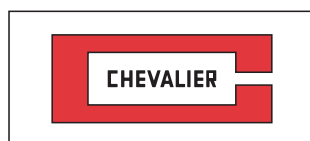


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CHEVALIER INTERNATIONAL HOLDINGS LIMITED

其士國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 25)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

The board of the directors (the “Board”) of Chevalier International Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (together, the “Group”) for the six months ended 30 September 2022, together with the comparative figures for the corresponding period in 2021 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

		Unaudited Six months ended 30 September	
	Note	2022 HK\$'000	2021 HK\$'000
Revenue	3(a)	3,326,866	4,221,533
Cost of sales		(2,935,394)	(3,678,422)
Gross profit		391,472	543,111
Other income	4, 15	72,070	50,262
Other losses, net	5, 15	(53,788)	(35,687)
Selling and distribution costs		(92,724)	(96,142)
Administrative expenses		(196,168)	(223,676)
Operating profit		120,862	237,868
Share of results of associates		90,918	66,730
Share of results of joint ventures		(47,767)	10,772
		164,013	315,370
Finance income	6	18,382	11,953
Finance costs	6	(58,559)	(37,777)
Finance costs, net	6	(40,177)	(25,824)
Profit before taxation	7	123,836	289,546
Taxation	8	(38,961)	(90,324)
Profit for the period		84,875	199,222
Attributable to:			
Shareholders of the Company		85,554	202,047
Non-controlling interests		(679)	(2,825)
		84,875	199,222
Earnings per share			
– basic and diluted (HK\$ per share)	9	0.28	0.67

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

	Unaudited	
	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
Profit for the period	84,875	199,222
Other comprehensive (expenses)/income for the period		
Items that will not be reclassified to profit or loss		
Exchange difference attributable to non-controlling interests on translation of operations of overseas subsidiaries	(32,690)	5,409
Change in fair value of investments at fair value through other comprehensive income	(28,977)	27,513
Items that may be reclassified subsequently to profit or loss		
Exchange difference on translation of operations of overseas subsidiaries, associates and joint ventures	(489,187)	43,746
Fair value adjustments on the derivative financial instruments designated as cash flow hedge	6	58
Other comprehensive (expenses)/income for the period, net of tax	(550,848)	76,726
Total comprehensive (expenses)/income for the period	(465,973)	275,948
Attributable to:		
Shareholders of the Company	(432,604)	273,364
Non-controlling interests	(33,369)	2,584
	(465,973)	275,948

Note:

Items shown within other comprehensive (expenses)/income are disclosed net of tax.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

		Unaudited	Audited
		30 September	31 March
		2022	2022
	Note	HK\$'000	HK\$'000
Non-current assets			
Investment properties		4,457,835	4,749,247
Property, plant and equipment		3,237,390	3,377,007
Goodwill		635,847	634,564
Other intangible assets		22,463	26,955
Interests in associates		690,890	676,946
Interests in joint ventures		1,097,602	1,193,344
Investments at fair value through other comprehensive income		58,337	91,738
Investments at fair value through profit or loss		812,348	750,707
Investments at amortised cost		232,003	101,800
Properties under development		190,671	214,449
Deferred tax assets		76,912	69,055
Amounts due from non-controlling interests		42,866	47,183
Other non-current assets		98,719	76,841
		11,653,883	12,009,836
Current assets			
Amounts due from associates		11,742	25,242
Amounts due from joint ventures		107,304	102,263
Amounts due from non-controlling interests		29,534	33,031
Investments at fair value through profit or loss		569,058	484,665
Investments at amortised cost		7,911	—
Inventories		317,262	304,138
Properties for sale		1,023,465	1,086,268
Properties under development		1,809,248	1,482,036
Debtors, contract assets, deposits paid and prepayments	11	1,985,300	1,995,399
Derivative financial instruments		71	65
Prepaid tax		21,247	21,947
Bank balances and cash		2,064,313	2,667,092
		7,946,455	8,202,146
Assets held-for-sale		—	2,913
		7,946,455	8,205,059

		Unaudited 30 September 2022 HK\$'000	Audited 31 March 2022 HK\$'000
	Note		
Current liabilities			
Amounts due to joint ventures		11,490	13,162
Amounts due to non-controlling interests		259,172	259,833
Derivative financial instruments		3,116	47
Creditors, bills payable, deposits received, contract liabilities, accruals and provisions	12	2,806,564	2,789,811
Unearned insurance premiums and unexpired risk reserves		340,053	296,862
Outstanding insurance claims		574,665	437,031
Current income tax liabilities		97,974	89,210
Bank and other borrowings		2,457,794	2,425,438
Lease liabilities		18,390	21,293
		<u>6,569,218</u>	<u>6,332,687</u>
Net current assets		<u>1,377,237</u>	<u>1,872,372</u>
Total assets less current liabilities		<u>13,031,120</u>	<u>13,882,208</u>
Capital and reserves			
Share capital		377,411	377,411
Reserves		9,673,685	10,211,964
Shareholders' funds		10,051,096	10,589,375
Non-controlling interests		582,889	637,218
Total equity		<u>10,633,985</u>	<u>11,226,593</u>
Non-current liabilities			
Amounts due to non-controlling interests		247,150	239,187
Unearned insurance premiums		275,191	330,082
Bank and other borrowings		1,435,034	1,594,462
Lease liabilities		70,469	87,941
Deferred tax liabilities		369,291	403,943
		<u>2,397,135</u>	<u>2,655,615</u>
Total equity and non-current liabilities		<u>13,031,120</u>	<u>13,882,208</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

The unaudited condensed consolidated interim 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 (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The outbreak of the Novel Coronavirus (“COVID-19”) since January 2020, followed by declaration by the World Health Organisation as a “Global Pandemic” on 11 March 2020, to a certain extent, brought challenges to the Group’s business performance during the period and ahead. The Group’s businesses are diversified which enabled the Group to have a strong resilience to the impact of economic downturns. The Directors have considered the existing and potential impact arising from the outbreak of COVID-19 in the preparation of the condensed consolidated financial statements. The Directors will remain cautious on the ongoing development of COVID-19 that may cause further volatility and uncertainty in the global financial market and economy, and will take necessary measures to address the impact arising therefrom.

2 PRINCIPAL ACCOUNTING POLICIES

Except as described below, the accounting policies applied in these condensed consolidated interim financial statements are consistent with those as described in the annual consolidated financial statements for the year ended 31 March 2022.

Taxes on income in the interim periods are accrued using the tax rates that would be applicable to expected total annual earnings.

The HKICPA has issued the following amendments to standards mandatory for the financial year of the Group beginning on 1 April 2022:

- HKFRS 3, HKAS 16 and HKAS 37 (amendments), “Narrow-Scope Amendments”
- Annual Improvements Project (amendments) – “Annual Improvements to HKFRSs 2018-2020”

The adoption of the above amendments to standards had no material impact on the condensed consolidated financial statements in the current and prior periods. Their impacts on presentation and disclosures, if any, will be reflected on the consolidated financial statements for the year ending 31 March 2023.

The following new standard, amendments to standards and interpretation have been issued but are not yet effective for the financial year of the Group beginning on 1 April 2022 and have not been early adopted:

- HKAS 1 (amendments), “Classification of Liabilities as Current or Non-current” ¹
- HKAS 1 (amendments), “Disclosure of Accounting Policies” ¹
- HKAS 8 (amendments), “Definition of Accounting Estimates” ¹
- HKAS 12 (amendments), “Deferred Tax related to Assets and Liabilities arising from a Single Transaction” ¹
- HKFRS 10 and HKAS 28 (amendments), “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” ³
- HKFRS 16 (amendments), “Lease Liability in a Sale and Leaseback” ²
- HKFRS 17, “Insurance Contracts” ¹
- HKFRS 17, “Amendments to HKFRS 17” ¹
- HK Int 5 (2020), “Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause” ¹

¹ Effective for annual periods beginning on or after 1 January 2023

² Effective for annual periods beginning on or after 1 January 2024

³ Effective for annual periods beginning on or after a date to be determined

HKFRS 17, “Insurance Contracts” (“HKFRS 17”) and Amendments to HKFRS 17

HKFRS 17 will replace the current HKFRS 4, “Insurance Contracts”. HKFRS 17 includes some fundamental differences to current accounting treatment in both insurance contract measurement and profit recognition. The general model is based on a discounted cash flow model with a risk adjustment and deferral of unearned profits. A separate approach applies to insurance contracts that are linked to returns on underlying items and meet certain requirements. Additionally, HKFRS 17 requires more granular information and a new presentation format for the consolidated statement of comprehensive income as well as extensive disclosures. In October 2020, HKICPA issued HKFRS 17 (Amendments) which defer the effective date of the standard to accounting period beginning on or after 1 January 2023 and provide additional transition relief when applying HKFRS 17 for the first time. The Group is undertaking an assessment of the impact of the new standard.

Other than the above, the Group anticipates that the application of the amendments to standards and interpretation that have been issued but are not yet effective may have no material impact on the results of operations and financial position.

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31 March 2022.

3 SEGMENT INFORMATION

(a) Revenue and results

The Board reviewed the Group's internal reports to assess the Group's performance and to allocate resources.

Reportable segment information is presented below:

	Construction and engineering HK\$'000	Property investment HK\$'000	Property development and operations HK\$'000	Healthcare investment HK\$'000	Car dealership HK\$'000	Others HK\$'000	Total HK\$'000
For the six months ended 30 September 2022							
REVENUE							
Total revenue	1,333,259	93,950	306,914	390,044	692,887	566,133	3,383,187
Inter-segment revenue	(24,793)	(1,015)	(23,113)	–	–	(7,400)	(56,321)
Group revenue	1,308,466	92,935	283,801	390,044	692,887	558,733	3,326,866
Share of revenue of associates and joint ventures	853,412	–	8,589	61,122	201,639	60,870	1,185,632
Proportionate revenue from a joint venture eliminated	(1,872)	–	–	–	–	–	(1,872)
Segment revenue	2,160,006	92,935	292,390	451,166	894,526	619,603	4,510,626
Revenue from contracts with customers:							
– recognised at a point in time	7,328	–	67,785	–	671,344	272,671	1,019,128
– recognised over time	1,301,121	–	213,829	390,044	6,496	20,802	1,932,292
Revenue from other sources	17	92,935	2,187	–	15,047	265,260	375,446
Group revenue	1,308,466	92,935	283,801	390,044	692,887	558,733	3,326,866
RESULTS							
Segment profit/(loss) before finance costs, net	151,846	62,855	86,849	(62,529)	(29,645)	(22,554)	186,822
Finance income	1,149	422	4,502	1,856	1,642	4,335	13,906
Finance costs	(637)	(5,910)	–	(24,342)	(5,286)	(1,214)	(37,389)
Segment profit/(loss) after finance costs, net	152,358	57,367	91,351	(85,015)	(33,289)	(19,433)	163,339
Included in segment profit/(loss) are:							
Share of results of associates	93,152	–	26	–	–	(2,260)	90,918
Share of results of joint ventures	80	–	(11,835)	(33,615)	(2,397)	–	(47,767)
Depreciation and amortisation, net of amounts allocated to contract work	(5,678)	(474)	(31,755)	(39,361)	(25,229)	(10,468)	(112,965)
Unrealised gain on derivative financial instruments	47	–	–	–	–	–	47
Unrealised loss on investments at fair value through profit or loss	–	–	–	–	–	(71,018)	(71,018)
Provision recognised for inventories to net realisable value, net	(44)	–	–	–	(360)	(267)	(671)
Provision recognised for trade and other debtors, net	(316)	–	–	(1,153)	–	(1,328)	(2,797)
Provision written back for properties for sale	–	–	30,000	–	–	–	30,000

	Construction and engineering HK\$'000	Property investment HK\$'000	Property development and operations HK\$'000	Healthcare investment HK\$'000	Car dealership HK\$'000	Others HK\$'000	Total HK\$'000
For the six months ended 30 September 2021							
REVENUE							
Total revenue	1,639,714	69,456	720,260	413,900	898,170	599,042	4,340,542
Inter-segment revenue	(62,185)	(187)	(34,799)	–	(865)	(20,973)	(119,009)
Group revenue	1,577,529	69,269	685,461	413,900	897,305	578,069	4,221,533
Share of revenue of associates and joint ventures	933,127	–	51,645	60,919	227,001	47,044	1,319,736
Proportionate revenue from a joint venture eliminated	(366)	–	–	–	–	–	(366)
Segment revenue	2,510,290	69,269	737,106	474,819	1,124,306	625,113	5,540,903
Revenue from contracts with customers:							
– recognised at a point in time	6,128	–	523,457	–	887,555	282,727	1,699,867
– recognised over time	1,571,401	–	159,898	413,900	–	21,569	2,166,768
Revenue from other sources	–	69,269	2,106	–	9,750	273,773	354,898
Group revenue	1,577,529	69,269	685,461	413,900	897,305	578,069	4,221,533
RESULTS							
Segment profit/(loss) before finance costs, net	133,800	33,674	173,579	3,419	(17,283)	14,017	341,206
Finance income	1,083	310	4,848	18	974	937	8,170
Finance costs	(153)	(324)	(99)	(30,870)	(3,911)	(670)	(36,027)
Segment profit/(loss) after finance costs, net	134,730	33,660	178,328	(27,433)	(20,220)	14,284	313,349
Included in segment profit/(loss) are:							
Share of results of associates	67,999	–	(3)	–	–	(1,266)	66,730
Share of results of joint ventures	(5)	–	(3,253)	15,619	(1,589)	–	10,772
Depreciation and amortisation, net of amounts allocated to contract work	(3,830)	(312)	(30,814)	(42,797)	(19,269)	(8,449)	(105,471)
Unrealised gain on derivative financial instruments	9	–	–	–	–	–	9
Unrealised loss on investments at fair value through profit or loss	–	–	–	–	–	(36,130)	(36,130)
Provision (recognised)/written back for inventories to net realisable value, net	(3)	–	–	–	(395)	440	42
Provision written back/(recognised) for trade and other debtors, net	58	–	(251)	(7,565)	–	(651)	(8,409)

Note:

Inter-segment revenue is charged at prices determined by management with reference to market prices.

Reconciliation of segment profit to profit before taxation is provided as follows:

	Six months ended 30 September	
	2022 HK\$'000	2021 HK\$'000
Segment profit	163,339	313,349
Unallocated corporate expenses	(22,809)	(25,836)
Unallocated finance income	4,476	3,783
Unallocated finance costs	(21,170)	(1,750)
Profit before taxation	<u>123,836</u>	<u>289,546</u>

(b) Assets and liabilities

	Construction and engineering HK\$'000	Property investment HK\$'000	Property development and operations HK\$'000	Healthcare investment HK\$'000	Car dealership HK\$'000	Others HK\$'000	Total HK\$'000
At 30 September 2022							
ASSETS							
Segment assets	<u>2,149,331</u>	<u>4,632,089</u>	<u>5,508,661</u>	<u>2,743,416</u>	<u>1,055,279</u>	<u>3,195,712</u>	<u>19,284,488</u>
Included in segment assets are:							
Interests in associates	672,744	-	-	-	-	18,146	690,890
Interests in joint ventures	13,926	-	305,155	705,169	73,352	-	1,097,602
Amount due from an associate	11,742	-	-	-	-	-	11,742
Amounts due from joint ventures	4	-	107,300	-	-	-	107,304
Additions to non-current assets (note)	<u>4,307</u>	<u>478</u>	<u>375,069</u>	<u>16,711</u>	<u>12,380</u>	<u>20,027</u>	<u>428,972</u>
LIABILITIES							
Segment liabilities	<u>1,928,975</u>	<u>92,574</u>	<u>381,813</u>	<u>368,911</u>	<u>443,606</u>	<u>1,390,381</u>	<u>4,606,260</u>
Included in segment liabilities are:							
Amounts due to joint ventures	<u>-</u>	<u>-</u>	<u>11,422</u>	<u>-</u>	<u>68</u>	<u>-</u>	<u>11,490</u>

	Construction and engineering HK\$'000	Property investment HK\$'000	Property development and operations HK\$'000	Healthcare investment HK\$'000	Car dealership HK\$'000	Others HK\$'000	Total HK\$'000
At 31 March 2022							
ASSETS							
Segment assets	1,956,671	4,858,354	5,516,915	2,812,213	1,210,953	2,942,580	19,297,686
Included in segment assets are:							
Interests in associates	656,467	–	–	–	–	20,479	676,946
Interests in joint ventures	13,846	–	335,436	755,506	88,556	–	1,193,344
Amounts due from associates	25,034	–	–	–	–	208	25,242
Amounts due from joint ventures	–	–	102,263	–	–	–	102,263
Additions to non-current assets (note)	18,872	765,105	724,890	83,025	41,194	144,343	1,777,429
LIABILITIES							
Segment liabilities	1,876,013	88,294	417,534	355,340	451,987	1,286,081	4,475,249
Included in segment liabilities are:							
Amounts due to joint ventures	–	–	12,876	–	286	–	13,162

Note:

Non-current assets represent non-current assets other than financial instruments, interests in associates, interests in joint ventures, deferred tax assets and amounts due from non-controlling interests.

Reconciliation of segment assets and liabilities to total assets and liabilities is provided as follows:

	As at 30 September 2022 HK\$'000	As at 31 March 2022 HK\$'000
Segment assets	19,284,488	19,297,686
Prepaid tax	21,247	21,947
Unallocated bank balances and cash	199,124	807,707
Deferred tax assets	76,912	69,055
Other unallocated assets	18,567	18,500
Total assets	19,600,338	20,214,895
Segment liabilities	4,606,260	4,475,249
Current income tax liabilities	97,974	89,210
Bank and other borrowings	3,892,828	4,019,900
Deferred tax liabilities	369,291	403,943
Total liabilities	8,966,353	8,988,302

(c) **Geographical information**

The Group's operations in construction and engineering businesses are mainly carried out in Hong Kong, Mainland China, Macau and Australia. Property investment businesses are mainly carried out in Hong Kong, Mainland China, Canada, Singapore and the United Kingdom. Property development and operations businesses are mainly carried out in Hong Kong, Mainland China and Canada. Healthcare investment businesses are carried out in Hong Kong and the United States of America (the "US"). Car dealership businesses are carried out in Mainland China and Canada. Other businesses are mainly carried out in Hong Kong, the US, Mainland China, Canada and Thailand.

The associates' and joint ventures' operations in construction and engineering businesses are mainly carried out in Hong Kong, Mainland China, Singapore and Macau. Property development and operations businesses are mainly carried out in Hong Kong and Mainland China. Healthcare investment businesses are carried out in the US. Car dealership businesses are carried out in Mainland China. Other businesses are mainly carried out in Hong Kong and Australia.

	Segment revenue by geographical areas							
	Six months ended				Six months ended			
	Company and subsidiaries	Associates and joint ventures	30 September 2022	%	Company and subsidiaries	Associates and joint ventures	30 September 2021	%
	HK\$'000	HK\$'000	HK\$'000		HK\$'000	HK\$'000	HK\$'000	
Hong Kong	1,892,724	328,779 [#]	2,221,503	50	1,878,600	361,234 [#]	2,239,834	40
Mainland China	666,095	638,912	1,305,007	29	1,246,726	751,503	1,998,229	36
The US	478,256	61,122	539,378	12	625,962	60,920	686,882	13
Canada	201,796	–	201,796	5	208,999	–	208,999	4
Singapore	6,149	130,204	136,353	3	6,335	128,380	134,715	2
Macau	45,907	10,227	56,134	1	163,931	10,546	174,477	3
Thailand	20,897	–	20,897	–	26,799	–	26,799	1
Australia	1,010	14,291	15,301	–	63,694	6,574	70,268	1
The United Kingdom	14,032	–	14,032	–	487	–	487	–
Others	–	225	225	–	–	213	213	–
	<u>3,326,866</u>	<u>1,183,760</u>	<u>4,510,626</u>	<u>100</u>	<u>4,221,533</u>	<u>1,319,370</u>	<u>5,540,903</u>	<u>100</u>

[#] The proportionate revenue from a joint venture is eliminated.

The Group maintains a healthy and balanced portfolio of customers. No customer is accounted for 10% or more of the total revenue of the Group for the six months ended 30 September 2022 (2021: one customer within construction and engineering segment is accounted for HK\$449.7 million or 10.7% of the total revenue of the Group).

4 OTHER INCOME

Six months ended 30 September
2022 2021
HK\$'000 HK\$'000

Included in other income are:

Sales and marketing services income from an associate	18,609	18,112
Management fee income from an associate and joint ventures	11,449	11,295
Government grants	31,354	10,887
	<u> </u>	<u> </u>

5 OTHER LOSSES, NET

Six months ended 30 September
2022 2021
HK\$'000 HK\$'000

Included in other losses, net are:

Loss on investments at fair value through profit or loss	(70,697)	(33,514)
Gain on derivative financial instruments	47	9
Loss on disposal of property, plant and equipment	(558)	(7,453)
Gain on disposals of subsidiaries	–	10,122
Provision recognised for trade and other debtors, net	(2,797)	(8,409)
Provision written back for properties for sale	30,000	–
Exchange (loss)/gain	(9,322)	3,709
	<u> </u>	<u> </u>

6 FINANCE COSTS, NET

Six months ended 30 September
2022 2021
HK\$'000 HK\$'000

Interest expenses on lease liabilities, bank overdrafts, a non-controlling interest and bank and other borrowings	68,264	50,177
Less: Amounts capitalised to properties under development (note)	(9,705)	(12,400)
	<u> </u>	<u> </u>
	58,559	37,777
	-----	-----
Less: Interest income from bank deposits, promissory notes, an associate, a joint venture and a non-controlling interest	(18,382)	(11,953)
	<u> </u>	<u> </u>
	40,177	25,824
	<u> </u>	<u> </u>

Note:

The capitalisation rate applied to funds borrowed and used for the development of properties was 2.20% per annum during the six months ended 30 September 2022 (2021: 1.40% per annum).

7 PROFIT BEFORE TAXATION

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
Profit before taxation has been arrived at after charging/(crediting) the following:		
Cost of inventories sold	704,919	883,033
Cost of construction contracts	1,245,411	1,478,221
Cost of properties sold	34,646	304,352
Provision recognised/(written back) for inventories to net realisable value, net	671	(42)
Staff costs	714,547	684,546
Less: Amounts allocated to contract work	(127,292)	(115,200)
	587,255	569,346
Short-term lease payments in respect of leasing of		
– premises	3,333	3,713
– equipment	1,500	1,260
	4,833	4,973
Depreciation of property, plant and equipment	109,493	94,926
Less: Amounts allocated to contract work	(1,100)	(690)
	108,393	94,236
Amortisation of other intangible assets	4,602	11,235
Less: Amounts allocated to contract work	(30)	–
	4,572	11,235
	<u>4,572</u>	<u>11,235</u>

8 TAXATION

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
Current tax		
Hong Kong	23,919	23,283
Mainland China	6,854	42,379
Overseas	15,684	24,981
Over-provision in prior years	(1)	(281)
	46,456	90,362
Deferred tax		
Origination and reversal of temporary differences	(7,495)	(38)
	<u>38,961</u>	<u>90,324</u>

Hong Kong profits tax is calculated at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits. Taxation on Mainland China and overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

9 EARNINGS PER SHARE

The earnings per share is calculated by dividing the profit attributable to shareholders of the Company of HK\$85,554,000 (2021: HK\$202,047,000) by the weighted average number of 301,928,440 (2021: 301,928,440) ordinary shares in issue during the period.

10 DIVIDEND

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
Interim dividend of HK\$0.10 (2021: HK\$0.15) per share	30,193	45,289

On 28 November 2022, the Board declared an interim dividend of HK\$0.10 per share. The interim dividend is not reflected as a dividend payable in these condensed consolidated interim financial statements, but will be reflected as an appropriation of the retained profits for the year ending 31 March 2023.

The 2021/22 final dividend of HK\$0.35 per share totaling HK\$105,675,000 was declared and approved at the annual general meeting held on 31 August 2022 and paid on 23 September 2022. The 2021/22 final dividend has been reflected as an appropriation of the retained profits for the six months ended 30 September 2022.

11 DEBTORS, CONTRACT ASSETS, DEPOSITS PAID AND PREPAYMENTS

	As at 30 September 2022 HK\$'000	As at 31 March 2022 HK\$'000
Trade debtors	883,234	887,508
Less: Provision for impairment	(32,514)	(30,326)
Trade debtors, net	850,720	857,182
Retention receivables	345,912	301,398
Contract assets	198,731	179,035
Other debtors	335,046	421,361
Less: Provision for impairment	(30,915)	(33,145)
Other debtors, net	304,131	388,216
Deposits paid and prepayments	285,806	269,568
	1,985,300	1,995,399

The Group has established different credit policies for customers in each of its core businesses. The average credit period granted to trade debtors is 0-90 days.

The ageing analysis of trade debtors, net of impairment provision, is presented based on the invoice date as follows:

	As at 30 September 2022 HK\$'000	As at 31 March 2022 HK\$'000
0 – 60 days	517,118	622,671
61 – 90 days	136,547	32,997
Over 90 days	<u>197,055</u>	<u>201,514</u>
	<u>850,720</u>	<u>857,182</u>

12 CREDITORS, BILLS PAYABLE, DEPOSITS RECEIVED, CONTRACT LIABILITIES, ACCRUALS AND PROVISIONS

	As at 30 September 2022 HK\$'000	As at 31 March 2022 HK\$'000
Trade creditors and bills payable	352,937	340,400
Retention payables	262,957	234,873
Deposits received	87,870	79,319
Contract liabilities	337,044	274,028
Accrued contract costs	913,991	1,110,794
Other creditors, accruals and provisions	<u>851,765</u>	<u>750,397</u>
	<u>2,806,564</u>	<u>2,789,811</u>

The ageing analysis of trade creditors and bills payable is as follows:

	As at 30 September 2022 HK\$'000	As at 31 March 2022 HK\$'000
0 – 60 days	219,451	268,598
61 – 90 days	83,227	29,263
Over 90 days	<u>50,259</u>	<u>42,539</u>
	<u>352,937</u>	<u>340,400</u>

13 CONTINGENT LIABILITIES

The Group had contingent liabilities in respect of guarantees issued for utilised borrowings in relation to:

	As at 30 September 2022 HK\$'000	As at 31 March 2022 HK\$'000
Banking facilities granted to an associate	1,078	1,033
Guarantees given to banks and housing provident fund management centres for mortgage facilities granted to certain buyers of properties	<u>267,509</u>	<u>335,823</u>
	<u>268,587</u>	<u>336,856</u>

The Group's share of contingent liabilities of its joint ventures was as follows:

	As at 30 September 2022 HK\$'000	As at 31 March 2022 HK\$'000
Guarantees given to banks for mortgage facilities granted to certain buyers of the joint ventures' properties	<u>270</u>	<u>304</u>

In respect of a completed engineering contract, the Group has contingent liabilities arising from the claims lodged by a subcontractor for an unprovided amount of approximately HK\$27 million. The ultimate outflow, if any, to settle this possible obligation is subject to the final outcome of the legal proceeding and is uncertain.

14 COMMITMENT

The Group had commitment as follows:

	As at 30 September 2022 HK\$'000	As at 31 March 2022 HK\$'000
Contracted but not provided for in the consolidated financial statements in respect of		
– property development projects	221,915	283,365
– acquisition of property, plant and equipment	90,688	111,245
– an equity investment	<u>–</u>	<u>6,264</u>
	<u>312,603</u>	<u>400,874</u>

The Group's share of commitment of its joint ventures was as follows:

	As at 30 September 2022 HK\$'000	As at 31 March 2022 HK\$'000
Contracted but not provided for	7,523	8,518

15 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current period's presentation. In the current period, the Group reclassified the line items "Loss on investments at fair value through profit or loss" and "Gain on derivative financial instruments" from "Other income" to "Other losses, net". As a result, comparative information has been reclassified to conform to this presentation.

16 EVENTS AFTER THE END OF THE REPORTING PERIOD

Disposal of a senior housing property

In November 2022, the Group has entered into an agreement with an independent third party to dispose a senior housing property located in Michigan, the US at a consideration of (i) US\$17.9 million (equivalent to approximately HK\$139.6 million) (subject to closing adjustment) and (ii) a contingent consideration that capped and limited to an maximum amount of US\$3.0 million (equivalent to approximately HK\$23.4 million) (if any). Upon completion of the disposal, the Group is expected to record an unaudited loss on the disposal before taxation of approximately US\$1.8 million (equivalent to approximately HK\$14.0 million) without taking into account for the closing adjustments and contingent consideration.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK\$0.10 (2021: HK\$0.15) per share for the six months ended 30 September 2022. The interim dividend will be payable on or about Thursday, 22 December 2022 to those shareholders whose names appear on the Register of Members of the Company on Thursday, 15 December 2022.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 14 December 2022 to Thursday, 15 December 2022, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for the above interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Standard Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 13 December 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 September 2022, the Group's unaudited interim results reported a consolidated revenue of HK\$3,327 million (2021: HK\$4,222 million), representing a decline of 21%, mainly due to the absence of the revenue from the handover of the pre-sale Changchun residential properties recognised last year and the decline of revenue from various business units. Excluding the financial effect of the profit from the handover of the pre-sale residential units in Changchun in 2021 amounting to HK\$106 million, the consolidated profit recorded HK\$85 million (2021: HK\$93 million), representing a drop of 9%. The decrease in consolidated profit was mainly due to the absence of the profit from the handover of the pre-sale Changchun residential properties in 2021, unrealised mark-to-market loss in investments measured at fair value through profit or loss and decrease in fair value of a joint venture's investment properties in the US during the period. Taking into account the contribution from the share of revenue of associates and joint ventures, the Group's total revenue was HK\$4,511 million (2021: HK\$5,541 million), representing a decrease of 19%. Profit attributable to the Company's shareholders decreased to HK\$86 million (2021: HK\$202 million) and hence, earnings per share was HK\$0.28 (2021: HK\$0.67) for the period under review.

CONSTRUCTION AND ENGINEERING

During the period under review, revenue of the Construction and Engineering segment decreased from HK\$2,510 million to HK\$2,160 million, representing a decline of 14%. Notwithstanding the decline in segment revenue, segment profit, before net finance costs, increased from HK\$134 million to HK\$152 million, representing a growth of 13% as compared to the same period last year. The growth in profit was mainly arising from the Group's associates. As at 30 September 2022, the total value of the Group's outstanding construction and engineering contracts in hand amounted to HK\$8,438 million. Major contracts are:

1. Construction of a hotel development at No. 1 Cheong Tung Road, Hung Hom, Kowloon;

2. Construction of proposed church facilities, residential care home and senior hostel development at 17A & B Ventris Road, Happy Valley, Hong Kong;
3. Construction of the extension of the operating theatre block for Tuen Mun Hospital, New Territories;
4. Construction of subsidised sale flats development at Ko Shan Road, Hung Hom, Kowloon;
5. Electrical works for construction of Siu Ho Wan water treatment works extension and Siu Ho Wan Raw Water Booster Pumping Station;
6. Operations and maintenance of on-site chlorine generation plants at Shatin, Pak Kong, Tuen Mun, Ma On Shan and Au Tau water treatment works;
7. Installation of air-conditioning system at Shenzhen Bay Immigration Control Point;
8. Replacement of emergency generator set at Hong Kong Macau Ferry Terminal;
9. Design, supply and installation of metal panel and external wall cladding system for T2C of the Third Runway Concourse and Apron Works of Hong Kong International Airport;
10. Design, supply and installation of curtain wall for a landmark integrated project at Kowloon Inland Lot No. 11262;
11. Supply and installation of kitchen cabinets for a proposed new development at Section B of Shauiwan Marine Lot No. 2 at Sai Wan Ho, Hong Kong; and
12. Design, supply and installation of kitchen cabinets for the proposed development at No. 270-286 Tung Chau Street and 1-5 Kweilin Street, NKIL 6559, Sham Shui Po, Kowloon.

Our construction and engineering division is well-positioned in the industry to provide one-stop quality products and services to our clients. Our talents and experts specialise in divers fields including electrical and mechanical engineering, lifts and escalators, aluminum windows and curtain wall, and environmental engineering. Our building supplies team is also well-known for its extensive and quality building materials and equipment and excellent services. The Group's building construction team is incessantly exploring innovative technology and solutions for building a livable city. It is one of the forerunners in the promotion and application of Building Information Modelling (BIM) and Modular Integrated Construction (MiC). Chevalier has also developed its own MiC Lift technology which significantly decreases the on-site installation time required by 40%. Moreover, the use of high strength lightweight concrete, the Design for Manufacturing and Assembly (DfMA) method and the Multi-trade Integrated Mechanical, Electrical and Plumbing (MiMEP) and Hybrid-MiC construction technologies have also been integrated into the construction work process of the Group, thereby significantly increasing efficiency. Our strength in and the use of these innovative technologies is thoroughly demonstrated in the Group's MiC project, the elderly housing Jat Min Chuen project in Sha Tin. Application and adoption of these innovative technologies help the Group tackle the problem of labour

shortage and overcome construction site restrictions, help with quality and cost management whilst improve productivity and also very importantly, help reduce onsite waste and noise production thereby helping to maintain a sustainable environment.

PROPERTY INVESTMENT

The Property Investment segment comprises the property letting business with a portfolio of properties in Hong Kong, Mainland China, Singapore and the United Kingdom. This segment recorded an increase in its revenue from HK\$69 million to HK\$93 million, representing a 35% growth as compared to the corresponding period last year. Segment profit, before net finance costs, reported a growth by 85% from HK\$34 million to HK\$63 million during the period under review. Increase in both the revenue and segment profit was mainly contributed by the investment properties in Hong Kong and the two Grade A rental properties in City of London, the United Kingdom. The first being an office building with a net internal area of approximately 30,000 square feet located at 1-3 Hammersmith Broadway, London which is currently single-let on a 10-year lease to The Department for Work and Pensions of the British Government, and the second being a commercial building with a net internal area of approximately 35,000 square feet located at 30 King Street, London which is currently multi-let to reputable names in the banking, legal and business consultancy industries with a weighted average unexpired lease term of more than six years.

PROPERTY DEVELOPMENT AND OPERATIONS

This segment experienced a significant drop in both revenue and profit, before net finance costs, mainly due to the absence of the revenue recognised from the handover of the pre-sale Changchun residential units in current year as compared to last year's corresponding period. Revenue declined from HK\$737 million to HK\$292 million and profit from HK\$174 million to HK\$87 million, representing a drop of 60% and 50%, respectively.

Almost all of the residential units of “City Hub”, an Urban Renewal Authority (“URA”) project in which the Group owned 50% equity interest have been sold to date. The remaining duplex residential units and 15,000 square feet commercial area of “City Hub” are currently up for sale.

“SABLIER”, another URA project, is the Group's first wholly-owned composite residential development. It is a 28-storey single building comprising 144 residential units ranging from small to medium size and has a total gross floor area of approximately 55,000 square feet and another 8,000 square feet of commercial area. Handover of the units to respective buyers commenced in October 2021 shortly after its completion in September 2021.

Another project located in a well sought-after school net within a developed community at 292A-D Prince Edward Road West will provide residential units totalling approximately 39,000 square feet of plot ratio area. It is expected that the Occupation Permit and the Certificate of Compliance for this project will be obtained in the financial year 2023/24.

5 Hang Lok Lane, Shatin is planned for re-development into luxurious and low-density residential units with a site area of approximately 48,000 square feet. Another site in the New Territories acquired through a government tender in January 2022 is Fanling Sheung Shui Town Lot No. 245 located at On Kui Street, Fanling, New Territories with a gross floor area of approximately 88,000 square feet. The plan is to develop the site into an industrial building fitted with high-end facilities.

Phase III of “Chevalier City” in Changchun consists of 10 residential blocks providing over 1,100 residential units with a gross floor area of approximately 100,000 square metres. Over 70% of the nine residential blocks that were launched for sale have already been sold. Phase V of “Chevalier City” comprises 10 residential blocks and provides over 1,000 residential units with a total gross floor area of approximately 100,000 square metres. Construction works of Phase V commenced in June this year and is expected to be completed by late 2024.

Guided by the motto of “Your home in safe hands”, the Group’s property management company has been committed to providing a harmonious and comfortable environment for its clients and residents. Recently, it won a Property Management Pioneer Award which was awarded by the Property Management Services Authority for its continuing enhancement in quality and professionalism in the property management industry.

Owing to the relaxation of most of the quarantine measures in Canada, the performance of our hotel in Canada, named as Rosedale of Robson Hotel, has rebound to an even better than pre-COVID-19 level. However, the hotel in Chengdu, the Mainland China is still facing sporadic lockdown issues and recovery is still a challenge.

HEALTHCARE INVESTMENT

The revenue of the Healthcare Investment segment during the reporting period slightly dropped by 5% from HK\$475 million to HK\$451 million as compared to the corresponding period last year. Such decrease was mainly due to the disposal of some senior housing properties and the end of the special arrangement with local US Government for the provision of special care and other related services to COVID-19 patients during the corresponding period last year. Segment profit, before net finance costs, also recorded a significant decline from a profit of HK\$3 million to a loss of HK\$63 million as compared to the corresponding period last year which was mainly due to decrease in fair value of approximately HK\$78 million of a joint venture’s medical office buildings located in New York, Pennsylvania and Rhode Island in the US in addition to the decline in revenue during the period.

As at 30 September 2022, the Group owned 29 senior housing properties across six States in the US providing around 2,700 units/beds covering a wide spectrum of services including independent living, assisted living, memory care and skilled nursing. The Group also owns three medical office buildings comprising a total gross floor area of approximately 428,000 square feet through a joint venture.

The Group is also engaged in a rehabilitation and wellness centre in Ho Man Tin and the development of a senior housing project in Happy Valley, Hong Kong. The construction works of the Happy Valley project are underway and is expected to complete in 2024.

Subsequent to the financial period end, on 21 November 2022, the Group has entered into an agreement with an independent third party to dispose a senior housing property located in Michigan, the US at a consideration of (i) US\$17.9 million (equivalent to approximately HK\$140 million) (subject to closing adjustment) and (ii) a contingent consideration that capped and limited to an maximum amount of US\$3.0 million (equivalent to approximately HK\$23.4 million) (if any). The transaction is aimed to complete at the end of this financial year.

CAR DEALERSHIP

Revenue of this segment reported a decrease by 20% from HK\$1,124 million to HK\$895 million and the segment loss, before net finance costs, recorded a significant further loss from a loss of HK\$17 million to a loss of HK\$30 million as compared to the last period. Such results were mainly due to the shortage of supply and scattered COVID-19 lockdown in cities of Sichuan province where our dealer shops are located.

Our dealerships in Canada were also adversely affected by the global shortage of semiconductor chip which heavily impacted on our inventory and sales. This, coupled with soaring fuel costs, affected the performance of the car dealership in Canada.

OTHERS

Businesses of this segment cover information and technology, insurance and investment, freight logistic services, food trading and food and beverage. Segment revenue recorded a slight decrease of 1% from HK\$625 million to HK\$620 million. Segment profit, before net finance costs, reported a substantial drop from a profit of HK\$14 million to a loss of HK\$23 million mainly due to unrealised mark-to-market loss in investments in equities and fixed income products as a result of market down turn at fair value through profit or loss during the reporting period.

The information and technology division continued to focus on offering innovative smart living solutions, customised enterprise automation solutions and value-adding services to our clients and the community. Our products and solutions have been widely adopted and applied by various departments of the HKSAR Government.

The various construction projects in the market has continued to contribute to the performance of our insurance business during the reporting period. With the aim of easing housing shortages in Hong Kong, the Government of the HKSAR has undertaken to increase the public housing supply, thus more public housing construction projects and infrastructure projects and redevelopment projects will be rolled out, leading to an increase in the volume of the employees' compensation insurance. It is expected that our employees' compensation business will continue to grow and contribute to the Group in the coming year.

Performance of our freight logistics services is satisfactory during the period. We are dedicated to providing international and one-stop services related to logistics, freight forwarding, warehousing and third-party logistics management. Benefiting from our world-wide network, we are committed to developing the cold chain management, e-commerce logistics and life science services in the logistics and supply chain industry so as to meet our clients' needs.

FUTURE PROSPECTS

The last six months have been very taxing on many businesses regardless of their size and the overall global business environment has been sombre. The continued closure of the Hong Kong border during the reporting period, the continued labour shortage and additional brain drain in Hong Kong and the soaring interest rate in an unprecedented speed have all posed great hurdles for the Group. Nevertheless, the Group remains optimistic.

In the 2022 Policy Address, the increase in the supply of land and public housing is one of the main focus advocated by the Chief Executive in shaping the future of Hong Kong. Under the main theme of “Enhance quantity, speed, efficiency and quality”, and with the goal of achieving an increase in the land supply, in addition to engaging studies on the development of Kau Yi Chau Artificial Islands and the Northern Metropolis area, the Government will also explore Tseung Kwan O Area 137 and conduct feasibility studies for 255 hectares of “Green Belt” sites for housing development. Other initiatives include converting more brown-field clusters into “spade-ready” sites for public housing, as well as speeding up the pace of urban redevelopment which could help provide more public space in the city environs. With more major land development projects to be rolled out by the Government, our construction and engineering team, and also our insurance team will act proactively to grasp every opportunity that may be generated by these development projects.

In order to expediate the construction of public housing, the Government requires all public housing projects in the first 5-year period (2023-24 to 2027-28) to adopt innovative construction technologies including DfMA and MiC methods. With the Group's investment and commitment in the application of MiC, DfMA, MiMEP and MiC Lift and our experience in incorporating these technologies in our past and current projects, the Group is well positioned in undertaking construction and engineering jobs in the coming years.

The Group will follow a conservative, prudent approach in our property development business in view of the weaker market sentiments arising from the brain drain and rate hikes despite demand from potential buyers for quality residential properties are still there. The Group will keep a close monitor on the existing property development projects and will adopt a cautious land replenishment strategy to capture various opportunities for properties development.

Persistent strict lockdowns and quarantine policies have continued to hinder the global logistics and supply chains during the first half in 2022. The lingering and different degrees of anti-pandemic measures in different countries have disrupted manufacturing activities in Mainland China and the global supply chains but has created unprecedented opportunities for logistics at the same time. The Group has been seizing and will continue to seize opportunities and will continue to promptly respond and react to the market and provide customised solutions to meet the needs of our customers in the ever-

changing dynamic business environment. We believe that the positive momentum from the reopening of borders across countries and complete lifting of COVID-19 restrictions in certain areas, and the pickup in manufacturing and other business activities will boost not only the logistics industry, but also global markets in general.

During the period, although staff shortage and the increase in operating cost continued to be an issue for our operators which consequently affect our profit, the Group experienced a rebound in the occupancy rates in our US senior housing facilities and is optimistic that the occupancy rates of the various facilities will improve gradually. With the increase in the demand for needs-based skilled nursing care, the Group will explore potentials of rearranging our portfolios to enhance the overall performance of the elderly housing investments.

The relaxation of quarantine measures by various government to bring the world economy back to normal track, the gradual relaxation of anti-pandemic measures in Hong Kong as demonstrated by the reconvening of international forums and sports events, and the targets set in the 2022 Policy Address are all clear indicators of the world's and Hong Kong Government's determination to bring life back to normal. We understand that the ride ahead for the Group may be a bumpy one with many obstacles to overcome. The Group will adopt a pragmatic and cautious approach in planning our business strategy and in our deployment of resources. We will stay close to the market, to our clients and to business partners and stay atop of happenings in this ever-changing and volatile business environment.

FINANCIAL REVIEW

As at 30 September 2022, the Group's net assets attributable to shareholders of the Company amounted to HK\$10,051 million, representing a decrease of HK\$538 million when compared with 31 March 2022 of HK\$10,589 million. Such decrease mainly resulted from the exchange difference on translation of operations of overseas subsidiaries, associates and joint ventures of HK\$489 million and dividend payment of HK\$106 million offset by the profit attributable to shareholders of the Company of HK\$86 million.

As at 30 September 2022, the Group's bank and other borrowings decreased to HK\$3,893 million (31 March 2022: HK\$4,020 million) as a result of repayment of bank loans during the period. 59.2%, 26.8% and 8.9% of the balance as at 30 September 2022 (31 March 2022: 55.8%, 28.5% and 10.2%) were denominated in Hong Kong dollar, US dollar and British Pound respectively.

The portion of the Group's bank and other borrowings due within one year was increased from 60.3% as at 31 March 2022 to 63.1% as at 30 September 2022.

EMPLOYEES AND REMUNERATION POLICIES

The Group employed approximately 3,600 full-time staff globally as at 30 September 2022. Total staff costs amounted to HK\$715 million for the period under review. The remuneration policies of the Group are reviewed periodically on the basis of the nature of job, market trend, company performance and individual performance. Other staff benefits include bonuses awarded on a discretionary basis, medical schemes and retirement schemes.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of listed securities of the Company by the Company or any of its subsidiaries during the six months ended 30 September 2022.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the applicable code provisions as set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules on the Stock Exchange. In the opinion of the Directors, the Company has complied with the code provisions throughout the six months ended 30 September 2022, except for the following deviation:

Code Provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same person. The Chairman is responsible for overseeing the Board while the Managing Director is responsible for managing the Group's businesses. Mr. Kuok Hoi Sang serves as both the Chairman and Managing Director of the Company. The Board believes that with Mr. Kuok's comprehensive knowledge in the history of various business segments, and his extensive experience in the operation of the Group, vesting the roles of both Chairman and Managing Director in Mr. Kuok provides the Company with strong and consistent leadership and facilitates the implementation and execution of the Group's business strategies which is in the best interest of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. Following a specific enquiry of all Directors, each of the Directors confirmed that he/she has complied with the Model Code throughout the six months ended 30 September 2022.

AUDIT COMMITTEE

The Audit Committee comprises four Independent Non-Executive Directors of the Company, namely Mr. Yang Chuen Liang, Charles as committee chairman, Professor Poon Chung Kwong, Mr. Irons Sze and Mr. Sun Leland Li Hsun as committee members.

During the period, the Audit Committee has reviewed with the management the accounting policies and practices adopted by the Group and discussed the auditing, risk management and internal control systems of the Group and financial reporting matters including the review of the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 September 2022.

PUBLICATION OF INTERIM RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The interim results announcement of the Company for the six months ended 30 September 2022 is published on the Stock Exchange's website at <http://www.hkexnews.hk> and the Company's website at <http://www.chevalier.com>. The interim report of the Company for the six months ended 30 September 2022 containing all applicable information required by the Listing Rules will be despatched to the shareholders of the Company and published on the above websites in due course.

APPRECIATION

On behalf of my fellow directors, I would like to express our deepest gratitude to our stakeholders for their longstanding confidence in and support to the Group. I also extend the Board's full appreciation to our employees for their tireless work and effort during this challenging period.

By Order of the Board
Chevalier International Holdings Limited
KUOK Hoi Sang
Chairman and Managing Director

Hong Kong, 28 November 2022

As at the date of this announcement, the Board comprises Messrs Kuok Hoi Sang (Chairman and Managing Director), Tam Kwok Wing (Deputy Managing Director), Ho Chung Leung, Ma Chi Wing and Miss Lily Chow as Executive Directors; Mr. Yang Chuen Liang, Charles, Professor Poon Chung Kwong, Mr. Irons Sze and Mr. Sun Leland Li Hsun as Independent Non-Executive Directors; Mr. Chow Vee Tsung, Oscar as Non-Executive Director.

* For identification purpose only