



# Tai Cheung Holdings Limited

(INCORPORATED IN BERMUDA WITH LIMITED LIABILITY)  
(Stock Code: 88)

**2023-2024 INTERIM REPORT**

**大昌集團有限公司\***

(於百慕達註冊成立之有限公司)  
(股份代號：88)

**2023-2024 年度中期報告**

\* 僅供識別



## Corporate Information

### Board of Directors

David Pun CHAN *Chairman and Managing Director*  
Ivy Sau Ching CHAN  
\* Joseph Wing Siu CHEUNG  
\* Karl Chi Leung KWOK  
\* Man Sing KWONG  
\* Patrick Chi Kwong WONG  
(appointed on 30 June 2023)  
William Wai Lim LAM  
Wing Sau LI

\* *Independent non-executive directors*

### Audit Committee

Karl Chi Leung KWOK *Committee Chairman*  
Ivy Sau Ching CHAN  
Joseph Wing Siu CHEUNG  
Man Sing KWONG  
Patrick Chi Kwong WONG  
(appointed on 30 June 2023)

### Remuneration Committee

Karl Chi Leung KWOK *Committee Chairman*  
Ivy Sau Ching CHAN  
Man Sing KWONG  
Patrick Chi Kwong WONG  
(appointed on 30 June 2023)

### Nomination Committee

David Pun CHAN *Committee Chairman*  
Karl Chi Leung KWOK  
Man Sing KWONG

### Company Secretary

Kit Yan LUK

### Auditor

PricewaterhouseCoopers  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*

### Registered Office

4th Floor North, Cedar House,  
41 Cedar Avenue,  
Hamilton HM12,  
Bermuda

### Head Office

20th Floor, The Hong Kong  
Club Building,  
3A Chater Road, Central,  
Hong Kong  
Telephone: (852) 2532 2688  
Fax: (852) 2810 4108  
Website: [www.taicheung.com](http://www.taicheung.com)

### Principal Share Registrar and Transfer Office

MUFG Fund Services (Bermuda) Limited  
4th Floor North, Cedar House,  
41 Cedar Avenue,  
Hamilton HM12,  
Bermuda

### Branch Share Registrar and Transfer Office in Hong Kong

Computershare Hong Kong Investor  
Services Limited  
Shops 1712-16,  
17th Floor, Hopewell Centre,  
183 Queen's Road East,  
Wanchai,  
Hong Kong

### Bankers

Bank of Communications (Hong Kong) Limited  
The Bank of East Asia, Limited  
The Hongkong and Shanghai Banking  
Corporation Limited



I am pleased to report the unaudited results of the Group for the six months ended 30th September 2023.

### Consolidated Income Statement

For the six months ended 30th September 2023

		(Unaudited) Six Months Ended	
	<i>Note</i>	<b>30/9/2023</b> <b>HK\$Million</b>	<b>30/9/2022</b> <b>HK\$Million</b>
Revenue	2	<b>94.2</b>	17.8
Cost of sales		<b>(75.8)</b>	(16.6)
Gross profit		<b>18.4</b>	1.2
Other income	3	<b>28.4</b>	11.6
Other losses	4	<b>(9.4)</b>	(18.5)
Administrative expenses		<b>(28.1)</b>	(28.5)
Operating profit/(loss)	5	<b>9.3</b>	(34.2)
Finance costs		<b>(0.6)</b>	(1.0)
Share of results of associates, net of tax		<b>27.6</b>	2.4
Profit/(loss) before income tax		<b>36.3</b>	(32.8)
Income tax expense	6	<b>(0.6)</b>	(0.3)
<b>Profit/(loss) attributable to equity holders of the Company</b>		<b>35.7</b>	(33.1)
Earnings/(loss) per share (basic and diluted), HK dollars	7	<b>5.8¢</b>	(5.4¢)
Dividends, HK\$Million Interim, proposed, of HK 12 cents (2022: HK 12 cents) per ordinary share	8	<b>74.1</b>	74.1

**Consolidated Statement of Comprehensive Income**

For the six months ended 30th September 2023

	(Unaudited)	
	Six Months Ended	
	<b>30/9/2023</b>	30/9/2022
	<b>HK\$Million</b>	HK\$Million
Profit/(loss) for the period	<b>35.7</b>	(33.1)
Other comprehensive (loss)/income:		
Item that has been reclassified or may be reclassified subsequently to profit or loss:		
Exchange differences	<b>(0.8)</b>	0.7
Total comprehensive income/(loss) for the period and attributable to equity holders of the Company	<b>34.9</b>	(32.4)

**Consolidated Balance Sheet**  
As at 30th September 2023

	Note	(Unaudited) 30/9/2023 HK\$Million	(Audited) 31/3/2023 HK\$Million
<b>Non-current assets</b>			
Property, plant and equipment		1.2	1.2
Right-of-use assets		27.9	32.9
Associates		202.5	174.9
Amount due from an associate		–	108.6
Deferred income tax assets		41.0	41.0
Mortgage loans receivable		0.1	0.1
		<b>272.7</b>	<b>358.7</b>
<b>Current assets</b>			
Properties for sale		3,148.3	3,210.3
Properties under development		1,819.0	1,762.0
Debtors and other receivables	9	25.1	20.7
Financial assets at fair value through profit or loss		27.7	37.2
Amount due from an associate		108.6	–
Bank balances and cash		1,257.7	1,384.6
		<b>6,386.4</b>	<b>6,414.8</b>
<b>Current liabilities</b>			
Creditors and other payables	10	156.5	144.0
Lease liabilities		10.9	10.7
Borrowings	11	–	88.0
Current income tax liabilities		0.6	0.1
		<b>168.0</b>	<b>242.8</b>
Net current assets		<b>6,218.4</b>	<b>6,172.0</b>
Total assets less current liabilities		<b>6,491.1</b>	<b>6,530.7</b>
<b>Non-current liabilities</b>			
Lease liabilities		10.7	16.2
Other liabilities		0.7	0.7
Deferred income tax liabilities		3.5	3.5
		<b>14.9</b>	<b>20.4</b>
Net assets		<b>6,476.2</b>	<b>6,510.3</b>
<b>Equity</b>			
Share capital		61.7	61.7
Retained profits		6,062.2	6,095.5
Other reserves		352.3	353.1
Total equity		<b>6,476.2</b>	<b>6,510.3</b>

**Consolidated Statement of Changes in Equity**

For the six months ended 30th September 2023

	(Unaudited)	
	Six Months Ended	
	<b>30/9/2023</b>	<b>30/9/2022</b>
	<b>HK\$Million</b>	<b>HK\$Million</b>
Total equity at 1st April	<b>6,510.3</b>	6,676.3
Profit/(loss) for the period	<b>35.7</b>	(33.1)
Other comprehensive (loss)/income:		
Item that has been reclassified or may be reclassified subsequently to profit or loss:		
Exchange differences	<b>(0.8)</b>	0.7
Total comprehensive income/(loss) for the period	<b>34.9</b>	(32.4)
Transactions with equity holders:		
Dividends	<b>(74.1)</b>	(74.1)
Forfeiture of unclaimed dividends	<b>5.1</b>	-
Total transactions with equity holders for the period	<b>(69.0)</b>	(74.1)
Total equity at 30th September	<b>6,476.2</b>	6,569.8

**Condensed Consolidated Statement of Cash Flows**

For the six months ended 30th September 2023

	(Unaudited)	
	Six Months Ended	
	<b>30/9/2023</b>	<b>30/9/2022</b>
	<b>HK\$Million</b>	<b>HK\$Million</b>
Cash flows from operating activities		
Cash generated from/(used in) operations	<b>10.1</b>	(102.3)
Interest paid	<b>(2.1)</b>	(3.6)
Hong Kong profits tax paid	<b>(0.1)</b>	(0.1)
Net cash from/(used in) operating activities	<b>7.9</b>	(106.0)
Cash flows from investing activities		
Purchase of property, plant and equipment	<b>(0.3)</b>	(0.2)
Interest received	<b>27.3</b>	7.8
Amount advanced to an associate	-	(70.0)
Investment income/distributions from financial assets at fair value through profit or loss	<b>0.5</b>	0.4
Additions to financial assets at fair value through profit or loss	-	(0.1)
Net cash from/(used in) investing activities	<b>27.5</b>	(62.1)
Cash flows from financing activities		
Drawdowns of borrowings	-	29.0
Repayments of borrowings	<b>(87.8)</b>	(7.8)
Principal elements of lease payments	<b>(5.3)</b>	(6.3)
Dividends paid	<b>(74.1)</b>	(74.1)
Net cash used in financing activities	<b>(167.2)</b>	(59.2)
Net decrease in cash and cash equivalents	<b>(131.8)</b>	(227.3)
Cash and cash equivalents at 1st April	<b>1,302.2</b>	1,652.3
Cash and cash equivalents at 30th September	<b>1,170.4</b>	1,425.0



**Notes:**

**1. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

These 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 and Appendix 16 to the Listing Rules of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The condensed financial statements should be read in conjunction with the 2023 annual financial statements.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31st March 2023 except for the adoption of certain revised standards and amendments of Hong Kong Financial Reporting Standards (“HKFRSs”) issued and are mandatory for accounting periods beginning on or after 1st April 2023. The Group has assessed the impact of the adoption of these revised standards and amendments, and concluded that there has been no significant impact on the Group’s results and financial position nor any substantial changes in the Group’s accounting policies.



## 2. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in property investment and development, investment holding and property management.

Revenue recognised during the period comprises:

	Six Months Ended	
	30/9/2023	30/9/2022
	HK\$Million	HK\$Million
Gross proceeds from sales of properties	88.2	12.6
Gross rental income from properties	1.0	0.4
Property management fees	5.0	4.8
	<b>94.2</b>	<b>17.8</b>

Segment information is presented on the same basis as that used by the Directors to assess the performance of each reporting segment.

### (a) Revenue and profit/(loss) attributable to equity holders of the company For the six months ended 30/9/2023

	Property development and leasing	Property management	Hotel operation	Investment holding	Total
	HK\$Million	HK\$Million	HK\$Million	HK\$Million	HK\$Million
Revenue					
- recognised					
at a point in time	88.2	-	-	-	88.2
- recognised over time	-	5.0	-	-	5.0
Revenue from other sources					
- rental income	1.0	-	-	-	1.0
	<b>89.2</b>	<b>5.0</b>	<b>-</b>	<b>-</b>	<b>94.2</b>
Segment results and operating profit	(6.5)	2.5	-	13.3	9.3
Finance costs	(0.6)	-	-	-	(0.6)
Share of results of associates, net of tax	-	-	27.6	-	27.6
Profit before income tax					36.3
Income tax expense	(0.2)	(0.4)	-	-	(0.6)
Profit attributable to equity holders of the company					<b>35.7</b>

**2. REVENUE AND SEGMENT INFORMATION (continued)**
**(a) Revenue and profit/(loss) attributable to equity holders of the company (continued)**

For the six months ended 30/9/2022

	Property development and leasing <i>HK\$Million</i>	Property management <i>HK\$Million</i>	Hotel operation <i>HK\$Million</i>	Investment holding <i>HK\$Million</i>	Total <i>HK\$Million</i>
Revenue					
- recognised					
at a point in time	12.6	-	-	-	12.6
- recognised over time	-	4.8	-	-	4.8
Revenue from other sources					
- rental income	0.4	-	-	-	0.4
	13.0	4.8	-	-	17.8
Segment results and operating loss	(23.1)	1.6	-	(12.7)	(34.2)
Finance costs	(1.0)	-	-	-	(1.0)
Share of results of associates, net of tax	-	-	2.4	-	2.4
Loss before income tax					(32.8)
Income tax expense	-	(0.3)	-	-	(0.3)
Loss attributable to equity holders of the company					(33.1)

The analysis of revenue by geographical area is as follows:

	Six Months Ended <b>30/9/2023</b> <i>HK\$Million</i>	30/9/2022 <i>HK\$Million</i>
Hong Kong	4.9	4.6
United States	89.3	13.2
	94.2	17.8

Revenue of approximately HK\$88.2 million (2022: HK\$12.6 million) are derived from four (2022: one) major customers contributing 10% or more of the total revenue.

## 2. REVENUE AND SEGMENT INFORMATION (continued)

### (b) Total assets and liabilities As at 30/9/2023

	Property development and leasing <i>HK\$Million</i>	Property management <i>HK\$Million</i>	Hotel operation <i>HK\$Million</i>	Investment holding <i>HK\$Million</i>	Total <i>HK\$Million</i>
Segment assets	5,078.9	87.6	-	1,181.5	6,348.0
Associates	-	-	311.1	-	311.1
Total assets					6,659.1
Segment liabilities	88.1	88.3	-	6.5	182.9
Net assets					6,476.2

As at 31/3/2023

	Property development and leasing <i>HK\$Million</i>	Property management <i>HK\$Million</i>	Hotel operation <i>HK\$Million</i>	Investment holding <i>HK\$Million</i>	Total <i>HK\$Million</i>
Segment assets	5,089.3	82.8	-	1,317.9	6,490.0
Associates	-	-	283.5	-	283.5
Total assets					6,773.5
Segment liabilities	167.6	83.0	-	12.6	263.2
Net assets					6,510.3

Non-current assets, other than deferred income tax assets are mainly located in Hong Kong.

### 3. OTHER INCOME

	Six Months Ended	
	30/9/2023	30/9/2022
	HK\$Million	HK\$Million
Interest income from banks	26.7	9.9
Interest income from an associate	1.3	0.5
Investment income from financial assets at fair value through profit and loss	0.4	–
Subsidies from the Employment Support Scheme under the Anti-epidemic Fund set up by the Government of the Hong Kong Special Administrative Region	–	1.2
	<b>28.4</b>	<b>11.6</b>

### 4. OTHER LOSSES

	Six Months Ended	
	30/9/2023	30/9/2022
	HK\$Million	HK\$Million
Fair value change on financial assets at fair value through profit or loss	9.4	18.5

### 5. OPERATING PROFIT/(LOSS)

	Six Months Ended	
	30/9/2023	30/9/2022
	HK\$Million	HK\$Million
Operating profit/(loss) is stated after charging the following:		
Cost of property sales	61.6	8.2
Depreciation — property, plant and equipment	0.3	0.3
Depreciation — right-of-use assets	5.0	6.4

## 6. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates prevailing in the countries in which the Group operates.

	Six Months Ended	
	30/9/2023	30/9/2022
	HK\$Million	HK\$Million
Current income tax		
Hong Kong profits tax	0.6	0.3

The Group's share of income tax expense attributable to associates for the six months ended 30th September 2023 of HK\$5.2 million (2022: HK\$0.2 million) is included in the consolidated income statement as share of results of associates.

## 7. EARNINGS/(LOSS) PER SHARE

The calculation of earnings/(loss) per share is based on the profit attributable to equity holders of the Company of HK\$35.7 million (2022: loss attributable to equity holders of the Company of HK\$33.1 million) and ordinary shares in issue of 617,531,425 (2022: 617,531,425). There were no potential dilutive ordinary shares outstanding during the period (2022: Nil).

## 8. DIVIDENDS

	Six Months Ended	
	30/9/2023	30/9/2022
	HK\$Million	HK\$Million
Interim, proposed, of HK 12 cents (2022: HK 12 cents) per ordinary share	74.1	74.1

At a meeting held on 30th November 2023, the directors proposed an interim dividend of HK 12 cents per ordinary share. This proposed dividend is not reflected as a dividend payable in these consolidated financial statements, but will be reflected as an appropriation of retained profits for the year ending 31st March 2024.

## 9. DEBTORS AND OTHER RECEIVABLES

	<b>30/9/2023</b> <i>HK\$Million</i>	<i>31/3/2023</i> <i>HK\$Million</i>
Other receivables, deposits and prepayments	<b>25.1</b>	20.7

Other receivables, deposits and prepayments are mainly denominated in Hong Kong dollars.

Credit terms given to customers vary and generally range from 3 to 6 months.

## 10. CREDITORS AND OTHER PAYABLES

	<b>30/9/2023</b> <i>HK\$Million</i>	<i>31/3/2023</i> <i>HK\$Million</i>
Creditors, aged 0–3 months (from dates of invoices)	<b>8.9</b>	2.3
Other payables, deposits and accruals	<b>147.6</b>	141.7
	<b>156.5</b>	144.0

Creditors, other payables, deposits and accruals are mainly denominated in Hong Kong dollars.

## 11. BORROWINGS

	<b>30/9/2023</b> <i>HK\$Million</i>	<i>31/3/2023</i> <i>HK\$Million</i>
Current		
Bank loans		
– secured	–	88.0

As at 31st March 2023, the Group's borrowings are repayable within 1 year.

The Group's borrowings are all subject to interest-rate changes and contractual repricing within 6 months from the balance sheet date.

The carrying amounts of borrowings approximate their fair values.

As at 31st March 2023, the borrowings of HK\$88.0 million are denominated in US dollars and the effective interest rate of borrowings at the balance sheet date was 8.24% per annum.

## 12. FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION

### (i) Financial instruments measured at fair value

The disclosure of fair value measurements of the financial instruments is based on the following fair value measurement hierarchy:

- Quoted prices in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets that are measured at fair value at 30th September 2023 and 31st March 2023.

	Level 1 <i>HK\$Million</i>	Level 3 <i>HK\$Million</i>	Total <i>HK\$Million</i>
At 30th September 2023			
Financial assets at fair value through profit or loss			
– listed equity securities	16.5	–	16.5
– unlisted fund investments	–	11.2	11.2
<b>Total</b>	<b>16.5</b>	<b>11.2</b>	<b>27.7</b>

	Level 1 <i>HK\$Million</i>	Level 3 <i>HK\$Million</i>	Total <i>HK\$Million</i>
At 31st March 2023			
Financial assets at fair value through profit or loss			
– listed equity securities	25.2	–	25.2
– unlisted fund investments	–	12.0	12.0
<b>Total</b>	<b>25.2</b>	<b>12.0</b>	<b>37.2</b>

If one or more of the significant inputs is not based on observable market data, the assets are included in level 3.

The Group has determined that the attributable net assets value of the funds represents their fair values of the unlisted fund investments at the balance sheet date. The unobservable input includes attributable net assets value. These valuations fall within level 3 of the fair value measurement hierarchy. The higher the attributable net asset value is, the higher the fair value of investments will be.

The fair value of the listed equity securities falls within level 1 of the fair value measurement hierarchy.

**12. FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION  
(continued)**

**(i) Financial instruments measured at fair value (continued)**

There were no changes in valuation techniques during the period.

	Six Months Ended	
	<b>30/9/2023</b>	30/9/2022
	<i>HK\$Million</i>	<i>HK\$Million</i>
At the beginning of the period	<b>37.2</b>	57.2
Additions	–	0.1
Distributions	<b>(0.1)</b>	(0.4)
Change in fair value recognised in the consolidated income statement	<b>(9.4)</b>	(18.5)
At the end of the period	<b>27.7</b>	38.4

**(ii) Financial instruments measured at amortised cost**

The nominal values less impairment provisions of debtors and other receivables, mortgage loans receivable, bank balances and cash, amount due from an associate, lease liabilities, borrowings and creditors and other payables are assumed to approximate their fair values.

The fair values of long-term financial assets and liabilities for disclosure purposes are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.



### Interim Dividend

The Directors declared an interim dividend of HK12 cents per share, same as last year. The said interim dividend is payable on 4th January 2024.

### Register of Members

The Register of Members will be closed from 14th December 2023 to 19th December 2023, both days inclusive. Shareholders should ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 13th December 2023 in order that they may receive their dividend entitlement.

### Management Discussion and Analysis

#### Interim Results

The Group's unaudited net profit attributable to equity holders of the Company for the six months ended 30th September 2023 (the "Period") amounted to HK\$35.7 million as compared to the net loss of HK\$33.1 million for the corresponding period in 2022.

The turnaround from loss to profit for the Period was mainly attributable to (i) the improvement in sales of properties; (ii) the increase in interest income due to higher interest rates; and (iii) the substantial improvement in the results of an associate, Consolidated Hotels Limited, upon normalization of business and travel activities.

The Group has equity accounted for its interest in Sheraton-Hong Kong Hotel, which has adopted the cost model for its hotel land and buildings which are stated at cost less accumulated depreciation, in accordance with the current accounting standards.

In order to fully reflect the underlying economic value of the Group's hotel properties, the Group considers it appropriate also to present to shareholders, as set out below, supplementary information on the Group's statement of net assets on the basis that the Group were to state these hotel properties at their open market valuations as at 31st March 2023.

	(Unaudited) 30/9/2023 HK\$Million	(Unaudited) 31/3/2023 HK\$Million
Non-current assets, including interests in associates	272.7	358.7
<i>Add:</i> Attributable revaluation surplus relating to hotel properties*	3,135.6	3,145.2
	<b>3,408.3</b>	3,503.9
Current assets	6,386.4	6,414.8
Current liabilities	(168.0)	(242.8)
Net current assets	6,218.4	6,172.0
Total assets less current liabilities	9,626.7	9,675.9
Non-current liabilities	(14.9)	(20.4)
Net assets as if the hotel properties were stated at open market value	9,611.8	9,655.5
Net assets per ordinary share as if the hotel properties were stated at open market value	HK\$15.56	HK\$15.64

\* Based on open market valuations as at 31st March 2023.

### Property Development

Our Ap Lei Chau site will be developed into a luxurious residential building with recreational facilities and car parks. Superstructural work has been progressing steadily as scheduled, and is anticipated to be completed in 2025.

Preparation works for sales launch of our Repulse Bay project "PULSA" are well underway. Marketing promotion activities have been proceeding smoothly. Located amidst greenery and serenity, this super luxury residence enjoys panoramic views of the Repulse Bay. The development consists of eight spacious and elegant houses, with well-equipped clubhouse facilities. Its stylish curtain-wall façade and innovative design offers unprecedented iconic signature in the neighborhood.

French Valley Airport Center, an industrial and commercial project in California, is being developed in phases. Located adjacent to French Valley Airport, this modern architecture offers a range of all-new single-storey buildings, bringing convenience and high-quality construction in a well-designed business center. Sales of Phase 3 of the project achieved favourable results in view of the current market conditions. Construction works for Phase 4 commenced in August 2023, with expected completion by the end of 2024.

### **Hotel**

Sheraton-Hong Kong Hotel, in which the Group has 35% interest, continued to uphold its reputation among the elegant 5-star hotels in Hong Kong. The Hotel has fully completed its guestroom renovation and enhancement works to capture business opportunities after border reopening. Hotel occupancy increased significantly in the 2nd quarter and 3rd quarter of 2023 with higher room rates driven by market conditions.

The city's signature dynamic vibe is gradually coming back, providing much needed impetus for the local hotel industry. Revival of domestic demand, improving air connectivity and tourist inflows are expected to keep momentum on a growth path. On the other hand, challenges for hoteliers including inflation and staffing shortages will likely to remain in the year ahead.

### **Prospects**

The prevailing interest rate hikes and uncertainties surrounding the global economy and geopolitical issues are weighing on the recovery of Hong Kong's economy. The global and Hong Kong economic landscapes are expected to continue exhibiting volatility.

Given that the US Federal Reserve's interest rate hikes and their potential stabilization gain clearer visibility, market sentiment may improve in the next quarter or two. The high interest rate environment in Hong Kong is expected to last for some time, which will continue to boost the Group's interest income substantially due to its net cash position.

Easing of property curbs announced in the latest Policy Address is likely to stimulate residential transaction volumes. In the long run, the adjustments and relaxation of stamp duty measures could bring support to the Hong Kong housing market. Amidst the scarcity of supply in the local luxury home segment, there is potential demand from homebuyers who are looking for an opportune time to buy prime residences for long-term self-use.

The Group will monitor closely the impact of the challenges and its exposure to the risks and uncertainties in connection therewith. By adhering to its prudent approach, the Group will continue to adopt flexible strategies to cope with market volatility. Having a strong balance sheet and ample cash on hand, the Group is able to remain resilient in the face of uncertain economic environment ahead.

### Liquidity and Financial Resources

At 30th September 2023, the Group's cash net of borrowings was HK\$1,257.7 million as compared with HK\$1,296.6 million at 31st March 2023.

Committed bank borrowing facilities available to the Group at 31st March 2023 bear interest at floating rates generally and are subject to periodic review. The gearing ratio was 1.4% at 31st March 2023.

As at 31st March 2023, certain properties for sale and properties under development of the Group with carrying values of HK\$402.4 million have been pledged to banks as security for facilities granted to the extent of HK\$90.9 million against which HK\$88.0 million has been utilised.

### Employees and Emolument Policy

The Group, excluding associates, employs a total of 147 people in Hong Kong and the United States. Employees' costs, excluding directors' emoluments, amounted to HK\$28.7 million for the Period. The Group understands that employees are valuable assets. Remuneration packages are reviewed annually with other employee benefits including medical subsidies, a non-contributory provident fund scheme and a mandatory provident fund scheme. The Group also provides education subsidies to eligible employees.

The emolument policy for the general staff of the Group is set up by the management of the Group on the basis of their merits, qualifications and competence.

The emolument of the Directors and senior management of the Company are reviewed by the Remuneration Committee, having regard to individual duties and market practices.

### Directors' Interests

At 30th September 2023, the interests of the Directors and Chief Executive in the shares of the Company as recorded in the register maintained under section 352 of the Securities and Futures Ordinance (“SFO”) were as follows:

Name	Number of Shares				Total	%
	Personal Interests	Family Interests	Corporate Interests	Other Interests		
David Pun Chan	169,137,171	-	108,007,254 <i>(Note 1)</i>	-	277,144,425	44.88%
Ivy Sau Ching Chan	20,132,706	-	-	-	20,132,706	3.26%
Karl Chi Leung Kwok	282,462	-	-	-	282,462	0.05%
Wing Sau Li	73,000	-	-	-	73,000	0.01%
Patrick Chi Kwong Wong	170,000 <i>(Note 2)</i>	-	-	-	170,000	0.03%

Notes:

- 1 Among such 108,007,254 shares, (i) 61,335,074 shares were held through Saurus Limited, which is a company wholly owned by Mr David Pun Chan; (ii) 6,057,381 shares were held through Huon Limited, which is a company wholly owned by Mr David Pun Chan; (iii) 40,614,799 shares were held through Great Edward Investment Company Limited, which is a company 50% directly held by Mr David Pun Chan and the remaining 50% held by Triose Limited, which is a company wholly owned by Mr David Pun Chan.
- 2 These shares were held jointly with the spouse of Mr. Patrick Chi Kwong Wong.

All the interests disclosed above represent long positions in the shares of the Company.

Save as disclosed above, no directors, chief executive or their associates had any interest or short position in the shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”).

During the Period under review, the Company did not grant to the Directors or Chief Executive any right to subscribe for shares of the Company.

### Substantial Shareholders

As at 30th September 2023, save as disclosed under the section “Directors’ Interests” above, the Company has not been notified by any other person who has an interest or short position in the shares of the Company which is required to be recorded in the register kept by the Company pursuant to section 336 of the SFO.

### Purchase, Sale or Redemption of Shares

The Company did not redeem any of its shares during the Period. Neither the Company nor any of its subsidiaries purchased or sold any of the Company’s shares during the Period.

### Audit Committee

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control, risk management and financial reporting matters including the review of these unaudited interim consolidated financial statements.

### Compliance with the Corporate Governance Code

The Company’s corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. During the Period, the Company has complied with the code provisions of the CG Code except in relation to the followings:

- (1) Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The Company does not have a separate Chairman and Chief Executive Officer and Mr. David Pun Chan currently holds both positions. The Board considers that the combination of the roles of Chairman and Chief Executive Officer can promote the efficient formulation and implementation of the Company’s strategies to grasp business opportunities efficiently and promptly. Such arrangement, which has been adopted by many local and international corporations, enables the Company to meet the rapidly changing business environment which needs quicker decision making to achieve business efficiency. The Board believes that the balance of power and authority under such arrangement would not be impaired and would continue to be adequately ensured by the current Board which comprises experienced and high calibre individuals with sufficient number thereof being independent non-executive directors of the Company.

- (2) Under code provision B.2.2 of the CG Code, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Every Director of the Company, including those appointed for a specific term (save for any chairman or managing director under the Company's Private Act which was enacted in Bermuda in 1990), shall be subject to retirement by rotation at least once every three years. Pursuant to section 4(g) of the Private Act of the Company, any chairman or any managing director of the Company shall not be subject to retirement by rotation under the Bye-laws. The Board believes that the continuity of the office of chairman and managing director provides the Group with strong and consistent leadership and allows more effective planning and execution of long-term business strategies. The Board is of the view that the present arrangement is most beneficial to the Company and the shareholders as a whole.

The Board will continue to review and monitor the corporate governance practices of the Company for the purpose of maintaining high corporate governance standards.

#### **Compliance with the Model Code for Securities Transactions by Directors**

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules of the Stock Exchange. All Directors have confirmed, following enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the Period.

Finally, I would like to thank all staff for their loyal support and hard work.

By Order of the Board

**David Pun Chan**

*Chairman*

Hong Kong, 30th November 2023