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LANDRICH HOLDING LIMITED

譽樂豐控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2132)

ANNOUNCEMENT OF INTERIM RESULTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2020

RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Landrich Holding Limited (the “**Company**”) announces the unaudited interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 September 2020 together with the comparative figures for the last corresponding period as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2020

		Six months ended	
		30 September	
		2020	2019
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$'000	<i>HK\$'000</i>
Revenue	4	219,494	324,419
Direct costs		(197,237)	(286,757)
		<hr/>	<hr/>
Gross profit		22,257	37,662
Other income	5	11,839	514
Administrative and other operating expenses		(12,175)	(12,318)
Finance costs	6	(385)	(351)
		<hr/>	<hr/>
Profit before income tax	8	21,536	25,507
Income tax expense	7	(1,764)	(3,792)
		<hr/>	<hr/>
Profit and total comprehensive income for the period attributable to owners of the Company		19,772	21,715
		<hr/> <hr/>	<hr/> <hr/>
Basic and diluted earnings per share (HK cents)	9	1.65	1.81
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

		30 September 2020 (Unaudited) HK\$'000	31 March 2020 (Audited) HK\$'000
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		15,862	14,132
Right-of-use assets		1,115	210
		<u>16,977</u>	<u>14,342</u>
Current assets			
Trade receivables	<i>11</i>	59,364	72,405
Other receivables, deposits and prepayments	<i>12</i>	22,314	17,865
Contract assets	<i>13</i>	89,013	72,198
Amount due from a director		2	–
Pledged bank deposits		9,877	10,454
Bank balances and cash		41,006	60,374
		<u>221,576</u>	<u>233,296</u>
Total assets		<u>238,553</u>	<u>247,638</u>
Current liabilities			
Trade and other payables	<i>14</i>	74,223	84,490
Contract liabilities	<i>13</i>	34,441	21,808
Amount due to a director		–	2,198
Borrowings		11,203	23,037
Lease liabilities		732	214
Current tax liabilities		3,830	3,930
		<u>124,429</u>	<u>135,677</u>

	30 September	31 March
	2020	2020
	(Unaudited)	(Audited)
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Net current assets	<u>97,147</u>	<u>97,619</u>
Total assets less current liabilities	<u>114,124</u>	<u>111,961</u>
Non-current liabilities		
Lease liabilities	<u>391</u>	<u>–</u>
Net assets	<u><u>113,733</u></u>	<u><u>111,961</u></u>
Capital and reserves		
Share capital	<i>15</i> –*	–
Combined capital	<i>15</i> –	2
Reserves	<u>113,733</u>	<u>111,959</u>
Total equity	<u><u>113,733</u></u>	<u><u>111,961</u></u>

* *The balance represents an amount less than HK\$1,000*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 31 July 2018. The registered office of the Company is located at PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The principal place of business is at Unit 2808, 28th Floor, The Octagon, 6 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in the provision of construction engineering works. Its immediate holding company is New Brilliance Enterprises Limited (“**New Brilliance**”), a company incorporated in the British Virgin Islands with limited liability. The ultimate controlling party of the Group is Mr. Tsui Kai Kwong (“**Mr. KK Tsui**”).

The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 20 October 2020 (the “**Listing**”).

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as with the applicable disclosure requirements of Appendix 16 to the Listing Rules. The condensed consolidated financial statements should be read in conjunction with the Company’s combined financial statements for the year ended 31 March 2020, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA, as set out in the prospectus of the Company dated 30 September 2020 (the “**Prospectus**”).

This condensed consolidated financial statements is presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated.

2. REORGANISATION

In preparation for the Listing, the companies now comprising the Group underwent the corporate organisation pursuant to which the Company became the holding company of the Group on 21 September 2020 (the “**Reorganisation**”). For details of the Reorganisation, please refer to the section headed “History, Development and Reorganisation” in the Prospectus.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Other than changes in accounting policies resulting from application of new and amendments to HKFRSs, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2020 are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2020.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2020 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

Except as described below, the application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current period has 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 financial statements.

3.1 Impacts of application on Amendments to HKAS 1 and HKAS 8 "Definition of Material"

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current period had no impact on the condensed consolidated financial statements. Changes in presentation and disclosures on the application of the amendments, if any, will be reflected on the consolidated financial statements for the year ending 31 March 2021.

4. REVENUE AND SEGMENT INFORMATION

Revenue from external customers

	Six months ended 30 September	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Recognised over time:		
Contract income from provision of construction engineering works	<u>219,494</u>	<u>324,419</u>

Geographical information

The Group's operations are located in Hong Kong. All of the Group's revenue is derived from external customers located in Hong Kong and the Group's non-current assets are all located in Hong Kong.

5. OTHER INCOME

	Six months ended 30 September	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Government subsidies*	10,244	–
Gain on disposal of property, plant and equipment	871	432
Interest income	89	75
Others	635	7
	<u>11,839</u>	<u>514</u>

* The Group recognised government subsidies of approximately HK\$10,244,000 in respect of the outbreak of novel coronavirus disease (the “COVID-19”) related subsidies, of which are mainly related to the Employment Support Scheme provided by the Hong Kong Government (the “ESS”). Under the term of the ESS, the Group is required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees.

6. FINANCE COSTS

	Six months ended 30 September	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest expenses on:		
Lease liabilities	15	26
Bank loans	183	125
Bank overdrafts	187	200
	<u>385</u>	<u>351</u>

7. INCOME TAX EXPENSE

	Six months ended 30 September	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong Profits Tax:		
Current tax	<u>1,764</u>	<u>3,792</u>

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. For the six months ended 30 September 2019 and 2020, Hong Kong Profits Tax of the qualified entity is calculated in accordance with the two-tiered profits tax rates regime. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

Hong Kong Profits Tax is recognised based on management’s best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated weighted average annual tax rate used is 16.5% for the six months ended 30 September 2020 (six months ended 30 September 2019: 16.5%).

8. PROFIT BEFORE INCOME TAX

	Six months ended 30 September	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit before income tax has been arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	2,763	1,726
Depreciation of right-of-use assets	450	320
Listing expenses	1,933	1,734
Impairment loss allowance on trade receivables, net of reversal	–	(163)
	<u> </u>	<u> </u>

9. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company for the period is based on the following data:

	Six months ended 30 September	
	2020	2019
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company (HK\$'000)	19,772	21,715
Weight average number of ordinary shares for the purpose of calculating basic earnings per share (in thousands)	<u>1,200,000</u>	<u>1,200,000</u>
Basic earnings per share (HK cents)	<u>1.65</u>	<u>1.81</u>

The weighted average number of shares for the purpose of calculating basis earnings per share for the six months ended 30 September 2020 is 1,200,000,000 ordinary shares in issue as if these 1,200,000,000 ordinary shares were outstanding throughout the year (30 September 2019: 1,200,000,000 ordinary shares).

No diluted earnings per share was presented for both periods as there were no potential ordinary shares in issue during both periods.

10. DIVIDENDS

Prior to the Reorganisation, certain subsidiaries of the Company, had declared dividends to their then shareholders as follows:

	Six months ended 30 September	
	2020	2019
	HK\$'000	HK\$'000
Dividend paid and recognised as distribution during the period:		
Interim dividends	<u>18,000</u>	<u>–</u>

The rate of dividends and number of shares ranking for dividend are not presented as such information is not meaningful having regard to the purpose of this interim announcement.

No dividends have been paid or declared by the Company since its incorporation on 31 July 2018.

11. TRADE RECEIVABLES

	As at 30 September 2020 <i>HK\$'000</i> (Unaudited)	As at 31 March 2020 <i>HK\$'000</i> (Audited)
Trade receivables	60,185	73,226
Less: Impairment loss allowance	<u>(821)</u>	<u>(821)</u>
	<u>59,364</u>	<u>72,405</u>

The Group does not have a standardised and universal credit period granted to its customers, and the credit period of individual customer is considered on a case-by-case basis and stipulated in the project contract, as appropriate. The following is an aged analysis of the Group's trade receivables at the end of the reporting period, presented based on the payment certificate date:

	As at 30 September 2020 <i>HK\$'000</i> (Unaudited)	As at 31 March 2020 <i>HK\$'000</i> (Audited)
0-30 days	40,680	46,320
31-60 days	4,213	23,376
61-90 days	6,241	2,709
91-120 days	3,289	–
Over 120 days	<u>4,941</u>	<u>–</u>
	<u>59,364</u>	<u>72,405</u>

Based on the historical settlement records and credit qualities of trade receivables which are past due but not impaired, these receivables are generally recoverable. The management of the Group closely monitors the credit quality of debtors and consider the trade receivables that are past due but not impaired to be of a good credit quality with reference to their repayment history.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 September 2020 <i>HK\$'000</i> (Unaudited)	As at 31 March 2020 <i>HK\$'000</i> (Audited)
Other receivables	13,654	11,171
Other deposits	4,421	2,496
Prepayment	2,299	2,453
Utility deposits	1,940	1,745
	<u>22,314</u>	<u>17,865</u>

Included in other receivables of the Group as at 30 September 2020 and 31 March 2020 were amount due from a partner of joint operation of approximately HK\$6,014,000 and approximately HK\$6,310,000, respectively.

13. CONTRACT ASSETS AND CONTRACT LIABILITIES

The following is the analysis of the contract assets and liabilities balance for financial reporting purpose:

	As at 30 September 2020 <i>HK\$'000</i> (Unaudited)	As at 31 March 2020 <i>HK\$'000</i> (Audited)
Contract assets	89,013	72,198
Contract liabilities	<u>34,441</u>	<u>21,808</u>

Contract assets and contract liabilities arising from same contract are presented on net basis.

Contract assets

Amounts represent the Group's right to considerations from customers for the provision of construction engineering works, which arise when: (i) the Group completed the relevant construction works under such contracts and pending to formal certification by the customers; and (ii) the customers withhold certain amounts payable to the Group as retention money to secure the due performance of the contracts for a period of generally 12 months (defect liability period) after completion of the relevant works. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it becomes unconditional and is invoiced to the customers.

The Group's contract assets are analysed as follows:

	As at 30 September 2020 HK\$'000 (Unaudited)	As at 31 March 2020 HK\$'000 (Audited)
Retention receivables	26,686	24,051
Others (<i>Note</i>)	62,327	48,147
	89,013	72,198

Note: It represents the revenue not yet been billed to the customers which the Group has completed the relevant services under such contracts but yet certified by architects, surveyors or other representatives appointed by the customers.

Included in the Group's contract assets are the retention receivables to be settled, based on the expiry of the defect liability period of the relevant contracts or in accordance with the terms specified in the relevant contracts, at the end of each reporting period. The balances are classified as current assets as they are expected to be received within the Group's normal operating cycle, of which approximately HK\$7,438,000 and approximately HK\$8,503,000 are expected to be settled after one year as at 30 September 2020 and 31 March 2020, respectively.

As part of the internal credit risk management, the Group applies internal credit rating for its customers in relation to construction contracts. The exposure to credit risk and expected credit losses for contract assets are assessed individually as at 30 September 2020. After the assessment of the Group, the impairment allowance on contract assets is insignificant to the Group for the current interim period.

Contract liabilities

The contract liabilities represent the Group's obligations to transfer goods and services to customers for which the Group has received consideration in advance (or an amount of consideration is due) from the customers according to the progress of contract works.

Contract liabilities which are expected to be settled within the Group's normal operating cycle, are classified as current.

Revenue from contract income from provision of construction engineering works recognised during the period ended 30 September 2020 and the year ended 31 March 2020 that was included in the contract liabilities at the beginning of each of the period/year was approximately HK\$21,808,000 and approximately HK\$15,394,000, respectively.

14. TRADE AND OTHER PAYABLES

	As at 30 September 2020 <i>HK\$'000</i> (Unaudited)	As at 31 March 2020 <i>HK\$'000</i> (Audited)
Trade payables	30,246	37,816
Retention payables (<i>Note</i>)	22,212	22,909
Accruals and other payables	21,765	23,765
	<u>74,223</u>	<u>84,490</u>

Note: The balances represent retention payables to subcontractors which are interest-free and payable at the end of the defect liability period of individual contracts. All retention payables are expected to be settled within one year based on the expiry date of the defect liability period.

Included in accruals and other payables of the Group as at 30 September 2020 and 31 March 2020 were amounts due to partners of joint operations of approximately HK\$6,900,000 and approximately HK\$6,902,000, respectively.

The credit period granted to the Group by its suppliers and subcontractors in general ranges from 30 to 60 days. The ageing analysis of the Group's trade payables below is presented based on the invoice date at the end of each reporting period:

	As at 30 September 2020 <i>HK\$'000</i> (Unaudited)	As at 31 March 2020 <i>HK\$'000</i> (Audited)
0-30 days	18,400	30,026
31-60 days	1,595	3,788
61-90 days	3,373	1,686
Over 90 days	6,878	2,316
	<u>30,246</u>	<u>37,816</u>

15. SHARE CAPITAL AND COMBINED CAPITAL

The share capital balance as at 30 September 2020 in the condensed consolidated statement of financial position represented the issued share capital of the Company. Details of the authorised and issued and fully paid share capital of the Company are summarised as follows:

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each		
As at 31 July 2018 (date of incorporation) (<i>Note a</i>)	38,000,000	380
Increase in authorised share capital (<i>Note c</i>)	9,962,000,000	99,620
	<hr/>	<hr/>
As at 30 September 2020	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
As at 31 July 2018 (date of incorporation)	1	—*
Issue of shares (<i>Note b</i>)	9,999	—*
	<hr/>	<hr/>
As at 30 September 2020	<u>10,000</u>	<u>—*</u>

* *The balance represents an amount less than HK\$1,000*

Notes:

- (a) On 31 July 2018, the Company was incorporated in the Cayman Islands with limited liability and with an authorised share capital of HK\$380,000 divided into 38,000,000 shares. On the same date, one fully-paid share was allotted and issued to the initial subscriber to the memorandum and articles of association of the Company, which was subsequently transferred to New Brilliance on the same day.
- (b) On 21 September 2020, the Company acquired the all the issued shares of Lion Brave Group Limited (“**Lion Brave**”), Sheen Cedar Investments Limited (“**Sheen Cedar**”) and Lofty Wisdom Holding Limited (“**Lofty Wisdom**”) respectively, from New Brilliance (as vendor and warrantor) in consideration of which the Company allotted and issued 9,999 shares, credited as fully-paid, to New Brilliance. After the aforesaid transaction, the Company became the holding company of Lion Brave, Sheen Cedar and Lofty Wisdom.
- (c) On 21 September 2020, the Company resolved to increase its authorised share capital from HK\$380,000 divided into 38,000,000 shares of par value HK\$0.01 each to HK\$100,000,000 divided into 10,000,000,000 shares of par value HK\$0.01 each by the creation of an additional 9,962,000,000 shares of par value HK\$0.01 each.

Combined capital

Combined capital as at 31 March 2020 represents the aggregate of the paid-up capital of the Company, Lion Brave, Sheen Cedar and Lofty Wisdom hold by Mr. KK Tsui, the controlling shareholder of the Company.

16. SUBSEQUENT EVENTS

Subsequent to 30 September 2020, the following significant events took place:

- a) The shares of the Company are listed on the Stock Exchange on 20 October 2020. Pursuant to the Listing, 160,000,000 and 240,000,000 ordinary shares of HK\$0.1 each of the Company were issued by way of public offer and placing, respectively.
- b) Pursuant to the written resolutions of the then sole shareholder passed on 21 September 2020, subject to the share premium account of the Company being credited as a result of the share offer, the Directors are authorised to allot and issue a total of 1,279,990,000 ordinary shares, by way of capitalisation of the sum of HK\$12,799,900 standing to the credit of the share premium account of the Company, credited as fully paid at par to shareholder on the register of members of the Company at the close of business on 21 September 2020 in proportion to its shareholding in the Company.
- c) Since January 2020, the COVID-19 has impact on the global business environment. Up to the date of approval of this interim announcement, COVID-19 has not resulted in material impact to the Group. Pending the future development and spread of the COVID-19, further changes in economic conditions for the Group arising thereof may have impact on the financial results of the Group, the extent of which could not be estimated at this stage. The Group will keep continuous attention on the situation of the COVID-19 and react actively to the impact on its financial performance and operating results.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group has more than 26 years of solid track record in the construction industry in Hong Kong. The Group is able to undertake civil engineering works as either a main contractor or a subcontractor. The Group principally provides civil engineering works which can be broadly categorised as (i) roads and drainage works; and (ii) site formation works. The Group also performs building works.

For the six months ended 30 September 2020, the Group recorded net profit of approximately HK\$19.8 million as compared to net profit of approximately HK\$21.7 million for the corresponding period in 2019. The Directors consider that such decrease was mainly due to (i) the decrease in revenue; (ii) the decrease in gross profit margin; and partly offset by (iii) the increase in other income for the wage subsidies provided by the Hong Kong Government.

As at 30 September 2020, the Group had 24 construction projects on hand (including projects in progress and projects that are yet to commence) with a total outstanding contract value of approximately HK\$2,010.0 million.

OUTLOOK

The shares of the Company were listed on the Main Board of the Stock Exchange on 20 October 2020 (the “**Listing Date**”) by way of share offer.

Since January 2020, the outbreak of COVID-19 in Hong Kong has resulted in a slight impact to the Group, while the operation was also slightly affected by the reduction in face-to-face business activities and meetings and works progress of the projects. The Directors consider that it will be difficult to estimate the overall impact of the outbreak of COVID-19 on the results of operations for the year ending 31 March 2021 as the epidemic situation, new policies issued by the Hong Kong Government and different subsidy schemes such as the Anti-epidemic Fund remained uncertain. The Group has not encountered or experienced any material difficulty and/or delay in completion of the projects to the customers and from the subcontractors and any material supply chain disruptions of the suppliers due to the outbreak of COVID-19. The Group will also closely monitor the projects’ progress and communicate with the suppliers and subcontractors, maintain close communication with the customers and the other representatives of the project owners on the latest project works schedules and arrangements, proactively follow up with the potential customers on the tenders and quotations submitted, and actively respond to any business enquiries, tender and quotation invitations to maintain the market competitiveness.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately HK\$104.9 million, or approximately 32.3%, from approximately HK\$324.4 million for the six months ended 30 September 2019 to approximately HK\$219.5 million for the six months ended 30 September 2020. The decrease was mainly due to a higher amount of recognised revenue from four sizable projects have been completed substantial amount of works during the six months ended 30 September 2019 and those projects had almost completed during the six months ended 30 September 2020.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately HK\$15.4 million, or approximately 40.8%, from approximately HK\$37.7 million for the six months ended 30 September 2019 to approximately HK\$22.3 million for the six months ended 30 September 2020. The Group's gross profit margin decreased from approximately 11.6% for the six months ended 30 September 2019 to approximately 10.2% for the six months ended 30 September 2020, mainly due to the relatively lower margin of two projects with high contract sum which commenced during the six months ended 30 September 2020. The decrease in gross profit was mainly due to the combined effect of (i) the decrease in revenue; and (ii) the decrease gross profit margin for the six months ended 30 September 2020 as compared to the six months ended 30 September 2019.

Other income

Other income increased by approximately HK\$11.3 million from approximately HK\$0.5 million for the six months ended 30 September 2019 to approximately HK\$11.8 million for the six months ended 30 September 2020, mainly contributed by the wage subsidies of the ESS.

Administrative and other operating expenses

Administrative and other operating expenses decreased by approximately HK\$0.1 million from approximately HK\$12.3 million for the six months ended 30 September 2019 to approximately HK\$12.2 million for the six months ended 30 September 2020. Setting aside the listing expenses, the adjusted administrative and other operating expenses decreased from approximately HK\$10.6 million for the six months ended 30 September 2019 to approximately HK\$10.2 million for the six months ended 30 September 2020. Such decrease was primarily due to the decrease in staffs salaries and benefit of approximately HK\$1.0 million.

Income tax expense

Income tax expense decreased by approximately HK\$2.0 million, or approximately 52.6%, from approximately HK\$3.8 million for the six months ended 30 September 2019 to approximately HK\$1.8 million for the six months ended 30 September 2020.

Profit and total comprehensive income for the period

As a result of the foregoing, the Group recorded a profit of approximately HK\$19.8 million for the six months ended 30 September 2020, representing an decrease of approximately 8.8% as compared with profit of approximately HK\$21.7 million for the six months ended 30 September 2019.

USE OF PROCEEDS FROM LISTING

As the shares of the Company were not yet listed on the Main Board of the Stock Exchange until 20 October 2020, the proceeds were not yet available for use during the six months ended 30 September 2020. Net proceeds from the Listing will be used in the manner consistent with that mentioned in the Prospectus.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Save for the Reorganisation as disclosed in the Prospectus, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2020.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issues (the "**Model Code**") set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as the code of conduct regulating securities transactions of Directors. Having made specific enquiry, all Directors have fully complied with the required standards set out in the Model Code and its code of conduct from the Listing Date up to the date of this interim announcement.

CORPORATE GOVERNANCE PRACTICE

The Company is committed to achieving and maintaining high standards of corporate governance, as the Board believes that good and effective corporate governance practices are key to obtain and maintain the trust of the shareholders of the Company and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to create long-term value for the shareholders of the Company. The Company has adopted the principles and code provisions in the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 of the Listing Rules. The Company has fully complied with the CG Code from the Listing date up to the date of this interim announcement.

Ms. Ng Hoi Ying, the company secretary of the Company, is an external service provider. Pursuant to Code F.1.1 of the CG Code, an issuer can engage an external service provider to provide company secretarial services, provided that the issuer should disclose the identity of a person with sufficient seniority at the issuer whom the external provider can contact. In this respect, the Company has nominated Mr. KK Tsui as its contact point for Ms. Ng Hoi Ying.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established on 21 September 2020. The chairman of the Audit Committee is Mr. Lee Kin Kee, the independent non-executive Director, and other members include Mr. Lee Yan Kit and Mr. Kwong Ping Man, the independent non-executive Directors. The written terms of reference of the Audit Committee are posted on the Stock Exchange’s website and on the Company’s website.

The primary duties of the Audit Committee are mainly to review the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Company has complied with Rule 3.21 of the Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.

The Group’s condensed consolidated financial statements for the six months ended 30 September 2020 have not been audited nor reviewed by the Company’s independent auditors, but have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the condensed consolidated financial statements of the Group for the six months ended 30 September 2020 comply with applicable accounting standards and the Listing Rules and that adequate disclosures have been made.

By order of the Board
Landrich Holding Limited
Tsui Kai Kwong
Chairman and Executive Director

Hong Kong, 25 November 2020

As at the date of this announcement, the Board comprises Mr. Tsui Kai Kwong, Mr. Tsui Tsz Yeung Ian and Ms. Tsui Wai Yeung Janis as executive Directors; Mr. Lee Yan Kit, Mr. Lee Kin Kee and Mr. Kwong Ping Man as independent non-executive Directors.