

CH-1注塑機由蔣震博士設計，1972年於香港推出  
CH-1 machine designed and made by Dr. Chiang Chen was launched in 1972 in Hong Kong

# INTERIM REPORT

## 中期報告

2022/23

# Financial Highlights

|   | For the six months<br>ended 30 September |                     | Change |
|---|--|---------------------|--------|
|   | 2022<br>(Unaudited)                      | 2021<br>(Unaudited) |        |
| <b>RESULTS HIGHLIGHTS</b> (HK\$'000)                    |  |                     |        |
| Revenue   | <b>1,321,680</b>                         | 1,557,052           | -15%   |
| Profit before tax                                       | <b>92,177</b>                            | 165,668             | -44%   |
| Profit attributable to equity holders<br>of the Company | <b>75,104</b>                            | 123,162             | -39%   |
| Total assets  | <b>3,962,299</b>                         | 4,459,165           | -11%   |
| Shareholders' equity                                    | <b>2,933,529</b>                         | 3,082,758           | -5%    |
| Issued share capital                                    | <b>63,053</b>                            | 63,053              | 0%     |
| Net current assets                                      | <b>1,869,375</b>                         | 2,054,677           | -9%    |
| <b>PER SHARE DATA</b>                                   |  |                     |        |
| Basic earnings per share (HK cents)                     | <b>11.9</b>                              | 19.5                | -39%   |
| Cash dividends per share (HK cents)                     | <b>4.5</b>                               | 5.2                 | -13%   |
| Net assets per share (HK dollars)                       | <b>4.7</b>                               | 4.9                 | -4%    |
| <b>KEY FINANCIAL RATIOS</b>                             |  |                     |        |
| Return on average shareholders' equity (%)              | <b>2.4</b>                               | 4.1                 | -41%   |
| Return on average total assets (%)                      | <b>1.8</b>                               | 2.8                 | -36%   |

# Corporate Information

## Directors

### **Executive Directors**

Ms. Lai Yuen CHIANG (*Chairman and Chief Executive Officer*)  
Mr. Stephen Hau Leung CHUNG

### **Independent Non-executive Directors**

Mr. Bernard Charnwut CHAN  
Mr. Anish LALVANI  
Mr. Michael Tze Hau LEE  
Mr. Johnson Chin Kwang TAN

## Audit Committee

Mr. Anish LALVANI (*Chairman*)  
Mr. Bernard Charnwut CHAN  
Mr. Michael Tze Hau LEE  
Mr. Johnson Chin Kwang TAN

## Remuneration Committee

Mr. Bernard Charnwut CHAN (*Chairman*)  
Mr. Anish LALVANI  
Mr. Michael Tze Hau LEE  
Mr. Johnson Chin Kwang TAN  
Ms. Lai Yuen CHIANG

## Nomination Committee

Mr. Johnson Chin Kwang TAN (*Chairman*)  
Mr. Bernard Charnwut CHAN  
Mr. Anish LALVANI  
Mr. Michael Tze Hau LEE

## Corporate Governance Committee

Mr. Michael Tze Hau LEE (*Chairman*)  
Mr. Bernard Charnwut CHAN  
Mr. Anish LALVANI  
Mr. Johnson Chin Kwang TAN

## Company Secretary

Mr. Chi Ngai CHAN

## Authorized Representatives

Ms. Lai Yuen CHIANG  
Mr. Chi Ngai CHAN

|  |  |
|--|--|
| <b>Auditor</b>   | Ernst & Young<br><i>Registered Public Interest Entity Auditor</i>  |
| <b>Principal Bankers</b>                                 | China Construction Bank (Asia) Corporation Limited<br>Hang Seng Bank Limited<br>Industrial and Commercial Bank of China (Asia) Limited<br>The Hongkong and Shanghai Banking Corporation Limited              |
| <b>Principal Share Registrar</b>                         | MUFG Fund Services (Bermuda) Limited<br>4th Floor North<br>Cedar House<br>41 Cedar Avenue<br>Hamilton HM 12<br>Bermuda   |
| <b>Branch Share Registrar</b>                            | Tricor Tengis Limited<br>17/F, Far East Finance Centre<br>16 Harcourt Road<br>Hong Kong  |
| <b>Registered Office</b>                                 | Victoria Place<br>5th Floor, 31 Victoria Street<br>Hamilton HM 10<br>Bermuda   |
| <b>Head Office &amp; Principal Place of Business</b>     | 13-15 Dai Wang Street<br>Tai Po Industrial Estate<br>Tai Po, New Territories<br>Hong Kong  |
| <b>Corporate Communications &amp; Investor Relations</b> | Company Secretary<br>Tel: (852) 2665 3888<br>Fax: (852) 2664 8202<br>E-mail: <a href="mailto:comm@chenhsong.com">comm@chenhsong.com</a><br>Website: <a href="http://www.chenhsong.com">www.chenhsong.com</a> |
| <b>Stock Code</b>  | 00057  |

## Interim Results

The board of directors (the “Board”) of Chen Hsong Holdings Limited (the “Company”) announces that the unaudited consolidated profit attributable to equity holders of the Company for the six months ended 30 September 2022 amounted to HK\$75,104,000 as compared with the profit attributable to equity holders of HK\$123,162,000 for the corresponding period of last year. Basic earnings per share for the six months ended 30 September 2022 was HK11.9 cents, as compared with the basic earnings per share of HK19.5 cents for the corresponding period of last year. These unaudited interim results have been reviewed by the Company’s Audit Committee.

### Condensed Consolidated Income Statement

For the six months ended 30 September 2022

|   |       | <b>Six months ended</b> |             |
|---|-------|-------------------------|-------------|
|   |       | <b>30 September</b>     |             |
|   |       | <b>2022</b>             | 2021        |
|   |       | <b>(Unaudited)</b>      | (Unaudited) |
|   | Notes | <b>HK\$'000</b>         | HK\$'000    |
| <b>REVENUE</b>  | 2     | <b>1,321,680</b>        | 1,557,052   |
| Cost of sales   |       | <b>(1,012,808)</b>      | (1,163,346) |
| Gross profit  |       | <b>308,872</b>          | 393,706     |
| Other income and gains, net   |       | <b>39,960</b>           | 48,104      |
| Selling and distribution expenses                                       |       | <b>(146,024)</b>        | (161,062)   |
| Administrative expenses   |       | <b>(73,092)</b>         | (78,927)    |
| Other operating expenses, net   |       | <b>(36,772)</b>         | (36,399)    |
| Finance costs   |       | <b>(493)</b>            | (642)       |
| Share of profits less losses of associates                              |       | <b>(274)</b>            | 888         |
| <b>PROFIT BEFORE TAX</b>  | 3     | <b>92,177</b>           | 165,668     |
| Income tax expense  | 4     | <b>(17,854)</b>         | (40,741)    |
| <b>PROFIT FOR THE PERIOD</b>  |       | <b>74,323</b>           | 124,927     |
| <b>ATTRIBUTABLE TO:</b>   |       |                         |             |
| Equity holders of the Company   |       | <b>75,104</b>           | 123,162     |
| Non-controlling interests   |       | <b>(781)</b>            | 1,765       |
|   |       | <b>74,323</b>           | 124,927     |
| <b>EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b> | 6     |                         |             |
| Basic (HK cents)  |       | <b>11.9</b>             | 19.5        |
| Diluted (HK cents)  |       | <b>11.9</b>             | 19.5        |

# Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2022

|  | <b>Six months ended<br/>30 September</b> |             |
|--|--|-------------|
|  | <b>2022</b>                              | 2021        |
|  | <b>(Unaudited)</b>                       | (Unaudited) |
|  | <b>HK\$'000</b>                          | HK\$'000    |
| <b>PROFIT FOR THE PERIOD</b>   | <b>74,323</b>                            | 124,927     |
| <b>OTHER COMPREHENSIVE INCOME/(EXPENSES)</b>   |  |             |
| <i>Other comprehensive income/(expenses) that may be reclassified to the income statement in subsequent periods:</i> |  |             |
| Exchange differences:  |  |             |
| Exchange differences on translation of foreign operations  | <b>(276,701)</b>                         | 34,788      |
| Share of other comprehensive income/(expenses) of associates   | <b>(3,291)</b>                           | 156         |
| Net other comprehensive income/(expenses) that may be reclassified to the income statement in subsequent periods     | <b>(279,992)</b>                         | 34,944      |
| <i>Other comprehensive income that will not be reclassified to the income statement in subsequent periods:</i>       |  |             |
| Actuarial gains on defined benefit obligations   | <b>109</b>                               | 227         |
| <b>OTHER COMPREHENSIVE INCOME/(EXPENSES) FOR THE PERIOD</b>  | <b>(279,883)</b>                         | 35,171      |
| <b>TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE PERIOD</b>  | <b>(205,560)</b>                         | 160,098     |
| <b>ATTRIBUTABLE TO:</b>  |  |             |
| Equity holders of the Company  | <b>(203,124)</b>                         | 158,089     |
| Non-controlling interests  | <b>(2,436)</b>                           | 2,009       |
|  | <b>(205,560)</b>                         | 160,098     |

# Condensed Consolidated Statement of Financial Position

As at 30 September 2022

|   |       | <b>30 September<br/>2022<br/>(Unaudited)<br/>HK\$'000</b> | 31 March<br>2022<br>(Audited)<br>HK\$'000 |
|---|-------|---|---|
|   | Notes |   |   |
| <b>NON-CURRENT ASSETS</b>   |       |   |   |
| Property, plant and equipment                                       | 7     | <b>576,361</b>  | 647,970                                   |
| Investment properties   |       | <b>322,201</b>  | 359,296                                   |
| Right-of-use assets   |       | <b>34,634</b>   | 39,149                                    |
| Goodwill  |       | <b>51,905</b>   | 51,905                                    |
| Intangible asset  |       | <b>1,535</b>  | 1,834                                     |
| Investments in associates   |       | <b>24,964</b>   | 28,529                                    |
| Deferred tax assets   |       | <b>40,537</b>   | 43,548                                    |
| Deposits for purchases of items of property,<br>plant and equipment |       | <b>2,067</b>  | 3,607                                     |
| Trade and bills receivables   | 8     | <b>107,735</b>  | 99,985                                    |
| Finance lease receivables   | 9     | –   | 371                                       |
| Defined benefit assets  |       | <b>1,528</b>  | 1,061                                     |
| Pledged bank deposits   |       | <b>1,941</b>  | 2,851                                     |
|   |       | <hr/>   | <hr/>                                     |
| Total non-current assets  |       | <b>1,165,408</b>  | 1,280,106                                 |
| <b>CURRENT ASSETS</b>   |       |   |   |
| Inventories   |       | <b>763,046</b>  | 1,061,900                                 |
| Trade and bills receivables   | 8     | <b>1,303,074</b>  | 1,245,418                                 |
| Deposits, prepayments and other receivables                         |       | <b>120,934</b>  | 141,281                                   |
| Finance lease receivables   | 9     | <b>2,133</b>  | 4,311                                     |
| Pledged bank deposits   |       | <b>32,776</b>   | 24,400                                    |
| Cash and bank balances  |       | <b>574,928</b>  | 671,911                                   |
|   |       | <hr/>   | <hr/>                                     |
| Total current assets  |       | <b>2,796,891</b>  | 3,149,221                                 |
| <b>CURRENT LIABILITIES</b>  |       |   |   |
| Trade and bills payables  | 10    | <b>572,540</b>  | 695,694                                   |
| Other payables, accruals and contract liabilities                   |       | <b>311,357</b>  | 348,776                                   |
| Lease liabilities   |       | <b>1,113</b>  | 1,599                                     |
| Interest-bearing bank borrowings                                    |       | –   | 21,568                                    |
| Tax payable   |       | <b>42,506</b>   | 39,094                                    |
|   |       | <hr/>   | <hr/>                                     |
| Total current liabilities   |       | <b>927,516</b>  | 1,106,731                                 |
|   |       | <hr/>   | <hr/>                                     |
| <b>NET CURRENT ASSETS</b>   |       | <b>1,869,375</b>  | 2,042,490                                 |
|   |       | <hr/>   | <hr/>                                     |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                        |       | <b>3,034,783</b>  | 3,322,596                                 |
|   |       | <hr/>   | <hr/>                                     |

# Condensed Consolidated Statement of Financial Position *(continued)*

As at 30 September 2022

|   | 30 September<br>2022<br>(Unaudited)<br><i>Notes</i> <b>HK\$'000</b> | 31 March<br>2022<br>(Audited)<br><i>HK\$'000</i> |
|---|---|--|
| <b>NON-CURRENT LIABILITIES</b>                              |   |  |
| Other payables and accruals                                 | <b>10,601</b>   | 11,674   |
| Lease liabilities   | <b>3,520</b>  | 4,556  |
| Deferred tax liabilities                                    | <b>70,156</b>   | 77,904   |
|   | <hr/>   | <hr/>  |
| Total non-current liabilities                               | <b>84,277</b>   | 94,134   |
|   | <hr/>   | <hr/>  |
| <b>NET ASSETS</b>   | <b>2,950,506</b>  | 3,228,462  |
|   | <hr/> <hr/>   | <hr/> <hr/>                                      |
| <b>EQUITY</b>   |   |  |
| <b>Equity attributable to equity holders of the Company</b> |   |  |
| Issued share capital  | <i>11</i> <b>63,053</b>   | 63,053   |
| Reserves  | <b>2,870,476</b>  | 3,145,996  |
|   | <hr/>   | <hr/>  |
|   | <b>2,933,529</b>  | 3,209,049  |
| <b>Non-controlling interests</b>                            | <b>16,977</b>   | 19,413   |
|   | <hr/>   | <hr/>  |
| <b>TOTAL EQUITY</b>   | <b>2,950,506</b>  | 3,228,462  |
|   | <hr/> <hr/>   | <hr/> <hr/>                                      |



# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2022

|   | 2022   |  |   |   |   |
|---|--|--|---|---|---|
|   | Attributable to equity holders of the Company                  |  |   |   |   |
|   | Issued<br>share<br>capital<br>(Unaudited)<br>Notes<br>HK\$'000 | Share<br>premium<br>account<br>(Unaudited)<br>HK\$'000 | Capital<br>redemption<br>reserve<br>(Unaudited)<br>HK\$'000 | Capital<br>reserve<br>(Unaudited)<br>HK\$'000 | Statutory<br>reserve<br>(Unaudited)<br>HK\$'000 |
| At 1 April 2022   | 63,053   | 509,580  | 295   | 55,271  | 148,176   |
| Profit/(loss) for the period                                    | -  | -  | -   | -   | -   |
| Other comprehensive<br>income/(expenses) for<br>the period:     |  |  |   |   |   |
| Exchange differences on<br>translation of foreign<br>operations | -  | -  | -   | -   | -   |
| Share of other<br>comprehensive<br>expenses of<br>associates    | -  | -  | -   | -   | -   |
| Actuarial gains on<br>defined benefit<br>obligations            | -  | -  | -   | -   | -   |
| Total comprehensive<br>income/(expenses) for<br>the period      | -  | -  | -   | -   | -   |
| Equity-settled share option<br>arrangements                     | 12   | -  | -   | 746   | -   |
| Final dividend for the year<br>ended 31 March 2022              | 5  | -  | -   | -   | -   |
| At 30 September 2022  | <u>63,053</u>  | <u>509,580*</u>  | <u>295*</u>   | <u>56,017*</u>                                | <u>148,176*</u>                                 |

\* These reserve accounts comprise the consolidated reserves of HK\$2,870,476,000 (31 March 2022: HK\$3,145,996,000) in the condensed consolidated statement of financial position as at 30 September 2022.

**2022**  
**Attributable to equity holders of the Company**

| <b>General<br/>reserve</b> | <b>Asset<br/>revaluation<br/>reserve</b> | <b>Exchange<br/>fluctuation<br/>reserve</b> | <b>Retained<br/>profits</b> | <b>Total</b>     | <b>Non-<br/>controlling<br/>interests</b> | <b>Total<br/>equity</b> |
|----------------------------|--|---|-----------------------------|------------------|---|-------------------------|
| (Unaudited)                | (Unaudited)                              | (Unaudited)                                 | (Unaudited)                 | (Unaudited)      | (Unaudited)                               | (Unaudited)             |
| <i>HK\$'000</i>            | <i>HK\$'000</i>                          | <i>HK\$'000</i>                             | <i>HK\$'000</i>             | <i>HK\$'000</i>  | <i>HK\$'000</i>                           | <i>HK\$'000</i>         |
| 2,351                      | 81,231                                   | 353,334                                     | 1,995,758                   | 3,209,049        | 19,413                                    | 3,228,462               |
| -                          | -  | -   | 75,104                      | 75,104           | (781)                                     | 74,323                  |
| -                          | -  | (275,046)                                   | -                           | (275,046)        | (1,655)                                   | (276,701)               |
| -                          | -  | (3,291)                                     | -                           | (3,291)          | -   | (3,291)                 |
| -                          | -  | -   | 109                         | 109              | -   | 109                     |
| -                          | -  | (278,337)                                   | 75,213                      | (203,124)        | (2,436)                                   | (205,560)               |
| -                          | -  | -   | -                           | 746              | -   | 746                     |
| -                          | -  | -   | (73,142)                    | (73,142)         | -   | (73,142)                |
| <u>2,351*</u>              | <u>81,231*</u>                           | <u>74,997*</u>                              | <u>1,997,829*</u>           | <u>2,933,529</u> | <u>16,977</u>                             | <u>2,950,506</u>        |

# Condensed Consolidated Statement of Changes in Equity (continued)

For the six months ended 30 September 2022

2021

Attributable to equity holders of the Company

|   |       | Issued<br>share<br>capital<br>(Unaudited)<br>HK\$'000 | Share<br>premium<br>account<br>(Unaudited)<br>HK\$'000 | Capital<br>redemption<br>reserve<br>(Unaudited)<br>HK\$'000 | Capital<br>reserve<br>(Unaudited)<br>HK\$'000 | Statutory<br>reserve<br>(Unaudited)<br>HK\$'000 |
|---|-------|---|--|---|---|---|
|   | Notes |   |  |   |   |   |
| At 1 April 2021   |       | 63,053  | 509,580  | 295   | 53,901  | 147,061   |
| Profit for the period   |       | -   | -  | -   | -   | -   |
| Other comprehensive<br>income for the period:                   |       |   |  |   |   |   |
| Exchange differences on<br>translation of foreign<br>operations |       | -   | -  | -   | -   | -   |
| Share of other<br>comprehensive<br>income of associates         |       | -   | -  | -   | -   | -   |
| Actuarial gains on<br>defined benefit<br>obligations            |       | -   | -  | -   | -   | -   |
| Total comprehensive<br>income for the period                    |       | -   | -  | -   | -   | -   |
| Equity-settled share option<br>arrangements                     | 12    | -   | -  | -   | 648   | -   |
| Final dividend for the year<br>ended 31 March 2021              | 5     | -   | -  | -   | -   | -   |
| At 30 September 2021  |       | <u>63,053</u>   | <u>509,580</u>   | <u>295</u>  | <u>54,549</u>                                 | <u>147,061</u>                                  |

**2021**  
**Attributable to equity holders of the Company**

| <b>General<br/>reserve</b> | <b>Asset<br/>revaluation<br/>reserve</b> | <b>Exchange<br/>fluctuation<br/>reserve</b> | <b>Retained<br/>profits</b> | <b>Total</b>     | <b>Non-<br/>controlling<br/>interests</b> | <b>Total<br/>equity</b> |
|----------------------------|--|---|-----------------------------|------------------|---|-------------------------|
| (Unaudited)                | (Unaudited)                              | (Unaudited)                                 | (Unaudited)                 | (Unaudited)      | (Unaudited)                               | (Unaudited)             |
| <i>HK\$'000</i>            | <i>HK\$'000</i>                          | <i>HK\$'000</i>                             | <i>HK\$'000</i>             | <i>HK\$'000</i>  | <i>HK\$'000</i>                           | <i>HK\$'000</i>         |
| 2,351                      | 81,231                                   | 251,558                                     | 1,887,502                   | 2,996,532        | 16,514                                    | 3,013,046               |
| -                          | -  | -   | 123,162                     | 123,162          | 1,765                                     | 124,927                 |
| -                          | -  | 34,544                                      | -                           | 34,544           | 244                                       | 34,788                  |
| -                          | -  | 156   | -                           | 156              | -   | 156                     |
| -                          | -  | -   | 227                         | 227              | -   | 227                     |
| -                          | -  | 34,700                                      | 123,389                     | 158,089          | 2,009                                     | 160,098                 |
| -                          | -  | -   | -                           | 648              | -   | 648                     |
| -                          | -  | -   | (72,511)                    | (72,511)         | -   | (72,511)                |
| <u>2,351</u>               | <u>81,231</u>                            | <u>286,258</u>                              | <u>1,938,380</u>            | <u>3,082,758</u> | <u>18,523</u>                             | <u>3,101,281</u>        |

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2022

|  | <b>Six months ended</b> |             |
|--|-------------------------|-------------|
|  | <b>30 September</b>     |             |
|  | <b>2022</b>             | 2021        |
|  | <b>(Unaudited)</b>      | (Unaudited) |
|  | <b>HK\$'000</b>         | HK\$'000    |
| <b>NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>                    | <b>77,470</b>           | (214,265)   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                  |                         |             |
| Purchases of items of property, plant and equipment                          | <b>(21,801)</b>         | (38,406)    |
| Interest received  | <b>5,650</b>            | 10,257      |
| Decrease/(increase) in pledged bank deposits                                 | <b>(10,279)</b>         | 26,455      |
| Other investing cash flows   | <b>(1,614)</b>          | (11,963)    |
| <b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>                           | <b>(28,044)</b>         | (13,657)    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                  |                         |             |
| Dividends paid   | <b>(73,142)</b>         | (72,511)    |
| New bank loan  | <b>72,500</b>           | –           |
| Repayment of bank loans  | <b>(92,958)</b>         | (45,000)    |
| Principal portion of lease payments  | <b>(898)</b>            | (752)       |
| <b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>                           | <b>(94,498)</b>         | (118,263)   |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>                             | <b>(45,072)</b>         | (346,185)   |
| Cash and cash equivalents at beginning of period                             | <b>671,911</b>          | 1,146,188   |
| Effect of foreign exchange rate changes, net                                 | <b>(51,911)</b>         | 17,646      |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>                            | <b>574,928</b>          | 817,649     |
| <b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>                     |                         |             |
| Cash and bank balances   | <b>440,309</b>          | 608,660     |
| Bank deposits with original maturity of less than three months when acquired | <b>134,619</b>          | 208,989     |
|  | <b>574,928</b>          | 817,649     |

# Notes to Condensed Financial Statements

30 September 2022

## 1. Basis of Preparation and Changes in Accounting Policies

The unaudited condensed interim financial statements of the Company and its subsidiaries (the “Group”) 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”) and Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies and basis of preparation adopted in the preparation of these condensed interim financial statements are consistent with those set out in the Group’s audited financial statements for the year ended 31 March 2022, except that the Group has adopted, for the first time for the current period’s condensed interim financial statements, the following revised Hong Kong Financial Reporting Standards (“HKFRSs”), HKASs and Interpretations (hereinafter collectively referred to as the “revised HKFRSs”) issued by the HKICPA that are effective for the accounting period commencing on 1 April 2022:

|  |  |
|--|--|
| Amendments to HKFRS 3                          | <i>Reference to the Conceptual Framework</i>   |
| Amendments to HKAS 16                          | <i>Property, Plant and Equipment: Proceeds before Intended Use</i>                       |
| Amendments to HKAS 37                          | <i>Onerous Contracts – Cost of Fulfilling a Contract</i>                                 |
| <i>Annual Improvements to HKFRSs 2018-2020</i> | Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41 |

The above revised HKFRSs have no significant financial effect on these condensed interim financial statements and there have been no significant changes to the accounting policies applied in these condensed interim financial statements.

The HKICPA has also issued a number of new and revised HKFRSs which are not yet effective for the current reporting period. The Group has not early adopted those new and revised HKFRSs in these condensed interim financial statements. The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application, but is not yet in a position to state whether these new and revised HKFRSs would have significant impact on the Group’s financial performance and financial position.

## 2. Revenue and Operating Segment Information

The Group's revenue from contracts with customers is related to the sale of plastic injection moulding machines and related products, and all the revenue is recognized at a point in time when control of goods is transferred to customers generally on delivery of the goods.

The Group is principally involved in the manufacture and sale of plastic injection moulding machines and related products. For management purposes, the Group is organized into business units based on the locations of customers and has three reportable operating segments as follows:

- (i) Mainland China and Hong Kong;
- (ii) Taiwan; and
- (iii) Other overseas countries.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, unallocated income and gains, non-lease-related finance costs, share of profits less losses of associates, and corporate and unallocated expenses are excluded from such measurement.

There are no significant sales between the reportable operating segments.

## 2. Revenue and Operating Segment Information (continued)

Disaggregation of revenue from contracts with customers by locations of customers, as well as revenue and results information for the Group's operating segments for the periods ended 30 September 2022 and 2021 is as follows:

|                              | Segment revenue<br>from external customers |                  | Segment results       |                |
|------------------------------|--|------------------|-----------------------|----------------|
|                              | Six months ended                           |                  | Six months ended      |                |
|                              | 30 September                               |                  | 30 September          |                |
|                              | 2022                                       | 2021             | 2022                  | 2021           |
|                              | HK\$'000                                   | HK\$'000         | HK\$'000              | HK\$'000       |
| Mainland China and Hong Kong | <b>952,551</b>                             | 1,145,843        | <b>87,374</b>         | 148,354        |
| Taiwan                       | <b>38,142</b>                              | 86,677           | <b>2,897</b>          | 9,753          |
| Other overseas countries     | <b>330,987</b>                             | 324,532          | <b>18,726</b>         | 22,867         |
|                              | <b><u>1,321,680</u></b>                    | <u>1,557,052</u> | <b><u>108,997</u></b> | <u>180,974</u> |

### Reconciliation of results of operating segments to profit before tax is as follows:

|   |                      |                |
|---|----------------------|----------------|
| Operating segment results                                   | <b>108,997</b>       | 180,974        |
| Unallocated income and gains                                | <b>5,791</b>         | 10,514         |
| Corporate and unallocated<br>expenses                       | <b>(22,063)</b>      | (26,136)       |
| Finance costs (other than<br>interest on lease liabilities) | <b>(274)</b>         | (572)          |
| Share of profits less losses of<br>associates               | <b>(274)</b>         | 888            |
| Profit before tax   | <b><u>92,177</u></b> | <u>165,668</u> |



### 3. Profit Before Tax

The Group's profit before tax is arrived at after charging/(crediting):

|   | Six months ended<br>30 September |           |
|---|----------------------------------|-----------|
|   | 2022                             | 2021      |
|   | HK\$'000                         | HK\$'000  |
| Cost of inventories sold  | <b>1,012,808</b>                 | 1,163,346 |
| Depreciation of property, plant and equipment                     | <b>28,726</b>                    | 26,564    |
| Depreciation of right-of-use assets                               | <b>1,514</b>                     | 1,300     |
| Amortization of an intangible asset                               | <b>118</b>                       | –         |
| Loss/(gain) on disposal of items of property, plant and equipment | <b>23</b>                        | (1,195)   |
| Write-off of items of property, plant and equipment               | <b>1,431</b>                     | 750       |
| Impairment/(write-back of impairment) of trade receivables, net   | <b>(1,642)</b>                   | 5,878     |
| Provision/(write-back of provision) for inventories, net          | <b>(414)</b>                     | 3,062     |
| Write-back of impairment of finance lease receivables, net        | <b>(689)</b>                     | (851)     |
| Write-back of impairment of other receivables, net                | –                                | (57)      |
| Foreign exchange differences, net                                 | <b>15,706</b>                    | (7,743)   |
| Interest income   | <b>(5,650)</b>                   | (10,257)  |
| Finance lease interest income                                     | <b>(141)</b>                     | (257)     |

### 4. Income Tax Expense

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

|                                | Six months ended<br>30 September |          |
|--------------------------------|----------------------------------|----------|
|                                | 2022                             | 2021     |
|                                | HK\$'000                         | HK\$'000 |
| Current:                       |                                  |          |
| Charge for the period          |                                  |          |
| Hong Kong                      | –                                | –        |
| Elsewhere                      | <b>19,189</b>                    | 32,307   |
| Overprovision in prior periods | <b>(132)</b>                     | (17)     |
| Deferred                       | <b>(1,203)</b>                   | 8,451    |
| Tax charge for the period      | <b>17,854</b>                    | 40,741   |

## 5. Dividends

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

Dividends paid during the period:

Final in respect of the financial year ended

31 March 2022 – HK\$0.116

(2021: HK\$0.115) per ordinary share

|               |               |
|---------------|---------------|
| <b>73,142</b> | <b>72,511</b> |
|---------------|---------------|

The Board has declared the payment of an interim dividend of HK\$0.045 (2021: HK\$0.052) per ordinary share for the six months ended 30 September 2022 totalling HK\$28,374,000 (2021: HK\$32,788,000). These condensed interim financial statements do not reflect the interim dividend payable.

## 6. Earnings Per Share Attributable to Equity Holders of the Company

The calculation of the basic earnings per share is based on the Group's profit attributable to equity holders of the Company for the period of HK\$75,104,000 (2021: HK\$123,162,000) and on the weighted average number of ordinary shares of 630,531,600 (2021: 630,531,600) in issue during the period.

No adjustment has been made to the basic earnings per share amount presented for the six months ended 30 September 2022 in respect of a dilution as the impact of the share options outstanding had no dilutive effect on the basic earnings per share amount presented. For the six months ended 30 September 2021, the calculation of the diluted earnings per share was based on the Group's profit attributable to equity holders of the Company for that period of HK\$123,162,000 and on the weighted average number of ordinary shares of 631,119,933, being the weighted average number of ordinary shares of 630,531,600 in issue during that period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares of 588,333 assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares during that period.

## 7. Property, Plant and Equipment

The movements of property, plant and equipment of the Group were as follows:

|   | <i>HK\$'000</i>       |
|---|-----------------------|
| Net carrying amount as at 1 April 2022      | 647,970               |
| Additions                                   | 24,849                |
| Disposals                                   | (173)                 |
| Write-offs                                  | (1,431)               |
| Depreciation provided for the period        | (28,726)              |
| Exchange realignment                        | <u>(66,128)</u>       |
| Net carrying amount as at 30 September 2022 | <u><u>576,361</u></u> |

## 8. Trade and Bills Receivables

|   | <b>30 September<br/>2022</b>   | 31 March<br>2022        |
|---|--------------------------------|-------------------------|
| <i>Notes</i>                              | <b><i>HK\$'000</i></b>         | <i>HK\$'000</i>         |
| Trade receivables                         | <b>1,087,385</b>               | 976,207                 |
| Impairment                                | <b><u>(90,158)</u></b>         | <u>(98,368)</u>         |
| Trade receivables, net                    | <b>997,227</b>                 | 877,839                 |
| Bills receivable                          | <b><u>413,582</u></b>          | <u>467,564</u>          |
| Total trade and bills receivables         | <b>1,410,809</b>               | 1,345,403               |
| Portion classified as non-current portion | <b><u>(107,735)</u></b>        | <u>(99,985)</u>         |
| Current portion                           | <b><u><u>1,303,074</u></u></b> | <u><u>1,245,418</u></u> |

Trading terms with customers are either cash on delivery, bank bills or on credit. The Group grants credit to customers based on their respective business strength and creditability, with credit periods of 30 days to 180 days in general. The Group adopts strict control policies over credit terms and receivables that serve to minimize credit risk.

## 8. Trade and Bills Receivables (continued)

In view of the aforementioned and the fact that the Group's trade and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over these balances. Except for the trade receivables of HK\$119,537,000 as at 30 September 2022 (31 March 2022: HK\$128,268,000) which are interest-bearing at an average interest rate of 6.3% (31 March 2022: 6.2%) per annum and with credit periods of 12 months to 36 months (31 March 2022: 12 months to 36 months) in general, the remaining trade and bills receivables are non-interest-bearing.

As at 30 September 2022, the Group has pledged bills receivable of HK\$128,237,000 (31 March 2022: HK\$98,162,000) to secure the issuance of bank acceptance notes, included in the trade and bills payables, to suppliers.

- (a) The ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

|                 | <b>30 September<br/>2022<br/>HK\$'000</b> | 31 March<br>2022<br>HK\$'000 |
|-----------------|---|------------------------------|
| Within 90 days  | <b>465,626</b>                            | 297,820                      |
| 91 to 180 days  | <b>165,230</b>                            | 159,723                      |
| 181 to 365 days | <b>179,277</b>                            | 232,306                      |
| Over 1 year     | <b>187,094</b>                            | 187,990                      |
|                 | <b>997,227</b>                            | 877,839                      |

- (b) The maturity dates of the bills receivable as at the end of the reporting period are analyzed as follows:

|                 | <b>30 September<br/>2022<br/>HK\$'000</b> | 31 March<br>2022<br>HK\$'000 |
|-----------------|---|------------------------------|
| Within 90 days  | <b>177,001</b>                            | 167,299                      |
| 91 to 180 days  | <b>175,972</b>                            | 210,324                      |
| 181 to 365 days | <b>47,292</b>                             | 75,230                       |
| Over 1 year     | <b>13,317</b>                             | 14,711                       |
|                 | <b>413,582</b>                            | 467,564                      |

## 9. Finance Lease Receivables

The Group leases certain of its injection moulding machines to its customers. These leases are classified as finance leases and have remaining lease terms ranging from 7 months to 8 months (31 March 2022: 1 month to 14 months). The customers shall purchase the leased injection moulding machines at the end of lease terms of the finance leases.

|   | <b>30 September<br/>2022<br/>HK\$'000</b> | 31 March<br>2022<br>HK\$'000 |
|---|---|------------------------------|
| Finance lease receivables                 | <b>6,702</b>                              | 10,501                       |
| Impairment                                | <b>(4,569)</b>                            | (5,819)                      |
| Finance lease receivables, net            | <b>2,133</b>                              | 4,682                        |
| Portion classified as non-current portion | <b>–</b>                                  | (371)                        |
| Current portion                           | <b>2,133</b>                              | 4,311                        |

The total future minimum lease receivables under finance leases and their present values as at the end of the reporting period are analyzed as follows:

|   | <b>Minimum lease receivables</b>          |                              | <b>Present value of<br/>minimum lease receivables</b> |                              |
|---|---|------------------------------|---|------------------------------|
|   | <b>30 September<br/>2022<br/>HK\$'000</b> | 31 March<br>2022<br>HK\$'000 | <b>30 September<br/>2022<br/>HK\$'000</b>             | 31 March<br>2022<br>HK\$'000 |
| Amounts receivable:                     |   |                              |   |                              |
| Within one year                         | <b>2,198</b>                              | 4,476                        | <b>2,133</b>  | 4,311                        |
| In the second year                      | <b>–</b>                                  | 375                          | <b>–</b>  | 371                          |
| Total minimum finance lease receivables | <b>2,198</b>                              | 4,851                        | <b>2,133</b>  | 4,682                        |
| Unearned finance income                 | <b>(65)</b>                               | (169)                        |   |                              |
| Total net finance lease receivables     | <b>2,133</b>                              | 4,682                        |   |                              |
| Portion classified as current assets    | <b>(2,133)</b>                            | (4,311)                      |   |                              |
| Non-current portion                     | <b>–</b>                                  | 371                          |   |                              |

No contingent income was recognized during the six months ended 30 September 2022 (2021: Nil).

## 10. Trade and Bills Payables

The ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

|                 | <b>30 September<br/>2022<br/>HK\$'000</b> | 31 March<br>2022<br>HK\$'000 |
|-----------------|---|------------------------------|
| Within 90 days  | <b>299,999</b>                            | 384,486                      |
| 91 to 180 days  | <b>129,404</b>                            | 225,315                      |
| 181 to 365 days | <b>129,686</b>                            | 71,323                       |
| Over 1 year     | <b>13,451</b>                             | 14,570                       |
|                 | <b><u>572,540</u></b>                     | <b><u>695,694</u></b>        |

The trade and bills payables are non-interest-bearing and are normally settled on terms of 3 to 6 months (31 March 2022: 3 to 6 months). Included in the trade and bills payables are trade payables of HK\$9,332,000 (31 March 2022: HK\$10,984,000) due to associates which are repayable within 30 days.

## 11. Share Capital

|  | <b>30 September<br/>2022<br/>HK\$'000</b> | 31 March<br>2022<br>HK\$'000 |
|--|---|------------------------------|
| Authorized:<br>1,000,000,000 ordinary shares of HK\$0.10 each  | <b><u>100,000</u></b>                     | <u>100,000</u>               |
| Issued and fully paid:<br>630,531,600 (31 March 2022: 630,531,600)<br>ordinary shares of HK\$0.10 each | <b><u>63,053</u></b>                      | <u>63,053</u>                |

## 12. Share Options

The Company has adopted a share option scheme (the “Share Option Scheme”) approved by the shareholders at the annual general meeting of the Company held on 24 September 2014. Share options under the Share Option Scheme do not confer rights on the holders to dividends or to vote at shareholders’ meetings.

The following share options were outstanding under the Share Option Scheme during the period:

|                          | 2022  |                               | 2021  |                               |
|--------------------------|---|-------------------------------|---|-------------------------------|
|                          | Weighted<br>average<br>exercise price<br><i>(HK\$ per<br/>ordinary share)</i> | Number of<br>share<br>options | Weighted<br>average<br>exercise price<br><i>(HK\$ per<br/>ordinary share)</i> | Number of<br>share<br>options |
| At 1 April               | 2.30  | 16,220,000                    | 2.20  | 10,890,000                    |
| Lapsed during the period | 2.25  | <u>(1,570,000)</u>            | 2.20  | <u>(140,000)</u>              |
| At 30 September          | 2.31  | <u>14,650,000</u>             | 2.20  | <u>10,750,000</u>             |

No share options were granted (2021: Nil), exercised (2021: Nil) or cancelled (2021: Nil) during the six months ended 30 September 2022.

## 12. Share Options (continued)

The exercise periods and exercise prices of the share options outstanding as at the end of the reporting period are as follows:

| Exercise period                      | Exercise price*<br>(HK\$ per<br>ordinary share) | Number of share options  |                          |
|--------------------------------------|---|--------------------------|--------------------------|
|                                      |   | 30 September<br>2022     | 31 March<br>2022         |
| 27 November 2022 to 26 November 2030 | 2.20  | <b>2,606,000</b>         | 2,930,000                |
| 27 November 2023 to 26 November 2030 | 2.20  | <b>816,000</b>           | 885,000                  |
| 27 November 2024 to 26 November 2030 | 2.20  | <b>2,606,000</b>         | 2,930,000                |
| 27 November 2025 to 26 November 2030 | 2.20  | <b>816,000</b>           | 885,000                  |
| 27 November 2026 to 26 November 2030 | 2.20  | <b>1,208,000</b>         | 1,640,000                |
| 27 November 2027 to 26 November 2030 | 2.20  | <b>1,088,000</b>         | 1,180,000                |
| 21 January 2024 to 20 January 2032   | 2.49  | <b>1,661,000</b>         | 1,679,000                |
| 21 January 2025 to 20 January 2032   | 2.49  | <b>492,000</b>           | 552,000                  |
| 21 January 2026 to 20 January 2032   | 2.49  | <b>1,661,000</b>         | 1,679,000                |
| 21 January 2027 to 20 January 2032   | 2.49  | <b>492,000</b>           | 552,000                  |
| 21 January 2028 to 20 January 2032   | 2.49  | <b>548,000</b>           | 572,000                  |
| 21 January 2029 to 20 January 2032   | 2.49  | <b>656,000</b>           | 736,000                  |
|                                      |   | <b><u>14,650,000</u></b> | <b><u>16,220,000</u></b> |

\* The exercise price of the share options is subject to adjustment in the event of any variation in the issued share capital of the Company.

A share option expense of HK\$746,000 (2021: HK\$648,000) was recognized during the period.



### 13. Contingent Liabilities

At the end of the reporting period, contingent liabilities not provided for in the condensed interim financial statements were as follows:

|   | <b>30 September<br/>2022<br/>HK\$'000</b> | 31 March<br>2022<br>HK\$'000 |
|---|---|------------------------------|
| Guarantee given to a bank, at the maximum,<br>for a bank loan granted to a customer to<br>purchase the Group's products | <b>3,160</b>                              | 4,180                        |
| Guarantee given to a bank, at the maximum,<br>for guarantee provided to a customer                                      | <b>172</b>                                | 171                          |
|   | <b><u>3,332</u></b>                       | <u>4,351</u>                 |

### 14. Commitments

As at 30 September 2022, the Group had capital commitments, which were contracted but not provided for, in respect of the construction of industrial buildings in Mainland China amounting to approximately HK\$326,000 (31 March 2022: HK\$1,089,000).

As at 30 September 2022, the Group had capital commitments, which were contracted but not provided for, in respect of the purchase of property, plant and equipment in Mainland China amounting to approximately HK\$3,874,000 (31 March 2022: HK\$11,692,000).

### 15. Related Party Transactions

- (a) During the period, the Group purchased raw materials amounting to HK\$17,193,000 (2021: HK\$25,096,000) from an associate at prices and on terms mutually agreed by the Group and the associate.

## 15. Related Party Transactions (continued)

(b) Compensation of key management personnel of the Group:

|                                      | Six months ended |              |
|--------------------------------------|------------------|--------------|
|                                      | 30 September     |              |
|                                      | 2022             | 2021         |
|                                      | HK\$'000         | HK\$'000     |
| Short-term employee benefits         | 3,654            | 6,412        |
| Post-employment benefits             | 18               | 18           |
| Equity-settled share option expenses | 359              | 267          |
|                                      | <u>4,031</u>     | <u>6,697</u> |

## 16. Fair Value and Fair Value Hierarchy of Financial Instruments

Management has assessed that the fair values of cash and bank balances, the current portion of pledged bank deposits, the current portion of trade receivables and finance lease receivables, bills receivable, financial assets included in deposits, prepayments and other receivables, trade and bills payables, the current portion of financial liabilities included in other payables and accruals and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the non-current portion of trade receivables and finance lease receivables, the non-current portion of pledged bank deposits, the non-current portion of financial liabilities included in other payables and accruals and lease liabilities are estimated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities and approximate to their carrying amounts.

The Group's finance team is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, it analyzes the movements in the values of the financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and reported to directors.

## 17. Comparative Amounts

Certain comparative amounts have been reclassified to conform to the current period's presentation.

## Interim Dividend

The Board has resolved to declare an interim dividend of HK4.5 cents (2021: HK5.2 cents) per ordinary share for the six months ended 30 September 2022 to shareholders whose names appear on the Register of Members of the Company at the close of business on Friday, 16 December 2022. The interim dividend will be paid on or about Thursday, 12 January 2023.

## Closure of Register of Members

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

## Management's Discussion and Analysis

### Business Performance

For the six months ended 30 September 2022, the Group registered turnover of HK\$1,322 million (2021: HK\$1,557 million), a reduction of 15% over the same period of last year. Profit attributable to equity holders declined 39% to HK\$75 million (2021: HK\$123 million). Basic earnings per share was HK11.9 cents (2021: HK19.5 cents). The Board has resolved to declare an interim dividend of HK4.5 cents (2021: HK5.2 cents) per share.

During the first half of this financial year, the sudden outbreak of COVID in Shanghai resulted in a lockdown from 1 April to 1 June, a period of two whole months, which led to widespread disruptions of domestic supply chain, imported parts and components stuck in ports, and delayed deliveries of export goods. Follow-on impacts of this lockdown persisted all the way until well into July/August, which proved to be a heavy burden on China's economy already stressed by a weak real-estate segment – its traditional economic locomotive – and rekindled Sino-US trade disputes. Consequently, China's Gross Domestic Product ("GDP") growth rate plummeted during the second quarter and brought its forecasted annual GDP growth rate down to 4.5%, a relative low level.

The rest of the world fared little better during the same period, characterized by acute market volatility and political turmoil. Firstly, Russia’s military conflict with Ukraine gave no indication of resolving, while western powers piled sanctions upon sanctions on Russia at the cost of rising energy shortfalls, sky-rocketing electricity prices and grain shortages. Central banks across the globe were obliged to raise interest rates in order to combat high inflation that naturally followed from such shortages, which ultimately led to social unrest in some and political instability in others. The US Federal Reserve, in the meantime, added fuel to fire by engaging upon an acute quantitative tightening process in a bid to curb domestic inflation, raising interest rates by 3% within the first three quarters of this year, a magnitude the world had not seen for close to three decades. Sharp-hiking interest rates led to an extremely strong U.S. Dollar and significant depreciations of other global currencies, especially those of developing nations, some of which were starting to threaten stability of the global financial system. Finally, an accelerating process of destocking that followed massive inventory buildups during the COVID pandemic was exerting heavier pressure on consumer goods export orders to China, resulting in a substantial slowdown of China’s domestic manufacturing sector, especially those catering for exports.

The manufacturing industries in China faced serious challenge under the said series of internal and external factors. During the first half of this financial year, China’s Purchasing Managers’ Index (“PMI”) remained mostly below 50, indicating widespread shrinkage of manufacturing activities due to weak demand and supply chain disruptions. The Group’s core customer groups remained cautious with regards to capital investment during such market conditions, with most suffering low capacity utilization and dwindling orders, taking a wait-and-see attitude towards expansion projects. The Group’s total turnover during this period declined because of these reasons.

## Market Analysis

Breakdown of turnover, based on the location of customers, for the six months ended 30 September 2022 is as follows:

| <b>Customer Location</b>     | <b>2022<br/>(HK\$ million)</b> | 2021<br>(HK\$ million) | Change |
|------------------------------|--------------------------------|------------------------|--------|
| Mainland China and Hong Kong | <b>953</b>                     | 1,146                  | -17%   |
| Taiwan                       | <b>38</b>                      | 87                     | -56%   |
| Other overseas countries     | <b>331</b>                     | 324                    | +2%    |
|                              | <b>1,322</b>                   | 1,557                  | -15%   |

As COVID rampaged the world in a pandemic, many traditional consumer product industries in China enjoyed red-hot orders growth for most of this period which lasted over two years. As a result, there existed a significant amount of “over-stocking” in Europe and the USA, leading to an acute “post-pandemic” destocking process which started early this year. The sudden lockdown of Shanghai, China (from 1 April to 1 June) also significantly affected domestic industrial supply chains and logistic arrangements, the Group being one of its victims as imported parts and components were stuck in ports unable to clear customs. In addition, weaknesses in China’s domestic real-estate market were beginning to make their impacts felt across all facets of the economy, including the financial markets, monetary liquidity, and household income.

China registered a substantial drop in GDP growth for the second quarter (i.e. April to June). Although third quarter results rebounded, annual GDP growth forecast for this year is significantly revised downwards to 4.5% – the lowest in three decades if disregarding early pandemic periods. The most direct consequence of lockdowns combined with weak economic drivers was to curb household income and consumer spending, which was evident from the plummeting Consumer Confidence Index published by the Bank of China. Industrial PMI figures confirmed this condition: during the six months of the first half of this financial year, four registered PMI measures markedly below 50, indicating shrinkage of industrial activities, especially for consumer goods.

Although the market for consumer goods remained depressed, the automotive sector bucked this trend and became a rare highlight by growing 16% during the period in review, mostly coming from the electric vehicles (EVs) segment which doubled year-on-year. Year-to-date, China’s automotive exports expanded by close to 60%, replacing Germany as the second largest automotive exporter worldwide after Japan. As the Group continued its relationship with the leader of China’s EV segment, BYD, which started last year, more orders from the first half of this financial year for high-end injection moulding machines were placed by BYD to the Group in order to satisfy its large demands due to a very aggressive capacity expansion program. Up to the end of September, the Group had signed a total of close to RMB500 million of orders with BYD for the EV program, to provide around 800 medium-to-large tonnage injection moulding machines.

Weak consumption and rekindled Sino-US trade tension great hampered the investment plans of many manufacturing customers who decided to adopt a wait-and-see strategy for more future visibility. Thus, the Group registered a turnover drop of 17% in the China market to HK\$953 million (2021: HK\$1,146 million).

The situation in international markets divided into two extremes in the first half of this financial year: firstly, regions that benefited from the lifting of two years of pandemic restrictions, such as Asia, the Middle East, Africa and India, experienced explosive consumption growth, which in turn translated into more demand for manufacturing equipment. During the period under review, the Group's turnover in these regions generally registered increases of 30% or above year-on-year. At the other extreme, however, European market remained depressed due to fallout from large-scale sanctions levied upon Russia for its military conflict with Ukraine (the two conflicting countries used to be the largest and fifth-largest grain exporters worldwide) which led to energy shortages and food scarcity, spiking inflation and factory stoppages.

At the same time, the US Federal Reserve embarked on the most aggressive rate hike program in three decades, pushing the U.S. Dollar to new highs and causing global currency depreciations, especially for developing countries such as Brazil and Turkey – factors that also contributed to destabilize these countries economically and politically. As a result, the Group experienced a large decline in turnover to these developed western regions such as Europe and the USA but, together with strong growth in other regions, registered an almost flat turnover in international markets, growing slightly by 2% to HK\$331 million (2021: HK\$324 million).

As Taiwan manufacturers mostly export to Europe and the USA, they were directly affected by the military conflict in Europe and the US Federal Reserve's rate hikes. Turnover of the Group among Taiwanese customers dropped 56% to HK\$38 million (2021: HK\$87 million).

## Development of New Technologies and New Products

In response to the changing market environment and urgent customer needs, the Group launched the first of a new extension to its flagship MK6 product line – the MK6.6 series – at the beginning of this year. The first model of the new MK6.6 line extension – the MK6.6/A “Artisan” – leverages high-end designs from the popular MK6 series to give the same high precision, high reliability, and high performance but also fine-tunes them to suit specific needs of particular application segments such as electric appliances, household goods and toys, and therefore well recognized and appreciated by customers. The Group also launched the next in line model – the MK6.6/B “Brilliance” – at the end of September, which was tailored for the needs of demanding segments such as 3C, electronics, packaging and automotive.

“Customers Come First” has always been the motto of the Group's research and development focus, and aims to provide worldwide customers with equipment that is most suited to their applications as well as produces the highest value. The Group realizes that increasing specialization and tailor making different models of products is a clear trend in the industry and plans to launch more application-specific models during the upcoming six to twelve months, such as the next iteration of the flagship MK6 series – the MK8, a next-generation two-platen series, and an enhanced upgrade to the SPARK series of all-electric machines.

## Production and Cost Control

The Group continued to execute on its planned 40% capacity expansion program through upgrading dated production equipment and facilities, automating existing processes and improving line efficiency. The Group also launched a TQM program targeting on improving quality consciousness and standards-driven operating procedures throughout the production environment across all staff levels. Meanwhile, the Group's continued involvement in operating VI (value improvement) began to bear fruit in terms of better cost control, higher production efficiency and stronger market competitiveness.

As future market sentiments remain uncertain, and to enable rapid responses to any market changes, the Group is committed to strengthening control on its supply chain with the aim to alleviate bottlenecks and enhance supply flexibility, actively working with suppliers to lift quality standards and reduce costs.

## Liquidity and Financial Conditions

As at 30 September 2022, the Group had net current assets of HK\$1,869 million (2021: HK\$2,055 million), which represented a 9% decrease over last year. Cash and bank balances (including pledged deposits) amounted to HK\$610 million (2021: HK\$843 million), representing a decrease of HK\$233 million over last year. As at 30 September 2022, the Group had no bank borrowings. As at 30 September 2021, the bank borrowings were HK\$23 million, which were short term loans with floating interest rates for general working capital purposes. The Group recorded a net cash position of HK\$610 million (2021: HK\$820 million), representing a decrease of HK\$210 million.

The gearing ratio of the Group is measured as total borrowings net of cash and bank balances divided by total assets. The Group had a net cash position as at 30 September 2022. As a result, no gearing ratio was presented.

It is the policy of the Group to adopt a consistently prudent financial management strategy, sufficient liquidity is maintained to meet the funding requirements of the Group's capital investments and operations.

## Charge on Assets

As at 30 September 2022, bank deposits of certain subsidiaries of the Group in the amount of HK\$35 million (2021: HK\$26 million) were pledged, including HK\$3 million (2021: Nil) for securing a bank loan granted by a bank in Mainland China to a customer to purchase the Group's products, and HK\$32 million (2021: HK\$26 million) for securing the issuance of bank acceptance notes, recorded in the trade and bills payables, to suppliers. In addition, bills receivable of a subsidiary of the Group in the amount of HK\$128 million (2021: HK\$17 million) was pledged for securing the issuance of bank acceptance notes, included in the trade and bills payables, to suppliers.

## Capital Commitments

As at 30 September 2022, the Group had capital commitments of HK\$4 million (2021: HK\$69 million), mainly in respect of the upgrading of industrial facilities and the purchases of production equipment in Mainland China, which are to be funded by internal resources of the Group.

## Treasury and Foreign Exchange Risk Management

The Group adopts a prudent approach in managing its funding. Funds, which are primarily denominated in Hong Kong Dollar, the Renminbi, the New Taiwanese Dollar, the U.S. Dollar and the Euro, are generally placed with banks in short or medium term deposits for working capital of the Group.

As at 30 September 2022, the Group had no borrowings in Japanese Yen. As at 30 September 2021, the Group had borrowings in Japanese Yen equivalent to HK\$23 million for payments to suppliers in Japanese Yen. The Group, from time to time, assesses the risk exposure on certain volatile foreign currencies and manages it in appropriate manner to minimize the risk.

The Group has substantial investments in Mainland China and is aware that any fluctuation of the Renminbi would have an impact on the net profits of the Group. However, since most of the transactions of the Group are conducted with the Renminbi, the exchange differences have no direct impact on the Group's actual operations and cash flows.

## Contingent Liabilities

As at 30 September 2022, the Group provided (i) guarantee to a bank amounted to HK\$3 million (2021: Nil) for a bank loan granted to a customer to purchase the Group's products; and (ii) performance guarantee to a bank amounted to HK\$0.2 million (2021: Nil) provided to a customer.

## Human Resources

As at 30 September 2022, the Group had approximately 2,300 (2021: 2,400) full-time employees. The Group offers good remuneration and welfare packages to its employees and maintains market-competitive pay levels. Employees are rewarded based on individual performance as well as the results performance of the Group.

The Group conducted regular programs, including comprehensive educational and professional training, and social counselling activities, to its employees to enhance staff quality, standards of professional knowledge and teamwork spirit.



## Outlook for the Second Half

The world today is in a state of massive volatility and limited visibility, with uncertainties abound both within China as well as internationally. More importantly, as Europe enters the winter season, analysts worldwide appear unable to agree upon how much an impact will be sustained by European industries and their societies from energy shortages due to the Russo-Ukrainian military conflict. The only consensus of such is an extremely cautious view towards the future which is prone to further deterioration. As the US Federal Reserve continues its program of interest rate hikes with no clear end in sight, such action is bound to cause further pressure on future economic development. Together with uncertainties due to unstable Sino-US trade relations, it is projected that most capacity expansion plans will be put on hold by manufacturing customers who are waiting for a better visibility.

The Group shall continue its regular strategy in these market conditions, which is to double-down on technological investments and product innovation with an emphasis of alleviating customer pains and helping customers resolve problems. The Group believes that this remain one of the most important assessment criteria of customers towards their suppliers under any market and economic environment.

As the Group enters its 65th year anniversary in the year 2023, there will be a series of celebratory activities, market promotional events and customer connection programs to commemorate the occasion. The Group will also take this opportunity to introduce a series of next-generation product lines, which will just be the right products at just the right time should the market rebound next year.

## Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 September 2022, the number of issued ordinary shares of the Company was 630,531,600; and the interests and short positions of the directors and chief executive of the Company 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 (the "SFO")), as recorded in the register of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

## (a) Long positions in shares and underlying shares of the Company

| Name of director        | Capacity         | Interest in ordinary shares/ underlying shares* | Notes | Approximate percentage of the Company's issued ordinary shares |
|-------------------------|------------------|---|-------|--|
| Lai Yuen CHIANG         | Beneficial owner | 9,100,000                                       | (i)   | 1.44%  |
|                         | Other            | 399,641,620                                     | (2)   | 63.38%   |
| Stephen Hau Leung CHUNG | Beneficial owner | 2,466,000                                       | (ii)  | 0.39%  |
| Johnson Chin Kwang TAN  | Beneficial owner | 484,000   | –     | 0.08%  |
| Anish LALVANI           | Other            | 652,000   | (iii) | 0.10%  |

### Notes:

- (i) Among these interests, 4,100,000 were share options granted by the Company to the director as beneficial owner.
  - (ii) Among these interests, 1,800,000 were share options granted by the Company to the director as beneficial owner.
  - (iii) These interests in shares were held in the capacity as discretionary beneficiary of a discretionary trust.
- \* Details of the interests of the directors in the underlying shares in respect of the share options granted by the Company are set out in the section headed "Share Options" below.

## (b) Long positions in shares of associated corporations

- (i) Interests in ordinary shares of Chen Hsong Investments Limited ("CH Investments"):

| Name of director | Capacity | Interest in ordinary shares | Notes | Approximate percentage of the issued ordinary shares of CH Investments |
|------------------|----------|-----------------------------|-------|--|
| Lai Yuen CHIANG  | Other    | 58,220,300                  | (2)   | 100.00%  |

- (ii) Ms. Lai Yuen CHIANG, a director of the Company, is deemed to be interested in the shares of the following associated corporations:

| Name of associated corporation              | Interest in shares                    | Notes    | Approximate percentage of the relevant class of issued shares of associated corporation |
|---|---------------------------------------|----------|---|
| Assetwise Holdings Limited                  | 1 ordinary share                      | (1), (3) | 100.00%   |
| Chen Hsong (PRC) Investment Company Limited | 2 non-voting deferred shares          | (1), (3) | 100.00%   |
| Chen Hsong Machinery Company, Limited       | 50,000,000 non-voting deferred shares | (1), (3) | 100.00%   |
| Chiangs' Industrial Holdings Limited        | 1 redeemable share                    | (1)      | 100.00%   |
| CHI Dorset Square Limited                   | 4,264,675 ordinary shares             | (1), (6) | 100.00%   |
| Continuous Victory Limited                  | 1 ordinary share                      | (1), (3) | 100.00%   |
| Desee Limited                               | 2 ordinary shares                     | (1), (4) | 100.00%   |
| Desko Limited                               | 2 ordinary shares                     | (1), (4) | 100.00%   |
| Elegant City Developments Limited           | 1 ordinary share                      | (1), (3) | 100.00%   |
| Elite Sino Investments Limited              | 2 ordinary shares                     | (1), (3) | 100.00%   |
| Equaltex Investment Limited                 | 2 ordinary shares                     | (1), (3) | 100.00%   |
| Goman Limited                               | 2 ordinary shares                     | (1), (4) | 100.00%   |
| Gondmyne Limited                            | 100,000 ordinary shares               | (1), (3) | 100.00%   |
| Granwich Limited                            | 1 ordinary share                      | (1), (3) | 100.00%   |
| Hong Kong Cad-Cam Services Limited          | 52,570,000 ordinary shares            | (1), (3) | 75.10%  |
| Kadom Limited                               | 2 ordinary shares                     | (1), (3) | 100.00%   |
| KCI Investments Limited                     | 1 ordinary share                      | (1), (5) | 100.00%   |
| Koyoki Limited                              | 2 ordinary shares                     | (1), (4) | 100.00%   |
| Mikia Limited                               | 2 ordinary shares                     | (1), (4) | 100.00%   |
| Mogin Limited                               | 2 ordinary shares                     | (1), (4) | 100.00%   |
| Pacific Concept Global Limited              | 6 ordinary shares                     | (1), (3) | 60.00%  |
| Parot Limited                               | 2 ordinary shares                     | (1), (4) | 100.00%   |
| Perfect Choice Global Limited               | 1 ordinary share                      | (1), (3) | 100.00%   |
| Potachi Limited                             | 2 ordinary shares                     | (1), (4) | 100.00%   |
| Pro-Team Pacific Limited                    | 1 ordinary share                      | (1), (3) | 100.00%   |
| Rikon Limited                               | 2 ordinary shares                     | (1), (4) | 100.00%   |
| Semicity Limited                            | 2 ordinary shares                     | (1), (4) | 100.00%   |
| Sibeland Limited                            | 2 ordinary shares                     | (1), (4) | 100.00%   |
| Sumei Limited                               | 2 ordinary shares                     | (1), (4) | 100.00%   |
| Value Creation Group Limited                | 1 ordinary share                      | (1), (3) | 100.00%   |

*Notes:*

- (1) Chiangs' Industrial Holdings Limited holds 100% interest in CH Investments. In turn, Chiangs' Industrial Holdings Limited is wholly-owned by Cititrust (Bahamas) Limited. Cititrust (Bahamas) Limited is the trustee of a discretionary trust, namely The Chiang Chen Industrial Charity Foundation (the "Charity Foundation"). By virtue of the SFO, Ms. Lai Yuen CHIANG is deemed to be interested in the relevant shares as she beneficially owns 100% shares in Proficient City Investments Limited, one of the several eligible beneficiaries of the Charity Foundation.
- (2) This represents the interest indirectly held by Cititrust (Bahamas) Limited, the trustee of the Charity Foundation, which holds 100% indirect interest in CH Investments. By virtue of the SFO, Ms. Lai Yuen CHIANG is deemed to be interested in the relevant shares as she beneficially owns 100% shares in Proficient City Investments Limited, one of the several eligible beneficiaries of the Charity Foundation.
- (3) Such interests are held by CH Investments.
- (4) Such interests are indirectly held by CH Investments through Gondmyne Limited.
- (5) Such interests are indirectly held by CH Investments through Assetwise Holdings Limited.
- (6) Such interests are indirectly held by CH Investments through Perfect Choice Global Limited.

Save as disclosed above, as at 30 September 2022, none of the directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as recorded in the register of the Company 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.

## Share Options

Details of the movements in the share options granted to the directors (one of whom is also a substantial shareholder) of the Company and the selected employees of the Group under the Share Option Scheme during the six months ended 30 September 2022 and outstanding as at 30 September 2022 were as follows:

| Name or category of participant   | Date of grant | Number of share options |                           |                             |                                     | As at 30 September 2022 | Exercise period (Notes)     | Exercise price per share (HK\$) |
|-----------------------------------|---------------|-------------------------|---------------------------|-----------------------------|-------------------------------------|-------------------------|-----------------------------|---------------------------------|
|                                   |               | As at 1 April 2022      | Granted during the period | Exercised during the period | Lapsed/ cancelled during the period |                         |                             |                                 |
| <b>Category I</b>                 |               |                         |                           |                             |                                     |                         |                             |                                 |
| <b>Directors</b>                  |               |                         |                           |                             |                                     |                         |                             |                                 |
| Lai Yuen CHIANG (Note 4)          | 27/11/2020    | 2,200,000               | -                         | -                           | -                                   | 2,200,000               | 27/11/2022 - 26/11/2030 (1) | 2.20                            |
|                                   | 21/01/2022    | 1,900,000               | -                         | -                           | -                                   | 1,900,000               | 21/01/2024 - 20/01/2032 (1) | 2.49                            |
| Stephen Hau Leung CHUNG           | 27/11/2020    | 1,200,000               | -                         | -                           | -                                   | 1,200,000               | 27/11/2022 - 26/11/2030 (1) | 2.20                            |
|                                   | 21/01/2022    | 600,000                 | -                         | -                           | -                                   | 600,000                 | 21/01/2024 - 20/01/2032 (1) | 2.49                            |
| <b>Category II</b>                |               |                         |                           |                             |                                     |                         |                             |                                 |
| Selected employees (in aggregate) | 27/11/2020    | 4,100,000               | -                         | -                           | (1,080,000)                         | 3,020,000               | 27/11/2022 - 26/11/2030 (2) | 2.20                            |
|                                   | 21/01/2022    | 1,430,000               | -                         | -                           | (60,000)                            | 1,370,000               | 21/01/2024 - 20/01/2032 (2) | 2.49                            |
| <b>Category III</b>               |               |                         |                           |                             |                                     |                         |                             |                                 |
| Selected employees (in aggregate) | 27/11/2020    | 2,950,000               | -                         | -                           | (230,000)                           | 2,720,000               | 27/11/2023 - 26/11/2030 (3) | 2.20                            |
|                                   | 21/01/2022    | 1,840,000               | -                         | -                           | (200,000)                           | 1,640,000               | 21/01/2025 - 20/01/2032 (3) | 2.49                            |
| <b>Total</b>                      |               | 16,220,000              | -                         | -                           | (1,570,000)                         | 14,650,000              |                             |                                 |

*Notes:*

- (1) In respect of Category I, as to 50% and 50% of the share options granted to each grantee shall be vested on and are exercisable from the date falling on the second and fourth anniversary from the date of grant respectively provided that no share options shall be exercised after ten years from the date of grant.
- (2) In respect of Category II, as to 30%, 30% and 40% of the share options granted to each grantee shall be vested on and are exercisable from the date falling on the second, fourth and sixth anniversary from the date of grant respectively provided that no share options shall be exercised after ten years from the date of grant. Vesting of the share options in respect of Category II is subject to the consent of the Chairman of the board of directors of the Company.
- (3) In respect of Category III, as to 30%, 30% and 40% of the share options granted to each grantee shall be vested on and are exercisable from the date falling on the third, fifth and seventh anniversary from the date of grant respectively provided that no share options shall be exercised after ten years from the date of grant. Vesting of the share options in respect of Category III is subject to the consent of the Chairman of the board of directors of the Company.
- (4) By virtue of the SFO, Ms. Lai Yuen CHIANG is also deemed to be interested in the shares of the Company held by CH Investments, a company holding 399,641,620 shares, representing 63.38% of the issued shares of the Company as at the date of this report, as she beneficially owns 100% shares in one of the several eligible beneficiaries of the Charity Foundation, where the trustee thereof indirectly holds 100% interest in CH Investments.

## Directors' Rights to Acquire Shares or Debentures

No share options were granted to or exercised by the directors or chief executive of the Company during the six months ended 30 September 2022.

Save as disclosed under the section headed "Share Options" above and in note 12 to the condensed interim financial statements, at no time during the six months ended 30 September 2022 was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisitions of shares in, or debentures of, the Company or any other body corporate, and none of the directors, chief executive or their spouses or children under the age of 18, had any right to subscribe for securities of the Company, or had exercised any such right during the six months ended 30 September 2022.

## Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As at 30 September 2022, so far as was known to the directors and chief executive of the Company, the interests or short positions of substantial shareholders and other persons in the shares and underlying shares of the Company as recorded in the register of the Company required to be kept under Section 336 of the SFO were as follows:

### Long positions in shares and underlying shares of the Company

| Name of shareholder                  | Capacity                           | Number of ordinary shares/<br>underlying shares* | Notes | Approximate percentage of the Company's issued ordinary shares |
|--------------------------------------|------------------------------------|--|-------|--|
| CH Investments                       | Beneficial owner                   | 399,641,620                                      | (1)   | 63.38%   |
| Chiangs' Industrial Holdings Limited | Interest of controlled corporation | 399,641,620                                      | (1)   | 63.38%   |
| Cititrust (Bahamas) Limited          | Trustee                            | 399,641,620                                      | (1)   | 63.38%   |
| Lai Yuen CHIANG                      | Beneficial owner                   | 9,100,000  | (2)   | 1.44%  |
|                                      | Other                              | 399,641,620                                      | (3)   | 63.38%   |
| Proficient City Investments Limited  | Interest of controlled corporation | 399,641,620                                      | (3)   | 63.38%   |
| David Michael WEBB                   | Beneficial owner                   | 15,147,200                                       | –     | 2.40%  |
|                                      | Interest of controlled corporation | 22,746,800                                       | (4)   | 3.61%  |

#### Notes:

- (1) This represents the same parcel of shares held by CH Investments. Cititrust (Bahamas) Limited is deemed to have interest in the relevant shares by virtue of being the trustee of the Charity Foundation, and the relevant shares are held through its controlled corporation, Chiangs' Industrial Holdings Limited, which holds 100% interest in CH Investments.
- (2) Among these interests, 4,100,000 were share options granted by the Company to the director as beneficial owner.
- (3) This represents the same parcel of shares held by CH Investments. Proficient City Investments Limited is deemed to have interest in the relevant shares by virtue of being one of the several eligible beneficiaries of the Charity Foundation and Ms. Lai Yuen CHIANG, a director of the Company, is the sole beneficial shareholder of Proficient City Investments Limited.

- (4) Based on the notice of disclosure of interests of Mr. David Michael WEBB filed on 1 June 2021, these interests in shares are held by Preferable Situation Assets Limited, a company 100% controlled by Mr. David Michael WEBB.
- \* Details of the interests of the directors in the underlying shares in respect of the share options granted by the Company are set out in the section headed "Share Options" above.

Save as disclosed above, as at 30 September 2022, no other persons were recorded in the register of the Company required to be kept under Section 336 of the SFO as having interests or short positions in the shares and underlying shares of the Company.

## Corporate Governance Code

Throughout the six months ended 30 September 2022, the Company has complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, except for the following deviations:

Code provision B.2.2 provides that every director should be subject to retirement by rotation at least once every three years. The directors of the Company (except the Chairman of the Company) are subject to retirement by rotation at least once every three years as the Chen Hsong Holdings Limited Company Act, 1991 of Bermuda provides that the chairman and the managing director of the Company are not required to retire by rotation.

Code provision C.2.1 provides that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Ms. Lai Yuen CHIANG is the Chairman of the Board and Chief Executive Officer of the Company. Given the skills and experience of Ms. CHIANG and her long term of service with the Group, this structure can be considered appropriate to the Group and can provide the Group with strong and consistent leadership for effective and efficient business planning and decisions, as well as execution of long term business strategies.

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

The Company has adopted a Code of Conduct regarding Securities Transactions by the Directors (the "Code of Conduct") on terms no less exacting than the required standard as set out in the Model Code. The Company, after having made specific enquiry of all directors, confirms that all directors have complied with the required standard set out in the Code of Conduct and the Model Code throughout the six months ended 30 September 2022.



## Changes in Directors' Information

Changes in Directors' information which are required to be disclosed under Rule 13.51B(1) of the Listing Rules are set out below.

Ms. Lai Yuen CHIANG was appointed as an independent non-executive director of Wharf Real Estate Investment Company Limited (listed on the Stock Exchange) with effect from 1 October 2022.

Mr. Bernard Charnwut CHAN was appointed as an independent non-executive director of CLP Holdings Limited (listed on the Stock Exchange) with effect from 18 October 2022. He was also appointed as a Steward of The Hong Kong Jockey Club with effect from 10 June 2022. He ceased to be the chairman of Hong Kong Palace Museum Ltd. with effect from 1 September 2022.

Mr. Michael Tze Hau LEE was appointed as the chairman of the Board of Stewards of The Hong Kong Jockey Club with effect from 8 September 2022.

Save as disclosed above, there was no change in directors' information since the date of the annual report 2021/22 of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules. The biographical details of Directors are available in the "About Us" ("Investors") section of the Company's website.

## Purchase, Sale or Redemption of Listed Securities of the Company

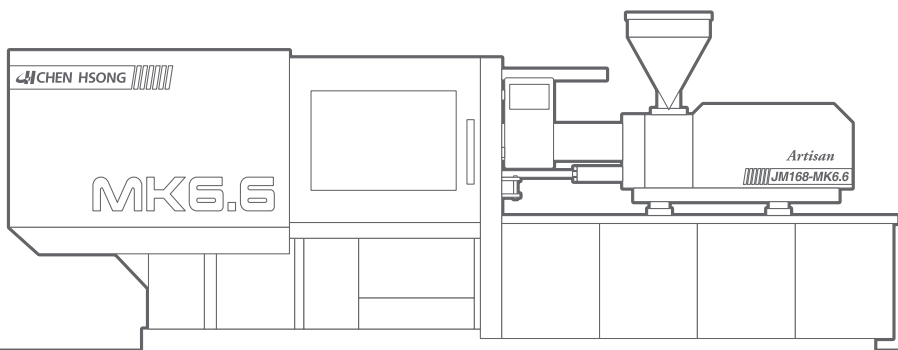
Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 September 2022.

## Review of Accounts

The Audit Committee of the Company has reviewed with the Management the unaudited interim results for the six months ended 30 September 2022 and discussed internal controls and financial reporting matters, including the review of accounting principles and practices adopted by the Group.

On behalf of the Board  
**Lai Yuen CHIANG**  
*Chairman and Chief Executive Officer*

Hong Kong, 25 November 2022



60多年專注如一，2022年最新第六代MK6.6/A「匠心版」是對一代匠人的敬禮  
Still going strong after 60+ years with the 6th-gen MK6.6/A "Artisan" in 2022

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