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CHI HO DEVELOPMENT HOLDINGS LIMITED

潛濤發展控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8423)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2021

The board (the “**Board**”) of directors (the “**Directors**”) of Chi Ho Development Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (together, the “**Group**”) for the nine months ended 31 December 2021. This announcement, containing the full text of the third quarterly report of the Company for the nine months ended 31 December 2021 (the “**Third Quarterly Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) in relation to information to accompany the preliminary announcement of third quarterly results. The Third Quarterly Report will be dispatched to the shareholders of the Company and available for viewing on the website of the Stock Exchange at www.hkexnews.hk, GEM’s website at www.hkgem.com and the website of the Company at www.chdev.com.hk on 28 January 2022.

By order of the Board
Chi Ho Development Holdings Limited
Leung Ka Ho, Raymond
Chairman of the Board and Executive Director

Hong Kong, 28 January 2022

As at the date of this announcement, the executive Directors are Mr. Leung Ka Ho, Raymond and Mr. Ho Chi Kwan; and the independent non-executive Directors are Mr. Leung Hung Kwong, Derrick, Mr. Moy Yee Wo, Matthew and Mr. Yau Sze Yeung.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM’s website www.hkgem.com on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and on the website of the Company at www.chdev.com.hk.

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

*This report, for which the directors (the “**Directors**”) of Chi Ho Development Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”, “**we**”, “**our**” or “**us**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

This report will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and the Company’s website at www.chdev.com.hk.

The board of Directors (the **"Board"**) of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the nine months ended 31 December 2021, together with the unaudited comparative figures for the corresponding period in 2020, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three and nine months ended 31 December 2021

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2021	2020	2021	2020
		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Revenue	3	70,344	74,048	199,017	197,325
Cost of sales		(60,287)	(62,451)	(170,414)	(172,410)
Gross profit		10,057	11,597	28,603	24,915
Other income		92	18	100	2,245
Other expenses		(12)	(51)	(603)	(1,795)
Administrative expenses		(4,859)	(2,878)	(11,936)	(8,884)
Finance costs		(628)	(493)	(1,694)	(1,449)
Profit before taxation		4,650	8,193	14,470	15,032
Income tax expense	4	(769)	(998)	(2,300)	(2,222)
Profit for the period		3,881	7,195	12,170	12,810
Other comprehensive income for the period:					
Revaluation of property upon transfer to investment property		2,355	-	2,355	-
Total comprehensive income for the period		6,236	7,195	14,525	12,810
Earnings per share					
– Basic (HK cents)	6	0.49	0.90	1.52	1.61

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2021

	Share capital	Share premium	Property revaluation reserve	Other reserve	Retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2021 (audited)	8,000	35,777	-	2,200	81,525	127,502
Profit for the period	-	-	-	-	12,170	12,170
Other comprehensive income for the period						
Revaluation of property upon transfer to investment property	-	-	2,355	-	-	2,355
Total comprehensive income for the period	-	-	2,355	-	12,170	14,525
Dividends paid	-	(2,000)	-	-	-	(2,000)
At 31 December 2021 (unaudited)	8,000	33,777	2,355	2,200	93,695	140,027
At 1 April 2020 (audited)	8,000	37,777	-	2,200	60,082	108,059
Profit and total comprehensive income for the period	-	-	-	-	12,810	12,810
Dividends paid	-	(2,000)	-	-	-	(2,000)
At 31 December 2020 (unaudited)	8,000	35,777	-	2,200	72,892	118,869

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2021

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 18 October 2016 under the Companies Law (as revised) of the Cayman Islands and its shares have been listed on GEM of the Stock Exchange since 13 March 2017 (the "**Listing**"). The ultimate and immediate holding companies are two companies namely, Sharp Talent Holdings Limited ("**Sharp Talent**") and Diamondfield Holdings Limited ("**Diamondfield**"), which are owned by Mr. Leung Ka Ho, Raymond and Mr. Ho Chi Kwan who are parties acting in concert, respectively. The address of the registered office and principal place of business of the Company are at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands and Units 901, 902 and 908, 9/F, Magnet Place Tower 1, 77-81 Container Port Road, Kwai Chung, New Territories, Hong Kong, respectively.

The Company acts as an investment holding company. The Company's subsidiaries are principally engaged in provision of building renovation and construction services.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollar ("**HK\$**") which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2021 have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure requirements of the GEM Listing Rules. The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 March 2021 which have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**").

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 unaudited condensed consolidated financial statements for the nine months ended 31 December 2021 are consistent with those applied in the audited consolidated financial statements for the year ended 31 March 2021.

The unaudited condensed consolidated financial statements have been prepared under the historical cost convention, except for investment property that is measured at fair values.

The preparation of the unaudited condensed consolidated financial statements requires the use of certain critical accounting estimates. It also requires the management to exercise their judgements in the process of applying the Group's accounting policies.

The unaudited condensed consolidated financial statements have not been reviewed by the Company's auditor, but have been reviewed by the Company's audit committee.

3. REVENUE

Revenue represents the fair value of amounts received and receivable by the Group in respect of the provision of building renovation and construction services to external customers. The Group's operations are solely derived from the building renovation and construction services in Hong Kong during the period. For the purposes of resources allocation and performance assessment, the chief operating decision maker (the "CODM"), being the executive directors of the Company, reviews the overall results and financial position of the Group as a whole prepared based on the same set of accounting policies. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

4. INCOME TAX EXPENSE

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Hong Kong Profits Tax – Current period	769	998	2,300	2,222

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, Hong Kong Profits Tax of a subsidiary, namely Fulam Construction Engineering Company Limited, for both periods is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million. For other entities of the Group, they are taxed at a flat rate of 16.5% for both periods.

5. DIVIDEND

The Board resolved not to declare an interim dividend for the nine months ended 31 December 2021 (2020: nil).

6. EARNINGS PER SHARE

The calculations of basic earnings per share attributable to the owners of the Company for the three months and nine months ended 31 December 2021 are based on the followings:

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Earnings:				
Earnings for the purpose of basic earnings per share (profit for the period)	3,881	7,195	12,170	12,810
	'000	'000	'000	'000
Number of shares:				
Weighted average number of ordinary shares for the purpose of basic earnings per share	800,000	800,000	800,000	800,000

No diluted earnings per share for both periods were presented as there were no dilutive potential ordinary shares outstanding.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue increased from approximately HK\$197.3 million for the nine months ended 31 December 2020 to approximately HK\$199.0 million for the nine months ended 31 December 2021, representing an increase of approximately 0.9% between the two periods, which was mainly due to the commencement of more projects with larger contract sum during the nine months ended 31 December 2021.

Cost of Sales

The Group's cost of sales decreased from approximately HK\$172.4 million for the nine months ended 31 December 2020 to approximately HK\$170.4 million for the nine months ended 31 December 2021, representing a decrease of approximately 1.2% between the two periods, which was mainly attributable to the decrease in subcontracting charges and construction material costs.

Gross Profit

The Group's gross profit increased by approximately HK\$3.7 million from approximately HK\$24.9 million for the nine months ended 31 December 2020 to approximately HK\$28.6 million for the nine months ended 31 December 2021. The overall gross profit margin increased from approximately 12.6% for the nine months ended 31 December 2020 to approximately 14.4% for the nine months ended 31 December 2021 as the projects undertaken by the Group during the nine months ended 31 December 2021 generally had a higher gross profit margin, as a result of the decrease in subcontracting charges and construction material costs, as well as the slight increase in revenue for the nine months ended 31 December 2021.

Other Income

The Group's other income decreased by approximately HK\$2.1 million from approximately HK\$2.2 million for the nine months ended 31 December 2020 to approximately HK\$0.1 million for the nine months ended 31 December 2021. Other income for the nine months ended 31 December 2020 primarily comprised the subsidy income received from the Government of the HKSAR under the Employment Support Scheme. The Group did not receive the same for the nine months ended 31 December 2021.

Other Expenses

The Group's other expenses represented the professional fees incurred for transfer of listing (the "**Transfer of Listing**") during the period.

Administrative Expenses

The Group's administrative expenses increased by approximately HK\$3.0 million or 33.7% from approximately HK\$8.9 million for the nine months ended 31 December 2020 to approximately HK\$11.9 million for the nine months ended 31 December 2021.

Such increase was mainly attributable to the increase in remuneration paid to directors as the temporary 30% salary reduction of the two executive Directors during the nine months ended 31 December 2020 was ended in March 2021.

Finance Costs

The Group's finance costs increased by approximately HK\$0.3 million or 21.4% from approximately HK\$1.4 million for the nine months ended 31 December 2020 to approximately HK\$1.7 million for the nine months ended 31 December 2021. It was mainly due to the increase in usage of loan settlement for trade payables and factoring loan during the nine months ended 31 December 2021.

Income Tax Expense

The Group's income tax expense increased by approximately HK\$0.1 million or 4.5% from approximately HK\$2.2 million for the nine months ended 31 December 2020 to approximately HK\$2.3 million for the nine months ended 31 December 2021.

Profit and Total Comprehensive Income for the period attributable to the owners of the Company

Profit for the period attributable to the owners of the Company decreased by approximately HK\$0.6 million or 4.7% from approximately HK\$12.8 million for the nine months ended 31 December 2020 to approximately HK\$12.2 million for the nine months ended 31 December 2021.

Such decrease was primarily attributable to the net effect of (i) the increase in revenue and gross profit for the nine months ended 31 December 2021; (ii) the decrease in professional fees incurred for the Transfer of Listing; (iii) the decrease in other income relating to the subsidy income; and (iv) the increase in the administrative expenses incurred by the Group for the nine months ended 31 December 2021.

The total comprehensive income for the period attributable to the owners of the Company increased by approximately HK\$1.7 million or 13.3% from approximately HK\$12.8 million for the nine months ended 31 December 2020 to approximately HK\$14.5 million for the nine months ended 31 December 2021.

Such increase was attributable to the revaluation of property upon transfer to investment property during the nine months ended 31 December 2021.

BUSINESS REVIEW AND OUTLOOK

The Group is an established main contractor for the provision of renovation and maintenance works, alteration and addition works (“**RMAA**”) and fitting-out works, and site formation and geotechnical works in Hong Kong. The Group is responsible for the overall management, implementation and supervision of projects. The Group focuses on the management of projects, development of work programmes, procurement of works materials, operation of site works, co-ordination with the customers or their consultants and the environmental, safety and quality control of the works carried by the employees and the subcontractors.

In respect of renovation and maintenance works, the Group encompasses the general upkeep, restoration and improvement of existing facilities and components of the buildings and their surroundings. As for alteration and addition works and fitting-out works, the Group revolves around the alteration and addition of building layout and structural works and decoration works to the interior spaces to the existing premises.

For the nine months ended 31 December 2021, there were 38 projects (2020: 42 projects) with revenue contribution undertaken by the Group. During the nine months ended 31 December 2021, the Group was awarded 18 new projects with total original contract sum of approximately HK\$255.4 million.

Since the first confirmed case of COVID-19 in Hong Kong was reported in January 2020, the Directors have been closely monitoring the development of the outbreak of COVID-19 (the "**Pandemic**") and keeping communication with the Group's customers, suppliers and subcontractors proactively and regularly to ascertain whether the Pandemic would lead to (i) any significant impact on the status or progress of ongoing projects; and (ii) any supply shortages on construction materials and labour resources.

In view of the ongoing Pandemic, the Directors have implemented the following policies to minimise the impact of the Pandemic on the Group's business operations:

- (i) to discuss and prepare the contingency plans during the planning stage of projects. The contingency plans would generally include the assignment of alternate personnel to replace any project team members in the event they have any respiratory symptom, and the details of alternate suppliers and subcontractors;
- (ii) to avoid shortage in supply of construction materials due to temporary closure of the suppliers' production facilities, transportation constraints or any disruption of the supply chain of construction materials, the Group would obtain more quotations from different suppliers for back-up purpose; and
- (iii) to ensure sufficient labour resources, the Group would obtain more quotations from different subcontractors for back-up purpose.

In addition, in response to the Pandemic, the Group have implemented the following precautionary measures:

- (i) require staff and workers who are not fully vaccinated to undergo compulsory testing regularly;
- (ii) require staff and visitors to wear a surgical mask when staying at office or work site at all times;
- (iii) monitor the stock level of personal care products (such as surgical masks and hand sanitisers);
- (iv) conduct mandatory daily temperature checks for staff and visitors in office and work sites;

- (v) arrange regular cleaning of office with appropriate disinfectant;
- (vi) require staff not to go to office when having respiratory symptoms, and work from home if feasible;
- (vii) require mandatory reporting by employees who (or their family members residing with them) travelled outside Hong Kong, and requiring 14 days' self-quarantine for those who (or whose family members residing with them) returned to Hong Kong;
- (viii) arrange laptops with remote access for employees who work from home;
- (ix) request subcontractors to withdraw their staff who travelled outside Hong Kong and returned to Hong Kong;
- (x) provide publicity materials on prevention of COVID-19 for all staff members;
- (xi) keep close communication with any staff at work sites who has been confirmed positive for COVID-19; and
- (xii) monitor and keep track of the development of the Pandemic in Hong Kong and update the Group's staff.

During the nine months ended 31 December 2021, none of the projects had been subject to significant delay or suspension of work due to the Pandemic. Notwithstanding that the Pandemic has slowed down the overall economy in Hong Kong, the Group's operations and financial performance had not been materially affected by the Pandemic. The Directors will continue to closely monitor the latest development of the Pandemic and assess and respond to its impact on the Group's results of operations, cash flows and financial condition.

SIGNIFICANT INVESTMENTS HELD

As disclosed in the Company's announcement dated 19 November 2021, the Company has moved its head office and principal place of business in Hong Kong (the "**Change of Office**"). Following the Change of Office, the Company reclassified the self-owned office premises, being the previous head office and principal place of business in Hong Kong, to investment property.

Save as disclosed above and the Company's investment in various subsidiaries, the Group did not hold any significant investments at 31 December 2021.

DISCLOSURE OF INTERESTS

A. Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2021, interests or short positions of the Directors, chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required (i) 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 (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(i) *Long Position in the Company's Shares*

Name of Directors	Capacity	Number and class of securities	Approximate percentage of shareholding
Mr. Leung Ka Ho, Raymond (Notes 1 & 2)	Interest in a controlled corporation; interest held jointly with another person	533,000,000 ordinary shares	66.6%
Mr. Ho Chi Kwan (Notes 1 & 3)	Interest in a controlled corporation; interest held jointly with another person	533,000,000 ordinary shares	66.6%

Notes:

1. On 11 November 2016, Mr. Leung and Mr. Ho entered into the Concert Parties Confirmatory Deed to acknowledge and confirm, among other things, that they are parties acting in concert with each of the members of the Group and continue as at and after the date of the Concert Parties Confirmatory Deed, details of which are set out in the paragraphs headed "History, reorganisation and corporate structure – Parties acting in concert" in the prospectus of the Company dated 28 February 2017 ("**Prospectus**").
2. 533,000,000 Shares in which Mr. Leung is interested consist of (i) 333,410,000 Shares held by Sharp Talent, a company wholly owned by Mr. Leung, in which Mr. Leung is deemed to be interested under the SFO; and (ii) 199,590,000 Shares in which Mr. Leung is deemed to be interested as a result of being a party acting-in-concert with Mr. Ho.
3. 533,000,000 Shares in which Mr. Ho is interested consist of (i) 199,590,000 Shares held by Diamondfield, a company wholly owned by Mr. Ho, in which Mr. Ho is deemed to be interested under the SFO; and (ii) 333,410,000 Shares in which Mr. Ho is deemed to be interested as a result of being a party acting-in-concert with Mr. Leung.

(ii) Long position in the ordinary shares of associated corporations

Name of Directors	Name of associated corporations	Capacity	Number and class of securities	Approximate percentage of shareholding
Mr. Leung Ka Ho, Raymond	Sharp Talent	Beneficial owner	1 ordinary share	100%
Mr. Ho Chi Kwan	Diamondfield	Beneficial owner	1 ordinary share	100%

Save as disclosed above, as at 31 December 2021, none of the Directors nor chief executive of the Company has registered an interest 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) (i) 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 were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

B. Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2021, the interest and short positions of the person (other than the Directors or chief executive of the Company) or company which was required to be recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name	Capacity	Number and class of securities	Long/short position	Approximate percentage of shareholding
Sharp Talent (Note)	Beneficial owner; interest held jointly with another person	533,000,000 ordinary shares	Long	66.6%
Diamondfield (Note)	Beneficial owner; interest held jointly with another person	533,000,000 ordinary shares	Long	66.6%

Note:

On 11 November 2016, Mr. Leung Ka Ho, Raymond and Mr. Ho Chi Kwan entered into the Concert Parties Confirmatory Deed to acknowledge and confirm, among other things, that they are parties acting in concert with each of the members of the Group and continue as at and after the date of the Concert Parties Confirmatory Deed, details of which are set out in the paragraphs headed "History, reorganisation and corporate structure — Parties acting in concert" in the Prospectus. As such, pursuant to the parties acting in concert arrangement, each of the Controlling Shareholders, i.e. Sharp Talent (being wholly owned by Mr. Leung), Mr. Leung, Diamondfield (being wholly owned by Mr. Ho) and Mr. Ho is deemed to be interested in 66.6% of the issued share capital of the Company.

Save as disclosed above, as at 31 December 2021 and so far as is known to the Directors, no person, other than the Directors and chief executive of the Company whose interests are set out in the section "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, had notified the Company of an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

COMPETING AND CONFLICTS OF INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling shareholder of the Company nor any of their respective associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the period ended 31 December 2021.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period ended 31 December 2021.

CORPORATE GOVERNANCE CODE

Pursuant to the code provision C.2.1 of the Corporate Governance Code (the "**CG Code**"), the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established.

Mr. Leung Ka Ho, Raymond currently assumes the role of both chairman of the Company and chief executive of the Company. The Board considers that this structure could enhance efficiency in formulation and implementation of the Company's strategies. The Board will review the need of appointing suitable candidate to assume the role of chief executive when necessary.

As at 31 December 2021, save as disclosed above, the Company has complied with the applicable code provisions of the CG Code as set out in Appendix 15 of the GEM Listing Rules.

DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standards of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiries of all the Directors and the Company was not aware of any noncompliance with the required standard of dealings regarding securities transactions by the Directors throughout the period ended 31 December 2021.

DIVIDEND

The Board resolved not to declare an interim dividend for the nine months ended 31 December 2021 (2020: nil).

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme on 22 February 2017 (the “**Share Option Scheme**”). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

No share option has been granted during the period and there were no share option outstanding as at 31 December 2021.

AUDIT COMMITTEE

The Company established an audit committee (“**Audit Committee**”) with its written terms of reference in compliance with the GEM Listing Rules, in accordance with provisions set out in the CG Code which are available on the websites of the Stock Exchange and the Company. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment, reappointment and removal of the external auditor, to review and monitor the external auditor’s independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and to monitor the integrity of the Company’s annual report and quarterly and interim financial reports before submission to the Board. The Audit Committee consists of three members, namely Mr. Yau Sze Yeung, Mr. Leung Hung Kwong, Derrick and Mr. Moy Yee Wo, Matthew, all being independent non-executive Directors of the Company. Mr. Yau Sze Yeung currently serves as the chairman of the Audit Committee.

The auditor of the Company has not audited or reviewed the condensed consolidated results for the nine months ended 31 December 2021. The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2021.

By order of the Board
Chi Ho Development Holdings Limited
Leung Ka Ho, Raymond
Chairman and Executive Director

Hong Kong, 28 January 2022

As at the date of this report, the executive Directors are Mr. Leung Ka Ho, Raymond and Mr. Ho Chi Kwan; and the independent non-executive Directors are Mr. Leung Hung Kwong, Derrick, Mr. Moy Yee Wo, Matthew and Mr. Yau Sze Yeung.