



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

Stock Code : 00224



INTERIM REPORT **2022**



PIONEER GLOBAL GROUP LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Rossana WANG GAW, *Chairman*

Goodwin GAW, *Vice Chairman*

Kenneth GAW, *Managing Director*

Christina GAW

Alan Kam Hung LEE

Independent Non-executive Directors

Dr. Charles Wai Bun CHEUNG, JP

Arnold Tin Chee IP

Stephen TAN

AUDIT COMMITTEE

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

Arnold Tin Chee IP

Stephen TAN

COMPANY SECRETARY

Clara Yuk Yee CHENG

BANKERS

BNP Paribas

Citibank N.A. Hong Kong

Hang Seng Bank Limited

Standard Chartered Bank

(Hong Kong) Limited

The Hongkong and Shanghai Banking

Corporation Limited

SOLICITORS

Fangda Partners

Mayer Brown

AUDITOR

CHENG & CHENG LIMITED

REGISTERED OFFICE

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM 10, Bermuda

PRINCIPAL OFFICE IN HONG KONG

18th Floor

68 Yee Wo Street

Causeway Bay

Hong Kong

SHARE REGISTRAR & TRANSFER OFFICE IN BERMUDA

MUFG Fund Services (Bermuda) Limited

4th Floor, North Cedar House

41 Cedar Avenue

Hamilton HM 12, Bermuda

SHARE REGISTRARS & TRANSFER OFFICE IN HONG KONG

Computershare Hong Kong Investor

Services Limited

17th Floor, Hopewell Centre

183 Queen's Road East

Hong Kong

INFORMATION

<http://www.pioneerglobalgroup.com>

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

Bloomberg: 224:HK

Reuters: 0224.hk

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Notes</i>	For the six months ended	
		2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Revenue	5	118,089	135,234
Properties operating expenses		(25,749)	(22,323)
Staff costs		(7,851)	(8,128)
Depreciation		(414)	(457)
Other expenses		(2,828)	(2,345)
		(36,842)	(33,253)
Operating profit	4	81,247	101,981
Share of results of associates		(35,320)	(21,094)
Change in fair value of investment properties		16,378	139,929
Change in fair value of investments in equity instruments at fair value through profit or loss (“FVTPL”)		(21,097)	2,265
Other gains and losses		207	(264)
Finance costs	6	(21,942)	(24,547)
Profit before taxation	7	19,473	198,270
Taxation			
Current	8	(5,772)	(8,861)
Deferred	8	(1,883)	(2,984)
Profit for the period		11,818	186,425
Profit attributable to:			
Shareholders of the Company		2,821	146,916
Non-controlling interests		8,997	39,509
		11,818	186,425
Interim dividend	9	–	11,540
		HK cents	HK cents
Earnings per share	10	0.24	12.73

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the six months ended	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Profit for the period	11,818	186,425
Other comprehensive expense:		
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Change in fair value of investments in equity instruments designated at fair value through other comprehensive income ("FVTOCI")	(32,144)	(9,265)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Change in fair value of investments in debt instruments at FVTOCI	(345)	(21)
Exchange difference on translation of associates	(72,423)	(23,922)
Other comprehensive expense for the period, net of tax	(104,912)	(33,208)
Total comprehensive (expense)/income for the period	(93,094)	153,217
Total comprehensive (expense)/income attributable to:		
Shareholders of the Company	(98,749)	112,638
Non-controlling interests	5,655	40,579
	(93,094)	153,217

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 September 2022 (Unaudited) HK\$'000	At 31 March 2022 (Audited) HK\$'000
	<i>Notes</i>		
ASSETS			
Non-current assets			
Investment properties	11	7,912,380	7,895,300
Interests in associates	17	2,444,292	2,553,828
Debt instruments at FVTOCI	18	–	1,985
Equity instruments designated at FVTOCI	18	216,276	248,934
Equity instruments at FVTPL	18	156,871	178,774
Property, plant & equipment		2,767	3,157
Other assets		300	300
		10,732,886	10,882,278
Current assets			
Debtors, advances & prepayments	12	24,590	21,855
Tax recoverable		557	1,129
Cash & bank balances	13	291,204	227,329
		316,351	250,313
Total assets		11,049,237	11,132,591
EQUITY			
Share capital		115,404	115,404
Reserves		7,344,147	7,442,896
Shareholders' funds		7,459,551	7,558,300
Non-controlling interests		1,112,840	1,115,185
Total equity		8,572,391	8,673,485

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		At 30 September 2022 (Unaudited) HK\$'000	At 31 March 2022 (Audited) HK\$'000
LIABILITIES			
Non-current liabilities			
Creditors & other payables	14	35,620	34,884
Secured bank loans	15	2,017,500	2,281,000
Lease liabilities		403	585
Deferred taxation		83,595	81,712
		2,137,118	2,398,181
Current liabilities			
Creditors & other payables	14	69,606	59,511
Secured bank loans	15	263,500	–
Lease liabilities		361	353
Tax liabilities		6,261	1,061
		339,728	60,925
Total liabilities		2,476,846	2,459,106
Total equity and liabilities		11,049,237	11,132,591
Net current (liabilities)/assets		(23,377)	189,388
Total assets less current liabilities		10,709,509	11,071,666

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to shareholders of the Company

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve & contributed surplus HK\$'000	Exchange reserve HK\$'000	Investment revaluation reserve HK\$'000	Property revaluation reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 April 2022	115,404	547,748	41,242	23,731	80,855	174,497	6,574,823	7,558,300	1,115,185	8,673,485
Fair value change of investments in – equity instruments designated at FVTOCI	-	-	-	-	(28,802)	-	-	(28,802)	(3,342)	(32,144)
– debt instruments at FVTOCI	-	-	-	-	(345)	-	-	(345)	-	(345)
Exchange on translation of associates	-	-	-	(72,423)	-	-	-	(72,423)	-	(72,423)
Other comprehensive expense for the period	-	-	-	(72,423)	(29,147)	-	-	(101,570)	(3,342)	(104,912)
Profit for the period	-	-	-	-	-	-	2,821	2,821	8,997	11,818
Total comprehensive income/ (expense) for the period	-	-	-	(72,423)	(29,147)	-	2,821	(98,749)	5,655	(93,094)
Disposal of equity instruments designated at FVTOCI	-	-	-	-	420	-	(420)	-	-	-
Dividend paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	(8,000)	(8,000)
At 30 September 2022	115,404	547,748	41,242	(48,692)	52,128	174,497	6,577,224	7,459,551	1,112,840	8,572,391

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Attributable to shareholders of the Company

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash generated from operating activities	81,870	99,052
Cash flows from investing activities		
Additions to investment properties	(702)	(15,771)
Associates:		
Advance to associates	(17)	(19)
Distribution from associates	1,809	3,351
Financial instruments:		
Purchase of equity instruments designated at FVTOCI	(7,154)	–
Proceeds from return of capital of equity instruments at FVTPL	806	–
Proceeds from return of capital of equity instruments designated at FVTOCI	167	1,882
Proceeds from disposal of debt instruments at FVTOCI	2,003	–
Proceeds from disposal of equity instruments designated at FVTOCI	7,490	1,057
Property, plant & equipment:		
Purchase of property, plant & equipment	(24)	(327)
Proceeds from disposal of property, plant & equipment	–	50
Dividend received from investments in equity instruments designated at FVTOCI	5,855	4,692
Interest received	1,259	2,514
Net cash generated from/(used in) investing activities	11,492	(2,571)
Cash flows from financing activities		
Repayment of lease liabilities	(174)	(230)
Interest paid	(21,169)	(24,444)
Other finance costs paid	–	(1,678)
Dividend paid to non-controlling shareholders of subsidiaries	(8,000)	(24,800)
Net cash used in financing activities	(29,343)	(51,152)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	For the six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net increase in cash and cash equivalents	64,019	45,329
Exchange difference	(144)	5
Cash and cash equivalents at the beginning of the period	227,329	186,826
Cash and cash equivalents at the end of the period	291,204	232,160
Analysis of the balances of cash and cash equivalents		
Bank balances, cash and deposits placed with banks up to three months' maturity	291,204	232,160

NOTES TO FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2022 have been prepared in accordance with applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) AND PRINCIPAL ACCOUNTING POLICIES

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

Other than changes in accounting policies resulting from application of amendments to HKFRSs, the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 September 2022 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2022. Details of the changes in accounting policies are set out below.

Application of amendments to HKFRSs

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

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

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

3. FINANCIAL RISKS MANAGEMENT

The main risks arising from the Group’s financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and equity price risk. There have been no changes in the Group’s financial risk management policies and procedures since the year ended 31 March 2022.

4. SEGMENT INFORMATION

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

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

Segment Revenue and Results

For the six months ended 30 September 2022 (30 September 2021)

	Properties and hotels		Investments and others		Consolidated	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Segment revenue						
Company and subsidiaries	110,908	130,204	7,181	5,030	118,089	135,234
Segment results	74,789	97,470	6,814	4,632	81,603	102,102
Unallocated corporate expenses					(356)	(121)
Operating profit					81,247	101,981
Share of results of associates	(35,320)	(21,094)	-	-	(35,320)	(21,094)
Change in fair value of investment properties	16,378	139,929	-	-	16,378	139,929
Change in fair value of investments in equity instruments at FVTPL	(21,097)	2,265	-	-	(21,097)	2,265
Other gains and losses	-	-	207	(264)	207	(264)
Finance costs					(21,942)	(24,547)
Profit before taxation					19,473	198,270
Other information						
Capital expenditure	719	15,790	7,178	327	7,897	16,117

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

4. SEGMENT INFORMATION (Continued)

Segment Assets and Liabilities

As at 30 September 2022 (31 March 2022)

	Properties and hotels		Investments and others		Consolidated	
	30 September	31 March	30 September	31 March	30 September	31 March
	2022	2022	2022	2022	2022	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	8,257,682	8,256,723	347,263	322,040	8,604,945	8,578,763
Interests in associates	2,444,292	2,553,828	-	-	2,444,292	2,553,828
Consolidated total assets					11,049,237	11,132,591
Segment liabilities	(2,473,805)	(2,456,191)	(787)	(954)	(2,474,592)	(2,457,145)
Unallocated corporate liabilities					(2,254)	(1,961)
Consolidated total liabilities					(2,476,846)	(2,459,106)

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

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

4. SEGMENT INFORMATION (Continued)

Geographical Segments

In geographical segments, segment revenue is based on the geographical location of customers. Information about the Group's non-current assets (excluding financial instruments) is presented based on the geographical location of the assets. Overseas segments mainly include China, Thailand, Malaysia and Japan.

Segment revenue

For the six months ended 30 September 2022 (30 September 2021)

	2022 HK\$'000	2021 HK\$'000
Hong Kong	116,734	134,114
Overseas	1,355	1,120
	118,089	135,234

Information about the Group's non-current assets

As at 30 September 2022 (31 March 2022)

	30 September 2022 HK\$'000	31 March 2022 HK\$'000
Hong Kong	9,678,671	9,705,680
Overseas	681,068	746,905
	10,359,739	10,452,585

5. REVENUE

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

	2022	2021
	HK\$'000	HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Property management service income	16,773	19,753
Revenue from other sources		
Rental income from property leasing	94,135	110,451
Dividend income		
– equity instruments designated at FVTOCI	5,855	4,692
Interest income		
– financial assets at amortised cost	1,305	304
– debt instruments at FVTOCI	21	34
	118,089	135,234

6. FINANCE COSTS

	2022	2021
	HK\$'000	HK\$'000
Interest on bank loans	21,922	22,840
Interest on lease liabilities	20	29
Other finance costs	–	1,678
	21,942	24,547

7. PROFIT BEFORE TAXATION

	2022 HK\$'000	2021 HK\$'000
Profit before taxation has been arrived at after charging:		
Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	6,162	6,440
Short-term lease payment for directors' quarters	1,560	1,560
Pension scheme contributions	129	128
Auditor's remuneration	310	300
Depreciation	414	457
Net exchange loss	138	–
and after crediting:		
Rental income from property leasing	94,135	110,451
Less: direct outgoings	(8,643)	(2,266)
Listed investment income	4,943	4,127
Unlisted investment income	912	565
Interest income	1,326	338
Net exchange gain	–	3

8. TAXATION

	2022			2021		
	Current taxation HK\$'000	Deferred taxation HK\$'000	Total HK\$'000	Current taxation HK\$'000	Deferred taxation HK\$'000	Total HK\$'000
Company and subsidiaries						
Hong Kong	5,772	2,613	8,385	8,861	2,559	11,420
Overseas	–	(730)	(730)	–	425	425
	5,772	1,883	7,655	8,861	2,984	11,845

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated Hong Kong source assessable profits for the period. Overseas tax has been provided at the applicable rates in the countries in which the tax is levied.

9. INTERIM DIVIDEND

The Board of Directors does not recommend payment of any interim dividend for the period ended 30 September 2022 (2021: HK1.0 cent per ordinary share, totaling HK\$11,540,000).

10. EARNINGS PER SHARE

Earnings per share is calculated on profit attributable to ordinary shareholders of the Company amounting to HK\$2,821,000 (2021: HK\$146,916,000) and on 1,154,038,656 shares (2021: 1,154,038,656 shares) in issue during the period.

No diluted earnings per share have been presented for the periods ended 30 September 2022 and 30 September 2021 as the Company had no dilutive potential ordinary shares during both periods.

11. INVESTMENT PROPERTIES

	HK\$'000
Fair Value	
At 1 April 2021	7,789,800
Additions	16,450
Revaluation	89,050
<hr/>	
At 31 March 2022 and 1 April 2022	7,895,300
Additions	702
Revaluation	16,378
<hr/>	
At 30 September 2022	7,912,380

Investment properties have been valued at 30 September 2022 and 31 March 2022 by AA Property Services Limited, an independent professional valuer, who has recognised relevant professional qualifications and experiences in valuation of properties. The directors of the Company had on-going discussions with the valuer upon producing the valuation reports in respect of valuation assumption use and other inputs relevant for the valuations of the Group's investment properties. The ongoing Covid-19 pandemic has resulted in greater market volatility depending on how the Covid-19 pandemic may progress and evolve, which has led to higher degree of uncertainties in respect of the valuations in the current period and prior year, and the independent valuer included uncertainty clauses in the valuation reports in respect of all of the Group's investment properties.

As at 30 September 2022 and 31 March 2022, the fair value of the investment properties was determined on the basis of capitalisation of the net income receivable with due allowance for reversionary income potential.

12. DEBTORS, ADVANCES & PREPAYMENTS

Debtors, advances & prepayments comprised the following:

	30 September 2022 HK\$'000	31 March 2022 HK\$'000
Deferred rental receivables	10,787	8,408
Other deposits and prepayments	9,861	8,193
Debtors	3,942	5,254
	24,590	21,855

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

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

	30 September 2022 HK\$'000	31 March 2022 HK\$'000
0 – 30 days	1,685	3,341
31 – 60 days	1,476	1,816
61 – 90 days	265	69
> 90 days	516	28
	3,942	5,254

13. CASH & BANK BALANCES

	30 September 2022 HK\$'000	31 March 2022 HK\$'000
Cash at bank and in hand	27,760	40,318
Short-term bank deposits	263,444	179,011
Cash and cash equivalents	291,204	219,329
Short-term bank deposits maturing after three months	–	8,000
	291,204	227,329

14. CREDITORS & OTHER PAYABLES

	30 September 2022 HK\$'000	31 March 2022 HK\$'000
Creditors & other payables (due within one year)		
Rental deposits received	31,120	29,544
Accruals	23,516	21,249
Creditors	14,970	8,718
	69,606	59,511
Creditors & other payables (due more than one year)		
Rental deposits received	35,620	34,884
	105,226	94,395

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

	30 September 2022 HK\$'000	31 March 2022 HK\$'000
0 – 30 days	11,297	6,232
31 – 60 days	1,708	1,119
61 – 90 days	611	393
> 90 days	1,354	974
	14,970	8,718

15. SECURED BANK LOANS

	30 September 2022 HK\$'000	31 March 2022 HK\$'000
Current		
Repayable within one year	263,500	–
Non-current		
Repayable more than one year but not exceeding two years	1,000,000	663,500
Repayable more than two years but not exceeding five years	1,017,500	1,617,500
	2,017,500	2,281,000

15. SECURED BANK LOANS (Continued)

As at 30 September 2022 and 31 March 2022, all bank loans were denominated in Hong Kong dollars. The effective interest rate at 30 September 2022 was 3.47% p.a. (31 March 2022: 1.48% p.a.).

16. GUARANTEES & COMMITMENTS

	30 September 2022 HK\$'000	31 March 2022 HK\$'000
Guarantees		
– given to a bank by the Company in respect of banking facilities utilised by subsidiaries of the Company	1,879,800	1,879,800
Commitments (contracted but not provided for)		
– for total future minimum lease payments in respect of land and buildings (short-term lease)		
– not later than one year	1,110	1,350
– for purchase of equity instruments designated at FVTOCI		
– not later than one year	1,397	1,595
	1,882,307	1,882,745

17. INTERESTS IN ASSOCIATES

	30 September 2022 HK\$'000	31 March 2022 HK\$'000
Cost of investment	219,623	219,623
Share of post-acquisition reserves	624,286	732,031
	843,909	951,654
Amounts due from associates	1,600,383	1,602,174
	2,444,292	2,553,828

Included in the amounts due from associates, HK\$1,120,294,000 (31 March 2022: HK\$1,120,294,000) is unsecured, interest-free, repayable upon unanimous consent of the shareholders of an associate. The residual amounts due from associates are unsecured, interest-free, have no fixed terms of repayment and repayable on demand. The directors of the Company consider that the amounts due from associates as at the end of the reporting period form part of the net investments in the relevant associates (i.e. deemed capital contribution to the associates).

17. INTERESTS IN ASSOCIATES (Continued)

	30 September 2022 HK\$'000	31 March 2022 HK\$'000
Carrying value of the material associate in the consolidated financial statements:		
Supreme Key Limited	1,791,504	1,838,122
Aggregate carrying value of associates that are not individually material in the consolidated financial statements	652,788	715,706
	2,444,292	2,553,828

Supreme Key Limited is a limited liability company incorporated in British Virgin Islands with the principal business of hotel investment, the InterContinental Hong Kong (“ICHK”). As at 30 September 2022 and 31 March 2022, the Group owned 3 shares of Supreme Key Limited which represents 30% equity interests in the company. The investment costs as at 30 September 2022 was HK\$1,650,375,000 (31 March 2022: HK\$1,650,375,000).

Summary of financial information of the material associate, Supreme Key Limited (accounted for as an investment entity), is as follows:

	Supreme Key Limited	
	30 September 2022 HK\$'000	31 March 2022 HK\$'000
Non-current assets	5,909,248	5,866,748
Current assets	23,531	221,514
Non-current liabilities	(3,734,312)	(3,734,312)
Current liabilities	(1,287,688)	(1,287,776)
Net assets	910,779	1,066,174
Reconciled to the Company's interest on the associate:		
Gross amounts of net assets of the associate	910,779	1,066,174
Group's effective interest	30.0%	30.0%
Group's share of net assets of the associate	273,234	319,852
Amount due from the associate	1,518,270	1,518,270
Carrying value of the associate in the consolidated financial statements	1,791,504	1,838,122

17. INTERESTS IN ASSOCIATES (Continued)

	For the six months ended	
	30 September 2022	2021
	HK\$'000	HK\$'000
Revenue		
Net change in unrealised appreciation on financial assets at FVTPL	(158,126)	(133,025)
Dividend and interest income	2,745	43
Total revenue	(155,381)	(132,982)
Loss for the period	(155,395)	(132,996)
Other comprehensive expense	-	-
Total comprehensive expense	(155,395)	(132,996)
Dividend payable to the Group	-	-

18. INVESTMENTS IN DEBT INSTRUMENTS AT FVTOCI/EQUITY INSTRUMENTS DESIGNATED AT FVTOCI/EQUITY INSTRUMENTS AT FVTPL

The Group's financial instruments are measured at fair value. They are classified as debt instruments at FVTOCI, equity instruments designated at FVTOCI and equity instruments at FVTPL. The financial instruments are grouped into 3 levels based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

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

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

18. INVESTMENTS IN DEBT INSTRUMENTS AT FVTOCI/EQUITY INSTRUMENTS DESIGNATED AT FVTOCI/EQUITY INSTRUMENTS AT FVTPL (Continued)

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

	30 September 2022				31 March 2022			
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Investments in debt instruments at FVTOCI								
<i>Debt securities classified as non-current assets</i>								
Listed outside Hong Kong	-	-	-	-	1,985	-	-	1,985
	-	-	-	-	1,985	-	-	1,985
Investments in equity instruments designated at FVTOCI								
<i>Equity investments classified as non-current assets</i>								
Listed in Hong Kong	82,922	-	-	82,922	105,882	-	-	105,882
Listed outside Hong Kong	-	-	-	-	-	-	-	-
Unlisted in Hong Kong	-	-	37	37	-	-	37	37
Unlisted outside Hong Kong	-	-	133,317	133,317	-	-	143,015	143,015
	82,922	-	133,354	216,276	105,882	-	143,052	248,934
Investments in equity instruments at FVTPL								
<i>Equity investments classified as non-current assets</i>								
Unlisted in Hong Kong	-	-	87,427	87,427	-	-	89,613	89,613
Unlisted outside Hong Kong	-	-	69,444	69,444	-	-	89,161	89,161
	-	-	156,871	156,871	-	-	178,774	178,774
Total	82,922	-	290,225	373,147	107,867	-	321,826	429,693

18. INVESTMENTS IN DEBT INSTRUMENTS AT FVTOCI/EQUITY INSTRUMENTS DESIGNATED AT FVTOCI/EQUITY INSTRUMENTS AT FVTPL (Continued)

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

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

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

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

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

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

	HK\$'000
At 1 April 2021	325,057
Return of capital	(3,997)
Total gains or losses recognized due to change in fair value of investments:	
In profit or loss	5,263
In other comprehensive expense	(4,497)
At 31 March 2022 and 1 April 2022	321,826
Return of capital	(973)
Total gains or losses recognized due to change in fair value of investments:	
In profit or loss	(21,097)
In other comprehensive expense	(9,531)
At 30 September 2022	290,225

19. RELATED PARTY TRANSACTIONS

(a) Transaction with related parties

Based on the lease agreements signed with the related companies, rental income of HK\$3,402,000 (2021: HK\$6,293,000) was accounted for during the interim period.

(b) Key management personnel compensation

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

	2022	2021
	HK\$'000	HK\$'000
Directors' fees	138	138
Salaries, allowances and benefits	4,929	4,866
Pension scheme contributions	36	36
	5,103	5,040

BUSINESS REVIEW

As much of the world re-emerge from the Covid-19 pandemic, growth resumed in many countries, but at the same time inflation reared its ugly head. The confluence of de-globalization trends (induced by the US-China decoupling that started before COVID), supply chain disruptions during COVID shut-downs across the globe, “helicopter money” style monetary support from the world’s major central banks, and the shock of the Russia-Ukraine war produced a perfect storm for the highest inflation rates seen in 40 years. To battle runaway inflation, the US Fed reversed many years of easy monetary policy and raised interest rate at a speed that surprised most market experts. As other central banks (other than China and Japan as notable exceptions) followed the lead of the US Fed, global financial markets suffered massive corrections, giving back much of the gains during the past two years.

While most of Asia started to (or in many cases completely) re-open from various COVID travel restrictions, Hong Kong was hit by the arrival of the “fifth wave” of COVID-19 during the first and second quarters of 2022 and has maintained highly restrictive travel and quarantine policies. Hotels and tourism related trades continued to suffer due to little to no foreign visitors arriving in the city. Even the previously resilient office sector has suffered falling rental rates and vacancies not seen for nearly 20 years. This is no surprise as COVID policies have made it extremely difficult to travel between Hong Kong and China as well as with the rest of the world. As a result, it has been challenging for Chinese companies to expand in Hong Kong, and businesses from the rest of the world also saw little reasons to grow in Hong Kong as our advantages as an international business hub have diminished under these policies. In line with the rest of the market, our investment properties portfolio has also been facing challenges, with falling rental and occupancy rates.

Like most of Asia, Thailand re-opened its border in 2022. This has resulted in a substantial increase in arrivals to the country. For the first 10 months of the year, more than 7 million visitors entered Thailand, compared to only 428,000 international arrivals in all of 2021. However, these numbers are still a far cry from the record of nearly 40 million visitors in 2019. While there has been increased visitors from new source countries like India, until Mainland China re-opens international travels, we will not see a full recovery to pre-COVID numbers. Still, this nascent recovery has been very helpful as both of our hotels in Bangkok and Pattaya have swung back to profitability during this interim period, with continued improving trends.

For the six months period ended 30 September 2022, the Group had revenues of HK\$118.1 million, compared to HK\$135.2 million from the same period in 2021. The decrease in revenues was due mainly to the drop in rental income from our investment properties, resulting from the challenging operating environment in Hong Kong. Operating profit for the interim period was HK\$81.2 million, compared to HK\$102.0 million the year before. The decline in operating profit was due to the fall in rental income, plus higher repairs and maintenance costs and rental agency fees. Share of results of associates had a loss of HK\$35.3 million (2021: loss of HK\$21.1 million). This was caused by operating losses and decrease in fair value of The Regent Hotel Hong Kong, which has been closed for renovations (apart from the Yan Toh Heen Chinese restaurant). Increase in fair value of investment properties amounted to HK\$16.4 million, a substantial decrease compared to the gain of HK\$139.9 million for the previous period, when the office sector in Hong Kong was still resilient and valuation gains were supported by low interest rates. Change in fair value in our equity holdings in investment properties (Ciros Plaza in Shanghai and Cityplaza Three and Four in Hong Kong) also saw a loss of HK\$21.1 million (2021: profit of HK\$2.3 million). For the six months ended 30 September 2022, the Group's net profit was HK\$11.8 million (2021: HK\$186.4 million), of which net profit attributable to shareholders was only HK\$2.8 million (2021: HK\$146.9 million).

Property Investments (Hong Kong and Asia)

By Subsidiaries

As at 30 September 2022, the occupancy rate of the Pioneer Place (245,678 sq. ft.) in Kwun Tong, Hong Kong dropped to 58%, from 87% in September 2021. Due to a massive supply of new office stock in the area, the East Kowloon district had been the most challenging district in Hong Kong for office leasing. For the interim reporting period, Pioneer Place contributed rental and related revenues of HK\$21.5 million (2021: HK\$30.8 million) and no fair value increase (2021: HK\$20.0 million fair value increase).

As of the end of September 2022, the Group's 60% owned 68 Yee Wo Street Building (229,200 sq. ft.) in Causeway Bay, Hong Kong had an occupancy rate of 81% (30 September 2021: 87%). For the six months ended 30 September 2022, the property contributed rental and related revenues of HK\$50.2 million (2021: HK\$58.1 million) and no fair value increase (2021: HK\$70.0 million fair value increase).

Due to the successful completion of a major renovation of its carpark and new main lobby areas, the Club Lusitano Building (80,100 sq. ft.) in Central, Hong Kong was able to maintain a strong occupancy rate of 96%, compared to an occupancy rate of 90% a year ago. However, average rental rates have declined along with the general market. For this interim period, the property contributed HK\$27.6 million (2021: HK\$30.3 million) in rental and related revenues and fair value increase of HK\$19.3 million (2021: HK\$34.2 million).

At the end of the reporting period, the 56,740 sq. ft. commercial podium of Kiu Fat Building (115 – 119 Queen’s Road West) in Sai Ying Pun, Hong Kong maintained an occupancy rate of 100%, benefiting from the long-term leases signed during the previous year. For the six months ended 30 September 2022, the property contributed HK\$10.6 million (2021: HK\$9.9 million) in rental and related revenues and no fair value increase (2021: HK\$14.0 million fair value increase).

By Associates

The Group has an investment in Shanghai K. Wah Centre (7.7%) in China through an associate company. As of 30 September 2022, the property maintained a strong occupancy rate of 95% (30 September 2021: 100%) and the share of associate’s results recorded a profit of HK\$5.6 million (2021: HK\$6.9 million) before foreign exchange difference.

The Group owns an effective stake of 5.1% in three adjacent commercial buildings in Tokyo, Japan through an associate company. The three buildings are the Aoyama Building (400,594 sq. ft.), Mihashi Building (5,419 sq. ft.), and Clover Aoyama Building (9,250 sq. ft.) on Aoyama Dori on top of three subway lines. As of 30 September 2022, the three buildings had occupancy rates of 96%, 68%, and 100% (30 September 2021: 84%, 91% and 70%) respectively. During the reporting period, this investment recorded a share of associate’s profit of HK\$5.4 million before foreign exchange difference (2021: HK\$2.0 million).

By Equity Instruments

The Group is part of an investment consortium that owns the Cityplaza Three (half block) and Cityplaza Four in Tai Koo Shing, Hong Kong. The two adjacent buildings have a total GFA of 792,780 sq. ft. and the Group's investment constitutes a 0.9% effective stake in the properties. As of 30 September 2022, the properties had an occupancy rate of 78% (30 September 2021: 85%). This investment recorded a fair value loss of HK\$1.4 million during the period (2021: HK\$0.3 million fair value increase).

The Group has an investment in Ciro's Plaza (4.0%) in Shanghai, China through an equity instrument. As of 30 September 2022, the property had an occupancy rate of 74% (30 September 2021: 87%) and the investment recorded a fair value loss of HK\$19.7 million (2021: HK\$2.0 million fair value increase) mostly due to currencies adjustment.

Hotel Investments (Hong Kong and Thailand)

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

The Group owns 30% in InterContinental Hong Kong and accounts for it as an associate company. The hotel is currently closed for major refurbishment and is planned to be reopened as The Regent Hotel Hong Kong in December 2022, re-establishing the original name of the hotel when it was first opened in 1980. During renovation, the only part of the hotel that remains operational has been the Yan Toh Heen Restaurant. Due to COVID social distancing policies in Hong Kong, business has been extremely challenging especially for Chinese restaurants, where customers traditionally prefer larger format meals. As a result, the hotel only had revenues of HK\$13.5 million during the interim period ended 30 September 2022 (2021: HK\$12.9 million), and suffered an operating loss of HK\$28.1 million (2021: HK\$24.7 million). The share of results from this associate recorded a loss of HK\$46.6 million (2021: HK\$17.5 million).

Due to the removal of all travel restrictions by the Thai government, the tourism industry improved substantially and our two Thai hotels both returned to profitability during the period. For the six months ended 30 September 2022, the Pullman Bangkok Hotel G (owned by the Group's 49.5% owned associate company) had revenues of Baht 145.8 million (HK\$31.6 million equivalent) (2021: Baht 56.1 million, HK\$13.3 million equivalent) and operating profit of Baht 24.4 million (HK\$5.3 million equivalent) (2021: loss of Baht 11.4 million, HK\$2.7 million equivalent), with an average occupancy of 41% (2021: 20%). During the same period, the Pullman Pattaya Hotel G (held by the Group through the same 49.5% owned associate that holds the Pullman Bangkok Hotel G) had revenues of Baht 145.6 million (HK\$31.6 million equivalent) (2021: Baht 30.3 million, HK\$7.2 million equivalent) and operating profit of Baht 39.4 million (HK\$8.5 million equivalent) (2021: loss of Baht 17.9 million, HK\$4.2 million equivalent), with an average occupancy rate of 63% (2021: 17%). The share of results of the Thai associate recorded a slight gain of HK\$0.6 million (2021: loss of HK\$10.9 million) during the period.

PROSPECTS

Looking ahead, the rest of the fiscal year will continue to be challenging. With global inflation elevated, interest rates will likely have to go up further, putting pressure on debt service and asset values. Much of the world has been complacent living with no inflation for many years. This adjustment, if over a sustained period, will be painful.

While Hong Kong's easing of quarantine restrictions from "7+3" to "0+3" at the end of September is a much welcome improvement, the policy is still far too restrictive for foreign visitors to truly return. And until China also reduces travel restrictions, Chinese visitors also will not, or cannot, travel to Hong Kong. Not until Hong Kong can move to "0+0" with a roadmap to easing all remaining restrictions can we get back on a path to recovery as the business hub of Asia.

The Regent Hotel Hong Kong is slated to soft open in 4th quarter of 2022. Given the continued travel restrictions affecting Hong Kong and China as well as higher interest costs, we expect the hotel will require additional capital to sustain its operation and debt service as business takes time to ramp up. In order to prepare for additional capital injections into this business, we will be prudent about capital spending and will not pay a dividend for the interim period.

FINANCIAL REVIEW

Liquidity, Financial Resources and Gearing Ratio

The Group continued to enjoy a healthy financial position. As at 30 September 2022, the Group had cash and bank balances amounting to HK\$291.2 million (31 March 2022: HK\$227.3 million) of which \$291.0 million (31 March 2022: HK\$226.8 million) of the bank balances are in Hong Kong dollars and United States dollars. The Group has an undrawn standby banking facility of HK\$50.0 million (31 March 2022: HK\$50.0 million).

As at 30 September 2022, the total bank borrowings of the Group were HK\$2,281.0 million (31 March 2022: HK\$2,281.0 million). Except for the bank loan of Club Lusitano which is repayable within 1 year, all other bank loans are classified as non-current liabilities with maturity profile spread over a period of 3 years. The Group's total debt to total assets ratio was 20.6% (31 March 2022: 20.5%) and net debt to total assets ratio was 18.0% (31 March 2022: 18.5%).

Interest Rate Management

Among the bank loans of HK\$2,281.0 million (31 March 2022: HK\$2,281.0 million), HK\$300.0 million (31 March 2022: HK\$300 million) bear interest at fixed rates while the rest are at floating rates. The effective interest rate was 1.93% p.a. during the interim period (2021: 2.15% p.a.).

Foreign Exchange Management

The total assets denominated in foreign currencies at interim period end were HK\$856.8 million equivalent (31 March 2022: HK\$951.9 million equivalent). These assets are held as long-term investments and the Group does not speculate in currency movement for asset management.

The Group has no foreign exchange risks on liabilities, all bank loans are denominated in Hong Kong dollars.

Pledge of Assets

As at 30 September 2022, investment properties with a carrying value of HK\$7,834.1 million (31 March 2022: HK\$7,814.1 million) were pledged to secure bank loan facilities to the extent of HK\$2,281.0 million (31 March 2022: HK\$2,281.0 million) of which all facilities have been fully utilized.

Contingent Liabilities

As at 30 September 2022, the Group had guarantees HK\$1,879.8 million (31 March 2022: HK\$1,879.8 million) given to a bank in respect of banking facilities utilized by subsidiaries. No guarantees were given to any associated companies.

Significant Investment

As at 30 September 2022, the Group held a significant investment in an associated company, Supreme Key Limited with a carrying value of HK\$1,791.5 million (31 March 2022: HK\$1,838.1 million) representing approximately 16.2% (31 March 2022: 16.5%) of the total assets of the Group.

The principal business of Supreme Key Limited is hotel investment in ICHK. ICHK is undergoing a major refurbishment since April 2020. The renovation cost is financed by internal resources. The Group intends to hold the investment as a long-term investment for capital appreciation and dividend income. Details of the financial information of Supreme Key Limited is set out in note 17.

EMPLOYEES

As at 30 September 2022, the number of salaried staff at the holding company level was 18 (31 March 2022: 18). The Group ensures that its employees' remuneration packages are competitive. Employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

DISCLOSURE OF DIRECTORS' INTERESTS

As at 30 September 2022, the following Directors of the Company were interested, or were deemed to be interested in the following long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") adopted by the Company to be notified to the Company and the Stock Exchange.

Long Position in Shares of the Company

Number of ordinary shares

Name of director	Interests held			Total	%
	Personal interests	by controlled corporation	Interests held by family trust		
Rossana Wang Gaw	–	312,914,946 ¹	215,768,260 ²	528,683,206	45.81
Kenneth Gaw	61,418,428	12,725,857 ³	41,305,864 ⁴	115,450,149	10.00
Christina Gaw	–	19,699,216 ⁵	–	19,699,216	1.71
Stephen Tan	–	4,136,754 ⁶	–	4,136,754	0.36

- 1 Mrs. Rossana Wang Gaw owns the entire issued share capital of Forward Investments Inc. and Vitality Holdings Limited, which were beneficially interested in 283,200,215 and 29,714,731 shares respectively.
- 2 Family trust of which Mrs. Rossana Wang Gaw is the sole beneficiary held an aggregate of 215,768,260 shares.
- 3 Mr. Kenneth Gaw owns the entire issued share capital of Top Elite Company Limited, which was beneficially interested in 12,725,857 shares.
- 4 Family trust of which Mr. Kenneth Gaw is the sole beneficiary held an aggregate of 41,305,864 shares.
- 5 Ms. Christina Gaw owns the entire issued share capital of Eternity Rich Investments Limited, which was beneficially interested in 19,699,216 shares.
- 6 Mr. Stephen Tan and his spouse together own 0.59% issued share capital of Bangkok Mercantile (Hong Kong) Company Limited (“Bangkok Mercantile”), besides, Mr. Stephen Tan and his brother jointly own 0.52% of Bangkok Mercantile which was beneficially interested in 4,136,754 shares. Mr. Stephen Tan is the Chairman of Bangkok Mercantile and its directors are accustomed to act in accordance with the direction of Mr. Stephen Tan.

Long Position in Shares of Associated Corporations

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

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

Save as disclosed above, as at 30 September 2022, none of the Directors of the Company were interested, or were deemed to be interested in the long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code adopted by the Company to be notified to the Company and the Stock Exchange.

DISCLOSURE OF SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 September 2022, so far as the Directors were aware, the following persons (other than a director or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO.

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

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

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

Save as disclosed above, the Directors were not aware of any other persons (other than a director or chief executive of the Company) who, as at 30 September 2022, had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

DIRECTORS' RIGHT TO ACQUIRE SHARES

As at 30 September 2022, no outstanding options granted under the share option scheme. During the six months period ended 30 September 2022, none of the directors had exercised any rights to subscribe for shares of the Company or any other body corporate.

INTERIM DIVIDEND

The Board of Directors does not recommend the payment of any interim dividend for the six months ended 30 September 2022 (2021: HK1.0 cent per ordinary share).

REVIEW OF INTERIM REPORT

The Audit Committee comprises three independent non-executive directors, including Dr. Charles Wai Bun Cheung, JP, Mr. Stephen Tan and Mr. Arnold Tin Chee Ip. The Committee has reviewed and recommended for board approval of the unaudited consolidated interim financial statements of the Group for the six months ended 30 September 2022.

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

During the six months ended 30 September 2022, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the shares of the Company.

CHANGE IN INFORMATION OF DIRECTORS

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

Name of director	Detail of change
Ms. Christina Gaw	Appointed as a member of the Listing Committee of The Stock Exchange of Hong Kong Limited on 8 July 2022.
Dr. Charles Wai Bun Cheung, JP	Appointed as an advisor of the Institute of ESG & Benchmark, a non-profit organization endeavors to elevate stakeholders' awareness and knowledge towards Environmental, Social and Governance in all industry sectors in June 2022.
Mr. Arnold Tin Chee Ip	Resigned as an independent non-executive director and a member of audit committee, remuneration committee and nomination committee of Pak Fah Yeow International Limited, a company listed in the Stock Exchange, on 30 September 2022.

CORPORATE GOVERNANCE

The Company is committed to maintain high standards of corporate governance to protect the interests of its shareholders and to enhance corporate value and accountability.

The Company has adopted the principles and the corporate governance code (the "CG Code") set out in Part 2 of Appendix 14 of the Listing Rules. The Company has complied with all the code provisions set out in the CG Code throughout the period ended 30 September 2022.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules for securities transactions by Directors of the Company. The Company having made specific enquiry of all Directors, confirmed that all Directors have complied with the required standard set out in the Model Code throughout the period ended 30 September 2022.

By Order of the Board
Pioneer Global Group Limited
Kenneth Gaw
Managing Director

Hong Kong, 24 November 2022