



# 利記控股有限公司 LEE KEE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock code 股份代號：637



We Create  
**Value Solutions**  
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INTERIM REPORT 2020 中期報告

# CORPORATE INFORMATION

## DIRECTORS

### Executive Directors

CHAN Pak Chung  
*(Chairman of the Board)*  
CHAN Yuen Shan Clara  
*(Vice Chairman of the Board  
& CEO)*  
CHAN Ka Chun Patrick  
OKUSAKO CHAN Pui Shan Lillian

### Independent non-executive Directors

CHUNG Wai Kwok Jimmy  
HO Kwai Ching Mark  
TAI Lun Paul

## COMPANY SECRETARY

CHEUK Wa Pang  
*(CPA (HKICPA), FCCA, ACA)*

## AUDIT COMMITTEE

CHUNG Wai Kwok Jimmy  
*(Chairman of the  
Audit Committee)*  
HO Kwai Ching Mark  
TAI Lun Paul

## REMUNERATION COMMITTEE

Ho Kwai Ching Mark  
*(Chairman of the  
Remuneration Committee)*  
CHAN Pak Chung  
CHUNG Wai Kwok Jimmy

## NOMINATION COMMITTEE

CHAN Pak Chung  
*(Chairman of the  
Nomination Committee)*  
CHUNG Wai Kwok Jimmy  
TAI Lun Paul

## AUTHORISED REPRESENTATIVES

CHAN Yuen Shan Clara  
CHEUK Wa Pang

## REGISTERED OFFICE

P.O. Box 309 GT, Uglan House,  
South Church Street, George Town,  
Grand Cayman, Cayman Islands

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

16 Dai Fat Street  
Tai Po Industrial Estate  
New Territories  
Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited  
3rd Floor, Royal Bank House  
24 Shedden Road  
George Town  
Grand Cayman KY1-1110  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
Level 54, Hopewell Centre,  
183 Queen's Road East,  
Hong Kong

## LEGAL ADVISERS TO THE COMPANY

*As to Hong Kong Law:*  
Kwok Yih & Chan  
Suites 2013-05, 21st Floor  
9 Queen's Road  
Central  
Hong Kong

*As to Cayman Islands Law:*  
Maples and Calder Asia  
1504 One International Finance Centre  
1 Harbour View Street  
Central  
Hong Kong

## AUDITOR

KPMG  
*Certified Public Accountants  
Public Interest Entity Auditor  
registered in accordance with  
the Financial Reporting  
Council Ordinance*  
8th Floor, Prince's Building  
10 Chater Road  
Central  
Hong Kong

## PRINCIPAL BANKERS

The Hongkong and Shanghai  
Banking Corporation Limited  
Hang Seng Bank Limited  
Standard Chartered Bank  
(Hong Kong) Limited  
Bank of China (Hong Kong) Limited

## WEBSITE OF THE COMPANY

[www.leekeegroup.com](http://www.leekeegroup.com)

## STOCK CODE

637

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2020 – unaudited

(Expressed in Hong Kong dollars)

	Note	Six months ended 30 September	
		2020 \$'000	2019 \$'000
<b>Revenue</b>	4	<b>864,043</b>	1,032,287
Cost of sales		<b>(815,980)</b>	(1,028,286)
<b>Gross profit</b>		<b>48,063</b>	4,001
Other income		<b>6,829</b>	2,351
Distribution and selling expenses		<b>(11,989)</b>	(12,395)
Administrative expenses		<b>(34,589)</b>	(41,980)
Other net losses		<b>(335)</b>	(1,033)
<b>Profit/(loss) from operations</b>		<b>7,979</b>	(49,056)
Finance income		<b>530</b>	838
Finance costs		<b>(825)</b>	(4,292)
Net finance costs	5(a)	<b>(295)</b>	(3,454)
<b>Profit/(loss) before taxation</b>	5	<b>7,684</b>	(52,510)
Income tax	6	<b>(2,265)</b>	(3,052)
<b>Profit/(loss) for the period</b>		<b>5,419</b>	(55,562)
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>5,397</b>	(55,513)
Non-controlling interests		<b>22</b>	(49)
<b>Profit/(loss) for the period</b>		<b>5,419</b>	(55,562)
<b>Earnings/(loss) per share</b>	8		
Basic and diluted (Hong Kong cents)		<b>0.65</b>	(6.70)

The notes on pages 9 to 22 form part of this interim financial report.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2020 – unaudited

(Expressed in Hong Kong dollars)

	Six months ended 30 September	
	2020	2019
	\$'000	\$'000
<b>Profit/(loss) for the period</b>	<b>5,419</b>	(55,562)
<b>Other comprehensive income for the period:</b>		
<i>Items that will not be reclassified to profit or loss, net of nil tax:</i>		
Revaluation of financial assets at fair value through other comprehensive income	<b>3,101</b>	(1,257)
<i>Items that may be reclassified subsequently to profit or loss, net of nil tax:</i>		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong	<b>7,255</b>	(13,553)
Cash flow hedges	<b>(554)</b>	–
<b>Other comprehensive income for the period</b>	<b>9,802</b>	(14,810)
<b>Total comprehensive income for the period</b>	<b>15,221</b>	(70,372)
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>15,199</b>	(70,323)
Non-controlling interests	<b>22</b>	(49)
<b>Total comprehensive income for the period</b>	<b>15,221</b>	(70,372)

The notes on pages 9 to 22 form part of this interim financial report.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2020 — unaudited

(Expressed in Hong Kong dollars)

	Note	At 30 September 2020 \$'000	At 31 March 2020 \$'000
<b>Non-current assets</b>			
Investment property		64,600	64,600
Other property, plant and equipment	9	35,831	36,703
Financial assets at fair value through other comprehensive income		7,752	4,651
Prepayments	11	352	307
Deferred tax assets		2,645	2,643
		<b>111,180</b>	108,904
<b>Current assets</b>			
Inventories	10	276,225	456,552
Trade and other receivables	11	214,824	181,656
Tax recoverable		841	826
Derivative financial instruments		453	2,473
Cash and cash equivalents	12	386,828	306,115
		<b>879,171</b>	947,622
<b>Current liabilities</b>			
Trade and other payables and contract liabilities	13	34,448	63,573
Bank borrowings	14	54,829	107,654
Lease liabilities		1,884	1,112
Tax payable		1,193	935
Derivative financial instruments		749	1,043
		<b>93,103</b>	174,317
<b>Net current assets</b>		<b>786,068</b>	773,305
<b>Total assets less current liabilities</b>		<b>897,248</b>	882,209

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 September 2020 — unaudited  
(Expressed in Hong Kong dollars)

	Note	At 30 September 2020 \$'000	At 31 March 2020 \$'000
<b>Non-current liabilities</b>			
Bank borrowings	14	11,395	11,997
Employee retirement benefit obligations		2,733	2,261
Lease liabilities		500	573
Deferred tax liabilities		4,586	4,565
		<b>19,214</b>	19,396
<b>NET ASSETS</b>		<b>878,034</b>	862,813
<b>CAPITAL AND RESERVES</b>			
Share capital	15	82,875	82,875
Reserves		795,013	779,814
<b>Total equity attributable to equity shareholders of the Company</b>		<b>877,888</b>	862,689
Non-controlling interests		146	124
<b>TOTAL EQUITY</b>		<b>878,034</b>	862,813

The notes on pages 9 to 22 form part of this interim financial report.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2020 – unaudited

(Expressed in Hong Kong dollars)

	Attributable to equity shareholders of the Company											Total equity \$'000
	Share capital \$'000	Share premium \$'000	Merger reserve \$'000	Capital redemption reserve \$'000	Reserve fund \$'000	Fair value reserve (non-recycling) \$'000	Exchange reserve \$'000	Property revaluation reserve \$'000	Retained profits \$'000	Total \$'000	Non-controlling interests \$'000	
<b>Balance at 1 April 2019</b>	82,875	424,845	(17,830)	125	5,390	3,352	(3,363)	15,358	499,168	1,009,920	230	1,010,150
<b>Changes in equity for the six months ended 30 September 2019:</b>												
Loss for the period	-	-	-	-	-	-	-	-	(55,513)	(55,513)	(49)	(55,562)
Other comprehensive income	-	-	-	-	-	(1,257)	(13,553)	-	-	(14,810)	-	(14,810)
Total comprehensive income	-	-	-	-	-	(1,257)	(13,553)	-	(55,513)	(70,323)	(49)	(70,372)
<b>Balance at 30 September 2019 and 1 October 2019</b>	82,875	424,845	(17,830)	125	5,390	2,095	(16,916)	15,358	443,655	939,597	181	939,778
<b>Changes in equity for the six months ended 31 March 2020:</b>												
Loss for the period	-	-	-	-	-	-	-	-	(72,544)	(72,544)	(51)	(72,595)
Other comprehensive income	-	-	-	-	-	(2,472)	(1,892)	-	-	(4,364)	(6)	(4,370)
Total comprehensive income	-	-	-	-	-	(2,472)	(1,892)	-	(72,544)	(76,908)	(57)	(76,965)
Transfer to reserve fund	-	-	-	-	263	-	-	-	(263)	-	-	-
<b>Balance at 31 March 2020</b>	82,875	424,845	(17,830)	125	5,653	(377)	(18,808)	15,358	370,848	862,689	124	862,813

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 September 2020 – unaudited  
(Expressed in Hong Kong dollars)

	Attributable to equity shareholders of the Company												Total equity \$'000
	Share capital \$'000	Share premium \$'000	Merger reserve \$'000	Capital	Reserve fund \$'000	Fair value	Exchange reserve \$'000	Hedge reserve \$'000	Property	Retained profits \$'000	Non-controlling interests \$'000	Total \$'000	
				redemption reserve \$'000		reserve (non-recycling) \$'000			revaluation reserve \$'000				
Balance at 1 April 2020	82,875	424,845	(17,830)	125	5,653	(377)	(18,808)	–	15,358	370,848	862,689	124	862,813
Changes in equity for the six months ended 30 September 2020:													
Profit for the period	–	–	–	–	–	–	–	–	–	5,397	5,397	22	5,419
Other comprehensive income	–	–	–	–	–	3,101	7,255	(554)	–	–	9,802	–	9,802
Total comprehensive income	–	–	–	–	–	3,101	7,255	(554)	–	5,397	15,199	22	15,221
Balance at 30 September 2020	82,875	424,845	(17,830)	125	5,653	2,724	(11,553)	(554)	15,358	376,245	877,888	146	878,034

The notes on pages 9 to 22 form part of this interim financial report.



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2020 – unaudited

(Expressed in Hong Kong dollars)

	Six months ended 30 September	
	2020 \$'000	2019 \$'000
<b>Operating activities</b>		
Cash generated from operations	140,043	27,679
Interest paid on other bank borrowings	(639)	(4,099)
Mainland China Corporate Income Tax paid	(1,953)	(1,915)
<b>Net cash generated from operating activities</b>	<b>137,451</b>	<b>21,665</b>
<b>Investing activities</b>		
Interest received	530	838
Proceeds from disposal of property, plant and equipment	62	56
Payment for acquisition of property, plant and equipment	(905)	(3,353)
<b>Net cash used in investing activities</b>	<b>(313)</b>	<b>(2,459)</b>
<b>Financing activities</b>		
Proceeds from new bank borrowings	126,761	532,878
Repayment of bank borrowings	(180,188)	(606,221)
Interest paid on mortgage loan	(136)	(160)
Capital element of lease rentals paid	(763)	(632)
Interest element of lease rentals paid	(50)	(33)
<b>Net cash used in financing activities</b>	<b>(54,376)</b>	<b>(74,168)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>82,762</b>	<b>(54,962)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>306,115</b>	<b>356,734</b>
<b>Effect of foreign exchanges rates changes</b>	<b>(2,049)</b>	<b>(7,647)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>386,828</b>	<b>294,125</b>

The notes on pages 9 to 22 form part of this interim financial report.



# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

## 1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 11 November 2005 as an exempted company with limited liability under the Companies Law (2004 Revision) of the Cayman Islands. The address of the Company's registered office is Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands.

The principal activity of the Company is investment holding. The principal activities of the Company and its subsidiaries (together, the "Group") are trading of zinc, zinc alloy, nickel, nickel-related products, aluminum, aluminum alloy, stainless steel and other electroplating chemical products in Hong Kong and Mainland China.

The Company's shares are listed on the Mainboard of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

## 2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 6 November 2020.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2019/20 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2020/21 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2019/20 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").



# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Hong Kong dollars unless otherwise indicated)

## 2 BASIS OF PREPARATION (Continued)

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on pages 23 and 24.

The financial information relating to the financial year ended 31 March 2020 that is included in the interim financial report as comparative information does not constitute the Company's annual consolidated financial statements for that financial year but is derived from those financial statements.

## 3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new and amended standards, that are first effective for the current accounting period of the Group.

Except for the amendment to HKFRS 16, *Leases, Covid-19-Related Rent Concessions*, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. Other than the amendment to HKFRS 16, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

### **Amendment to HKFRS 16, *Leases, Covid-19-Related Rent Concessions***

The amendment provides a practical expedient that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of the COVID-19 pandemic ("COVID-19-related rent concessions") are lease modifications and, instead, account for those rent concessions as if they were not lease modifications.

The Group has elected to early adopt the amendments and applies the practical expedient to all qualifying COVID-19-related rent concessions granted to the Group during the interim reporting period. Consequently, rent concessions received have been accounted for as negative variable lease payments recognised in profit or loss in the period in which the event or condition that triggers those payments occurred. The amendment does not have any material impact on the financial position and the financial result of the Group.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Hong Kong dollars unless otherwise indicated)

### 4 REVENUE AND SEGMENT REPORTING

The Group is principally engaged in the trading of zinc, zinc alloy, nickel, nickel-related products, aluminium, aluminium alloy, stainless steel and other electroplating chemical products. Revenue recognised during the period are as follows:

	Six months ended 30 September	
	2020 \$'000	2019 \$'000
<b>Revenue</b>		
Sales of goods (recognised at point in time)	<b>864,043</b>	1,032,287

#### (a) Segment revenue and results

The chief operating decision-maker assesses the performance of the operating segments based on a measure of operating results (before income tax) of each segment, which excludes the effects of other income, other net losses and net finance costs.

	Six months ended 30 September			
	2020		2019	
	Revenue \$'000	Segment results \$'000	Revenue \$'000	Segment results \$'000
Hong Kong	<b>431,365</b>	<b>(6,073)</b>	611,413	(59,763)
Mainland China	<b>432,678</b>	<b>7,558</b>	420,874	9,389
	<b>864,043</b>	<b>1,485</b>	1,032,287	(50,374)

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Hong Kong dollars unless otherwise indicated)

## 4 REVENUE AND SEGMENT REPORTING (Continued)

### (a) Segment revenue and results (Continued)

An analysis of the Group's segment assets and segment liabilities by reporting segment is set out below:

	At 30 September 2020		
	Hong Kong \$'000	Mainland China \$'000	Total \$'000
Segment assets	638,377	351,974	990,351
Segment liabilities	101,531	10,786	112,317

  

	At 31 March 2020		
	Hong Kong \$'000	Mainland China \$'000	Total \$'000
Segment assets	752,211	304,315	1,056,526
Segment liabilities	81,397	112,316	193,713

### (b) Reconciliation of reportable segment profit or loss

	Six months ended 30 September	
	2020 \$'000	2019 \$'000
Total segment results	1,485	(50,374)
Other income	6,829	2,351
Other net losses	(335)	(1,033)
Net finance costs	(295)	(3,454)
Profit/(loss) before taxation	7,684	(52,510)

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Hong Kong dollars unless otherwise indicated)

### 5 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

	Six months ended 30 September	
	2020	2019
	\$'000	\$'000
<b>(a) Net finance costs</b>		
Interest income	(530)	(838)
Interest on lease liabilities	50	33
Interest on short-term bank borrowings	640	4,099
Interest on mortgage loan	135	160
	<b>295</b>	<b>3,454</b>
<b>(b) Other items</b>		
Depreciation of property, plant and equipment	2,594	2,824
Depreciation of right-of-use assets	1,169	910
Short-term lease payments not included in the measurement of lease liabilities — land and buildings	433	919
Cost of inventories sold	859,239	1,007,238
Gain on disposal of property, plant and equipment	(62)	(4)
Realised loss on metal future trading contracts and foreign exchange forward contracts	1,098	630
Unrealised loss/(gain) on metal future trading contracts and foreign exchange forward contracts	803	(446)
Staff costs (including directors' remuneration)	26,527	32,465
(Reversal)/recognition of write-down of inventories	(43,259)	21,048
Net foreign exchange (gain)/loss	(1,505)	853

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Hong Kong dollars unless otherwise indicated)

## 6 INCOME TAX

	Six months ended 30 September	
	2020 \$'000	2019 \$'000
Current tax		
— Hong Kong Profits Tax	59	91
— Mainland China Corporate Income Tax	2,187	2,194
	<b>2,246</b>	2,285
Deferred tax	19	767
	<b>2,265</b>	3,052

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (six months ended 30 September 2019: 16.5%) to the six months ended 30 September 2020. Taxation for Mainland China's subsidiaries is similarly calculated using the estimated annual effective rate of 25% (six months ended 30 September 2019: 25%) to the six months ended 30 September 2020.

## 7 DIVIDENDS

The directors do not recommend the payment of interim dividend for the six months ended 30 September 2020 (Six months ended 30 September 2019: \$Nil).

## 8 EARNINGS/(LOSS) PER SHARE

### (a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to ordinary equity shareholders of the Company of \$5,397,000 (six months ended 30 September 2019: loss of \$55,513,000) and the weighted average number of 828,750,000 (six months ended 30 September 2019: 828,750,000) ordinary shares in issue during the interim period.

### (b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share for the six months ended 30 September 2020 and 2019 are the same as basic earnings/(loss) per share as there were no potential dilutive ordinary shares outstanding during the periods.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Hong Kong dollars unless otherwise indicated)

### 9 OTHER PROPERTY, PLANT AND EQUIPMENT

	Six months ended 30 September	
	2020 \$'000	2019 \$'000
Net book value as at the beginning of the period	36,703	35,744
Exchange difference	1,939	(464)
Additions	1,552	3,443
Disposals	(600)	(52)
Depreciation	(3,763)	(3,734)
Net book value as at the end of the period	35,831	34,937

### 10 INVENTORIES

	At 30 September 2020 \$'000	At 31 March 2020 \$'000
	Finished goods	297,058
Less: write-down of inventories	(20,833)	(63,810)
	276,225	456,552

The cost of inventories recognised as expense and included in "cost of sales" amounted to \$859,239,000 (six months ended 30 September 2019: \$1,007,238,000) during the six months ended 30 September 2020.



# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Hong Kong dollars unless otherwise indicated)

## 11 TRADE AND OTHER RECEIVABLES

	At 30 September 2020 \$'000	At 31 March 2020 \$'000
<b>Non-current portion</b>		
Prepayments for purchase of property, plant and equipment	352	307
<b>Current portion</b>		
Trade receivables, net of loss allowance	166,328	128,151
Prepayments to suppliers	25,429	35,232
Deposits	1,502	1,525
Other receivables	21,565	16,748
	<b>214,824</b>	181,656
	<b>215,176</b>	181,963

The Group grants credit terms to its customers ranging from cash on delivery to 90 days. At the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	At 30 September 2020 \$'000	At 31 March 2020 \$'000
Within 1 month	129,820	113,089
Over 1 but within 2 months	30,250	8,577
Over 2 but within 3 months	4,672	4,525
Over 3 months	1,586	1,960
	<b>166,328</b>	128,151

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Hong Kong dollars unless otherwise indicated)

### 12 CASH AND CASH EQUIVALENTS

	At 30 September 2020 \$'000	At 31 March 2020 \$'000
Short-term bank deposits	207,130	70,542
Cash at bank and on hand	179,698	235,573
	<b>386,828</b>	306,115

### 13 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	At 30 September 2020 \$'000	At 31 March 2020 \$'000
<b>Trade and other payables</b>		
Trade payables	15,966	44,592
Accrued expenses and other payables	7,483	8,285
	<b>23,449</b>	52,877
<b>Contract liabilities</b>	<b>10,999</b>	10,696
	<b>34,448</b>	63,573

At the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	At 30 September 2020 \$'000	At 31 March 2020 \$'000
Within 1 month	14,573	44,317
Over 1 but within 3 months	1,367	149
Over 3 months	26	126
	<b>15,966</b>	44,592

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Hong Kong dollars unless otherwise indicated)

## 14 BANK BORROWINGS

	At 30 September 2020 \$'000	At 31 March 2020 \$'000
<b>Non-current liabilities</b>		
Mortgage loan	11,395	11,997
<b>Current liabilities</b>		
Short-term bank borrowings	53,633	106,471
Mortgage loan	1,196	1,183
	<b>54,829</b>	107,654
	<b>66,224</b>	119,651

At the end of the reporting period, the bank borrowings were repayable as follows:

	At 30 September 2020 \$'000	At 31 March 2020 \$'000
Within 1 year or on demand	54,829	107,654
After 1 year but within 2 years	1,222	1,209
After 2 years but within 5 years	3,828	3,787
After 5 years	6,345	7,001
	<b>11,395</b>	11,997
	<b>66,224</b>	119,651

Mortgage loan of \$12,591,000 (31 March 2020: \$13,180,000) was secured by investment property with carrying value of \$64,600,000 (31 March 2020: \$64,600,000) as at 30 September 2020.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Hong Kong dollars unless otherwise indicated)

### 14 BANK BORROWINGS (Continued)

The effective interest rates (per annum) at the end of the reporting period were as follows:

	At 30 September 2020	At 31 March 2020
Short-term bank borrowings	1.83%	2.73%
Mortgage loan	2.15%	2.15%

### 15 SHARE CAPITAL

	Number of ordinary shares '000	Nominal amount \$'000
<b>Authorised:</b>		
<i>Ordinary shares of \$0.1 each</i>		
As at 31 March 2020, 1 April 2020 and 30 September 2020	8,000,000	800,000
<b>Issued and fully paid:</b>		
<i>Ordinary shares of \$0.1 each</i>		
As at 31 March 2020, 1 April 2020 and 30 September 2020	828,750	82,875

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Hong Kong dollars unless otherwise indicated)

## 16 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

### (a) Financial assets and liabilities measured at fair value

#### (i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

	Fair value at	Fair value measurements as at		
	30 September 2020 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurement</b>				
Financial assets:				
Financial assets at fair value through other comprehensive income ("FVOCI")	7,752	7,752	–	–
Derivative financial instruments	453	–	453	–
	<b>8,205</b>	<b>7,752</b>	<b>453</b>	–
Financial liabilities:				
Derivative financial instruments	749	–	749	–

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Hong Kong dollars unless otherwise indicated)

### 16 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

#### (a) Financial assets and liabilities measured at fair value (Continued)

##### (i) Fair value hierarchy (Continued)

	Fair value at	Fair value measurements as at		
	31 March 2020 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurement</b>				
Financial assets:				
Financial assets at FVOCI	4,651	4,651	–	–
Derivative financial instruments	2,473	–	2,473	–
	7,124	4,651	2,473	–
Financial liabilities:				
Derivative financial instruments	1,043	–	1,043	–

During the six months ended 30 September 2020, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (six months ended 30 September 2019: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

##### (ii) Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

#### (b) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 September 2020 and 31 March 2020.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Hong Kong dollars unless otherwise indicated)

## 17 MATERIAL RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in the interim financial report, the Group had the following material related party transactions:

### (a) Key management personnel remuneration

	Six months ended 30 September	
	2020 \$'000	2019 \$'000
Salaries and other short term employee benefits	6,259	8,375
Post employment benefits — pension	72	72
	<b>6,331</b>	8,447

### (b) Transactions with related companies

	Six months ended 30 September	
	2020 \$'000	2019 \$'000
Rental expenses paid to Sonic Gold Limited (note)	318	318

Note: The Group paid rental expenses for a director's quarter to Sonic Gold Limited, a company controlled by Ms Chan Yuen Shan Clara, an executive director of the Company, at fixed sums as agreed by both parties.

# INDEPENDENT REVIEW REPORT



## **Review report to the board of directors of Lee Kee Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*

### **INTRODUCTION**

We have reviewed the interim financial report set out on pages 2 to 22 which comprises the consolidated statement of financial position of Lee Kee Holdings Limited as of 30 September 2020 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### **SCOPE OF REVIEW**

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.





## INDEPENDENT REVIEW REPORT (CONTINUED)

### **CONCLUSION**

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 September 2020 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

### **KPMG**

Certified Public Accountants

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

6 November 2020

# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERALL BUSINESS PERFORMANCE

### Financial Review

The Group returned to profit during the Interim Period as it started to see the positive effect of product and service mix diversification, supported by a rally in metal prices. It achieved this in the context of a challenging operating environment with the COVID-19 pandemic hitting the already unfavourable macro-economy alongside a further worsening of trade relations between the U.S. and China.

The Group's revenue for the Interim Period declined by 16.3% to HK\$864 million, compared to the Comparative Period. Tonnage sold by the Group during the Interim Period was 47,100 tonnes, which was mostly flat compared to 46,860 tonnes in the Comparative Period of last year.

However, the Group recorded a gross profit of HK\$48 million and a gross profit margin of 5.6% for the Interim Period, a substantial increase compared to a gross profit of HK\$4 million with a gross profit margin of 0.4% for the Comparative Period. The Group recorded a profit attributable to equity holders of the Company of HK\$5.4 million during the Interim Period, compared to a loss of HK\$55.5 million during the Comparative Period.

The return to profit was attributed to the positive impact of product and service mix diversification, cost controls and an increase in metal prices. This raised the overall gross profit of the sales transactions made by the Group during the Interim Period.

Global zinc prices were volatile in the first half of the Interim Period after hitting a four-year low at the end of March during the height of COVID-19 lockdowns. The zinc price then rallied strongly in July on signs of recovery in the Chinese economy.

Global nickel prices rose steadily throughout the Interim Period, after also recovering from COVID-19 lows, on increased enthusiasm on the prospects of the EV market and lower mine production.

Following cost savings measures introduced by the Group during the Interim Period, distribution and selling expenses declined 3.3% to HK\$12 million compared to the Comparative Period and administrative expenses declined 17.6% to HK\$34.6 million compared to the Comparative Period.

The Group recorded other net losses of HK\$0.3 million during the Interim Period, compared to other net losses of HK\$1 million during the Comparative Period.

The Group's finance costs for the Interim Period fell 80.8% to HK\$0.8 million due to a decline in bank borrowings compared to the Comparative Period.

The Group continues to retain a healthy financial position, with HK\$387 million bank balances and cash on hand as of 30th September 2020.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### **Business Review**

#### **Creating Value Solutions for Metals**

Restrictions on business and lockdowns around the world dampened demand for the Group's products and services throughout the Interim Period, despite its return to profit. Most manufacturing enterprises have been severely impacted by falling consumer confidence and spending in most major economies, in response to rising unemployment rates and the uncertain future. However, some of the Group's customers in China began to see some signs of recovery in the past few months.

Throughout these challenging times, LEE KEE continued to focus on operational excellence, which it has built on an unparalleled reputation for quality, professionalism and innovation. The safety and wellbeing of the Group's team members and the communities that it serves is also at the heart of everything it does.

The Group's long-term competitiveness rests on an enterprise-wide ability to absorb uncertainty and incorporate lessons into its operating model quickly, promoting continuous innovation within its business, its people and in its culture. In times like these, LEE KEE's diversified portfolio and strategic commitments to digital transformation, long-term decarbonisation and market expansion serve it exceptionally well.

#### **Business Resilience in Challenging Times**

Throughout the COVID-19 pandemic, LEE KEE displayed operational resilience and fulfilled its responsibility to provide a highly reliable supply that its customers can depend on. It swiftly and securely adopted a Work from Home policy for its office-based team members thanks to its ongoing investments in digital technologies and solutions. It also reduced non-essential activity and changed the working practices of its site-based team members to ensure a COVID-19 safe environment.

#### **LEE KEE's Digitalisation Journey**

Digital technologies continue to support LEE KEE's strategic direction of creating value-added solutions that help its customers excel in an ever-changing market environment. The Group has recently launched several novel initiatives in the areas of quality control, communications and operational efficiency that leverage the use of robotics, digital platforms, and data technologies.

The launch of a new internal ordering platform represented a step forward in LEE KEE's development of smart sales solutions. By fostering excellence throughout the sales process, its sales team can provide more proactive and dedicated efforts in understanding and meeting the needs of its customers. The Group will continue to build up its digitization initiatives and look for opportunities to further streamline its processes, enhance the customer experience and strengthen its service efficiency.

#### **Diversified Portfolio of Products and Services**

Another asset underpinning the Group's leadership in the metals industry is a sophisticated and agile business model that keeps it moving ahead of the changing environment. Digitalisation and the emergence of new industrial applications and sectors is changing the Group's operating environment considerably. While the Group's major customers continue to be die casters and manufacturers in China, it is continuing to diversify the scope of its business and introduce new products and services, including branded metals designed specifically for fast-growing industrial sectors, as well as professional services including productivity enhancement advisory services, technical training and water quality testing, to capture a higher market share.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The Group focused particularly on meeting the high-quality standards of China's innovative manufacturers, particularly in the areas of consumer electronics and telecommunications. The Group's R&D specialists have introduced several special alloys with different and upgraded features to suit specific applications.

The Group's overall tonnage sold, especially in China, remained stable during the Interim Period, despite the unfavourable environment, as it diversified the product mix of its own branded die cast zinc alloys and aluminium alloys — Genesis, Mastercast and LMP. This had a positive observable impact on its overall competitiveness.

### **Fast-growing testing capabilities**

Promet Metals Testing Laboratory Limited ("Promet Lab") provides metals and construction materials testing services and is well-established in the Hong Kong market. It operates Hong Kong Water Supplies Department (WSD)-approved laboratory for drinking water quality testing services to both general users and premises that carry out sampling and testing in compliance with the WSD's "Sampling Protocol for Commissioning Tests of Fresh Water Plumbing Systems" and "New Commissioning Requirements for Plumbing Works in Occupied Buildings/Village Houses." Promet Lab's professional, speedy, and reliable services will continue to be a stable growth driver for the Group.

These services, along with the Group's new products, have a high potential of becoming new and growing revenue streams, while providing the agility to stay ahead of the market competition — ensuring that LEE KEE will continue to grow into the future.

### **Continued Commitment to Southeast Asia**

As part of its geographic diversification strategy, LEE KEE operates two offices in Singapore and Malaysia, along with a representative office in Thailand, which support domestic sales and sales in Vietnam and Bangladesh.

The disruption of supply chains and temporary plant shutdowns, coupled with a sudden drop in global demand resulting from the COVID-19 pandemic, weighed heavily on the economies of Southeast Asia. While the recovery of the Group's Southeast Asia business is slightly lagging behind its China business, it will continue to tailor its strategy in each market to match the local situation, while strengthening its service offerings and competitiveness in different countries in the region.

### **Commitment to Sustainability**

LEE KEE is dedicated to environmental protection. It is undertaking various measures to mitigate the adverse environmental impact of its business operations through responsible sourcing, emissions reduction facilities, resource conservation and waste management measures. In addition to the ISO 14001 Environmental Management System, the Group is also accredited with ISO 45001<sup>#</sup>, demonstrating its commitment to occupational health and safety.

<sup>#</sup> The scope and number of group companies certified with the ISO standard are listed on the Company's website.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### **A Responsible Custodian of Customer Data**

LEE KEE's confident embracement of digitalisation has been transformational in many ways. Yet it also brings new obligations: the need to protect sensitive consumer data and take effective action to thwart cyberattacks, to name just a few.

Starting from the Interim Period, LEE KEE has engaged a well-recognized global cybersecurity firm for its consultancy service and extensive induction and continuous learning programs. Leveraging our well-trained and vigilant workforce, LEE KEE will strive to reach an unmatched level of operational standards, governance, data security and cybersecurity — sustaining the Group's leadership in an ever-moving and ever-more challenging business environment.

### **Prospects**

#### **Navigating with Uncertainty**

The outlook of the metals market is difficult to ascertain and will depend on the evolution of the COVID-19 pandemic and its long-term impact on markets, as well as other macro-economic events. Strong demand is likely to support global metal prices, albeit with significant short-term volatility.

The Group will continue to closely monitor the global metals markets, stay close to its customers, and take necessary responsive action to mitigate the impact.

#### **Ongoing digital transformation**

To foster its growth and development, the Group will continue to adopt appropriate digital solutions to better manage its organisation. On the one hand, the Group will continue to invest in streamlining, digitalisation and automation through the ongoing re-invention of its internal processes, while also reinforcing its data analytics platform to 'future proof' its operational stability.

On the other hand, the Group will take the pulse of its customers through the rejuvenation of its sales and marketing practices. It recently introduced a new platform for online knowledge sharing and webinars that will cover a wide range of topics related to the metals industry, including market trends, technical know-how, innovation and corporate management. This platform will facilitate the Group's online communications with its customers — in what has become the "new normal" — while broadening its reach and equipping LEE KEE with new market insights for its business strategy.

#### **Continuous and responsible business expansion**

The Group remains committed to exploring and capturing business opportunities in fast-growing industrial sectors and applications, as well as in different regions and countries. We will continue to practice responsible sourcing, enhance our production capabilities while aligning with our energy efficiency and emissions reduction policies. We will actively collaborate with our partners and professional groups to advance our environmental, social and governance practices, creating long-term value for our stakeholders.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### **Stringent controls on costs**

The Group will continue to take steps to streamline its operations and metal-purchasing protocols to contain costs and protect its margins — an outcome that will be challenging in the short-term given the current market volatility, the uncertain macro-economic environment and changing global trade policies.

The Group's management, assisted by its team of experts, will also prudently explore high-potential investment opportunities and new business streams to retain LEE KEE's market status and take advantage of new growth opportunities.

### **INTERIM DIVIDEND**

The Board of Directors of the Company does not recommend the payment of interim dividend for the Interim Period.

### **LIQUIDITY, FINANCIAL RESOURCES AND COMMODITY PRICE RISK**

The Group primarily financed its operation through internal resources and borrowings from banks. As at 30th September 2020, the Group had unrestricted cash and bank balances of approximately HK\$387 million (as at 31st March 2020: HK\$306 million) and bank borrowings of approximately HK\$66.2 million (as at 31st March 2020: HK\$120 million). As at 30th September 2020, the outstanding balance of mortgage loan amounted to HK\$12.6 million (as at 31st March 2020: HK\$13.2 million).

The remaining borrowings, which are short term in nature, were substantially made in United States dollars and Hong Kong dollars with interest chargeable at market rates. The gearing ratio (total borrowings and lease liabilities to total equity) as at 30th September 2020 was 7.8% (as at 31st March 2020: 14.1%). The Group has a current ratio of 944% as at 30th September 2020 (as at 31st March 2020: 544%).

The Group constantly evaluates and monitors its risk exposure to metals prices with reference to the market conditions. In order to control the exposure efficiently and to capitalise on direction of price trends, the Group's management will employ appropriate operating strategies and set inventory levels accordingly.

The Group's foreign exchange exposure mainly resulted from the exchange rate between Hong Kong dollars against United States dollars and Renminbi.

### **EMPLOYEES**

As at 30th September 2020, the Group had approximately 180 employees (2019: 190 employees). Their remuneration, promotion and salary review are assessed based on job responsibilities, work performance, professional experiences and the prevailing industry practices. The key components of the Group's remuneration package include basic salary, and where appropriate, other allowances, incentive bonuses and the Group's contribution to mandatory provident funds (or state-managed retirement benefits scheme). During the Interim Period, staff costs (including directors' emoluments) were approximately HK\$26.5 million (for the six months ended 30th September 2019: HK\$32.5 million).

# DISCLOSURE OF INTERESTS

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

At 30th September 2020, the interests and short positions of each Director and Chief Executive in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the SFO), as recorded in the register required to be kept by the Company under Section 352 of Part XV of the SFO or as notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO or required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

### Long Position in Shares of the Company (the "Shares")

Name of Director	Capacity	Number of Shares in which interested	Approximate percentage of issued Shares
Mr. CHAN Pak Chung (Note 1)	Founder of a discretionary trust	600,000,000	72.40%
Ms. CHAN Yuen Shan Clara (Note 2)	Beneficiary of a trust	600,000,000	72.40%
Mr. CHAN Ka Chun Patrick (Note 2)	Beneficiary of a trust	600,000,000	72.40%
Ms. OKUSAKO CHAN Pui Shan Lillian (Note 2)	Beneficiary of a trust	600,000,000	72.40%
Mr. HO Kwai Ching Mark (Note 3)	Interest held by spouse	50,000	0.006%

Notes:

1. The 600,000,000 Shares are held by Gold Alliance Global Services Limited ("GAGSL") whose entire share capital is held by Gold Alliance International Management Limited ("GAIML"), which is in turn held by HSBC International Trustee Limited ("HSBC Trustee") acting as the trustee of the P.C. CHAN Family Trust. The P.C. CHAN Family Trust is an irrevocable discretionary trust set up by Mr. CHAN Pak Chung as settlor and HSBC Trustee as trustee on 6th March 2006. The discretionary objects of which include the spouse and family members of Mr. CHAN Pak Chung. Mr. CHAN Pak Chung is the settlor of the P.C. CHAN Family Trust and is deemed to be interested in the 600,000,000 Shares held by GAGSL under the SFO.
2. Ms. CHAN Yuen Shan Clara, Mr. CHAN Ka Chun Patrick and Ms. OKUSAKO CHAN Pui Shan Lillian (all of them being family members of Mr. CHAN Pak Chung and Executive Directors) are deemed to be interested in the 600,000,000 Shares held by GAGSL as they are one of the discretionary objects under the P.C. CHAN Family Trust under the SFO.
3. Mr. HO Kwai Ching Mark is deemed to be interested in the 50,000 shares held by his spouse.

Save as disclosed above, as at 30th September 2020, none of the Directors and Chief Executives (including their spouse and children under 18 years of age) had any interest in or short position in the Shares or underlying Shares in, or debentures of, of the Company and its associated corporations required to be disclosed pursuant to the SFO.

## DISCLOSURE OF INTERESTS (CONTINUED)

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that as at 30th September 2020, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and Chief Executive.

Name of Shareholder	Capacity	Number of Ordinary Shares in which interested	Approximate percentage of issued Shares
Ms. MA Siu Tao (Note a)	Family interest	600,000,000	72.40%
Gold Alliance Global Service Limited (Note b)	Registered owner	600,000,000	72.40%
Gold Alliance International Management Limited (Note b)	Interest of controlled corporation	600,000,000	72.40%
HSBC International Trustee Limited (Note b)	Trustee	600,000,000	72.40%

Notes:

- Ms. MA Siu Tao, the spouse of Mr. CHAN Pak Chung and one of the discretionary objects under the P.C. CHAN Family Trust, is deemed to be interested in the 600,000,000 Shares held by GAGSL under the SFO.
- The entire share capital of GAGSL is held by GAIML, which is in turn held by HSBC Trustee acting as the trustee of the P.C. CHAN Family Trust. The P.C. CHAN Family Trust is an irrevocable discretionary trust set up by Mr. CHAN Pak Chung as settlor and HSBC Trustee as trustee on 6th March 2006. The discretionary objects of which include the spouse and family members of Mr. CHAN Pak Chung.

Save as disclosed above, at 30th September 2020, no person, other than the Directors and Chief Executive (including their spouse and children under 18 years of age) had any interest or short positions in the Shares or underlying shares of the Company recorded in the register to be kept under section 336 of the SFO.





# OTHER INFORMATION

## SHARE OPTIONS

The Company's Pre-IPO share option scheme (the "Pre-IPO Scheme") and the share option scheme (the "Share Option Scheme") adopted pursuant to the written resolutions of the shareholder of the Company passed on 15th September 2006 were lapsed. Share options granted under the Pre-IPO Scheme were all lapsed in prior years. No options have been granted under the Share Option Scheme since the adoption date on 15th September 2006 and up to the lapse of the scheme. There are no adoption of other share option schemes.

## PURCHASE, SALE OR REDEMPTION OF SHARES

During the Interim Period, there was no purchase, sale or redemption of shares of the Company by the Company or any of its subsidiaries.

## CORPORATE GOVERNANCE

To the knowledge and belief of the Directors, the Company has complied with the code provisions set out in the Corporate Governance Code ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange and are not aware of any non-compliance with the code provisions of the CG Code during the Interim Period.

## SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors (the "Model Code") set out in Appendix 10 of the Listing Rules. The Company, having made specific enquiry of all the Directors, was not aware of any non-compliance with the Model Code by the Directors during the Interim Period.

On behalf of the Board of Directors

**Chan Pak Chung**

*Chairman*

Hong Kong, 6th November 2020

We Create Value Solutions for Metals  
引領金屬發展 共創增值方案



[www.leekeegroup.com](http://www.leekeegroup.com)

