利記控股有限公司
LEE KEE HOLDINGS LIMITED
SINCE 1947

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 637)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

The Board of Directors (the "Board") of Lee Kee Holdings Limited (the "Company") hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively "LEE KEE" or the "Group") for the six months ended 30 September 2022 (the "Interim Period" or the "Period") together with the comparative figures for the six months ended 30 September 2021 (the "Comparative Period") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 September 2022 – unaudited

		Six months ended 30 September	
	Note	**2022**	2021
		HK$'000	*HK$'000*
Revenue	4	**1,304,497**	1,243,843
Cost of sales		**(1,251,511)**	(1,179,442)
Gross profit		**52,986**	64,401
Other income		**6,567**	3,848
Distribution and selling expenses		**(15,406)**	(13,922)
Administrative expenses		**(42,544)**	(39,826)
Other net losses		**(1,954)**	(1,556)
(Loss)/profit from operations		**(351)**	12,945
Finance income		**358**	377
Finance costs		**(3,446)**	(1,172)
Net finance costs	5(a)	**(3,088)**	(795)

	Note	Six months ended 30 September **2022** ***HK$'000***	2021 *HK$'000*
(Loss)/profit before taxation	5	**(3,439)**	12,150
Income tax	6	**(3,771)**	(4,183)
(Loss)/profit for the period		**(7,210)**	7,967
Attributable to:			
Equity shareholders of the Company		**(7,008)**	8,041
Non-controlling interests		**(202)**	(74)
(Loss)/profit for the period		**(7,210)**	7,967
(Loss)/earnings per share	8		
Basic and diluted *(Hong Kong cents)*		**(0.85)**	0.97

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 September 2022 – unaudited

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
(Loss)/profit for the period	**(7,210)**	7,967
Other comprehensive income for the period:		
Items that will not be reclassified to profit or loss, net of nil tax:		
Revaluation of financial assets at fair value through other comprehensive income	**(3,352)**	2,556
Items that may be reclassified subsequently to profit or loss, net of nil tax:		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong	**(26,626)**	3,380
Other comprehensive income for the period	**(29,978)**	5,936
Total comprehensive income for the period	**(37,188)**	13,903
Attributable to:		
Equity shareholders of the Company	**(36,986)**	13,977
Non-controlling interests	**(202)**	(74)
Total comprehensive income for the period	**(37,188)**	13,903

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 September 2022 – unaudited

	Note	**At 30 September 2022 *HK$'000***	At 31 March 2022 *HK$'000*
Non-current assets			
Investment properties	9	**104,600**	104,900
Other property, plant and equipment	10	**41,161**	44,639
Intangible assets		**2,430**	2,430
Financial assets at fair value through other comprehensive income		**7,877**	11,229
Prepayments	12	**6,278**	382
Deferred tax assets		**2,752**	2,724
		165,098	166,304
Current assets			
Inventories	11	**296,752**	411,003
Trade and other receivables	12	**251,105**	330,404
Tax recoverable		**25**	28
Derivative financial instruments		**19,168**	662
Cash and cash equivalents	13	**309,033**	208,750
		876,083	950,847
Current liabilities			
Trade and other payables and contract liabilities	14	**21,707**	33,265
Bank borrowings	15	**122,449**	140,705
Lease liabilities		**2,075**	2,265
Tax payable		**1,216**	2,878
Derivative financial instruments		**3,827**	1,839
		151,274	180,952
Net current assets		**724,809**	769,895
Total assets less current liabilities		**889,907**	936,199

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 September 2022 – unaudited (continued)

	At 30 September 2022 *HK$'000*	At 31 March 2022 *HK$'000*
Non-current liabilities		
Employee retirement benefit obligations	**1,500**	1,500
Lease liabilities	**6,517**	7,603
Deferred tax liabilities	**4,137**	3,867
	12,154	12,970
NET ASSETS	**877,753**	923,229
CAPITAL AND RESERVES		
Share capital	**82,875**	82,875
Reserves	**795,114**	840,388
Total equity attributable to equity shareholders of the Company	**877,989**	923,263
Non-controlling interests	**(236)**	(34)
TOTAL EQUITY	**877,753**	923,229

NOTES:

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 11 November 2005 as an exempted company with limited liability under the Companies Law (2004 Revision) of the Cayman Islands. The address of the Company's registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The principal activity of the Company is investment holding. The principal activities of the Company and its subsidiaries (together, the "Group") are trading of zinc, zinc alloy, nickel, nickel-related products, aluminum, aluminum alloy, stainless steel and other electroplating chemical products, provision of metal testing and consultancy services, as well as alloy production in Hong Kong and Mainland China.

The Company's shares are listed on the Mainboard of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2 BASIS OF PREPARATION

The financial results set out in this announcement do not constitute the Group's interim financial report for the period ended 30 September 2022, but are derived from that interim report.

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 10 November 2022.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2021/22 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022/23 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2021/22 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA.

The financial information relating to the financial year ended 31 March 2022 that is included in the interim financial report as comparative information does not constitute the Company's annual consolidated financial statements for that financial year but is derived from those financial statements.

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRSs issued by the HKICPA to the interim financial report for the current accounting period:

- Amendments to HKFRS 16, *Property, Plant and Equipment: Proceeds before intended use*
- Amendments to HKAS 37, *Provisions, contingent liabilities, and contingent assets: Onerous contracts – cost of fulfilling a contract*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT REPORTING

The Group is principally engaged in the trading of zinc, zinc alloy, nickel, nickel-related products, aluminium, aluminium alloy, stainless steel and other electroplating chemical products, provision of metal testing and consultancy services, as well as alloy production in Hong Kong and Mainland China. Revenue recognised during the period are as follows:

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
Revenue		
Sales of goods (recognised at point in time)	**1,304,497**	1,243,843

(a) Segment revenue and results

The chief operating decision-maker assesses the performance of the operating segments based on a measure of operating results (before income tax) of each segment, which excludes the effects of other income, other net losses and net finance costs.

	Six months ended 30 September			
	2022		2021	
	Revenue	**Segment results**	Revenue	Segment results
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Hong Kong	**594,898**	**(15,531)**	596,425	(4,743)
Mainland China	**709,599**	**10,567**	647,418	15,396
	1,304,497	**(4,964)**	1,243,843	10,653

An analysis of the Group's segment assets and segment liabilities by reporting segment is set out below:

	At 30 September 2022		
	Hong Kong	**Mainland China**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Segment assets	**588,754**	**452,427**	**1,041,181**
Segment liabilities	**100,087**	**63,341**	**163,428**

	At 31 March 2022		
	Hong Kong	Mainland China	Total
	HK$'000	*HK$'000*	*HK$'000*
Segment assets	670,740	446,411	1,117,151
Segment liabilities	119,935	73,987	193,922

(b) Reconciliation of reportable segment profit or loss

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
Total segment results	**(4,964)**	10,653
Other income	**6,567**	3,848
Other net losses	**(1,954)**	(1,556)
Net finance costs	**(3,088)**	(795)
(Loss)/profit before taxation	**(3,439)**	12,150

5 (LOSS)/PROFIT BEFORE TAXATION

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

	Six months ended 30 September 2022 HK$'000	2021 HK$'000
(a) Net finance costs		
Interest income	**(358)**	(377)
Interest on lease liabilities	**163**	20
Interest on bank borrowings	**3,283**	1,152
	3,088	795

	Six months ended 30 September 2022 HK$'000	2021 HK$'000
(b) Other items		
Depreciation of property, plant and equipment	**3,395**	3,179
Depreciation of right-of-use assets	**1,251**	958
Short-term lease payments not included in the measurement of lease liabilities – land and buildings	**572**	495
Cost of inventories sold	**1,246,076**	1,181,579
Gain on disposal of property, plant and equipment	**–**	(550)
Change in fair value of investment properties	**300**	2,736
Unrealised (gain)/loss on metal future trading contracts and foreign exchange forward contracts	**(738)**	210
Realised loss on metal future trading contracts and foreign exchange forward contracts	**–**	206
Staff costs (including directors' remuneration)	**30,819**	28,911
Provision for/(reversal of) write-down of inventories	**5,435**	(2,137)
Net foreign exchange loss/(gain)	**2,394**	(1,046)
(Reversal of)/provision for credit loss of trade receivables	**(575)**	992

6 INCOME TAX

	Six months ended 30 September **2022** *HK$'000*	2021 *HK$'000*
Current tax		
– Hong Kong Profits Tax	**314**	318
– Mainland China Corporate Income Tax	**3,260**	3,742
Over-provision in prior years	**(92)**	–
	3,482	4,060
Deferred tax	**289**	123
	3,771	4,183

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (six months ended 30 September 2021: 16.5%) to the six months ended 30 September 2022. Taxation for Mainland China's subsidiaries is similarly calculated using the tax rate of 25% (six months ended 30 September 2021: 25%) to the six months ended 30 September 2022.

7 DIVIDENDS

(i) Dividends payable to equity shareholders attributable to the interim period

The directors do not recommend the payment of interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: HK$Nil).

(ii) Dividends payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period

	Six months ended 30 September **2022** *HK$'000*	2021 *HK$'000*
Final dividend in respect of the previous financial year, approved and paid during the interim period, of HK$0.01 per ordinary share (six months ended 30 September 2021: HK$0.01 per ordinary share)	**8,288**	8,288

8 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity shareholders of the Company by the average number of ordinary shares in issue during the interim period.

	Six months ended 30 September	
	2022	2021
(Loss)/profit attributable to the equity shareholders of the Company *(HK$'000)*	**(7,008)**	8,041
Average number of ordinary shares in issue *('000)*	**828,750**	828,750
Basic (loss)/earnings per share *(Hong Kong cents)*	**(0.85)**	0.97

(b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share for the six months ended 30 September 2022 and 2021 are the same as basic (loss)/earnings per share as there were no potential dilutive ordinary shares outstanding during the periods.

9 INVESTMENT PROPERTIES

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
Net book value as at 1 April	**104,900**	63,600
Additions	**–**	44,036
Fair value change	**(300)**	(2,736)
Net book value as at 30 September	**104,600**	104,900

10 OTHER PROPERTY, PLANT AND EQUIPMENT

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
Net book value as at 1 April	**44,639**	32,744
Exchange difference	**(1,105)**	186
Additions	**2,322**	8,730
Disposals	**(49)**	(2)
Depreciation	**(4,646)**	(4,137)
Net book value as at 30 September	**41,161**	37,521

11 INVENTORIES

	At 30 September 2022	At 31 March 2022
	HK$'000	*HK$'000*
Finished goods	**311,723**	420,640
Less: write-down of inventories	**(14,971)**	(9,637)
	296,752	411,003

The cost of inventories recognised as expense and included in "cost of sales" amounted to HK$1,246,076,000 (six months ended 30 September 2021: HK$1,181,579,000) during the six months ended 30 September 2022.

12 TRADE AND OTHER RECEIVABLES

	At 30 September 2022 *HK$'000*	At 31 March 2022 *HK$'000*
Non-current portion		
Prepayments for purchase of property, plant and equipment	**6,278**	382
Current portion		
Trade receivables, net of loss allowance	**196,092**	277,598
Prepayments to suppliers	**39,125**	40,388
Deposits	**1,571**	1,669
Other receivables	**14,317**	10,749
	251,105	330,404
	257,383	330,786

The Group grants credit terms to its customers ranging from cash on delivery to 90 days. At the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	At 30 September 2022 *HK$'000*	At 31 March 2022 *HK$'000*
Within 1 month	**159,198**	227,469
Over 1 but within 2 months	**30,474**	36,548
Over 2 but within 3 months	**6,359**	13,405
Over 3 months	**61**	176
	196,092	277,598

13 CASH AND CASH EQUIVALENTS

	At 30 September 2022 HK$'000	At 31 March 2022 HK$'000
Cash at bank and on hand	**301,110**	208,750
Short-term bank deposits	**7,923**	–
	309,033	208,750

14 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	At 30 September 2022 HK$'000	At 31 March 2022 HK$'000
Trade and other payables		
Trade payables	**3,632**	4,565
Accrued expenses and other payables	**10,407**	21,243
	14,039	25,808
Contract liabilities	**7,668**	7,457
	21,707	33,265

At the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	At 30 September 2022 HK$'000	At 31 March 2022 HK$'000
Within 1 month	**3,616**	4,545
Over 3 months	**16**	20
	3,632	4,565

15 BANK BORROWINGS

	At 30 September 2022 HK$'000	At 31 March 2022 HK$'000
Current liabilities		
Bank borrowings	**122,449**	140,705

At the end of the reporting period, the bank borrowings were repayable as follows:

	At 30 September 2022 HK$'000	At 31 March 2022 HK$'000
Within 1 year or on demand	**122,449**	140,705

None of the banking facilities as at 30 September 2022 and 31 March 2022 is subject to the fulfilment of covenant.

The effective interest rates (per annum) at the end of the reporting period were as follows:

	At 30 September 2022	At 31 March 2022
Bank borrowings	**4.29%**	2.02%

OVERALL BUSINESS PERFORMANCE

Financial Review

Recurring lockdowns and ongoing supply chain disruptions continued to impact the Group's operation during the Interim Period. As a result, these persistent challenges have affected the Group's performance in the first half of the financial year 2022/2023.

The Group's revenue for the Interim Period recorded a 4.9% increase to HK$1,304 million, compared to HK$1,244 million in the Comparative Period. Tonnage sold by the Group was affected by worsening global macro-economic environment, lockdowns and supply chain disruption and decreased 10.9% to approximately 44,730 tonnes compared to 50,200 tonnes in the same period last year.

The Group recorded a gross profit of HK$53.0 million and a gross profit margin of 4.1% for the Interim Period, compared with a gross profit of HK$64.4 million and a gross profit margin of 5.2% for the Comparative Period.

The Group recorded a loss attributable to equity shareholders of the Company of around HK$7.0 million during the Interim Period, compared to a profit of HK$8.0 million during the Comparative Period.

The loss for the Interim Period was attributable to the decline in metal prices and rising logistic costs during the Period. However, our proactive efforts in optimizing product and service mix and geographic diversification helped mitigate the adverse impact.

Global zinc prices retreated throughout most of the Interim Period amid a slowdown in global industrial demand, surging energy prices and supply chain disruptions. Zinc prices peaked in mid-April 2022, reaching around US$4,500 per metric ton. Prices then fell steadily, with brief rallies at the end of May 2022 and the first half of August 2022, before closing at around US$2,800 per ton at the end of September 2022. Overall, the difference between the high point and the low point of zinc prices during the Interim Period was approximately 37%.

During the Interim Period, the selling and distribution expenses increased by 10.7% to HK15.4 million compared to the Comparative Period. The general and administrative expenses increased by 6.8% to HK$42.5 million compared to the Comparative Period.

The Group recorded other net losses of HK$2.0 million during the Interim Period, compared to HK$1.6 million during the Comparative Period. The increase in other net losses was mainly attributed to unfavorable foreign exchanges in the Interim Period.

The Group's finance costs for the Interim Period were HK$3.4 million compared to HK$1.2 million in the Comparative Period. The Group continues to retain a healthy financial position and with HK$309 million bank balances and cash on hand as of 30 September 2022.

Business Review

LEE KEE's steady navigation of business helped weather volatility and uncertainties

The first half of the year saw several unpredictable circumstances that left the global economy fraught with tension and uncertainty. This brought with it scattered lockdowns and ongoing supply chain disruptions during the Interim Period, which to some extent impacted the Group's operation.

To facilitate its development, the Group continued to strive for high quality, professionalism, innovation and leveraged digitalized operation to further penetrate its target markets of Greater China and Southeast Asia, while achieving a steady performance. At the same time, it continued to ensure the health and well-being of its employees by adhering to the latest COVID regulations to maintain a safe work environment during the Interim Period.

Expansion into Southeast Asia further optimises product mix with geographic diversification

The Group has continued to optimise its product mix to enhance competitiveness. During the Interim Period, the Group marketed its range of specialized alloys targeting the critical industrial sectors in Asia, which have high reliance on metal usages. As geographical diversity and product mix optimisation are also the pillars of furthering growth, the Group continued to invest in new geographical areas and build its agile operation across Asia to deepen customer engagement, efficiently managing inventory and resources.

Geographical diversity and product mix optimisation enabled prospective opportunities to pursue continuous expansion. As the implementation of The Belt and Road Initiative brings further growth opportunities in Greater China and Southeast Asia, Lee Kee has made available its consultancy services and quality assurance on metal in all its operations across the Asia region during the Interim Period. Introducing these value-added offerings facilitated the Group to tap into the growing economies.

Innovative metal solutions supporting critical industrial sectors

The Group has continued to improve its market positioning by increasing the customised alloys in its product mix. Its reputation in providing quality metals has strategically positioned the Group to develop specialty alloys catering to the specifications of new technological sectors and other key traditional industries.

The continuous investment into digitization emphasizes the use of automation, digital platforms, and data analytics. All of this has enabled continual improvements in operational efficiencies while further cultivating the group's regional innovative capabilities to provide metal solutions for clients across Asia.

Transparent ESG disclosure enables customers' ESG supply chain management

Disclosing validated carbon emissions data of the Group's branded zinc alloy products makes it easier for its customers to manage their supply chain and set broader carbon emission targets beyond scope 1 and 2. With an increasing number of multinational companies announcing their ambition to achieve carbon neutrality in their operations and across their supply chains, Lee Kee is also evaluating the prospects of providing data that enable customers to assess their scope 3 emissions. The Group's management recognized the inevitable trend for all businesses to set targets beyond their operations into their supply chain. Therefore, the Group differentiated itself by providing more carbon emission and other ESG data, and ultimately enabling its customers to manage their ESG supply chain better.

Furthermore, the Group has continued to mitigate the adverse environmental impact of its business operations by reducing carbon emission, improving resources efficiency and utilising alternative energy. It installed solar panels to generate renewable energy and extend the use of reusable packaging for its deliveries according to the 5R principles — Refuse, Reduce, Reuse, Repurpose, Recycle. It also strives to develop new methods in order to fulfil its sustainability targets and reduce carbon emissions and mitigate the impact on the environment.

The Group is committed to occupational health and safety. At the same time, it has maintained the ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System. In addition, Lee Kee has also participated in the CarbonCare, Business Environment Council (BEC), Low Carbon Charter, and the Aluminium Stewardship initiatives. The Group will continuously identify new areas to foster sustainable development.

Prospects

Looking forward to the latter half of this financial year, the Group expects external business challenges and market uncertainties to persist. Global energy challenges, supply chain constraints and temporary production curbs are examples of hurdles that could negatively affect the Group's customers' manufacturing activity and end-user demand.

Nevertheless, benefiting from a relatively robust Asian economy and continuous infrastructure investment in Southeast Asia, Lee Kee's broadened geographical coverage will position itself well to capture future business opportunities. The Group remains positive on the demand outlook for zinc alloys and aluminium alloys, and it will strive to capture wider business opportunities and respond to market needs.

The specification of new alloys required for greener manufacturing, smart devices, electric transportation and fleets will generate more customised solutions for metal testing and advisory services. With the broadening of the Group's consultancy capabilities and service scopes, the Group will continue to diversify its revenue sources. Leveraging its market position in construction and manufacturing metal testing, the Group will also explore opportunities to expand Promet Laboratory's business scope.

On ESG, the Group will focus its efforts on decarbonisation, resource efficiency, and responsible supply chains. As there is an ever-increasing demand for companies to be aware of the implications of ESG, all these efforts will further support the desire of the customers' to participate in a responsible supply chain. The Group's management, with a devoted team, will continue to develop sustainable business streams and capture new growth trends to create long-term value for its shareholders.

DIVIDEND

The Board of Directors of the Company does not recommend the payment of interim dividend for the Interim Period.

LIQUIDITY, FINANCIAL RESOURCES AND COMMODITY PRICE RISK

The Group primarily financed its operation through internal resources and borrowings from banks. As at 30 September 2022, the Group had unrestricted cash and bank balances of approximately HK$309 million (31 March 2022: HK$209 million) and bank borrowings of approximately HK$122 million (31 March 2022: HK$141 million).

The borrowings, which are short term in nature, were made in United States dollars with interest chargeable at market rates. The gearing ratio (total borrowings and lease liabilities to total equity) as at 30 September 2022 was 14.9% (31 March 2022: 16.3%). The Group has a current ratio of 579% as at 30 September 2022 (31 March 2022: 525%).

The Group constantly evaluates and monitors its risk exposure to metals prices with reference to the market conditions. In order to control the exposure efficiently and to capitalise on direction of price trends, the Group's management will employ appropriate operating strategies and set inventory levels accordingly.

The Group's foreign exchange exposure mainly resulted from the exchange rate between Hong Kong dollars against United States dollars and Renminbi.

EMPLOYEES

As at 30 September 2022, the Group had approximately 180 employees (as at 30 September 2021: 190 employees). Their remuneration, promotion and salary review are assessed based on job responsibilities, work performance, professional experiences and the prevailing industry practices. The key components of the Group's remuneration package include basic salary, and where appropriate, other allowances, incentive bonuses and the Group's contribution to mandatory provident funds (or state-managed retirement benefits scheme). During the Interim Period, staff costs (including directors' emoluments) were approximately HK$30.8 million (for the six months ended 30 September 2021: HK$28.9 million).

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

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

CORPORATE GOVERNANCE

To the knowledge and belief of the Directors, the Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules. The Directors are not aware of any non-compliance with the code provisions of the CG Code during the Interim Period.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors (the "Model Code") set out in Appendix 10 of the Listing Rules. The Company, having made specific enquiry of all the Directors, was not aware of any non-compliance with the Model Code by the Directors during the Interim Period.

REVIEW OF UNAUDITED CONDENSES CONSOLIDATED INTERIM FINANCIAL INFORMATION

The interim financial report is unaudited, but has been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity", issued by the HKICPA.

The unaudited interim financial information for the six months ended 30 September 2022 has also been reviewed by the Company's Audit Committee.

By Order of the Board
Lee Kee Holdings Limited
CHAN Pak Chung
Chairman

Hong Kong, 10 November 2022

As at the date of this announcement, the Directors of the Company are Mr. CHAN Pak Chung, Ms. CHAN Yuen Shan Clara, Mr. CHAN Ka Chun Patrick, Ms. OKUSAKO CHAN Pui Shan Lillian, Mr. CHUNG Wai Kwok Jimmy#, Mr. HO Kwai Ching Mark, Mr. TAI Lun Paul* and Mr. WONG Kam Fai William*.*

Non-executive Directors
* *Independent non-executive Directors*