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CHI HO DEVELOPMENT HOLDINGS LIMITED

潛濤發展控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8423)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2022

The board (the “**Board**”) of directors (the “**Directors**”) of Chi Ho Development Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries for the nine months ended 31 December 2022 (the “**Third Quarterly Results**”). This announcement, containing the full text of the third quarterly report of the Company for the nine months ended 31 December 2022 (the “**Third Quarterly Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) in relation to information to accompany the preliminary announcement of the Third Quarterly Results. The Third Quarterly Report will be despatched to the shareholders of the Company and available for viewing on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.chdev.com.hk on 10 February 2023.

By order of the Board
Chi Ho Development Holdings Limited
Leung Ka Ho, Raymond
Chairman of the Board and Executive Director

Hong Kong, 10 February 2023

As at the date of this announcement, the executive Directors are Mr. Leung Ka Ho, Raymond and Mr. Ho Chi Kwan; and the independent non-executive Directors are Mr. Leung Hung Kwong, Derrick, Mr. Moy Yee Wo, Matthew and Mr. Yau Sze Yeung.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the date of its publication and on the website of the Company at www.chdev.com.hk.

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the “**Directors**”) of Chi Ho Development Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”, “**we**”, “**our**” or “**us**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

This report will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least seven days from the date of its publication and the Company’s website at www.chdev.com.hk.

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the nine months ended 31 December 2022, together with the unaudited comparative figures for the corresponding period in 2021, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three and nine months ended 31 December 2022

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	3	92,631	70,344	261,482	199,017
Cost of sales		(80,209)	(60,287)	(227,079)	(170,414)
Gross profit		12,422	10,057	34,403	28,603
Other income		837	92	1,389	100
Impairment losses under expected credit loss model, net of reversal		-	-	(577)	-
Other expenses		-	(12)	-	(603)
Administrative expenses		(6,425)	(4,859)	(15,907)	(11,936)
Finance costs		(1,056)	(628)	(3,386)	(1,694)
Profit before taxation		5,778	4,650	15,922	14,470
Income tax expense	4	(1,073)	(769)	(2,849)	(2,300)
Profit for the period		4,705	3,881	13,073	12,170
Other comprehensive income for the period:					
Revaluation of property upon transfer to investment property		-	2,355	-	2,355
Total comprehensive income for the period		4,705	6,236	13,073	14,525
Earnings per share					
– Basic (HK cents)	6	0.59	0.49	1.63	1.52

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2022

	Share capital	Share premium	Property revaluation reserve	Other reserve	Retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2022 (audited)	8,000	33,777	2,355	2,200	89,547	135,879
Profit and total comprehensive income for the period	-	-	-	-	13,073	13,073
Dividends recognised as distribution	-	(2,000)	-	-	-	(2,000)
At 31 December 2022 (unaudited)	8,000	31,777	2,355	2,200	102,620	146,952
At 1 April 2021 (audited)	8,000	35,777	-	2,200	81,525	127,502
Profit for the period	-	-	-	-	12,170	12,170
Other comprehensive income for the period						
Revaluation of property upon transfer to investment property	-	-	2,355	-	-	2,355
Total comprehensive income for the period	-	-	2,355	-	12,170	14,525
Dividends paid	-	(2,000)	-	-	-	(2,000)
At 31 December 2021 (unaudited)	8,000	33,777	2,355	2,200	93,695	140,027

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2022

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 18 October 2016 under the Companies Act (as revised) of the Cayman Islands and its shares (the "**Shares**") have been listed on GEM of the Stock Exchange since 13 March 2017 (the "**Listing**"). The ultimate and immediate holding companies are two companies namely, Sharp Talent Holdings Limited ("**Sharp Talent**") and Diamondfield Holdings Limited ("**Diamondfield**"), which are owned by Mr. Leung Ka Ho, Raymond and Mr. Ho Chi Kwan who are parties acting in concert, respectively.

The address of the registered office and principal place of business of the Company are at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands and Units 901, 902 and 908, 9/F, Magnet Place Tower 1, 77-81 Container Port Road, Kwai Chung, New Territories, Hong Kong, respectively.

The Company acts as an investment holding company. The Company's subsidiaries are principally engaged in (i) provision of renovation and maintenance works, alteration and addition works ("**RMAA**") and fitting-out works, site formation and geotechnical works, and new capital works in Hong Kong; and (ii) property investment in Hong Kong to earn rental income.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollar ("**HK\$**") which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2022 have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure requirements of the GEM Listing Rules. The unaudited condensed consolidated financial statements for the nine months ended 31 December 2022 should be read in conjunction with the audited consolidated financial statements for the year ended 31 March 2022 which have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**").

Other than the changes in accounting policies resulting from application of new and amendments to HKFRSs, the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the nine months ended 31 December 2022 are consistent with those applied in the audited consolidated financial statements for the year ended 31 March 2022.

The unaudited condensed consolidated financial statements have been prepared under the historical cost convention, except for investment property that is measured at fair values.

The preparation of the unaudited condensed consolidated financial statements requires the use of certain critical accounting estimates. It also requires the management to exercise their judgements in the process of applying the Group's accounting policies.

The unaudited condensed consolidated financial statements have not been reviewed by the Company's auditor, but have been reviewed by the Company's audit committee.

3. REVENUE

Revenue represents the fair value of amounts received and receivable by the Group in respect of provision of the construction services (which included RMAA and fitting-out works, site formation and geotechnical works, and new capital works) to external customers and rental income from property investment in Hong Kong.

For the purposes of resources allocation and performance assessment, the chief operating decision maker, being the executive Directors of the Company, reviews the overall results and financial position of the Group as a whole prepared based on the same set of accounting policies. The Group's reportable and operating segments under HKFRS 8 "Operating Segments" are as follows:

1. Construction — RMAA and fitting-out works, site formation and geotechnical works, and new capital works in Hong Kong
2. Property — property investment in Hong Kong

An analysis of the Group's reportable segment revenue by reportable and operating segment is as follows:

For the nine months ended 31 December 2022

	Construction <i>HK\$'000</i> (Unaudited)	Property <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Revenue			
Renovation and maintenance works	130,414	–	130,414
Alteration and addition works, and fitting-out works	48,108	–	48,108
Mixed projects (<i>note</i>)	81,098	–	81,098
Site formation and geotechnical works	–	–	–
New capital works	1,567	–	1,567
	261,187	–	261,187
Revenue from contracts with customers	261,187	–	261,187
Revenue from property leasing	–	295	295
	261,187	295	261,482
Total segment revenue	261,187	295	261,482

For the nine months ended 31 December 2021

	Construction HK\$'000 (Unaudited)	Property HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Revenue			
Renovation and maintenance works	76,658	–	76,658
Alteration and addition works, and fitting-out works	34,178	–	34,178
Mixed projects (<i>note</i>)	87,274	–	87,274
Site formation and geotechnical works	907	–	907
Revenue from contracts with customers	199,017	–	199,017
Revenue from property leasing	–	–	–
Total segment revenue	199,017	–	199,017

Note: Mixed projects represent the mixture of both RMAA and fitting-out works provided in a project.

4. INCOME TAX EXPENSE

	Three months ended 31 December		Nine months ended 31 December	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Hong Kong Profits Tax				
— Current period	1,073	769	2,849	2,300

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, Hong Kong Profits Tax of a subsidiary, namely Fulam Construction Engineering Company Limited, for both periods is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million. For other entities of the Group, they are taxed at a flat rate of 16.5% for both periods.

5. DIVIDEND

The Board resolved not to declare any interim dividend for the nine months ended 31 December 2022 (nine months ended 31 December 2021: nil).

6. EARNINGS PER SHARE

The calculations of basic earnings per share attributable to the owners of the Company for the three months and nine months ended 31 December 2022 are based on the followings:

	Three months ended 31 December		Nine months ended 31 December	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Earnings:				
Earnings for the purpose of basic earnings per share (profit for the period)	4,705	3,881	13,073	12,170
	'000	'000	'000	'000
Number of shares:				
Weighted average number of ordinary shares for the purpose of basic earnings per share	800,000	800,000	800,000	800,000

No diluted earnings per share for both periods were presented as there were no dilutive potential ordinary shares outstanding.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is an established main contractor for the provision of RMAA and fitting-out works, site formation and geotechnical works, and new capital works in Hong Kong. The Group is responsible for the overall management, implementation and supervision of projects. The Group focuses on the management of projects, development of work programmes, procurement of works materials, operation of site works, co-ordination with the customers or their consultants and the environmental, safety and quality control of the works carried by the employees and the subcontractors. The Group also engages in property investment in Hong Kong and earns rental income.

In respect of renovation and maintenance works, the Group encompasses the general upkeep, restoration and improvement of existing facilities and components of the buildings and their surroundings. As for alteration and addition works and fitting-out works, the Group revolves around the alteration and addition of building layout and structural works and decoration works to the interior spaces to the existing premises.

For the nine months ended 31 December 2022, there were 47 projects (nine months ended 31 December 2021: 38 projects) with revenue contribution undertaken by the Group. During the nine months ended 31 December 2022, the Group was awarded 22 (nine months ended 31 December 2021: 18) new projects with total original contract sum of approximately HK\$268.7 million (nine months ended 31 December 2021: HK\$255.4 million).

Since the first confirmed case of COVID-19 in Hong Kong was reported in January 2020, the Directors have been closely monitoring the development of the outbreak of COVID-19 (the “**Pandemic**”) and keeping communication with the Group’s customers, suppliers and subcontractors proactively and regularly to ascertain whether the Pandemic would lead to (i) any significant impact on the status or progress of ongoing projects; and (ii) any supply shortages on construction materials and labour resources.

In view of the ongoing Pandemic, the Directors have implemented the following policies to minimise the impact of the Pandemic on the Group's business operations:

- (i) to discuss and prepare the contingency plans during the planning stage of projects. The contingency plans would generally include the assignment of alternate personnel to replace any project team members in the event they have any respiratory symptom, and the details of alternate suppliers and subcontractors;
- (ii) to avoid shortage in supply of construction materials due to temporary closure of the suppliers' production facilities, transportation constraints or any disruption of the supply chain of construction materials, the Group would obtain more quotations from different suppliers for back-up purpose; and
- (iii) to ensure sufficient labour resources, the Group would obtain more quotations from different subcontractors for back-up purpose.

In addition, in response to the Pandemic, the Group have implemented the following precautionary measures:

- (i) require staff and visitors to wear a surgical mask when staying at office or work site at all times;
- (ii) monitor the stock level of personal care products (such as surgical masks and hand sanitisers);
- (iii) arrange regular cleaning of office with appropriate disinfectant;
- (iv) require staff not to go to office when having respiratory symptoms, and work from home if feasible;
- (v) arrange laptops with remote access for employees who work from home;
- (vi) provide publicity materials on prevention of COVID-19 for all staff members;
- (vii) keep close communication with any staff at work sites who has been confirmed positive for COVID-19; and
- (viii) monitor and keep track of the development of the Pandemic in Hong Kong and update the Group's staff.

During the nine months ended 31 December 2022, none of the projects had been subject to significant delay or suspension of work due to the Pandemic. Notwithstanding that the Pandemic has slowed down the overall economy in Hong Kong, the Group's operations and financial performance had not been materially affected by the Pandemic. The Directors will continue to closely monitor the latest development of the Pandemic and assess and respond to its impact on the Group's results of operations, cash flows and financial condition.

Looking forward, the Directors consider that the future opportunities and challenges facing the Group will continue to be affected by the progress of recovery of Hong Kong from the Pandemic, which in turn affects the development of the construction industry in Hong Kong as well as labour costs and material costs. The Directors are of the view that the number of properties to be built and maintained in Hong Kong remains to be the key driver for the growth of the Hong Kong RMAA and fitting-out sector. With the Group's experienced management team and reputation in the market, the Directors consider that the Group is well-positioned to compete against its competitors under such future challenges that are commonly faced by all competitors, and the Group will continue to strengthen the market position in the industry and expand the market share. In addition, as disclosed in the Company's announcement dated 8 August 2022, on 8 August 2022 the Group acquired 25% of the issued share capital of Acasa Property Limited ("**Acasa**") which indirectly and wholly owned a piece of land located in Kimberley Street. Furthermore, as disclosed in the paragraph headed "Event After the Reporting Period" in this report below, subsequent to the nine months ended 31 December 2022, on 19 January 2023 the Group has completed the acquisition of an additional 25% of the issued share capital of Acasa and Acasa became a joint venture company owned as to 50% by the Company. The Board believes that these transactions give an opportunity for the Group to undertake more sizeable construction projects and to broaden the Group's customer base. Going forward, the Group will continue to explore business and investment opportunities to further strengthen the Group's income stream. In this regard, the Group may consider whether any acquisitions, business rationalisation, fund raising and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group.

FINANCIAL REVIEW

Revenue

The Group's revenue increased from approximately HK\$199.0 million for the nine months ended 31 December 2021 to approximately HK\$261.5 million for the nine months ended 31 December 2022, representing an increase of approximately HK\$62.5 million or 31.4%, which was mainly due to the commencement of more projects with larger contract sum during the nine months ended 31 December 2022.

Cost of sales

The Group's cost of sales increased from approximately HK\$170.4 million for the nine months ended 31 December 2021 to approximately HK\$227.1 million for the nine months ended 31 December 2022, representing an increase of approximately HK\$56.7 million or 33.3%. The increase in cost of sales was generally in line with the increase in revenue.

Gross profit

The Group's gross profit increased by approximately HK\$5.8 million or 20.3% from approximately HK\$28.6 million for the nine months ended 31 December 2021 to approximately HK\$34.4 million for the nine months ended 31 December 2022. The overall gross profit margin decreased slightly from approximately 14.4% for the nine months ended 31 December 2021 to approximately 13.2% for the nine months ended 31 December 2022 as the extent of increase in subcontracting charges and construction material costs was greater than that of the increase in revenue for the nine months ended 31 December 2022.

Other income

The Group's other income increased from approximately HK\$0.1 million for the nine months ended 31 December 2021 to approximately HK\$1.4 million for the nine months ended 31 December 2022. Other income for the nine months ended 31 December 2022 primarily comprised the subsidy income received from the Government of the HKSAR under the Employment Support Scheme.

Impairment losses under expected credit loss model, net of reversal

An amount of approximately HK\$0.6 million was recognised as impairment losses under expected credit loss model for the nine months ended 31 December 2022. The amount recognised was in respect of trade receivables and contract assets.

Other expenses

The Group's other expenses represented the professional fees incurred for transfer of listing (the "**Transfer of Listing**") during the nine months ended 31 December 2021. No such expenses were incurred during the nine months ended 31 December 2022.

Administrative expenses

The Group's administrative expenses primarily comprised staff costs, audit fee and other professional costs in relation to the compliance with the GEM Listing Rules. The Group's administrative expenses increased by approximately HK\$4.0 million or 33.6% from approximately HK\$11.9 million for the nine months ended 31 December 2021 to approximately HK\$15.9 million for the nine months ended 31 December 2022.

The increase was mainly attributable to the increase in (i) depreciation of right-of-use asset arising from a lease of property for operation; and (ii) staff costs.

Finance costs

The Group's finance costs increased by approximately HK\$1.7 million or 100.0% from approximately HK\$1.7 million for the nine months ended 31 December 2021 to approximately HK\$3.4 million for the nine months ended 31 December 2022. Such increase was mainly due to (i) the increase in usage of loan settlement for trade payables and factoring loan; and (ii) the finance costs charged for the subscription of a life insurance policy during the nine months ended 31 December 2022.

Income tax expense

The Group's income tax expense increased by approximately HK\$0.5 million or 21.7% from approximately HK\$2.3 million for the nine months ended 31 December 2021 to approximately HK\$2.8 million for the nine months ended 31 December 2022. Such increase was mainly attributable to the increase in profit before taxation during the period.

Profit and total comprehensive income for the period attributable to the owners of the Company

Profit for the period attributable to the owners of the Company increased by approximately HK\$0.9 million or 7.4% from approximately HK\$12.2 million for the nine months ended 31 December 2021 to approximately HK\$13.1 million for the nine months ended 31 December 2022.

Such increase was primarily attributable to the net effect of (i) the increase in revenue and gross profit for the nine months ended 31 December 2022; (ii) the decrease in professional fees incurred for the Transfer of Listing; (iii) the increase in other income relating to the subsidy income; offset by (iv) the increase in the administrative expenses and finance costs for the nine months ended 31 December 2022.

The total comprehensive income for the period attributable to the owners of the Company decreased by approximately HK\$1.4 million or 9.7% from approximately HK\$14.5 million for the nine months ended 31 December 2021 to approximately HK\$13.1 million for the nine months ended 31 December 2022.

Such decrease was attributable to the revaluation of property upon transfer to investment property during the nine months ended 31 December 2021 which was non-recurring in nature.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the nine months ended 31 December 2022, saved for the acquisition of 25% of the issued share capital of Acasa as disclosed in the Company's announcement dated 8 August 2022, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

As disclosed in the paragraph headed "Event After the Reporting Period" in this report below, subsequent to the nine months ended 31 December 2022, on 19 January 2023 the Group has completed the acquisition of an additional 25% of the issued share capital of Acasa and Acasa became a joint venture company owned as to 50% by the Company.

SIGNIFICANT INVESTMENTS HELD

Saved for the investment property, the investment in associate (the details of which is set out in the Company's announcement dated 8 August 2022, and further details of which is set out in the paragraph headed "Event After the Reporting Period" in this report below), the deposit paid for a life insurance policy (the details of which is set out in the Company's announcement dated 20 May 2022) and the Company's investment in various subsidiaries, the Group did not hold any significant investments as at 31 December 2022.

EVENT AFTER THE REPORTING PERIOD

On 2 December 2022, (i) the Group entered into a sale and purchase agreement supplemented by a joint venture agreement with the vendor (the "**Vendor**"), pursuant to which the Group has conditionally agreed to purchase 25% of the issued share capital of Acasa, and the Group and the Vendor have conditionally agreed to commit shareholders' loans to Acasa amounting to HK\$40 million and HK\$100 million, respectively; and (ii) the Group and the Vendor have undertaken to provide guarantee for the 36-month term loan facilities up to a maximum gross principal amount of HK\$154 million to be provided by a bank to K18 Property Limited ("**K18**"), being the wholly-owned subsidiary of Acasa, for the development of the piece of land located in Kimberley Street wholly-owned by K18. For further details, please refer to the Company's announcement dated 2 December 2022 and the Company's circular dated 23 December 2022.

Subsequent to the nine months ended 31 December 2022, the above transactions were completed on 19 January 2023 following the extraordinary general meeting of the Company held on 19 January 2023. For further details, please refer to the Company's announcement dated 19 January 2023. Following the completion of the above acquisition of 25% of the issued share capital of Acasa, Acasa became a joint venture company owned as to 50% by the Company.

DISCLOSURE OF INTERESTS

A. Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2022, interests or short positions of the Directors, chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(i) *Long Position in the Company's Shares*

Name of Directors	Capacity	Number and class of securities	Approximate percentage of shareholding
Mr. Leung Ka Ho, Raymond (Notes 1 & 2)	Interest in a controlled corporation; interest held jointly with another person	548,490,000 ordinary shares	68.6%
Mr. Ho Chi Kwan (Notes 1 & 3)	Interest in a controlled corporation; beneficial owner; interest held jointly with another person	548,490,000 ordinary shares	68.6%

Notes:

1. On 11 November 2016, Mr. Leung and Mr. Ho entered into the Concert Parties Confirmatory Deed to acknowledge and confirm, among other things, that they are parties acting in concert with each of the members of the Group and continue as at and after the date of the Concert Parties Confirmatory Deed, details of which are set out in the paragraphs headed "History, reorganisation and corporate structure – Parties acting in concert" in the prospectus of the Company dated 28 February 2017 ("**Prospectus**").

2. 548,490,000 Shares in which Mr. Leung is interested consist of (i) 333,410,000 Shares held by Sharp Talent, a company wholly owned by Mr. Leung, in which Mr. Leung is deemed to be interested under the SFO; and (ii) 215,080,000 Shares in which Mr. Leung is deemed to be interested as a result of being a party acting-in-concert with Mr. Ho.
3. 548,490,000 Shares in which Mr. Ho is interested consist of (i) 199,590,000 Shares held by Diamondfield, a company wholly owned by Mr. Ho, in which Mr. Ho is deemed to be interested under the SFO; (ii) 15,490,000 Shares held as beneficial owner; and (iii) 333,410,000 Shares in which Mr. Ho is deemed to be interested as a result of being a party acting-in-concert with Mr. Leung.

(ii) *Long position in the ordinary shares of associated corporations*

Name of Directors	Name of associated corporations	Capacity	Number and class of securities	Approximate percentage of shareholding
Mr. Leung Ka Ho, Raymond	Sharp Talent	Beneficial owner	1 ordinary share	100%
Mr. Ho Chi Kwan	Diamondfield	Beneficial owner	1 ordinary share	100%

Save as disclosed above, as at 31 December 2022, none of the Directors nor chief executive of the Company has registered an interest or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

B. Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2022, the interest and short positions of the person (other than the Directors or chief executive of the Company) or company which was required to be recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name	Capacity	Number and class of securities	Long/short position	Approximate percentage of shareholding
Sharp Talent (Note)	Beneficial owner; interest held jointly with another person	533,000,000 ordinary shares	Long	66.6%
Diamondfield (Note)	Beneficial owner; interest held jointly with another person	533,000,000 ordinary shares	Long	66.6%

Note:

On 11 November 2016, Mr. Leung Ka Ho, Raymond and Mr. Ho Chi Kwan entered into the Concert Parties Confirmatory Deed to acknowledge and confirm, among other things, that they are parties acting in concert with each of the members of the Group and continue as at and after the date of the Concert Parties Confirmatory Deed, details of which are set out in the paragraphs headed "History, reorganisation and corporate structure — Parties acting in concert" in the Prospectus. As such, pursuant to the parties acting in concert arrangement, each of the Controlling Shareholders, i.e. Sharp Talent (being wholly owned by Mr. Leung), Mr. Leung, Diamondfield (being wholly owned by Mr. Ho) and Mr. Ho is deemed to be interested in 66.6% of the issued share capital of the Company.

Save as disclosed above, as at 31 December 2022 and so far as is known to the Directors, no person, other than the Directors and chief executive of the Company whose interests are set out in the section "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, had notified the Company of an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

COMPETING AND CONFLICTS OF INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling shareholders of the Company nor any of their respective associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the nine months ended 31 December 2022.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the nine months ended 31 December 2022.

CORPORATE GOVERNANCE CODE

Pursuant to the code provision C.2.1 of Part 2 of the Corporate Governance Code (the "**CG Code**"), the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established.

Mr. Leung Ka Ho, Raymond currently assumes the role of both chairman of the Company and chief executive of the Company. Considering that Mr. Leung Ka Ho, Raymond has been operating and managing the Group since 2002, the Board believes that it is in the best interest of the Group to have Mr. Leung Ka Ho, Raymond taking up both roles for effective management and business development. It provides a strong and consistent leadership to the Group and that the current management has been effective in the development of the Group and the implementation of business strategies under the leadership of Mr. Leung Ka Ho, Raymond. In allowing the two roles to be vested in the same person, the Group believes both positions require in-depth knowledge and considerable experience of the Group's business and Mr. Leung Ka Ho, Raymond is the most suitable person to occupy both positions for effective management of the Group. Therefore, the Board considers that the deviation from code provision C.2.1 of Part 2 of the CG Code is appropriate in such circumstance.

During the nine months ended 31 December 2022, save as disclosed above, the Company has complied with the applicable code provisions of the CG Code as set out in Appendix 15 of the GEM Listing Rules.

DIVIDEND

The Board resolved not to declare any interim dividend for the nine months ended 31 December 2022 (nine months ended 31 December 2021: nil).

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme on 22 February 2017 (the “**Share Option Scheme**”). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

No share option has been granted during the period under review and there were no share option outstanding as at 31 December 2022.

AUDIT COMMITTEE

The Company established an audit committee (“**Audit Committee**”) with its written terms of reference in compliance with the GEM Listing Rules, in accordance with provisions set out in the CG Code which are available on the websites of the Stock Exchange and the Company. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment, reappointment and removal of the external auditor, to review and monitor the external auditor’s independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and to monitor the integrity of the Company’s annual report and quarterly and interim financial reports before submission to the Board. As at the date of this report, the Audit Committee consists of three members, namely Mr. Yau Sze Yeung, Mr. Leung Hung Kwong, Derrick and Mr. Moy Yee Wo, Matthew, all being independent non-executive Directors of the Company. Mr. Yau Sze Yeung currently serves as the chairman of the Audit Committee.

The auditor of the Company has not audited or reviewed the condensed consolidated results for the nine months ended 31 December 2022, but the Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2022 and is of the opinion that such results complied with the applicable financial reporting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

By order of the Board
Chi Ho Development Holdings Limited
Leung Ka Ho, Raymond
Chairman and Executive Director

Hong Kong, 10 February 2023

As at the date of this report, the executive Directors are Mr. Leung Ka Ho, Raymond and Mr. Ho Chi Kwan; and the independent non-executive Directors are Mr. Leung Hung Kwong, Derrick, Mr. Moy Yee Wo, Matthew and Mr. Yau Sze Yeung.