



2023/2024



ASIA COMMERCIAL HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 104)

FINANCIAL HIGHLIGHTS

| | Six months ended | | |
|--|-------------------------|---------------------|------------------|
| | 30th September | | |
| | 2023 | 2022 | Change |
| | HK\$'000 | <i>HK\$'000</i> | % |
| | (unaudited) | | |
| Operations | | | |
| Revenue | 338,010 | 290,881 | 16 |
| Profit attributable to the owners of the Company | 30,715 | 6,989 | 339 |
| Earnings per share – Basic and diluted | 4.11 HK cents | 0.94 HK cents | 337 |
| Interim dividend declared | – | – | N/A |
| | As at | As at | |
| | 30th September | 31st March | |
| | 2023 | 2023 | Change |
| | HK\$ million | <i>HK\$ million</i> | % |
| | (unaudited) | | (audited) |
| Financial position | | | |
| Total assets | 744 | 821 | (9) |
| Equity attributable to the owners of the Company | 447 | 461 | (3) |

The Board of Directors (the “Board”) of Asia Commercial Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim report of the Company and its subsidiaries (the “Group”) for the six months ended 30th September 2023 together with the comparative figures of the last corresponding period. The interim financial report has been reviewed by the Company’s audit committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30th September 2023

| | Note | Six months ended 30th September 2023 | |
|-------------------------------|------|---|---------------------------------|
| | | HK\$'000 (unaudited) | 2022 HK\$'000 (unaudited) |
| Revenue | 5 | 338,010 | 290,881 |
| Cost of sales | | (226,273) | (195,950) |
| Gross profit | | 111,737 | 94,931 |
| Other revenue | | 3,811 | 3,363 |
| Distribution costs | | (46,305) | (43,581) |
| Administrative expenses | | (17,771) | (33,215) |
| Other net gains | | 504 | 6,162 |
| Finance costs | 6(a) | (4,589) | (3,572) |
| Profit before taxation | 6 | 47,387 | 24,088 |
| Income tax | 7 | (16,672) | (17,099) |
| Profit for the period | | 30,715 | 6,989 |
| Attributable to: | | | |
| Owners of the Company | | 30,715 | 6,989 |
| Non-controlling interests | | - | - |
| | | 30,715 | 6,989 |
| Earnings per share | 8 | | |
| Basic and diluted (HK cents) | | 4.11 | 0.94 |

The notes on pages 8 to 28 form part of these unaudited interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

For the six months ended 30th September 2023

| | Six months ended | |
|--|-------------------------|-------------|
| | 30th September | |
| | 2023 | 2022 |
| | HK\$'000 | HK\$'000 |
| | (unaudited) | (unaudited) |
| Profit for the period | 30,715 | 6,989 |
| Other comprehensive loss for the period | | |
| <i>Item that is or may be reclassified subsequently to profit or loss:</i> | | |
| Exchange differences on translation of foreign operations | (9,119) | (21,886) |
| Total other comprehensive loss for the period, net of nil tax | (9,119) | (21,886) |
| Total comprehensive income/(loss) for the period | 21,596 | (14,897) |
| Attributable to: | | |
| Owners of the Company | 21,596 | (14,897) |
| Non-controlling interests | - | - |
| Total comprehensive income/(loss) for the period | 21,596 | (14,897) |

The notes on pages 8 to 28 form part of these unaudited interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th September 2023

| | Note | As at 30th September 2023 HK\$'000 (unaudited) | As at 31st March 2023 HK\$'000 (audited) |
|--|------|--|--|
| Non-current assets | | | |
| Property, plant and equipment | 10 | 73,950 | 82,688 |
| Investment properties | | 365,180 | 361,550 |
| Deposits and other receivables | 11 | 4,554 | 3,620 |
| Financial assets at fair value through profit or loss | | 7,554 | 7,554 |
| Equity instrument at fair value through other comprehensive income | | 3,046 | 3,054 |
| Deferred tax assets | | 2,418 | 2,418 |
| | | 456,702 | 460,884 |
| Current assets | | | |
| Inventories | | 100,172 | 99,955 |
| Trade and other receivables | 11 | 68,918 | 65,680 |
| Trading securities | | 17 | 24 |
| Cash and cash equivalents | | 118,059 | 194,441 |
| | | 287,166 | 360,100 |
| Current liabilities | | | |
| Trade and other payables | 12 | 76,184 | 82,394 |
| Contract liabilities | | 1,107 | 1,250 |
| Bank loans | | 134,360 | 174,360 |
| Current income tax payable | | 12,577 | 18,616 |
| Lease liabilities | | 20,321 | 19,998 |
| | | 244,549 | 296,618 |
| Net current assets | | 42,617 | 63,482 |
| Total assets less current liabilities | | 499,319 | 524,366 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

As at 30th September 2023

| | Note | As at 30th September 2023 HK\$'000 (unaudited) | As at 31st March 2023 HK\$'000 (audited) |
|---|------|--|--|
| Non-current liabilities | | | |
| Rental deposits received and receipt in advance | 12 | 2,802 | 2,339 |
| Deferred tax liabilities | | 20,408 | 26,115 |
| Lease liabilities | | 28,850 | 35,209 |
| | | 52,060 | 63,663 |
| Net assets | | 447,259 | 460,703 |
| Capital and reserves | | | |
| Share capital | 13 | 149,424 | 149,424 |
| Reserves | | 297,838 | 311,282 |
| Equity attributable to the owners of the Company | | 447,262 | 460,706 |
| Non-controlling interests | | (3) | (3) |
| Total equity | | 447,259 | 460,703 |

The notes on pages 8 to 28 form part of these unaudited interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED

For the six months ended 30th September 2023

| | Attributable to owners of the Company | | | | | | | Non-controlling interests | | | |
|---|---------------------------------------|---------------------------------|------------------------------|-----------------------------|--|---------------------------------|--|--------------------------------|-----------------------|-----------------------|-------------------|
| | Share capital HK\$'000 | Revaluation reserve HK\$'000 | Exchange reserve HK\$'000 | Capital reserve HK\$'000 | Capital redemption reserve HK\$'000 | Contributed surplus HK\$'000 | Investment revaluation reserve (non-recycling) HK\$'000 | Accumulated losses HK\$'000 | Sub-total HK\$'000 | interests HK\$'000 | Total HK\$'000 |
| At 1st April 2022 | 149,424 | 62,241 | 49,458 | 252,381 | 7,263 | 10,734 | - | (63,024) | 319,053 | (5) | 468,472 |
| Total comprehensive loss for the period | - | - | (21,886) | - | - | - | - | 6,889 | (14,897) | - | (14,897) |
| Final dividend | - | - | - | - | - | - | - | (40,046) | (40,046) | - | (40,046) |
| At 30th September 2022 | 149,424 | 62,241 | 27,572 | 252,381 | 7,263 | 10,734 | - | (96,081) | 264,110 | (5) | 413,529 |
| At 1st April 2023 | 149,424 | 62,241 | 37,382 | 252,381 | 7,263 | 10,734 | 699 | (59,418) | 311,282 | (3) | 460,703 |
| Total comprehensive income for the period | - | - | (9,119) | - | - | - | - | 30,715 | 21,596 | - | 21,596 |
| Final dividend | - | - | - | - | - | - | - | (35,040) | (35,040) | - | (35,040) |
| At 30th September 2023 | 149,424 | 62,241 | 28,263 | 252,381 | 7,263 | 10,734 | 699 | (63,743) | 297,838 | (3) | 447,259 |

The notes on pages 8 to 28 form part of these unaudited interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30th September 2023

| | Six months ended | |
|--|-------------------------|--------------------|
| | 30th September | |
| | 2023 | 2022 |
| Note | HK\$'000 | HK\$'000 |
| | (unaudited) | (unaudited) |
| NET CASH GENERATED FROM OPERATING ACTIVITIES | 29,407 | 19,750 |
| INVESTING ACTIVITIES | | |
| Payment for purchase of property, plant and equipment | (2,630) | (6,548) |
| Payment for construction of investment properties | (5,708) | (5,805) |
| Bank interest income received | 2,049 | 1,622 |
| Proceeds from disposal of financial asset at fair value through profit or loss | - | 430 |
| NET CASH USED IN INVESTING ACTIVITIES | (6,289) | (10,301) |
| FINANCING ACTIVITIES | | |
| Proceeds from new bank loans | 40,000 | 2,400 |
| Repayment of bank loans | (80,000) | (40,000) |
| Interest paid on bank loans | (3,445) | (1,829) |
| Capital element of lease liabilities paid | (10,908) | (16,370) |
| Interest element of lease liabilities paid | (1,226) | (1,750) |
| Dividend paid | (35,040) | (40,046) |
| | 9 | |
| NET CASH USED IN FINANCING ACTIVITIES | (90,619) | (97,595) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (67,501) | (88,146) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 194,441 | 207,641 |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES, NET | (8,881) | (17,421) |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 118,059 | 102,074 |
| ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS | | |
| Cash at bank and on hand | 118,059 | 102,074 |

The notes on pages 8 to 28 form part of these unaudited interim financial statements.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1. GENERAL

The Group is principally engaged in sales of watches and property leasing.

The Company is a limited company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda and Room 3901, 39th Floor, The Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong respectively.

The unaudited condensed interim financial statements are presented in thousand of units of Hong Kong dollars (HK\$'000), unless otherwise stated, and have been approved for issue by the Board of Directors on 22nd November 2023.

2. BASIS OF PREPARATION

The unaudited condensed interim financial statements have been prepared in accordance with applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), including compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The preparation of the unaudited condensed interim financial statements in conformity with HKAS 34 requires management to make judgments, 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.

The accounting policies adopted in the preparation of the unaudited condensed interim financial statements are consistent with those used in the preparation of the Group's 2022/2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023/2024 annual financial statements which are set out in note 3.

3. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA to these interim financial statements for the current accounting period:

| | |
|---|--|
| HKFRS 17 and related Amendments | Insurance Contracts |
| Amendments to HKAS 1 and HKFRS Practice Statement 2 | Disclosure of Accounting Policies |
| Amendments to HKAS 8 | Definition of Accounting Estimates |
| Amendments to HKAS 12 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction |
| Amendments to HKAS 12 | International Tax Reform - Pillar Two Model Rules |

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

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

4. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31st March 2023.

There have been no changes in the risk management policies since year end.

(a) Fair value measurements recognised in the statement of financial position

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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

4. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(a) Fair value measurements recognised in the statement of financial position (Continued)

| | 30th September 2023 | | | | 31st March 2023 | | | |
|--|---|--|--|-------------------|---|--|--|-------------------|
| | Quoted prices in active markets (Level 1) HK\$'000 | Significant observable inputs (Level 2) HK\$'000 | Significant unobservable inputs (Level 3) HK\$'000 | Total HK\$'000 | Quoted prices in active markets (Level 1) HK\$'000 | Significant observable inputs (Level 2) HK\$'000 | Significant unobservable inputs (Level 3) HK\$'000 | Total HK\$'000 |
| Recurring fair value measurements | | | | | | | | |
| Assets | | | | | | | | |
| Unlisted equity instruments of fair value through other comprehensive income | - | 3,046 | - | 3,046 | - | 3,054 | - | 3,054 |
| Financial assets at fair value through profit or loss | - | 7,554 | - | 7,554 | - | 7,554 | - | 7,554 |
| Trading securities | 17 | - | - | 17 | 24 | - | - | 24 |
| Total | 17 | 10,600 | - | 10,617 | 24 | 10,608 | - | 10,632 |

During the six months ended 30th September 2023 and 2022, there were no transfers between in Level 1 and Level 2, or transfers into or out of Level 3. 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.

There were no other changes in valuation techniques during the period.

The carrying amount of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30th September 2023 and 31st March 2023 because of the immediate or short term maturity of these financial instruments.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

4. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(b) Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values financial instruments.

(i) *Trading securities*

Fair value is based on closing bid price quoted in an active market at the end of the reporting period without any deduction for transaction costs.

(ii) *Equity instruments*

Fair value is determined by reference to the bid price quoted in the second hand market or closing bid price quoted in an active market at the end of the reporting period without any deduction for transaction costs.

(iii) *Unlisted equity securities*

Fair value is determined by reference to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

5. REVENUE AND SEGMENT INFORMATION

The Group manages its business by divisions. In a manner consistent with the way in which information is reported internally to the board of directors of the Company, being the chief operating decision makers ("CODM") for the purposes of resource allocations and performance assessments. The Group has presented two reportable segments: (i) sale of watches and (ii) properties leasing. No operating segments have been aggregated to form these two reportable segments.

For the purposes of assessing segment performance and allocating resources between segments, the CODM monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

The accounting policies of the reportable segments are the same as the Group's accounting policies described in the annual financial statements for the year ended 31st March 2023. Segment profit/(loss) represents the profit earned by/(loss) from each segment without allocation of central administration costs and corporate costs which cannot be meaningfully allocated to individual segment. This is the measure reported to the CODM for purposes of resource allocation and performance assessment.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation and amortisation of assets attributable to those segments.

The revenue from external parties reported to the CODM is measured in a manner consistent with that in the condensed consolidated statement of profit or loss.

All assets are allocated to reportable segments other than deferred tax assets and other corporate assets.

All liabilities are allocated to reportable segments other than current income tax payable, deferred tax liabilities and borrowings not attributable to individual segments and other corporate liabilities.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

5. REVENUE AND SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue, results, assets and liabilities by operating segment for the periods:

| | For the six months ended 30th September 2023 (unaudited) | | | | |
|---|--|-----------------------------------|--------------------------------|-------------------------|-------------------|
| | Sale of watches HK\$'000 | Properties leasing HK\$'000 | Segmental total HK\$'000 | Unallocated HK\$'000 | Total HK\$'000 |
| Disaggregated by time of revenue recognition | | | | | |
| Point in time | 333,335 | – | 333,335 | – | 333,335 |
| Over time | – | 3,929 | 3,929 | 746 | 4,675 |
| External revenue (Note) | <u>333,335</u> | <u>3,929</u> | <u>337,264</u> | <u>746</u> | <u>338,010</u> |
| Operating profit/(loss) | 54,524 | (2,299) | 52,225 | (2,847) | 49,378 |
| Interest income | 1,945 | – | 1,945 | 149 | 2,094 |
| Other income, net | 503 | 3 | 506 | (2) | 504 |
| Finance costs | (4,139) | – | (4,139) | (450) | (4,589) |
| Segment results | <u>52,833</u> | <u>(2,296)</u> | <u>50,537</u> | <u>(3,150)</u> | <u>47,387</u> |
| Income tax | | | | | <u>(16,672)</u> |
| Profit for the period | | | | | <u>30,715</u> |
| Depreciation and amortisation | <u>(14,772)</u> | <u>(118)</u> | <u>(14,890)</u> | <u>(8)</u> | <u>(14,898)</u> |

Note:

There were no inter-segment sales during the six months ended 30th September 2023.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

5. REVENUE AND SEGMENT INFORMATION (Continued)

| | As at 30th September 2023 (unaudited) | | | | |
|---|---------------------------------------|-----------------------------------|--------------------------------|-------------------------|-------------------|
| | Sale of watches HK\$'000 | Properties leasing HK\$'000 | Segmental total HK\$'000 | Unallocated HK\$'000 | Total HK\$'000 |
| Segment assets | <u>353,473</u> | <u>374,105</u> | <u>727,578</u> | <u>6,318</u> | <u>733,896</u> |
| Financial assets at fair value through profit or loss | | | | | <u>7,554</u> |
| Deferred tax assets | | | | | <u>2,418</u> |
| Total assets | | | | | <u>743,868</u> |
| Additions to non-current segment assets during the reporting period | <u>10,649</u> | <u>5,708</u> | <u>16,357</u> | <u>-</u> | <u>16,357</u> |
| Segment liabilities | <u>235,873</u> | <u>23,311</u> | <u>259,184</u> | <u>4,440</u> | <u>263,624</u> |
| Current income tax payable | | | | | <u>12,577</u> |
| Deferred tax liabilities | | | | | <u>20,408</u> |
| Total liabilities | | | | | <u>296,609</u> |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

5. REVENUE AND SEGMENT INFORMATION (Continued)

| | For the six months ended 30th September 2022 (unaudited) | | | | |
|---|--|-----------------------------------|--------------------------------|-------------------------|-------------------|
| | Sale of watches HK\$'000 | Properties leasing HK\$'000 | Segmental total HK\$'000 | Unallocated HK\$'000 | Total HK\$'000 |
| Disaggregated by time of revenue recognition | | | | | |
| Point in time | 286,827 | – | 286,827 | – | 286,827 |
| Over time | – | 3,890 | 3,890 | 164 | 4,054 |
| External revenue (Note) | <u>286,827</u> | <u>3,890</u> | <u>290,717</u> | <u>164</u> | <u>290,881</u> |
| Operating profit/(loss) | 41,255 | (18,898) | 22,357 | (2,487) | 19,870 |
| Interest income | 1,608 | – | 1,608 | 20 | 1,628 |
| Other income, net | 5,787 | – | 5,787 | 375 | 6,162 |
| Finance costs | (3,362) | – | (3,362) | (210) | (3,572) |
| Segment results | <u>45,288</u> | <u>(18,898)</u> | <u>26,390</u> | <u>(2,302)</u> | <u>24,088</u> |
| Income tax | | | | | (17,099) |
| Profit for the period | | | | | <u>6,989</u> |
| Depreciation and amortisation | <u>(13,815)</u> | <u>(133)</u> | <u>(13,948)</u> | <u>(4)</u> | <u>(13,952)</u> |

Note:

There were no inter-segment sales during the six months ended 30th September 2022.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

5. REVENUE AND SEGMENT INFORMATION (Continued)

| | As at 31st March 2023 (audited) | | | | |
|---|---------------------------------|-----------------------------------|--------------------------------|-------------------------|-------------------|
| | Sale of watches HK\$'000 | Properties leasing HK\$'000 | Segmental total HK\$'000 | Unallocated HK\$'000 | Total HK\$'000 |
| Segment assets | <u>437,639</u> | <u>366,902</u> | <u>804,541</u> | <u>6,471</u> | 811,012 |
| Financial assets at fair value through profit or loss | | | | | 7,554 |
| Deferred tax assets | | | | | <u>2,418</u> |
| Total assets | | | | | <u>820,984</u> |
| Additions to non-current segment assets during the reporting period | <u>16,216</u> | <u>11,628</u> | <u>27,844</u> | <u>10</u> | <u>27,854</u> |
| Segment liabilities | <u>288,080</u> | <u>22,499</u> | <u>310,579</u> | <u>4,971</u> | 315,550 |
| Current income tax payable | | | | | 18,616 |
| Deferred tax liabilities | | | | | <u>26,115</u> |
| Total liabilities | | | | | <u>360,281</u> |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

5. REVENUE AND SEGMENT INFORMATION (Continued)

Geographic Information

The following is an analysis of geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, investment properties and deposits and prepayments. The geographical location of customers is referred to the location at which the services were provided or the goods delivered. The geographical locations of specific non-current assets are based on the physical location of the assets.

| | Revenues from external customers | | Non-current assets | |
|--|-------------------------------------|-------------|--------------------|-----------|
| | Six months ended | | 31st | |
| | 30th September | | September | |
| | 2023 | 2022 | 2023 | 2023 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | (unaudited) | (unaudited) | (unaudited) | (audited) |
| The People's Republic of China, excluding Hong Kong | 331,949 | 285,799 | 71,297 | 76,741 |
| Hong Kong (place of domicile) | 5,264 | 4,584 | 243,443 | 245,530 |
| United Kingdom | – | – | 110,180 | 106,505 |
| Switzerland | 797 | 498 | 18,764 | 19,082 |
| | 338,010 | 290,881 | 443,684 | 447,858 |

Information about major customers

For the six months ended 30th September 2023 and 2022, no revenue from a single external customer contributed 10% or more of the total revenue of the Group.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

6. PROFIT BEFORE TAXATION

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

(a) Finance costs

| | Six months ended 30th September | |
|--|--|-------------|
| | 2023 | 2022 |
| | HK\$'000 | HK\$'000 |
| | (unaudited) | (unaudited) |
| Interest on bank borrowings | 3,363 | 1,822 |
| Interest on lease liabilities | 1,226 | 1,750 |
| | <hr/> | <hr/> |
| Total interest expenses on financial liabilities not at fair value through profit or loss | 4,589 | 3,572 |
| | <hr/> <hr/> | <hr/> <hr/> |

(b) Other items

| | Six months ended 30th September | |
|--|--|-------------|
| | 2023 | 2022 |
| | HK\$'000 | HK\$'000 |
| | (unaudited) | (unaudited) |
| Net exchange loss | 2,689 | 20,311 |
| Depreciation charge | | |
| – owned property, plant and equipment | 3,949 | 1,334 |
| – right-of-use assets | 10,949 | 12,618 |
| Reversal of write-down of inventories, net | (1,677) | (1,983) |
| Staff costs including directors' fees and emoluments | 24,124 | 25,534 |
| Cost of inventories recognised as expenses | 226,273 | 195,950 |
| Interest income on bank deposits | (2,049) | (1,622) |
| Gain on disposal of financial assets at fair value through profit or loss | – | (30) |
| | <hr/> <hr/> | <hr/> <hr/> |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

7. INCOME TAX IN THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| | Six months ended | |
|---|-------------------------|-------------|
| | 30th September | |
| | 2023 | 2022 |
| | HK\$'000 | HK\$'000 |
| | (unaudited) | (unaudited) |
| Current tax | | |
| PRC Corporate Income Tax | | |
| – Charge for the period | 22,379 | 21,426 |
| Deferred tax | | |
| Origination and reversal of temporary differences | (5,707) | (4,327) |
| | 16,672 | 17,099 |

The subsidiaries in Hong Kong are subject to Hong Kong Profits Tax at the rate of 16.5% (2022: 16.5%). No Hong Kong Profits Tax has been provided for in the financial statements for the six months ended 30th September 2023 and 2022 either because the Hong Kong subsidiaries have accumulated tax losses brought forward which exceeded the estimated assessable profits or the Hong Kong subsidiaries sustained losses for taxation purpose.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods, except for subsidiaries which are eligible as Small Low-profit Enterprise* (小型微利企業). For the six months ended 30th September 2023 and 2022, eligible Small Low-profit Enterprise with the portion of annual taxable profit of less than RMB1,000,000 shall be calculated at a reduced rate of 12.5% as its taxable profit and which is subject to a EIT tax rate of 20%; with the portion of annual taxable profit of more than RMB1,000,000 but less than RMB3,000,000 shall be calculated at a reduced rate of 50% as its taxable profit and which is subject to a EIT tax rate of 20%. During the six months ended 30th September 2023, one subsidiary (2022: one subsidiary) is subject to the relevant preferential tax treatments.

The subsidiaries in Switzerland are subject to Switzerland Profits Tax at the rate of 16% (2022: 16%). No Switzerland Profits Tax has been provided for the six months ended 30th September 2023 and 2022 as the Group has no estimated assessable profits in Switzerland.

The subsidiary in the United States is subject to Federal Corporate Income Tax at the rate of 21% (2022: 21%) and Maryland Corporation Income Tax at the rate of 8.25% (2022: 8.25%). No corporate income tax has been provided for the six months ended 30th September 2023 and 2022 as the subsidiary did not generate any estimated assessable profits in the United States.

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands, the Group is not subject to any income tax in these jurisdictions.

* For identification purpose only

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

8. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share has been based on earnings attributable to owners of the Company of HK\$30,715,000 (2022: HK\$6,989,000) and the weighted average number of 747,123,000 ordinary shares (2022: 747,123,000 ordinary shares) in issue during the six months ended 30th September 2023.

(b) Diluted earnings per share

For the six months ended 30th September 2023 and 2022, diluted earnings per share equals basic earnings per share as there was no dilutive potential share.

9. DIVIDENDS

Dividend payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period

| | Six months ended 30th September 2023 HK\$'000 (unaudited) | 2022 HK\$'000 (unaudited) |
|--|--|---------------------------------|
| Final dividend in respect of the previous financial year, approved and paid during the interim period, of HK\$0.0469 (2022: HK\$0.0536) per ordinary share | 35,040 | 40,046 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

| | Ownership interests in leasehold land and buildings held for own use carried at cost | Other properties leased for own use carried at cost | Other property, plant and equipment | Construction in progress | Total |
|--|---|--|--|-------------------------------------|-----------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Carrying amount at 1st April 2022 | 18,656 | 77,344 | 5,914 | 199 | 102,113 |
| Translation differences | (1,930) | (7,260) | (395) | (252) | (9,837) |
| Additions | - | - | 1,564 | 4,984 | 6,548 |
| Adjustment from lease modification | - | 4,503 | - | - | 4,503 |
| Depreciation charge | (290) | (12,328) | (1,334) | - | (13,952) |
| | <u>16,436</u> | <u>62,259</u> | <u>5,749</u> | <u>4,931</u> | <u>89,375</u> |
| Carrying amount at 30th September 2022 | 16,436 | 62,259 | 5,749 | 4,931 | 89,375 |
| Carrying amount at 1st April 2023 | 18,144 | 51,020 | 11,447 | 2,077 | 82,688 |
| Translation differences | (957) | (2,888) | (517) | (127) | (4,489) |
| Additions | - | 8,019 | 2,630 | - | 10,649 |
| Depreciation charge | (293) | (10,656) | (3,949) | - | (14,898) |
| Transfer | - | - | 1,950 | (1,950) | - |
| | <u>16,894</u> | <u>45,495</u> | <u>11,561</u> | <u>-</u> | <u>73,950</u> |
| Carrying amount at 30th September 2023 | 16,894 | 45,495 | 11,561 | - | 73,950 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

11. TRADE AND OTHER RECEIVABLES

| | As at 30th September 2023 HK\$'000 (unaudited) | As at 31st March 2023 HK\$'000 (audited) |
|---|---|--|
| Trade receivables, net of loss allowance | | |
| – Third parties | 55,911 | 52,179 |
| – Related parties | 4,498 | 4,611 |
| | 60,409 | 56,790 |
| Other receivables | 3,977 | 4,136 |
| Financial assets measured at amortised cost | 64,386 | 60,926 |
| Deposits and prepayments | 9,086 | 8,374 |
| | 73,472 | 69,300 |
| Analysed as: | | |
| Non-current | 4,554 | 3,620 |
| Current | 68,918 | 65,680 |
| | 73,472 | 69,300 |

(a) Aging Analysis

The Group allows credit period of up to 180 days to its customers. The aging analysis of trade receivables at the end of the reporting period based on invoice date and net of loss allowance, is as follows:

| | As at 30th September 2023 HK\$'000 (unaudited) | As at 31st March 2023 HK\$'000 (audited) |
|-----------------|---|--|
| Up to 90 days | 55,121 | 52,777 |
| 91 to 180 days | 13 | – |
| 181 to 365 days | 934 | 13 |
| Over 365 days | 4,341 | 4,000 |
| | 60,409 | 56,790 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

12. TRADE AND OTHER PAYABLES

| | As at 30th September 2023 HK\$'000 (unaudited) | As at 31st March 2023 HK\$'000 (audited) |
|--|---|--|
| Trade payables | 2,468 | 1,939 |
| Other payables and accrued charges | 20,679 | 21,408 |
| | <hr/> | <hr/> |
| Financial liabilities measured at amortised cost | 23,147 | 23,347 |
| Deposits received | 905 | 1,346 |
| Rental received in advance | 2,894 | 2,431 |
| Other tax payable | 52,040 | 57,609 |
| | <hr/> | <hr/> |
| | 78,986 | 84,733 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Analysed as: | | |
| Non-current | 2,802 | 2,339 |
| Current | 76,184 | 82,394 |
| | <hr/> | <hr/> |
| | 78,986 | 84,733 |
| | <hr/> <hr/> | <hr/> <hr/> |

(a) Aging Analysis

The aging analysis of trade payables based on date of receipt of goods as at the end of the reporting period, is as follows:

| | As at 30th September 2023 HK\$'000 (unaudited) | As at 31st March 2023 HK\$'000 (audited) |
|-----------------|---|--|
| Up to 90 days | 1,291 | 668 |
| 91 to 180 days | - | - |
| 181 to 365 days | - | - |
| Over 365 days | 1,177 | 1,271 |
| | <hr/> | <hr/> |
| | 2,468 | 1,939 |
| | <hr/> <hr/> | <hr/> <hr/> |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

13. SHARE CAPITAL

| | Nominal value per share <i>HK\$</i> | Number of shares <i>'000</i> (unaudited) | Amount <i>HK\$'000</i> (unaudited) |
|---|---|---|---|
| Authorised: | | | |
| At 1st April 2022, 31st March 2023, 1st April 2023 and 30th September 2023 | 0.2 | 2,500,000 | 500,000 |
| Issued and fully paid: | | | |
| At 1st April 2022, 31st March 2023, 1st April 2023 and 30th September 2023 | 0.2 | 747,123 | 149,424 |

14. RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration of key management personnel of the Group, including amounts paid to the Company's directors and certain of highest paid employees are as follows:

| | Six months ended 30th September | |
|------------------------------|--|-----------------|
| | 2023 | 2022 |
| | HK\$'000 | <i>HK\$'000</i> |
| | (unaudited) | (unaudited) |
| Short-term employee benefits | 5,033 | 3,998 |
| Post-employment benefits | 29 | 29 |
| | 5,062 | 4,027 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

14. RELATED PARTY TRANSACTIONS (Continued)

(b) Other transactions

| | <i>Notes</i> | Six months ended 30th September 2023 HK\$'000 (Unaudited) | 2022 HK\$'000 (Unaudited) |
|--|--------------|--|---------------------------------|
| Leasing of offices and warehouses to two (2022: two) related companies ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin | (i) | 1,574 | 1,531 |
| Sales of watch movement to nil (2022: one) related company ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin | | <u>-</u> | <u>446</u> |

Note:

Ms. Lam Kim Phung, the wife of Mr. Eav Yin, is the administrator/executor of the estate of Mr. Eav Yin.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

14. RELATED PARTY TRANSACTIONS (Continued)

(b) Other transactions (Continued)

Notes:

- (i) Leasing of offices and warehouses

During the six months ended 30th September 2023 and 2022, the Group leased an office and warehouse space to two (2022: two) related companies ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin.

As at 30th September 2023 and 31st March 2023, commitments under operating leases receivable from the companies over which ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin were as follows:

| | As at 30th September 2023 HK\$'000 (unaudited) | As at 31st March 2023 HK\$'000 (audited) |
|---|---|--|
| Not later than one year | 911 | 1,731 |
| Later than one year and not later than five years | — | 163 |
| | 911 | 1,894 |

Leases for properties are negotiated for terms ranging from 0.25 to 0.33 years (31st March 2023: 0.25 to 1.92 years) and related commitments are included in Note 16.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

14. RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related companies

| | As at 30th September 2023 HK\$'000 (unaudited) | As at 31st March 2023 HK\$'000 (audited) |
|--|---|--|
| Trade and other receivables, net of loss allowance due from two (31st March 2023: two) related companies ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin | 4,498 | 4,611 |
| Trade and other payables due to two (31st March 2023: one) related companies ultimately owned by the wife of Mr. Eav Yin and controlled by Mr. Eav Yin | 590 | 491 |

15. PLEDGE OF ASSETS

The assets pledged for certain banking facilities of the Group were as follows:

| | As at 30th September 2023 HK\$'000 (unaudited) | As at 31st March 2023 HK\$'000 (audited) |
|-----------------------|---|--|
| Investment properties | 340,969 | 337,289 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

16. COMMITMENTS

At the reporting date, the Group had the following outstanding commitments.

(a) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

| | As at 30th September 2023 HK\$'000 (unaudited) | As at 31st March 2023 HK\$'000 (audited) |
|----------------------------------|---|--|
| Contracted for: | | |
| Property, plant and equipment | – | 1,445 |
| Construction work for properties | 6,429 | 7,810 |
| | 6,429 | 9,255 |

(b) Operating lease commitments – as lessor

Undiscounted lease payments receivable on leases are as follows:

| | As at 30th September 2023 HK\$'000 (unaudited) | As at 31st March 2023 HK\$'000 (audited) |
|--|---|--|
| Not later than one year | 4,954 | 5,921 |
| Later than one year and not later than five years | 6,159 | 8,198 |
| | 11,113 | 14,119 |

17. CONTINGENT LIABILITIES

So far as the Directors are aware, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration or claims which is, in the opinion of the Directors, of material importance is known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

MANAGEMENT DISCUSSION AND ANALYSIS

Interim Review

For the six months ended 30th September 2023, the Group's revenue amounted to HK\$338 million, representing an increase of 16% (2022: decrease of 32%) from HK\$291 million in the same period of last year. The increase was mainly due to the recovery of the watches sales in China following its lockdown in last period. Sales for this period in Hong Kong and China amounted to HK\$5 million and HK\$332 million, representing an increase of 15% and 16% respectively as compared with those in the corresponding period last year. Gross profit margin for this period was 33% which was the same as last year.

Distribution costs increased by 6% to HK\$46 million during this period as compared with the same period last year of HK\$44 million. The increase was mainly due to the increase in depreciation charges, entertainment expenses, other taxation charges and rental expenses which were partially offset by the reduction in staff expenses.

Administrative expenses this period amounting to HK\$18 million, representing a drop of 46% as compared to those in the last period of HK\$33 million. Such decrease was mainly due to a loss of about HK\$18 million as a result of the impact from the depreciation of Great British Pounds in which the Group's investment properties in the United Kingdom are denominated in last period while such loss in this period was only HK\$2 million.

Finance costs increased by 28% from HK\$4 million to HK\$5 million this period was due to the increase in interest in bank borrowings.

Other incomes amounted to about HK\$1 million this period as compared with those in last period of HK\$6 million which were mainly government subsidies.

As a result of the above, the Group achieved a net profit of HK\$31 million this period as compared with a net profit of HK\$7 million in the same period of last year.

Liquidity and financial resources

As at 30th September 2023, the Group's total cash balance amounted to HK\$118 million (31st March 2023: HK\$194 million). The decrease was mainly due to the repayments of bank loans and payment of dividend during the period. Bank loans amounted to HK\$134 million as of 30th September 2023 (HK\$174 million as of 31st March 2023). The bank loans were secured by (i) pledged of investment properties of HK\$341 million; (ii) corporate guarantees given by the Company; (iii) subordination of the payables to the group companies owned by a subsidiary of the Company as the loan borrower and (iv) assignment of rental income from certain investment properties. Gearing ratio of the Group, expressed as a ratio of total borrowings over total equity, was 30% as at 30th September 2023 (31st March 2023: 38%).

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Interim Review (Continued)

Foreign exchange risks

The Group views its main currencies as Hong Kong dollars, Renminbi and Swiss Francs. The Group monitors its exposure to foreign exchange risks and, when it considers necessary and appropriate, will hedge its foreign exchange risks by using financial instruments.

Prospect

The Group currently operates 5 stores in China. The Group remained focus on its core stores and has streamlined their operating costs and will continue to do so with a view to further enhance the cost efficiency of each store. The future prospect of the business in these stores will depend on the economic recovery in China following the COVID-19 pandemic.

Apart from the “Sale of watches” segment which continues to be the core business of the Group, the Group is also developing its business in the “Properties leasing” segment via the acquisition of two well located West London properties several years ago. The renovation for one property has been completed and the Group is now examining the current market conditions in order to realize a strategy which is in line with the shareholders’ best interests. Meanwhile construction on the second property continues to progress favourably on schedule and on budget.

The Group is determined to increase its financial strength and confidence to improve its business and take a cautious approach in its future expansion.

On behalf of the Group, we sincerely thank for the kind and positive support of our shareholders, customers, suppliers and associates.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance practices by emphasising a quality board of directors, sound internal control, transparency and accountability to all the shareholders of the Company.

The Company has complied with all the code provisions set out in the Corporate Governance Code (the “Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited throughout the period ended 30th September 2023 except for the deviation from the Code Provision C.3.3 and those disclosed below:

The Company was incorporated in Bermuda and enacted by private act, the Asia Commercial Holdings Limited Company Act, 1989 of Bermuda (the “1989 Act”). Pursuant to section 3(e) of the 1989 Act, director holding office as executive chairman or managing director shall not be subject to retirement by rotation at each annual general meeting as provided in the Bye-Laws.

As the Company is bound by the provision of the 1989 Act, at this time, the Bye-Laws cannot be amended to fully reflect the requirements of the Code. As such, a special resolution was passed at the special general meeting held on 28th March 2007 to amend the Bye-Laws of the Company so that, inter alia, (i) every director (save for a director holding office as Chairman or Managing Director) of the Company shall be subject to retirement by rotation at least once every three years; (ii) a director may be removed by an ordinary resolution in general meeting instead of a special resolution; (iii) any director appointed by the Board to fill a casual vacancy or as an additional director shall hold office until the next following general meeting, instead of the next annual general meeting.

CORPORATE GOVERNANCE (Continued)

To enhance good corporate governance practices, the Chairman of the Board will voluntarily retire as director at annual general meeting of the Company at least once every three years in order for the Company to comply with the Code, provided that being eligible for re-election at the annual general meeting.

Code Provision C.3.3 stipulates that directors should clearly understand delegation arrangements in place. The Company should have formal letters of appointment for directors setting out the key terms and conditions of their appointments. Except for the appointments of Mr. Kee Wah Sze as an independent non-executive Director of the Company in August 2020 and the appointment of Ms. Lam Kim Phung as a non-executive Director of the Company, the Chairman of the Board and the chairman of the Nomination Committee of the Company in June 2022, and her redesignation as an Executive Director of the Company in March 2023, the Company has not entered into any written letters of appointment with its Directors.

However, the Board recognises that (i) the Directors have already been subject to the laws and regulations applicable to directors of a company listed on The Stock Exchange of Hong Kong Limited, including the Listing Rules as well as the fiduciary duties to act in the best interests of the Company and its shareholders; (ii) all of them are well established in their professions and (iii) the current arrangement has been adopted by the Company for several years and has proven to be effective. Therefore, the Board considers that the Directors are able to carry out their duties in a responsible and effective manner under the current arrangement.

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

Compliance of the Model Code for Securities Transaction by Directors of Listed Issuers

The Company has adopted a code for securities transactions by Directors of the Company (the “Code of Conduct”) on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules.

All Directors have confirmed that they complied with the required standards set out in the Code of Conduct throughout the period under review.

DISCLOSURE OF INTERESTS

Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures

As at 30th September 2023, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required to be and were recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules were as follows:

Long positions in shares and underlying shares of the Company

| Name of Director | Nature of interest | Number of ordinary shares and underlying shares (if any) of HK\$0.2 each held | Approximate percentage of aggregate interests to total issued share capital |
|-----------------------------|---------------------------|--|--|
| Ms. Lam Kim Phung | <i>Note 1</i> | 442,234,400 | 59.19 |
| Ms. Eav Guech Rosanna | <i>Note 2</i> | 2,087,472 | 0.28 |
| Mr. Eav Feng Ming, Jonathan | <i>Note 3</i> | 707,400 | 0.09 |

DISCLOSURE OF INTERESTS (Continued)

Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures (Continued)

Long positions in shares and underlying shares of the Company (Continued)

Note 1: Among the 442,234,400 shares in which Ms. Lam Kim Phung is deemed to have interests under the SFO (i) 38,357,400 shares are personal interest of Ms. Lam Kim Phung, (ii) 344,700,200 shares are corporate interest through Ms. Lam Kim Phung's controlled corporations, and (iii) 59,176,800 shares represent the interest held by Ms. Lam Kim Phung, as the administrator/executor of the estate of Mr. Eav Yin through Chanchhaya Trustee Holding Corporation (as a trustee of Eav An Unit Trust). Eav An Unit Trust is a discretionary trust of which Mr. Eav Yin is the founder, the beneficiaries include Ms. Lam Kim Phung who is the administrator/executor of the estate of Mr. Eav Yin and her children.

Among the 344,700,200 shares shown in (ii) above, (a) 291,210,668 shares are held by Century Hero International Limited, (b) 51,133,864 shares are held by Goodideal Industrial Limited, (c) 1,423,268 shares are held by Goodness Management Limited and (d) 932,400 shares are held by Debonair Company Limited. Century Hero International Limited, Goodness Management Limited and Debonair Company Limited are wholly owned and Goodideal Industrial Limited which is 87% owned by Ms. Lam Kim Phung.

Note 2: All the 2,087,472 shares are personal interest of Ms. Eav Guech Rosanna.

Note 3: All the 707,400 shares are personal interest of Mr. Eav Feng Ming, Jonathan.

Save as disclosed herein, as at 30th September 2023, 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 of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required to be recorded in the register kept by the Company under Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Director's Rights to Acquire Shares or Debentures

Save as disclosed herein, at no time during the six months ended 30th September 2023, was the Company or any of its associated corporations a party to any arrangement to enable the Directors or chief executive to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the Directors or executive or their spouses or children under 18 years of age was granted any right to subscribe for any shares in, or debentures of, the Company or any of its associated corporations.

DISCLOSURE OF INTERESTS (Continued)

Substantial Shareholders' Interests

As at 30th September 2023, so far as is known to any Directors and chief executive of the Company, the following persons (other than the Directors or chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of the Part XV of the SFO, or which were recorded in the register kept by the Company or required to be notified under Section 336 of the SFO:

| Name of shareholder | Capacity | Notes | Number of ordinary shares and underlying shares (if any) of HK\$0.2 each held | Approximate percentage of issued share capital % |
|--|----------|-------|---|--|
| | (Notes) | | | |
| Century Hero International Limited | 5 | 1 | 291,210,668 | 38.98 |
| Chanchhaya Trustee Holding Corporation | 5 | 2 | 59,176,800 | 7.92 |
| Goodideal Industrial Limited | 5 | 3 | 51,133,864 | 6.84 |
| Covenhills Limited | 5 | 4 | 64,255,243 | 8.60 |

Notes:

1. Century Hero International Limited is wholly owned by Ms. Lam Kim Phung who is a director of this company.
2. Chanchhaya Trustee Holding Corporation is the trustee of Eav An Unit Trust, a discretionary trust, the beneficiaries of which include Ms. Lam Kim Phung who is the administrator/executor of the estate of Mr. Eav Yin and her children.
3. Goodideal Industrial Limited is 87% owned by Ms. Lam Kim Phung who is a director of this company.
4. Covenhills Limited is owned equally by the estate beneficiary of late Mr. Leong Lou Teck, Mr. Leong Lum Thye, Miss Leong Yoke Kheng and Mr. Leong Siew Khuen.
5. Beneficial owner.

All the interests disclosed above represent long positions in shares and underlying shares of the Company. Save as disclosed above, as at 30th September 2023, there was no other person (other than the Directors or chief executive of the Company) who was recorded in the register of the Company as having an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

OTHER INFORMATION

Change in information of a director

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in information of a Director since the date of the Company's 2022/2023 annual report is as follows:

Mr. Lai Si Ming, an independent non-executive Director of the Company, resigned as an independent non-executive director of Glory Health Industry Limited (previously known as Guorui Properties Limited) (Stock code: 2329), the shares of which are listed on the Main Board of the Stock Exchange of Hong Kong Limited, with effect from 24th August 2023.

Interim Dividend

The Board of Directors resolved not to declare an interim dividend in respect of the six months ended 30th September 2023 (2022: Nil).

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of Company's listed securities during the six months ended 30th September 2023.

Employees and Remuneration Policy

There were 104 employees in the Group as at 30th September 2023. The Group offers competitive remuneration packages to employees in line with market trends. Incentives such as discretionary bonuses are offered to motivate employees.

By order of the Board
Asia Commercial Holdings Limited
Cheng Ka Chung
Company Secretary

Hong Kong, 22nd November 2023