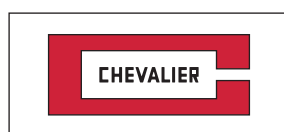


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## **CHEVALIER INTERNATIONAL HOLDINGS LIMITED**

**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 2023**

The board of 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 2023, together with the comparative figures for the corresponding period in 2022 as follows:

#### **CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

		<b>Unaudited</b>	
		<b>Six months ended 30 September</b>	
		<b>2023</b>	<b>2022</b>
	Note	HK\$'000	HK\$'000 (Restated)
<b>Revenue</b>	3(a)	<b>3,926,559</b>	3,339,195
Cost of sales		<b>(3,460,137)</b>	(2,933,025)
Gross profit		<b>466,422</b>	406,170
Other income	4	<b>45,384</b>	72,070
Other losses, net	5	<b>(79,170)</b>	(53,788)
Selling and distribution costs		<b>(95,562)</b>	(92,724)
Administrative expenses		<b>(205,183)</b>	(199,142)
Operating profit		<b>131,891</b>	132,586
Share of results of associates		<b>83,860</b>	90,918
Share of results of joint ventures		<b>(38,511)</b>	(47,767)
		<b>177,240</b>	175,737

		<b>Unaudited</b>	
		<b>Six months ended 30 September</b>	
		<b>2023</b>	2022
	Note	<b>HK\$'000</b>	HK\$'000
			(Restated)
Finance income	6	<b>38,648</b>	18,382
Finance costs	6	<b>(86,132)</b>	(58,559)
		<hr/>	<hr/>
Finance costs, net	6	<b>(47,484)</b>	(40,177)
		<hr/>	<hr/>
Profit before taxation	7	<b>129,756</b>	135,560
Taxation	8	<b>(61,287)</b>	(40,702)
		<hr/>	<hr/>
<b>Profit for the period</b>		<b>68,469</b>	94,858
		<hr/>	<hr/>
<b>Attributable to:</b>			
Shareholders of the Company		<b>58,596</b>	95,537
Non-controlling interests		<b>9,873</b>	(679)
		<hr/>	<hr/>
		<b>68,469</b>	94,858
		<hr/>	<hr/>
<b>Earnings per share</b>			
– basic and diluted (HK\$ per share)	9	<b>0.19</b>	0.32
		<hr/>	<hr/>

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

	<b>Unaudited</b>	
	<b>Six months ended 30 September</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
		(Restated)
<b>Profit for the period</b>	<b>68,469</b>	94,858
<b>Other comprehensive (expenses)/income for the period</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Exchange difference attributable to non-controlling interests on translation of operations of overseas subsidiaries	(14,938)	(32,690)
Change in fair value of investments at fair value through other comprehensive income	3,848	(28,977)
<b>Items that may be reclassified subsequently to profit or loss</b>		
Exchange difference on translation of operations of overseas subsidiaries, associates and joint ventures	(217,033)	(489,187)
Fair value adjustments on the derivative financial instruments designated as cash flow hedge	—	6
Other comprehensive expenses for the period, net of tax	(228,123)	(550,848)
<b>Total comprehensive expenses for the period</b>	<b>(159,654)</b>	<b>(455,990)</b>
<b>Attributable to:</b>		
Shareholders of the Company	(154,589)	(422,621)
Non-controlling interests	(5,065)	(33,369)
	<b>(159,654)</b>	<b>(455,990)</b>

Note:

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2023**

	Note	Unaudited 30 September 2023 HK\$'000	Unaudited 31 March 2023 HK\$'000 (Restated)
<b>Non-current assets</b>			
Investment properties		4,658,216	4,765,251
Property, plant and equipment		2,978,794	3,049,930
Goodwill		604,053	605,419
Other intangible assets		18,650	19,667
Interests in associates		657,248	720,543
Interests in joint ventures		1,009,606	1,083,636
Investments at fair value through other comprehensive income		53,929	50,204
Investments at fair value through profit or loss		1,001,705	943,012
Investments at amortised cost		213,934	214,113
Properties under development		185,576	197,465
Deferred tax assets		70,250	63,607
Amounts due from non-controlling interests		11,034	42,222
Other non-current assets		87,820	83,237
		11,550,815	11,838,306
<b>Current assets</b>			
Amounts due from associates		25,196	19,015
Amounts due from joint ventures		112,948	109,649
Amounts due from non-controlling interests		33,163	32,771
Investments at fair value through profit or loss		899,845	615,241
Investments at amortised cost		30,696	38,393
Inventories		314,114	297,841
Properties for sale		865,271	1,008,031
Properties under development		2,018,192	1,899,043
Debtors, contract assets, deposits paid and prepayments	11	2,023,068	1,697,291
Derivative financial instruments		–	796
Reinsurance contract assets		77,991	43,373
Prepaid tax		24,612	26,802
Bank balances and cash		2,622,537	2,502,637
		9,047,633	8,290,883

		<b>Unaudited 30 September 2023 HK\$'000</b>	Unaudited 31 March 2023 HK\$'000 (Restated)
<b>Current liabilities</b>			
Amounts due to joint ventures		14,695	9,576
Amounts due to non-controlling interests		259,193	259,347
Derivative financial instruments		1,267	–
Creditors, bills payable, deposits received, contract liabilities, accruals and provisions	12	3,014,011	2,968,571
Insurance contract liabilities		1,195,928	1,087,105
Current income tax liabilities		133,356	101,085
Bank and other borrowings		1,092,471	900,334
Lease liabilities		17,260	18,195
		<u>5,728,181</u>	<u>5,344,213</u>
<b>Net current assets</b>		<u>3,319,452</u>	<u>2,946,670</u>
<b>Total assets less current liabilities</b>		<u>14,870,267</u>	<u>14,784,976</u>
<b>Capital and reserves</b>			
Share capital		377,411	377,411
Reserves		9,803,008	10,049,462
Shareholders' funds		10,180,419	10,426,873
Non-controlling interests		540,078	606,889
<b>Total equity</b>		<u>10,720,497</u>	<u>11,033,762</u>
<b>Non-current liabilities</b>			
Amounts due to non-controlling interests		262,138	254,225
Bank and other borrowings		3,392,051	2,980,794
Lease liabilities		68,073	78,026
Deferred tax liabilities		427,508	438,169
		<u>4,149,770</u>	<u>3,751,214</u>
<b>Total equity and non-current liabilities</b>		<u>14,870,267</u>	<u>14,784,976</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 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

### 2 MATERIAL ACCOUNTING POLICY INFORMATION

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 2023.

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

#### (a) New standard and amendments to standards that are effective for the Group’s financial year beginning on 1 April 2023

The HKICPA has issued the following new standard and amendments to standards for the financial year of the Group beginning on 1 April 2023:

- HKAS 1 and HKFRS Practice Statement 2 (amendments), “Disclosure of Accounting Policies”
- HKAS 8 (amendments), “Definition of Accounting Estimates”
- HKAS 12 (amendments), “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”
- HKAS 12 (amendments), “International Tax Reform – Pillar Two Model Rules”
- HKFRS 17 (including the October 2020 and February 2022 amendments to HKFRS 17), “Insurance Contracts”

Except for the adoption of HKFRS 17 disclosed in note 2(b), 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 2024.

#### (b) Summary of key changes in accounting policies resulting from adoption of HKFRS 17 (including the October 2020 and February 2022 amendments to HKFRS 17), “Insurance Contracts”

In the condensed consolidated financial statements, the Group has applied HKFRS 17 for the first time. HKFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued and reinsurance contracts held by the Group and supersedes HKFRS 4 Insurance Contracts.

HKFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach (“PAA”). Based on the assessment undertaken to date, the Group’s insurance contracts issued and reinsurance contracts held are all eligible to be measured by applying the PAA.

On 1 April 2023, the Group has adopted the requirements of HKFRS 17 retrospectively with comparative restated from the transition date, 1 April 2022. At transition, the total equity attributable to shareholders of the Group increased by HK\$17.6 million.

**(c) Amendments to standards and interpretation that have been issued but are not yet effective and have not been early adopted by the Group**

The following amendments to standards and interpretation have been issued but are not yet effective for the financial year of the Group beginning on 1 April 2023 and have not been early adopted:

- HKAS 1 (amendments), “Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants”<sup>1</sup>
- HKAS 7 and HKFRS 7 (amendments), “Supplier Finance Arrangements”<sup>1</sup>
- HKAS 21 (amendments), “Lack of Exchangeability”<sup>2</sup>
- HKFRS 10 and HKAS 28 (amendments), “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”<sup>3</sup>
- HKFRS 16 (amendments), “Lease Liability in a Sale and Leaseback”<sup>1</sup>
- HK Int 5 (revised), “Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause”<sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

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 2023.

### 3 SEGMENT INFORMATION

#### (a) Revenue and results

The Directors 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
<b>For the six months ended 30 September 2023</b>							
<b>REVENUE</b>							
Total revenue	1,802,930	96,299	376,128	405,596	804,515	499,641	3,985,109
Inter-segment revenue	(28,651)	(875)	(22,477)	-	-	(6,547)	(58,550)
Group revenue	1,774,279	95,424	353,651	405,596	804,515	493,094	3,926,559
Share of revenue of associates and joint ventures	737,048	-	17,343	61,828	211,300	77,796	1,105,315
<b>Segment revenue</b>	<b>2,511,327</b>	<b>95,424</b>	<b>370,994</b>	<b>467,424</b>	<b>1,015,815</b>	<b>570,890</b>	<b>5,031,874</b>

<b>Revenue from contracts with customers:</b>							
- recognised at a point in time	10,821	-	125,291	1,580	778,853	213,011	1,129,556
- recognised over time	1,763,441	-	225,870	404,016	9,187	19,706	2,422,220
<b>Revenue from other sources</b>	<b>17</b>	<b>95,424</b>	<b>2,490</b>	<b>-</b>	<b>16,475</b>	<b>260,377</b>	<b>374,783</b>
<b>Group revenue</b>	<b>1,774,279</b>	<b>95,424</b>	<b>353,651</b>	<b>405,596</b>	<b>804,515</b>	<b>493,094</b>	<b>3,926,559</b>

#### RESULTS

<b>Segment profit/(loss) before finance costs, net</b>	<b>193,939</b>	<b>68,809</b>	<b>40,293</b>	<b>(58,193)</b>	<b>(16,939)</b>	<b>(21,725)</b>	<b>206,184</b>
Finance income	2,368	1,155	5,571	2,176	1,388	18,710	31,368
Finance costs	(1,116)	(12,467)	-	(25,464)	(4,813)	(1,645)	(45,505)
<b>Segment profit/(loss) after finance costs, net</b>	<b>195,191</b>	<b>57,497</b>	<b>45,864</b>	<b>(81,481)</b>	<b>(20,364)</b>	<b>(4,660)</b>	<b>192,047</b>

#### Included in segment profit/(loss) are:

Share of results of associates	90,359	-	-	-	-	(6,499)	83,860
Share of results of joint ventures	314	-	1,353	(38,908)	(1,270)	-	(38,511)
Depreciation and amortisation, net of amounts allocated to contract work	(6,037)	(548)	(33,889)	(35,260)	(16,278)	(8,594)	(100,606)
Unrealised loss on derivative financial instruments	(1,994)	-	-	-	-	(69)	(2,063)
Unrealised loss on investments at fair value through profit or loss	-	-	-	-	-	(53,134)	(53,134)
Provision written back/(recognised) for inventories to net realisable value, net	3	-	-	-	(573)	(1,306)	(1,876)
Provision written back/(recognised) for trade and other debtors, net	1,415	-	-	(1,739)	-	(41)	(365)
Provision recognised for properties for sale to net realisable value	-	-	(20,000)	-	-	-	(20,000)



	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 (Restated)	Total HK\$'000 (Restated)
<b>For the six months ended 30 September 2022</b>							
<b>REVENUE</b>							
Total revenue	1,333,259	93,950	306,914	390,044	692,887	578,462	3,395,516
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	571,062	3,339,195
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)
<b>Segment revenue</b>	<b>2,160,006</b>	<b>92,935</b>	<b>292,390</b>	<b>451,166</b>	<b>894,526</b>	<b>631,932</b>	<b>4,522,955</b>

<b>Revenue from contracts with customers:</b>							
– 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
<b>Revenue from other sources</b>	<b>17</b>	<b>92,935</b>	<b>2,187</b>	<b>–</b>	<b>15,047</b>	<b>277,589</b>	<b>387,775</b>
<b>Group revenue</b>	<b>1,308,466</b>	<b>92,935</b>	<b>283,801</b>	<b>390,044</b>	<b>692,887</b>	<b>571,062</b>	<b>3,339,195</b>

<b>RESULTS</b>							
<b>Segment profit/(loss) before finance costs, net</b>	<b>151,846</b>	<b>62,855</b>	<b>86,849</b>	<b>(62,529)</b>	<b>(29,645)</b>	<b>(10,830)</b>	<b>198,546</b>
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)	(7,709)	175,063

<b>Included in segment profit/(loss) are:</b>							
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 to net realisable value	–	–	30,000	–	–	–	30,000

Note:

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

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

	<b>Six months ended 30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
		(Restated)
Segment profit	<b>192,047</b>	175,063
Unallocated corporate expenses	<b>(28,944)</b>	(22,809)
Unallocated finance income	<b>7,280</b>	4,476
Unallocated finance costs	<b>(40,627)</b>	(21,170)
	<u><b>129,756</b></u>	<u>135,560</u>
Profit before taxation	<u><b>129,756</b></u>	<u>135,560</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
<b>At 30 September 2023</b>							
<b>ASSETS</b>							
Segment assets	<u>2,376,463</u>	<u>4,621,149</u>	<u>5,448,897</u>	<u>3,344,769</u>	<u>1,027,504</u>	<u>2,723,244</u>	<u>19,542,026</u>
Included in segment assets are:							
Interests in associates	639,889	-	-	-	-	17,359	657,248
Interests in joint ventures	14,513	-	294,095	628,694	72,304	-	1,009,606
Amounts due from associates	19,796	-	-	-	-	5,400	25,196
Amounts due from joint ventures	-	-	112,948	-	-	-	112,948
Additions to non-current assets (note)	<u>6,887</u>	<u>1,754</u>	<u>30,121</u>	<u>30,368</u>	<u>10,793</u>	<u>668</u>	<u>80,591</u>
<b>LIABILITIES</b>							
Segment liabilities	<u>2,178,117</u>	<u>98,868</u>	<u>369,493</u>	<u>384,431</u>	<u>440,321</u>	<u>1,361,335</u>	<u>4,832,565</u>
Included in segment liabilities are:							
Amounts due to joint ventures	<u>-</u>	<u>-</u>	<u>14,635</u>	<u>-</u>	<u>60</u>	<u>-</u>	<u>14,695</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 (Restated)	Total HK\$'000 (Restated)
<b>At 31 March 2023</b>							
<b>ASSETS</b>							
<b>Segment assets</b>	<u>2,402,500</u>	<u>4,741,165</u>	<u>5,521,709</u>	<u>3,330,123</u>	<u>1,159,985</u>	<u>2,583,773</u>	<u>19,739,255</u>
Included in segment assets are:							
Interests in associates	716,609	-	-	-	-	3,934	720,543
Interests in joint ventures	14,198	-	300,701	690,373	78,364	-	1,083,636
Amount due from an associate	19,015	-	-	-	-	-	19,015
Amounts due from joint ventures	4	-	109,645	-	-	-	109,649
Additions to non-current assets (note)	<u>18,126</u>	<u>10,442</u>	<u>441,567</u>	<u>55,963</u>	<u>26,306</u>	<u>54,581</u>	<u>606,985</u>
<b>LIABILITIES</b>							
<b>Segment liabilities</b>	<u>2,124,243</u>	<u>99,526</u>	<u>376,333</u>	<u>388,040</u>	<u>434,390</u>	<u>1,252,513</u>	<u>4,675,045</u>
Included in segment liabilities are:							
Amounts due to joint ventures	<u>-</u>	<u>-</u>	<u>9,512</u>	<u>-</u>	<u>64</u>	<u>-</u>	<u>9,576</u>

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:

	<b>As at 30 September 2023 HK\$'000</b>	As at 31 March 2023 HK\$'000 (Restated)
Segment assets	<b>19,542,026</b>	19,739,255
Prepaid tax	<b>24,612</b>	26,802
Unallocated bank balances and cash	<b>942,472</b>	280,596
Deferred tax assets	<b>70,250</b>	63,607
Other unallocated assets	<b>19,088</b>	18,929
Total assets	<u><b>20,598,448</b></u>	<u>20,129,189</u>
Segment liabilities	<b>4,832,565</b>	4,675,045
Current income tax liabilities	<b>133,356</b>	101,085
Bank and other borrowings	<b>4,484,522</b>	3,881,128
Deferred tax liabilities	<b>427,508</b>	438,169
Total liabilities	<u><b>9,877,951</b></u>	<u>9,095,427</u>

(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 ("USA"). Car dealership businesses are carried out in Mainland China and Canada. Other businesses are mainly carried out in Hong Kong, the USA, Mainland China 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 USA. 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 2023		Company and subsidiaries	Associates and joint ventures	30 September 2022	
	HK\$'000	HK\$'000	HK\$'000	%	HK\$'000 (Restated)	HK\$'000	HK\$'000 (Restated)	%
Hong Kong	1,951,606	361,650	2,313,256	46	1,905,053	328,779 <sup>#</sup>	2,233,832	50
Mainland China	732,728	553,561	1,286,289	26	666,095	638,912	1,305,007	29
USA	486,202	61,828	548,030	11	478,256	61,122	539,378	12
Macau	425,506	5,197	430,703	9	45,907	10,227	56,134	1
Canada	231,201	-	231,201	5	201,796	-	201,796	5
Singapore	6,882	113,060	119,942	2	6,149	130,204	136,353	3
Australia	54,474	9,792	64,266	1	1,010	14,291	15,301	-
Thailand	23,513	-	23,513	-	20,897	-	20,897	-
United Kingdom	14,447	-	14,447	-	14,032	-	14,032	-
Others	-	227	227	-	-	225	225	-
	<u>3,926,559</u>	<u>1,105,315</u>	<u>5,031,874</u>	<u>100</u>	<u>3,339,195</u>	<u>1,183,760</u>	<u>4,522,955</u>	<u>100</u>

<sup>#</sup> The proportionate revenue from a joint venture is eliminated.

One customer is accounted for HK\$412.1 million or 10.5% of the total revenue of the Group for the six months ended 30 September 2023 (2022: nil).

#### 4 OTHER INCOME

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
Included in other income are:		
Sales and marketing services income from an associate	19,469	18,609
Management fee income from an associate and joint ventures	11,846	11,449
Government grants	7,114	31,354
	<u>38,429</u>	<u>61,412</u>

#### 5 OTHER LOSSES, NET

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
Included in other losses, net are:		
Loss on investments at fair value through profit or loss	(53,351)	(70,697)
(Loss)/gain on derivative financial instruments	(2,063)	47
Gain/(loss) on disposals of property, plant and equipment, net	856	(558)
Provision recognised for trade and other debtors, net	(365)	(2,797)
Provision recognised for properties for sale to net realisable value	(20,000)	–
Provision written back for properties for sale to net realisable value	–	30,000
Exchange loss	(4,802)	(9,322)
	<u>(79,705)</u>	<u>(42,327)</u>

#### 6 FINANCE COSTS, NET

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
Interest expenses on lease liabilities, bank overdrafts, non-controlling interests and bank and other borrowings	118,970	68,264
Less: Amounts capitalised to properties under development (note)	(32,838)	(9,705)
	<u>86,132</u>	<u>58,559</u>
Less: Interest income from bank deposits, promissory notes, an associate, a joint venture and a non-controlling interest	(38,648)	(18,382)
	<u>47,484</u>	<u>40,177</u>

Note:

The capitalisation rate applied to funds borrowed and used for the development of properties was 5.52% per annum during the six months ended 30 September 2023 (2022: 2.20% per annum).

**7 PROFIT BEFORE TAXATION**

	<b>Six months ended 30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Profit before taxation has been arrived at after charging/(crediting) the following:		
Cost of inventories sold	<b>817,300</b>	704,919
Cost of construction contracts	<b>1,609,396</b>	1,245,411
Cost of properties sold	<b>94,250</b>	34,646
Provision recognised for inventories to net realisable value, net	<b>1,876</b>	671
Staff costs	<b>726,078</b>	714,547
Less: Amounts allocated to contract work	<b>(133,746)</b>	(127,292)
	<b>592,332</b>	587,255
Short-term lease payments in respect of leasing of		
– premises	<b>3,014</b>	3,333
– equipment	<b>1,542</b>	1,500
	<b>4,556</b>	4,833
Depreciation of property, plant and equipment	<b>103,359</b>	109,493
Less: Amounts allocated to contract work	<b>(1,763)</b>	(1,100)
	<b>101,596</b>	108,393
Amortisation of other intangible assets	<b>1,548</b>	4,602
Less: Amounts allocated to contract work	<b>(13)</b>	(30)
	<b>1,535</b>	4,572
	<b><u>1,535</u></b>	<b><u>4,572</u></b>

## 8 TAXATION

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
		(Restated)
Current tax		
Hong Kong	40,677	23,919
Mainland China	3,815	6,854
Overseas	17,683	15,684
Over-provision in prior years	(531)	(1)
	<u>61,644</u>	<u>46,456</u>
Deferred tax		
Origination and reversal of temporary differences	(357)	(5,754)
	<u>61,287</u>	<u>40,702</u>

Hong Kong profits tax is calculated at the rate of 16.5% (2022: 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\$58,596,000 (2022: HK\$95,537,000, restated) by the weighted average number of 301,928,440 (2022: 301,928,440) ordinary shares in issue during the period.

## 10 DIVIDEND

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
Interim dividend of HK\$0.06 (2022: HK\$0.10) per share	<u>18,116</u>	<u>30,193</u>

On 29 November 2023, the Board declared an interim dividend of HK\$0.06 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 2024.

The 2022/23 final dividend of HK\$0.28 per share totaling HK\$84,540,000 was declared and approved at the annual general meeting held on 28 August 2023 and paid on 20 September 2023. The 2022/23 final dividend has been reflected as an appropriation of the retained profits for the six months ended 30 September 2023.

## 11 DEBTORS, CONTRACT ASSETS, DEPOSITS PAID AND PREPAYMENTS

	As at 30 September 2023 HK\$'000	As at 31 March 2023 HK\$'000 (Restated)
Trade debtors	703,779	469,736
Less: Provision for impairment	<u>(43,497)</u>	<u>(43,392)</u>
Trade debtors, net	----- 660,282	----- 426,344
Retention receivables	----- 374,022	----- 336,227
Contract assets	----- 258,131	----- 193,070
Other debtors, deposits paid and prepayments	762,905	776,767
Less: Provision for impairment	<u>(32,272)</u>	<u>(35,117)</u>
Other debtors, deposits paid and prepayments, net	----- 730,633	----- 741,650
	<u>2,023,068</u>	<u>1,697,291</u>

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 2023 HK\$'000	As at 31 March 2023 HK\$'000 (Restated)
Up to 60 days	531,152	388,410
61–90 days	64,271	17,109
Over 90 days	<u>64,859</u>	<u>20,825</u>
	----- <u>660,282</u>	----- <u>426,344</u>



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

	As at <b>30 September</b> 2023 HK\$'000	As at 31 March 2023 HK\$'000 (Restated)
Trade creditors and bills payable	358,196	381,111
Retention payables	296,288	277,108
Deposits received	77,293	80,051
Contract liabilities	322,433	407,544
Accrued contract costs	1,088,762	1,032,530
Other creditors, accruals and provisions	871,039	790,227
	<u>3,014,011</u>	<u>2,968,571</u>

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

	As at <b>30 September</b> 2023 HK\$'000	As at 31 March 2023 HK\$'000 (Restated)
Up to 60 days	293,209	341,125
61–90 days	39,233	13,468
Over 90 days	25,754	26,518
	<u>358,196</u>	<u>381,111</u>

**13 CONTINGENT LIABILITIES**

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

	As at <b>30 September</b> 2023 HK\$'000	As at 31 March 2023 HK\$'000
Banking facilities granted to an associate	1,167	1,132
Guarantees given to banks and housing provident fund management centres for mortgage facilities granted to certain buyers of properties	11,577	214,964
	<u>12,744</u>	<u>216,096</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 (31 March 2023: HK\$27 million). The ultimate outflow, if any, to settle this possible obligation is subject to the final outcome of the legal proceedings and is uncertain.

## 14 COMMITMENT

The Group had commitment as follows:

	<b>As at 30 September 2023 HK\$'000</b>	<b>As at 31 March 2023 HK\$'000</b>
Contracted but not provided for in the consolidated financial statements in respect of		
– property development projects	<b>88,761</b>	210,323
– purchase of property, plant and equipment	<b>25,748</b>	42,910
	<b>114,509</b>	253,233

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

	<b>As at 30 September 2023 HK\$'000</b>	<b>As at 31 March 2023 HK\$'000</b>
Contracted but not provided for	<b>7,066</b>	7,528

## 15 EVENTS AFTER THE END OF THE REPORTING PERIOD

### Loan agreement

On 22 November 2023, the Group announced to provide a loan facility up to an aggregate principal amount of HK\$400 million to independent third parties to finance the development and general working capital for operating a senior housing facility.

## **INTERIM DIVIDEND**

The Board has resolved to declare an interim dividend of HK\$0.06 (2022: HK\$0.10) per share for the six months ended 30 September 2023. The interim dividend will be payable on or about Friday, 22 December 2023 to those shareholders whose names appear on the Register of Members of the Company on Monday, 18 December 2023.

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Company will be closed from Friday, 15 December 2023 to Monday, 18 December 2023, 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 Thursday, 14 December 2023.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

For the six months ended 30 September 2023, the Group's unaudited interim results reported a consolidated revenue of HK\$3,927 million (2022: HK\$3,339 million, restated), representing an increase of 18%, mainly due to the increase in the works done in the Construction and Engineering segment. The consolidated profit for the period recorded HK\$68 million (2022: HK\$95 million, restated), representing a drop of 28%. The decrease in the consolidated profit was mainly due to the provision recognised for properties for sale in Hong Kong. Taking into account a contribution from the share of revenue of associates and joint ventures, the Group's total revenue was HK\$5,032 million (2022: HK\$4,523 million, restated), representing an increase of 11%. Profit attributable to the Company's shareholders decreased to HK\$59 million (2022: HK\$96 million, restated) and hence, earnings per share was HK\$0.19 (2022: HK\$0.32, restated) for the period under review.

## **CONSTRUCTION AND ENGINEERING**

During the period under review, revenue of the Construction and Engineering segment increased from HK\$2,160 million to HK\$2,511 million, representing an increase of 16%. Segment profit, before net finance costs, increased from HK\$152 million to HK\$194 million, representing an increase of 28% as compared to the same period last year. The increase in profit was mainly due to the increase of works done which is in line with increase in revenue. As at 30 September 2023, the total value of the Group's outstanding construction and engineering contracts in hand amounted to HK\$9,416 million. Major contracts are:

1. Construction of proposed residential care home, church facilities and senior hostel development at 17A & B Ventris Road, Happy Valley, Hong Kong;
2. Construction of the extension of the operating theatre block for Tuen Mun Hospital, New Territories;
3. Property development at THE SOUTHSIDE, Package Five, Aberdeen Inland Lot No. 467, Wong Chuk Hang, Hong Kong;

4. Electrical works for construction of Siu Ho Wan water treatment works extension and Siu Ho Wan Raw Water Booster Pumping Station;
5. Operations and maintenance of on-site chlorine generation plants at Shatin, Pak Kong, Tuen Mun, Ma On Shan and Au Tau water treatment works;
6. LV Electrical and HVAC installation works for Basement, Podium and Tower 3 of Galaxy Resort & Casino Phase 4 at Cotai, Macau;
7. 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;
8. Design, supply and installation of curtain wall for a landmark integrated project at Kowloon Inland Lot No. 11262;
9. Design, supply and installation of kitchen cabinets for West Rail Kam Sheung Road Station Package 1 property development at Lot No. 1040 IN D.D. No. 103, Yuen Long, New Territories;
10. Design, supply and installation of kitchen cabinets for Ho Man Tin Station Package One property development at Northern Portion of Kowloon Inland Lot No. 11264 located in Ho Man Tin, Kowloon; and
11. Design, fabricate, supply and installation of tower façade for Proposed Residential Development at TMTL 518, Castle Peak Road, Castle Peak Bay Area 48, Tuen Mun, New Territories.

During the period under review, the Group secured a HK\$100 million green and social loan from the HSBC GBA Sustainability Fund, the first of its kind in Hong Kong, for the construction of a 22-storey “Jockey Club Key House” project initiated by the organisation “SideBySide”. This project is Hong Kong’s first ever co-living project for out-of-home youths and persons in recovery aimed at providing one-stop accommodation and support services for service targets. As part of the commitment to sustainability, this project strives to meet the best practices of BEAM Plus Platinum Certification and is expected to complete in the fourth quarter of 2024. This project is very meaningful to the Group as it brings together the joint effort of the Group’s diverse construction and engineering business units (including the building construction division, the electrical and mechanical engineering division, the aluminium windows and curtain walls division, and the lifts and escalators division) and the Group’s information and technology division for the success of the project.

The building construction division zealously pursues the improvement and innovation of various construction technologies. Modular Integrated Construction (MiC) technology is first used by the division in the construction project of Chung Yuet Lau, the first elderly housing project of the Housing Society at Jat Min Chuen, Sha Tin. This project combines Hybrid-MiC, Multi-trade Integrated Mechanical, Electrical and Plumbing (MiMEP) methods and MiC Lift technologies and its completion at the end of 2023 would mark an important milestone in the Group's MiC development. The Group's implementation of MiC Lift technologies has had a positive impact on other pedestrian bridge lift projects undertaken. These projects have greatly benefited from reduced construction time and on-site labour. In addition, factory prefabrication of MiC Lift has helped to mitigate delays and work stoppages caused by unfavorable weather condition and on-site assembly eliminates the need for traditional on-site installation and assembly of individual components and parts.

## **PROPERTY INVESTMENT**

The Property Investment segment comprises the property letting business with portfolio properties located in Hong Kong, Singapore, Mainland China and the United Kingdom. This segment recorded an increase in its revenue from HK\$93 million to HK\$95 million, representing a 2% growth as compared to the corresponding period last year. Segment profit, before net finance costs, reported a growth by 10% from HK\$63 million to HK\$69 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 Singapore.

## **PROPERTY DEVELOPMENT AND OPERATIONS**

The Property Development and Operations segment's revenue increased from HK\$292 million to HK\$371 million representing a 27% growth. Increase in revenue was mainly contributed by the increase in sales of residential units of Phase III of "Chevalier City" in Changchun, Mainland China and "SABLIER" in Tai Kok Tsui, Hong Kong. Segment profit, before net finance costs, decreased from HK\$87 million to HK\$40 million, representing a decrease of 54%. Decrease in segment profit was due to the provision recognised for properties for sale in Hong Kong.

A project of approximately 39,000 square feet of gross floor area located at 292A-D Prince Edward Road West would be launched in the market upon completion of works. The Group continued to actively market during the period under review residential units of "City Hub", an Urban Renewal Authority ("URA") project in which the Group owned 50% equity interest and the residential units of "SABLIER", another URA project that the Group owned 100% equity interest.

5 Hang Lok Lane, Shatin, with a site area of approximately 48,000 square feet, is planned for low-density residential development whilst approximately 88,000 square feet of gross floor area at On Kui Street, Fanling Sheung Shui Town Lot No. 245 in the New Territories is planned for developing 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. Around 65% of the residential units of Phase III have been sold. Phase V of "Chevalier City" comprises also 10 residential blocks and provides over 1,000 units with a total gross floor area of approximately 100,000 square meters. Construction works of Phase V commenced during the period under review.

Economic activities have picked up gradually around the world and businesses in Hong Kong have improved slightly with a further rebound in retail sales. The cold storage and logistics business reported a steady revenue during the period under review, and with the Group's expertise in the cold storage and logistics, occupancy rate of the cold storage business has remained at a satisfactory level.

The property management division managed a portfolio comprising about 33 million square feet of commercial, industrial and residential buildings, shopping arcades and car parks as at 30 September 2023. During the period under review, the division further added a private residential property, and residential units and shops of a university in Shanghai to the portfolio under its management.

The performance of our Rosedale on Robson Suite Hotel in Vancouver, Canada has returned to a pre-COVID level while the occupancy rate for the hotel in Chengdu, the Mainland China remained satisfactory.

## **HEALTHCARE INVESTMENT**

The revenue of the Healthcare Investment segment during the reporting period increased by 4% from HK\$451 million to HK\$467 million as compared to the corresponding period last year. Such increase was mainly due to improvements of the occupancy rate and average revenue per unit/bed. Segment loss, before net finance costs, decreased from HK\$63 million to HK\$58 million, a 8% reduction compared to the corresponding period last year. This was mainly due to a lower decline in fair value of the three medical office buildings owned by the Group's joint venture located in New York, Pennsylvania, and Rhode Island in the USA. In fact, the annual rental income from these properties remained almost unchanged and also interest expenses of the related loan are the same. Thus, the operation performance remain stable and in a healthy condition.

As at 30 September 2023, the Group owned 28 senior housing facilities across six States in the USA providing around 2,500 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 the operation of a rehabilitation and wellness centre in Happy Valley, Hong Kong and the development of a senior housing project also in Happy Valley, Hong Kong. During the reporting period, "Ventria Rehabilitation Centre" relocated from Waterloo Road, Kowloon, to Happy Valley, Hong Kong, and it offers bespoke transitional care programs to promote wellness and longevity. Supported by a team of professionally trained experts, it provides a transdisciplinary approach to personal rehabilitation services for exceptional recovery results. The construction works of the senior housing project in Happy Valley project namely "Ventria Residence" are underway and ready for occupation in 2024.

## **CAR DEALERSHIP**

Revenue of this segment reported an increase of 14% from HK\$895 million to HK\$1,016 million. The segment loss, before net finance costs, recorded an ease from a loss of HK\$30 million to a loss of HK\$17 million, compared to the same period last year. These results were mainly due to the recovery of purchase intention in cities of Sichuan province where our dealerships are located.

The performance of our dealership in Canada was satisfactory due to the organic growth and the increase in demand for vehicles after a slowdown in the preceding years during the COVID-19 pandemic.

## **OTHERS**

Businesses of this segment cover information and technology, insurance and investment, food and beverage, food trading and freight forwarding services. Segment revenue recorded a decrease of 10% from HK\$632 million, restated, to HK\$571 million. Segment loss, before net finance costs, reported an increase from a loss of HK\$11 million, restated, to a loss of HK\$22 million due to competitive market condition.

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 increase in infrastructure and construction projects in the market have continued to contribute to the performance of our general insurance business during the reporting period. With the support of the HKSAR government policies in increasing housing supply, there should be a stable demand for employees' compensation insurance from market participants.

Performance of our freight forwarding services experienced a setback as a result of the decline in demand for pandemic-related goods and services in Hong Kong. Coupled with the reduction of overall trade volume in Hong Kong, this caused a decrease in both the air and sea freight rates since the third quarter of 2022 from historical highs.

## **FUTURE PROSPECTS**

As emphasised in the 2022 and 2023 Policy Address, the increase in the supply of land and public housing is one of the main focuses advocated by the Chief Executive in shaping the future of Hong Kong. The Government of HKSAR will actively invest in infrastructure and urban development, including the Northern Metropolis, Kau Yi Chau Artificial Islands, public housing and hospital. The annual total construction output in Hong Kong is forecast to reach approximately HK\$300 billion annually in the next ten years. Under the main theme of "Enhance quantity, speed, efficiency and quality", and with the goal of achieving an increase in the supply of land, there will be plenty of opportunities open to the participants of the construction industry in Hong Kong. With the usage of innovative construction technologies, our investment and commitment in the application of MiC, DfMA, MiMEP and MiC Lift in our projects, our business units in the construction and engineering segment will be well positioned to capture opportunities arising from the government policies.



The residential property market has experienced a decline in prices after a short rebound in the first quarter of 2023 and transaction volumes have remained low as high interest rates and borrowing costs for potential buyers are all deterring factors. Rising local interest rates, and expectations of further rate hikes by the US Federal Reserve have led to cautious market sentiment. However, there have been certain encouraging government initiatives for the property development sector in Hong Kong. One of such initiatives is the Top Talent Pass Scheme (TTPS) designed to attract skilled individuals to Hong Kong, which has had a positive impact on the property sales and leasing market. TTPS has facilitated the influx of talented individuals who are likely to have higher purchasing power and rental demand and has thus invigorated interest in the purchase and leasing of properties in Hong Kong. To further stimulate transaction volume in the property market, the 2023 Policy Address reduced the rate of both the Buyers' Stamp Duty and the New Residential Stamp Duty from 15% to 7.5%, as well as shortened holding period applicable to the Special Stamp Duty from 36 months to 24 months. These initiatives aim to encourage transactions in the property market. The Group will keep a close monitor on its existing property development projects and will adopt a suitable marketing strategy and shall be mindful of the Group's approach to land replenishment.

The senior housing operating environment in the USA has been significantly impacted by the pandemic and gaps in the business, including substantial lost revenue and a considerable occupancy gap as compared to pre-pandemic levels, still subsist. There is equally a nationwide shortage of manpower in the USA, and the shortage has intensified the workload of healthcare workers across the healthcare industry, including senior housing. This shortage of healthcare employees continues to impact the senior housing operating environment. The Group will closely monitor the performance of our senior housing facilities and will consider eliminating facilities with less-than-optimal performances when the time is appropriate.

The car dealership market in the PRC faced challenges in the first half of the 2023 financial year. Despite the diminishing impact of the pandemic, the Chinese consumption market has yet to experience a strong rebound that was originally anticipated as a result of increased macroeconomic uncertainties, as well as lower consumer sentiment and purchasing power. Automobile manufacturers and dealers encountered issues related to inventory management and cash flow and decreased subsidies and the anticipated implementation of the new phase of China's National VI Emission Standard adds to the challenges faced by the industry. The management will take necessary steps in monitoring the negative impact towards the Group.

The management has always promoted prudent financial management policies and endeavoured to maintain a healthy financial position. Our commitment to sound financial practices has allowed us to build resilience and adaptability in the face of economic fluctuations. By prioritising financial health and strategically managing our resources, we are confident in our ability to overcome obstacles and challenges in the near future and sustain long-term success.

## **FINANCIAL REVIEW**

As at 30 September 2023, the Group's net assets attributable to shareholders of the Company amounted to HK\$10,180 million, representing a decrease of HK\$247 million when compared with 31 March 2023 of HK\$10,427 million, restated. Such decrease mainly resulted from the exchange difference on translation of operations of overseas subsidiaries, associates and joint ventures of HK\$217 million and dividend payment of HK\$85 million offset by the profit attributable to shareholders of the Company of HK\$59 million.



As at 30 September 2023, the Group's bank and other borrowings increased to HK\$4,485 million (31 March 2023: HK\$3,881 million) as a result of drawdown of bank loans during the period. 67.8%, 19.0% and 8.4% of the balance as at 30 September 2023 (31 March 2023: 62.8%, 22.1% and 9.9%) were denominated in Hong Kong dollar, United States dollar and British Pound respectively.

The portion of the Group's bank and other borrowings due within one year increased from 23.2% as at 31 March 2023 to 24.4% as at 30 September 2023.

## **EMPLOYEES AND REMUNERATION POLICIES**

The Group employed approximately 3,500 full-time staff globally as at 30 September 2023. Total staff costs amounted to HK\$726 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 2023.

## **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 Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). In the opinion of the Directors, the Company has complied with the code provisions throughout the six months ended 30 September 2023, except for the following deviations:

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.

Code Provision C.1.6 stipulates that the independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of the Company's shareholders. Mr. Yang Chuen Liang, Charles, an Independent Non-Executive Director was unable to attend the annual general meeting of the Company held on 28 August 2023 due to other commitments.

## **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 2023.

## **AUDIT COMMITTEE**

The Audit Committee comprises four Independent Non-Executive Directors of the Company, namely Ms. Kwan Angelina Agnes 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, internal control systems and financial reporting matters including the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 September 2023.

## **PUBLICATION OF INTERIM RESULTS ON THE STOCK EXCHANGE’S WEBSITE**

The interim results announcement of the Company for the six months ended 30 September 2023 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 2023 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 the Board, I would like to extend my heartfelt appreciation to the management team for their exceptional and invaluable contribution to the success of the Group. In addition, I would like to express my deepest gratitude to our dedicated staff members whose hard work and steadfast dedication have played a significant role in our achievements. Furthermore, I would like to thank our shareholders and business partners for their continued support, which has been a source of strength and encouragement during these challenging times.

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

Hong Kong, 29 November 2023

*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; Professor Poon Chung Kwong, Mr. Irons Sze, Mr. Sun Leland Li Hsun and Ms. Kwan Angelina Agnes as Independent Non-Executive Directors; Mr. Chow Vee Tsung, Oscar as Non-Executive Director.*

\* *For identification purpose only*