sales launch in August 2022, the project has been well received by the market.

In other districts, a number of development projects were in the pipeline. For the residential redevelopment project at Hollywood Road and Upper Lascar Row, foundation work commenced in May 2022.

The status of the Group's residential projects in Hong Kong as of 30 September 2022 is summarised below:

Poggibonsi, Discovery Bay (50% owned)	Total units: 196 Units sold: 189 (1 sold in FY2022/23 1H) Sale proceeds generated during the Period: HK\$24.2 million Revenue of 2 sold units recognised during the Period.
IL PICCO, Discovery Bay (50% owned)	Total units: 21 garden houses Units sold: 5
VILLA LUCCA, Tai Po (40% owned)	Total units: 262 Units sold: 9 Sale proceeds generated during the Period: HK\$255.7 million Revenue of sold units will be recognised after the Period.

Mainland China

During the Period, the residential market in mainland China faced headwinds as the economic activities were interrupted by the pandemic's resurgence, stringent containment measures, and the insolvency of some property developers. Construction progress and transaction volume of the residential property market slowed down as a result.

Facing subdued market sentiment, the Central Government and local governments launched a number of supportive measures. The residential property market is expected to consolidate and improve gradually. In Shanghai and other cities where the Group operates, the property market remained relatively stable and home prices were resilient.

The residential plot in Shanghai's Songjiang District, which the Group acquired in January 2022, will be developed into low-density residences providing a range of apartments and villas. Planning is underway and construction is scheduled to commence in early 2023.

In Hangzhou, development of IN One, the premium low-density 295-unit project is progressing with completion anticipated in 2023 and pre-sales have recently been launched in October 2022.

Pre-launch promotion activities for Starlight One, a deluxe residential project of 392 high-rise apartments and villas in Jiaxing, continued during the Period.

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

Projects	GFA (sq. ft.)	Status as of 30 September 2022
<i>Jiaxing, Zhejiang</i>		
Starlight One	768,000	392 high-rise apartments and villas. Construction work and pre-sale launch promotion in progress. Expected pre-sales: First quarter 2023. Expected completion: 2023
<i>Hangzhou, Zhejiang</i>		
IN One	430,000	245 low-rise apartments and 50 villas. Construction work in progress. Pre-sales launched in October 2022. Expected completion: 2023
<i>Shanghai</i>		
Land plot SJS30003-02-04 in Songjiang District	350,000	252 apartments and 57 villas with a plot ratio of 1:1. Planning in progress. Expected works commencement: Early 2023

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

Thailand

During the Period, Thailand gradually relaxed travel restrictions and began to reopen to overseas tourists. Despite this, Thailand's economy and tourist arrivals recovered slowly. Pre-pandemic levels of economic activity and tourist arrivals will not be reached for a while.

The Period saw market consolidation, during which we focused on securing necessary government approvals and prepared for planned development and sales activities to tap opportunities when market sentiment improves.

It is expected that the property market's outlook will turn brighter with the lifting of travel restrictions. The Group will continue to monitor the situation to assess appropriate development and investment opportunities, and replenish its landbank by considering land plots offered at reasonable prices.

Property Investment

Hong Kong

With the gradual relaxation of social distancing measures, end of mandatory closures of certain outlets and premises, and new round of Consumer Voucher Scheme issuances, economic activity started to revive. However, local consumption in August 2022 still recorded negative growth year-on-year. The overall retail leasing market is expected to continue to face headwind and experience volatility due to uncertain economic outlook. The Group has been taking proactive leasing efforts and a series of marketing campaigns to retain occupancy rate across projects.

The property investment projects in Discovery Bay, in which the Group holds a 50% interest, recorded stable performance during the Period. DB Plaza (including DB Plaza extension) and DB North achieved average occupancy rates of 87% and 90% respectively. Retail mall enhancement is under planning to upgrade the overall experience for DB residents and visitors.

Turning to the CDW Building in Tsuen Wan, the Group successfully retained major anchor tenants and secured a range of new tenants. As a result, an average occupancy rate of 93% was achieved during the Period. With the relaxation of social distancing measures, both retail sales and footfall of its retail arcade 8½ have been increasing since May 2022.

The United Daily News Centre in To Kwa Wan recorded an average occupancy rate of 97% during the Period. The approval of lease modifications from industrial to residential use has been sought and pending land premium proposal. During the Period, West Gate Tower, a 24-storey office building in Cheung Sha Wan, recorded a committed occupancy rate of 75% with new tenants acquired; the Wellgan Villa residential building in Kowloon Tong recorded an average occupancy rate of 76%.

Mainland China

The two office towers, HKRI Centres One and Two at HKRI Taikoo Hui (“HTH”) in Shanghai (in which the Group has a 50% interest), recorded a combined average occupancy rate of nearly 100%, while the retail mall recorded an average occupancy rate of 92% during the Period. The performance is attributable to a relatively high retention rate, including key anchor clients, as a result of continuous tenant retention efforts. New tenants were also secured with positive reversion in rental.

The HTH retail mall was closed during the city-wide lockdown in Shanghai from April to May 2022, and was further adversely impacted by various prolonged restrictions in June 2022. Amid this challenging backdrop, comprehensive COVID-19 action plans and reopening plans were formulated and implemented, and operations were swiftly resumed after the lockdown.

During the Period, the HTH retail mall turnover and footfall decreased by approximately 50% year-on-year due to the lockdown. With continuous effort in enhancing the tenant mix, HTH retail mall turnover and footfall have gradually regained momentum since July 2022.

In Hangzhou, the office tower of Jinsha INCITY was renamed HKR International Centre. The Group holds 156 office units and the right of use of 62 parking lots in the project. The property achieved an average occupancy rate of 94% during the Period, and successfully retained its anchor tenants.

Since the completion of acquisition of this project in January 2022, it has provided recurring income for the Group. To sustain the return stream, a range of tenant acquisition and retention efforts were implemented, including extended leasing pipelines and increased multi-media marketing efforts, coupled with upgraded tenant and property management services. The Group will continue strengthening its portfolio and extending the tenant base to more targeted industries while increasing competitiveness of the property with enhanced landlord provision.

The Group will continue to explore high-quality properties in mainland China, especially in the Yangtze River Delta region, to generate stable income growth.

TRANSPORTATION SERVICES AND PROPERTY MANAGEMENT

Transportation Services

The transportation operations in Discovery Bay are managed by the Group’s various subsidiaries (in which the Group has a 50% interest). Alongside with the gradually stabilised pandemic during the Period, sea and land transportation services demand has been steadily recovering. Nonetheless, skilled operating manpower shortage remained a key operational challenge owing to the increasingly competitive labour market. Temporary service customisation was implemented to navigate the evolving situation. Other challenges included rising operational costs on fuel and maintenance. The increased financial burden was partly alleviated by bus fare increment and the ferry service subsidy provided under the Government’s Special Helping Measures.

Sustainability initiatives centred on emission controls remained the focus of the Group’s strategic considerations for transportation services. Three newly ordered Euro VI-compliant double-deck buses will be delivered in the second half of the 2022/23 financial year. By

then, it is expected that peak-hour land transport carrying capacity will be further improved. Plans are underway to procure new electric single-deck bus and operational support vehicles with zero emission.

Refurbishment of the Discovery Bay Pier began in October 2022 and the Central Pier 3 will also undergo renovations upon government approval. These initiatives will enhance the customer experience and provide greater comfort for residents and visitors.

Property Management

The Group's property management services in Discovery Bay and elsewhere in Hong Kong continued to perform well. The team is committed to service excellence, and was appointed as the property manager of VILLA LUCCA.

The property management team strives to build a community with love and care. A multi-dimensional engagement network has been established to connect families in Discovery Bay, by providing greenhouse farming and floral arrangement workshops, offering caring activities and services for the senior citizens, and organising popular events including baking competition and dragon boat races.

HOTEL OPERATIONS AND LEISURE BUSINESSES

Hotel Operations

With the pandemic being stabilised and the social distancing measures having been gradually relaxed, this business segment recovered steadily over the latter part of the Period. However, it will take some time to reach pre-pandemic levels, as prolonged travel restrictions across the globe over the past few years adversely affected the hospitality industry.

Hong Kong

During the Period, the fifth wave of pandemic receded and the market started to recover. With the popularity of staycations continue, Auberge Discovery Bay Hong Kong (in which the Group holds a 50% interest) built on the success last year and introduced other themed staycation packages accompanied by a series of new marketing efforts. As a result, the hotel recorded an average occupancy rate of 72% during the Period.

Mainland China

In Shanghai, the city-wide lockdown from April to May 2022 and the continued restrictions in June 2022 adversely affected the operations of The Sukhothai Shanghai and The Middle House (the Group holds a 50% interest in both). Nonetheless, boosted by the Government's successful containment of the pandemic, average occupancy rates of the hotels recovered after the lockdown.

Thailand

In Thailand, travel restrictions were gradually relaxed during the Period, and visitor arrivals are expected to grow steadily. The Sukhothai Bangkok is expected to benefit from the ongoing rebound of Thailand's tourism industry. During the Period, the construction of The Sukhothai Spa, a new luxury spa complex at The Sukhothai Bangkok, began and it is scheduled to open in 2023.

Leisure Businesses

The various establishments under the leisure business segment continued to deliver good results, further shaping Discovery Bay into a popular leisure hub in Hong Kong.

At Lantau Yacht Club (“LYC”), visiting members increased during the Period, partly driven by the market’s enthusiastic response to the LYC’s “yachtcation” package and introduction of comprehensive yacht services via strategic partners. Discovery Bay Golf Club (“DBGC”) recorded a high number of golf rounds during the Period, the result of its top-notch services and unique golf courses, which attracted additional golfers amid border control measures. Going forward, plans are underway to further enhance LYC and DBGC in 2023.

With its international-sized rink and state-of-the-art amenities, DB Ice Rink has grown to become the preferred venue for ice hockey and ice skating. It has been chosen as the venue host for Skate Asia 2023, one of the world’s leading team skating competitions.

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

HUMAN RESOURCES

As of 30 September 2022, the Group had a total of 1,443 employees.

The Group frequently reviews its staff benefits to maintain its competitive edge in the human capital market. During the Period, a series of new staff benefits were introduced in Hong Kong office, including Birthday Leave and special awards for long-service staff, as marks of appreciation for employees’ contributions.

Employees’ well-being is one of our top priorities. Casual Friday was launched in the Hong Kong office to promote participation in recreational activities after work. To create a healthier, happier and more productive working environment, we regularly organised various physical and mental health activities under “The PRI²DE Wellness Programme”. Activities include webinars by registered dietitian and physiotherapist.

During the Period, the Group was recognised with the “Manpower Developer – Grand Prize Award 2020-22” under ERB Manpower Developer Award Scheme organised by Employees Retraining Board, and “e-Contribution Award”, “MPF Support Award” and “Good MPF Employer 5 Years+”, by Mandatory Provident Fund Schemes Authority.

OUTLOOK

Amid the multiple impact from high inflation, escalating geopolitical tensions, and the lingering COVID-19 pandemic, the International Monetary Fund forecasts that world growth will slow to 3.2% in 2022 from 6.0% in 2021, with expansion expected to decline further in 2023. Economic activity was significantly curtailed in mainland China and Hong Kong over the Period. Particularly, with the pandemic surge in the first quarter of 2022, various industries were hard hit. While a series of support measures from the governments have led to modest signs of economic improvement, the market outlook remains mixed and there is a long way to return to pre-pandemic levels.

HKRI TURNS 45 • TOGETHER WE FORTIFY

2022 marks the 45th anniversary of the Group's establishment. Having weathered various market conditions over the past 45 years with its tested corporate strategies, the Group will continue to adopt a multi-pronged approach to navigate the challenges of recent market volatility and fuel long-term growth.

STRATEGIC ROADMAP TO A BETTER FUTURE

Since the last financial year, the Group has simplified its business structure to better focus on its core businesses, strengthened its portfolio and land bank, and equipped itself with a number of measures to enhance market risk management. The Group has also kick-started the strategic DB 2.0 Masterplan for Discovery Bay. On top of the new residential developments which will be launched in phases starting from 2024, the Group targets to renovate the infrastructure facilities and upgrade clubhouses and leisure facilities to provide more green spaces, quality homes and upgraded leisure experiences for residents and visitors.

Going forward, the Group will continue to harness the Greater Bay Area's development and expand its business in the Yangtze River Delta Region, diversifying its portfolio with multiple residential, commercial and hospitality projects. It will further cement its solid balance sheet and fundamentals, and reputation for building premium quality properties and communities.

Together with its stakeholders, the Group shall continue to pursue a sustainability strategy and realise the Group's vision of creating better living for the society. Against the challenging market backdrop, the Group will remain vigilant, and leverage opportunities to better grow its businesses.

FINANCIAL REVIEW

SEGMENT RESULT ANALYSIS

Property Development

Segment result of the property development segment recorded a loss of HK\$111.5 million (six months ended 30 September 2021: profit of HK\$272.2 million). As there was no scheduled completion of new development projects during the Period, both revenue and profit generated from sales of properties were thereby affected. As of 30 September 2022, the Group has HK\$29.8 million contracted but unrecognised property sales.

Property Investment

Segment profit of the property investment segment decreased by 11.2% to HK\$278.6 million (six months ended 30 September 2021: HK\$313.9 million). During the Period, the Group completed disposal of all investment portfolio in Japan with realised gains of HK\$26.9 million generated on disposal of two remaining investment properties. Due to lockdowns in mainland China, the Group recorded a decline in the Group's share of result of joint venture, HTH. The overall net rental contribution from other properties in Hong Kong has remained stable.

Transportation Services and Property Management

Segment profit of the transportation services and property management segment increased by 19.7% to HK\$32.2 million (six months ended 30 September 2021: HK\$26.9 million). Though average daily riderships of ferry and bus services provided in Discovery Bay have improved since the end of preceding financial year, they were still lower than the levels achieved in the last corresponding period. The impact was however mitigated by: i) bus fare rate adjustment with effect from July 2022 for all the routes; ii) various subsidies from the government including the Anti-epidemic Fund relieving the cost pressure on operating and maintenance cost; and iii) the Group's property management services maintaining its stable revenue and profit contribution to the segment.

Hotel Operations

The segment loss of the hotel operations segment decreased to HK\$4.9 million for the Period (six months ended 30 September 2021: HK\$10.9 million) as occupancy of hotel operations in Thailand has improved and Auberge Discovery Bay Hong Kong maintained its unique market position on local staycation.

Leisure Businesses

The leisure businesses segment, which primarily includes Discovery Bay Recreation Club, Club Siena, DBGC, LYC and DB Ice Rink, recorded segment profit of HK\$17.1 million for the Period (six months ended 30 September 2021: HK\$4.1 million). The upgraded club facilities of DBGC and LYC have attracted usages as well as a greater number of debenture transfers and other membership services which generated extra fee incomes.

LIQUIDITY AND FINANCIAL RESOURCES

Net Debt and Capital Structure

As of 30 September 2022, the Group had total bank balances and cash of HK\$1,920.4 million (31 March 2022: HK\$2,717.7 million) and a net debt of HK\$9,044.7 million (31 March 2022: HK\$7,937.7 million) after deducting total bank borrowings and other loans of HK\$10,965.1 million (31 March 2022: HK\$10,655.4 million).

As of 30 September 2022, about 50% of the Group's bank balance and cash were denominated in Hong Kong dollars, 20% in Renminbi, 4% in US dollars, 23% in Japanese yen and the remaining were mainly in Singapore dollars and Thai baht.

As of 30 September 2022, the Group's debt portfolio comprised of primarily bilateral and syndicated bank loans to finance its general working capital and the development projects. The unlisted notes of HK\$300 million was issued under Medium Term Note programme in May 2021.

The maturity profile of bank borrowings and other loans were 20.9% (31 March 2022: 22.4%) falling within one year, 32.3% (31 March 2022: 30.4%) falling between one and two years, 44.1% (31 March 2022: 44.4%) falling between two and five years and 2.7% (31 March 2022: 2.8%) falling over 5 years.

As of 30 September 2022, all bank borrowing and other loans were at floating rate bases whereas the unlisted notes were in fixed coupon rate. The Group's total bank borrowings and other loans were all denominated in Hong Kong dollars.

Shareholders' Fund and Gearing

As of 30 September 2022, the shareholders' funds of the Group decreased by HK\$1,708.3 million to HK\$23,318.6 million (31 March 2022: HK\$25,026.9 million).

The Group's gearing ratio was 38.8% (31 March 2022: 31.7%) as calculated by the Group's consolidated net borrowings to the shareholders' funds as of 30 September 2022.

Availability of Facilities

Total available loan facilities as of 30 September 2022 were HK\$16,901.0 million (31 March 2022: HK\$14,638.6 million), of which 88.1% were committed.

As of 30 September 2022, the unutilised credit facilities were approximately HK\$5,908.2 million (31 March 2022: HK\$3,956.2 million). The Group closely monitors its liquidity requirements and arranges financing for its development projects and operations as and when appropriate.

During the Period, the average financing cost was at 1.8% per annum as compared to 1.1% per annum in the last corresponding period.

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

TREASURY POLICY

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

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

MAJOR DISPOSAL

The disposal of two investment properties in Japan which the sales and purchase agreements were entered into in February 2022 at total consideration of HK\$237.4 million, was completed and the balance payment was received in April 2022.

PLEDGE OF ASSETS

As of 30 September 2022, the loans to a joint venture by the Group including interest payable amounting to approximately HK\$1,503.8 million (31 March 2022: HK\$854.5 million) were subordinated to banks to secure a banking facility granted to the joint venture for financing the development in Tai Po.

FINANCIAL GUARANTEE CONTRACTS

The Group had financial guarantee contracts relating to a corporate guarantee on the Group's proportionate share to the extent of HK\$95.9 million (31 March 2022: HK\$107.1 million) as at 30 September 2022 given to a bank in respect of a banking facility granted to an investee company.

The Company provided a corporate guarantee in proportionate share to banks for securing a banking facility granted to a joint venture to finance the development in Tai Po. The bank loan balance in proportionate share of 40% is HK\$1,206.5 million (31 March 2022: HK\$1,616.1 million) as of 30 September 2022.

Save as disclosed above, the Group did not have other significant financial guarantee contract as of 30 September 2022.

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

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

CORPORATE GOVERNANCE

The Company is committed to good corporate governance which it believes to be core to the success of its businesses and operations.

During the Period, the Company has applied the principles and complied with all applicable code provisions, and certain recommended best practices of the Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Listing Rules. For the enhancement of the corporate governance of the Group and in compliance with the CG Code, the Company has established the Company Culture Policy, the Whistleblowing Policy and the Anti-Fraud Policy, all are available at the website of the Company at www.hkri.com.

REVIEW OF INTERIM RESULTS

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

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

Hong Kong, 16 November 2022

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

Executive Chairman

Mr CHA Mou Zing Victor

Non-executive Deputy Chairman

Ms WONG CHA May Lung Madeline

Executive Directors

Mr TANG Moon Wah (*Managing Director*)

Mr CHEUNG Ho Koon

Ms NGAN Man Ying

Non-executive Directors

Mr CHA Mou Daid Johnson

Mr CHA Yiu Chung Benjamin

Independent Non-executive Directors

Mr CHEUNG Wing Lam Linus

Mr FAN Hung Ling Henry

Ms HO Pak Ching Loretta

Ms Barbara SHIU

Mr TANG Kwai Chang

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