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**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 30 JUNE 2021**

RESULTS

The board (the “Board”) of directors (the “Director(s)”) of DeTai New Energy Group Limited (the “Company”) hereby announce the audited annual results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 30 June 2021, together with comparative figures from the previous corresponding year, summarised as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2021

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Continuing operations			
Revenue	3		
Services income		18,756	31,479
Interest income		4,943	12,901
Trading income		393	2,470
		<hr/> 24,092	<hr/> 46,850
Cost of sales		(13,174)	(19,805)
		<hr/> 10,918	27,045
Gross profit		10,918	27,045
Other income and gains	5	5,587	14,702
Selling and distribution expenses		(121)	(143)
General and administrative expenses		(44,137)	(54,885)
Finance costs	7	(2,204)	(2,051)
Share of loss of associates	12	(5,619)	(2,611)
Impairment loss on interests in associates	12	(3,883)	–
Reversal of impairment loss on trade receivables	14	374	–
Impairment loss on goodwill		–	(56,984)
Reversal of impairment loss/(impairment loss) of loans receivable	13	8,824	(18,734)
Impairment loss on other receivables and deposits	14	(1,928)	(4,458)
Impairment loss on property, plant and equipment	11	(15,628)	(74,159)
Net surplus/(deficit) on revaluation of investment properties		200	(1,261)
Gain on disposal of subsidiaries		–	8,512
		<hr/> (47,617)	<hr/> (165,027)
Loss before income tax	6	(47,617)	(165,027)
Income tax credit	8	5,841	9,101
		<hr/> (41,776)	<hr/> (155,926)
Loss after income tax from continuing operations		(41,776)	(155,926)
Discontinued operations			
Profit/(loss) for the year from discontinued operations	4	4,879	(11,643)
		<hr/> (36,897)	<hr/> (167,569)
Loss for the year		(36,897)	(167,569)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(Continued)*
For the year ended 30 June 2021

	<i>Note</i>	2021 HK\$'000	2020 HK\$'000
Other comprehensive income			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Exchange differences arising on translation of foreign operations		2,051	(1,535)
Release of exchange reserve upon disposal of subsidiaries		(651)	(3,910)
		<hr/>	<hr/>
Other comprehensive income for the year		1,400	(5,445)
		<hr/>	<hr/>
Total comprehensive income for the year		(35,497)	(173,014)
		<hr/> <hr/>	<hr/> <hr/>
Loss for the year attributable to:			
Owners of the Company		(35,365)	(163,520)
Non-controlling interests		(1,532)	(4,049)
		<hr/>	<hr/>
		(36,897)	(167,569)
		<hr/>	<hr/>
Total comprehensive income for the year attributable to:			
Owners of the Company		(35,014)	(169,401)
Non-controlling interests		(483)	(3,613)
		<hr/>	<hr/>
		(35,497)	(173,014)
		<hr/> <hr/>	<hr/> <hr/>
(Loss)/earnings per share attributable to owners of the Company:	<i>10</i>		
From continuing and discontinued operations			
— Basic		HK(0.23) cent	HK(1.04) cents
— Diluted		HK(0.23) cent	HK(1.04) cents
		<hr/>	<hr/>
From continuing operations			
— Basic		HK(0.27) cent	HK(0.99) cent
— Diluted		HK(0.27) cent	HK(0.99) cent
		<hr/>	<hr/>
From discontinued operations			
— Basic		HK0.04 cent	HK(0.05) cent
— Diluted		HK0.04 cent	HK(0.05) cent
		<hr/>	<hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Notes	2021 HK\$'000	2020 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	11	377,212	409,886
Investment properties		19,600	19,400
Interests in associates	12	3,487	12,989
Financial assets at fair value through profit or loss		59,805	58,769
Loans receivable	13	554	1,423
Total non-current assets		460,658	502,467
Current assets			
Inventories		50,252	46,668
Trade receivables, other receivables, deposits and prepayments	14	80,623	90,226
Loans receivable	13	65,337	52,414
Financial assets at fair value through profit or loss	15	7,500	10,000
Deposits in a financial institution		318,384	–
Pledged bank balances		1,126	6,138
Bank balances and cash		16,574	354,041
Total current assets		539,796	559,487
Current liabilities			
Trade payables, other payables and accruals	16	7,909	14,248
Contract liabilities		2,658	2,275
Borrowings	17	128,549	20,659
Lease liabilities		318	2,708
Amount due to non-controlling interests		–	43,661
Tax payable		2,845	2,618
Total current liabilities		142,279	86,169
Net current assets		397,517	473,318
Total assets less current liabilities		858,175	975,785

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)*As at 30 June 2021*

	<i>Notes</i>	2021 HK\$'000	2020 <i>HK\$'000</i>
Non-current liabilities			
Borrowings	<i>17</i>	–	120,012
Lease liabilities		–	1,418
Deferred tax liabilities		55,266	62,609
		<hr/>	<hr/>
Total non-current liabilities		55,266	184,039
		<hr/>	<hr/>
Net assets		802,909	791,746
		<hr/>	<hr/>
EQUITY			
Share capital	<i>18</i>	784,776	784,776
Reserves		18,133	53,147
		<hr/>	<hr/>
Equity attributable to owners of the Company		802,909	837,923
		<hr/>	<hr/>
Non-controlling interests		–	(46,177)
		<hr/>	<hr/>
Total equity		802,909	791,746
		<hr/>	<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

DeTai New Energy Group Limited (the “Company”) is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the Company’s registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business was Room 905, 9/F., Wings Building, 110-116 Queen’s Road Central, Hong Kong.

The Company is an investment holding company. The principal activities of the Company’s subsidiaries are principally engaged in the business of (i) hotel hospitality business; (ii) provision of money lending services; (iii) trading and distribution of liquor and wine; and (iv) investments in funds.

On 5 February 2021, the Group entered into a sales and purchase agreement with an independent third party to dispose of its 72.75% equity interest of Perfect Essential Holdings Limited and its subsidiaries (the “EPS Group”) at a consideration of HK\$5,800,000. The disposal was completed on 10 February 2021 and the Group ceased to have any interest in the new energy business. Details of the abovementioned disposal are set out in note 19 to the consolidated financial statements.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Adoption of new/revised HKFRSs

In the current year, the Company and its subsidiaries (collectively referred to as the “Group”) has applied for the first time the following new standards, amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants, which are relevant to and effective for the Group’s consolidated financial statements for the annual period beginning on 1 July 2020:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	Interest Rate Benchmark Reform
Amendments to HKFRS 16	COVID-19-Related Rent Concessions
Conceptual Framework for Financial Reporting	Revised Conceptual Framework for Financial Reporting

The application of these new or amended HKFRSs has no material impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRS that is not yet effective for the current accounting period.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group’s consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group:

Amendments to HKAS 1 HK Interpretation 5 (2020)	Classification of Liabilities as Current or Non-current ⁵ Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ⁵
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting policies ⁵
Amendments to HKAS 8	Definition of Accounting Estimates ⁵
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction ⁵
Amendments to HKAS 16	Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract ²
Amendments to HKFRS 3	Reference to the Conceptual Framework ⁴
Amendment to HKFRS 16	COVID-19 Related Rent Concessions beyond 30 June 2021 ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁶
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2 ¹
Amendments to HKFRS Standards	Annual Improvements to HKFRSs 2018–2020 ²

¹ Effective for annual periods beginning on or after 1 January 2021.

² Effective for annual periods beginning on or after 1 January 2022.

³ Effective for annual periods beginning on or after 1 April 2022.

⁴ Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022.

⁵ Effective for annual periods beginning on or after 1 January 2023.

⁶ The Amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

Amendments to HKAS 1, Classification of Liabilities as Current or Non-current and HK Interpretation 5 (2020), Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and explain that rights are in existence if covenants are complied with at the end of the reporting period. The amendments also introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

HK Interpretation 5 (2020) was revised as a consequence of the Amendments to HKAS 1 issued in August 2020. The revision to HK Interpretation 5 (2020) updates the wordings in the interpretation to align with the Amendments to HKAS 1 with no change in conclusion and do not change the existing requirements.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

Amendments to HKAS 1, Disclosure of Accounting Policies

The amendments to Disclosure of Accounting Policies were issued following feedback that more guidance was needed to help companies to decide what accounting policy information should be disclosed. The amendments to HKAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to HKFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Amendments to HKAS 8, Definition of Accounting Estimates

The amendments to HKAS 8 clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

Amendments to HKAS 12 — Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations — transactions for which companies recognise both an asset and a liability.

The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

Amendments to HKAS 16, Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the proceeds from selling such items, and the cost of producing those items, is recognised in profit or loss.

Amendments to HKAS 37, Onerous Contracts — Cost of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (e.g. direct labour and materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Amendments to HKFRS 3, Reference to the Conceptual Framework

The amendments update HKFRS 3 so that it refers to the revised Conceptual Framework for Financial Reporting 2018 instead of the version issued in 2010. The amendments add to HKFRS 3 a requirement that, for obligations within the scope of HKAS 37, an acquirer applies HKAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of HK(IFRIC)-Int 21 Levies, the acquirer applies HK(IFRIC)-Int 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

Amendments to HKFRS 16 Leases — COVID-19-Related Concessions beyond 30 June 2021

The 2021 Amendment to HKFRS 16 extends the availability of the practical expedient in paragraph 46A of HKFRS 16 so that it applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided that the other conditions for applying the practical expedient are met.

Amendments to HKFRS 10 and HKAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. When the transaction with an associate or joint venture that is accounted for using the equity method, any gains or losses resulting from the loss of control of a subsidiary that does not contain a business are recognised in the profit or loss only to the extent of the unrelated investors’ interests in that associate or joint venture. Similarly, any gains or losses resulting from the remeasurement of retained interest in any former subsidiary (that has become an associate or a joint venture) to fair value are recognised in the profit or loss only to the extent of the unrelated investors’ interests in the new associate or joint venture.

Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16, Interest Rate Benchmark Reform — Phase 2

The amendments address issues that might affect financial reporting when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the interest rate benchmark reform (the “Reform”). The amendments complement those issued in November 2019 and relate to (a) changes to contractual cash flows in which an entity will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the Reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate; (b) hedge accounting in which an entity will not have to discontinue its hedge accounting solely because it makes changes required by the Reform, if the hedge meets other hedge accounting criteria; and (c) disclosures in which an entity will be required to disclose information about new risks arising from the Reform and how it manages the transition to alternative benchmark rates.

Amendments to HKFRS Standards — Annual Improvements to HKFRSs 2018–2020

The annual improvements amends a number of standards, including:

- HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards, which permit a subsidiary that applies paragraph D16(a) of HKFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to HKFRSs.
- HKFRS 9, Financial Instruments, which clarify the fees included in the “10 per cent” test in paragraph B3.3.6 of HKFRS 9 in assessing whether to derecognise a financial liability, explaining that only fees paid or received between the entity and the lender, including fees paid or received by either the entity or the lender on other’s behalf are included.
- HKFRS 16, Leases, which amend Illustrative Example 13 to remove the illustration of reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
- HKAS 41, Agriculture, which remove the requirement to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The Group is in the process of making an assessment of the potential impact of these new pronouncements upon application.

3. REVENUE AND SEGMENT REPORTING

Revenue represents the amounts received and receivable for goods sold to outside customers, net of returns and discounts and sales related taxes, income from hotel operations and interest income from loans receivable during the year.

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Continuing operations:		
Service income:		
Hotel hospitality business	18,756	31,479
Interest income:		
Money lending services	4,943	12,901
Trading income:		
Liquor and wine	393	2,470
	<u>24,092</u>	<u>46,850</u>

Segment reporting

(a) Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The chief operating decision-maker has been identified as the Company's executive directors.

During the year, the Group has completed the disposal of the new energy business. In accordance with HKFRS 5, the segment of new energy business for the years ended 30 June 2021 and 2020 were presented as discontinued operations in the Group's consolidated financial statements. Further details regarding the results of the discontinued operations is set out in note 4 to the consolidated financial statements.

The Group currently has four reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies as follows:

- (i) hotel hospitality business;
- (ii) provision of money lending services;
- (iii) trading and distribution of liquor and wine; and
- (iv) investments in funds

There were no inter-segment transactions between different operating segments for the year (2020: Nil). Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' results that is used by the chief operating decision-maker for assessment of segment performance.

3. REVENUE AND SEGMENT REPORTING (Continued)

Segment reporting (Continued)

(b) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments.

For the year ended 30 June 2021

	Hotel hospitality business <i>HK\$'000</i>	Money lending services <i>HK\$'000</i>	Liquor and wine <i>HK\$'000</i>	Investments in funds <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	<u>18,756</u>	<u>4,943</u>	<u>393</u>	–	<u>24,092</u>
Segment (loss)/profit	<u>(22,569)</u>	<u>13,338</u>	<u>(807)</u>	<u>408</u>	<u>(9,630)</u>
Unallocated corporate income and gains					3,339
Unallocated corporate expenses (<i>Note</i>)					(29,820)
Finance costs					(2,204)
Share of loss of associates					(5,619)
Impairment loss on interests in associates					(3,883)
Net surplus on revaluation of investment properties					<u>200</u>
Loss before income tax from continuing operations					<u>(47,617)</u>

For the year ended 30 June 2020

	Hotel hospitality business <i>HK\$'000</i>	Money lending services <i>HK\$'000</i>	Liquor and wine <i>HK\$'000</i>	Investments in funds <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	<u>31,479</u>	<u>12,901</u>	<u>2,470</u>	–	<u>46,850</u>
Segment (loss)/profit	<u>(135,305)</u>	<u>(5,293)</u>	<u>3,102</u>	<u>7,359</u>	<u>(130,137)</u>
Unallocated corporate income and gains					2,415
Unallocated corporate expenses (<i>Note</i>)					(35,044)
Finance costs					(2,051)
Gain on disposal of subsidiaries					4,449
Share of loss of an associate					(2,611)
Net deficit on revaluation of investment properties					(1,261)
Share-based payment expenses					<u>(787)</u>
Loss before income tax from continuing operations					<u>(165,027)</u>

Note: Unallocated corporate expenses mainly included staff salaries, directors' remuneration and consultancy fees for the years ended 30 June 2021 and 2020.

3. REVENUE AND SEGMENT REPORTING (Continued)

Segment reporting (Continued)

(c) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Segment assets		
Continuing operations		
Hotel hospitality business	378,820	415,589
Money lending services	66,544	82,366
Liquor and wine	71,817	68,736
Investments in funds	122,935	125,566
Discontinued operations		
New energy business	—	2,898
Total segment assets	640,116	695,155
Interests in associates	3,487	12,989
Investment properties	19,600	19,400
Deposits in a financial institution	318,384	—
Unallocated bank balances and cash	9,485	312,174
Unallocated corporate assets (<i>Note</i>)	9,382	22,236
Consolidated total assets	<u>1,000,454</u>	<u>1,061,954</u>

3. REVENUE AND SEGMENT REPORTING (Continued)

Segment reporting (Continued)

(c) Segment assets and liabilities (Continued)

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Segment liabilities		
Continuing operations		
Hotel hospitality business	122,027	133,764
Money lending services	246	432
Liquor and wine	2,468	2,352
Investments in funds	113	183
Discontinued operations		
New energy business	—	53,246
Total segment liabilities	124,854	189,977
Tax payable	2,845	2,618
Deferred tax liabilities	55,266	62,609
Unallocated corporate liabilities	14,580	15,004
Consolidated total liabilities	197,545	270,208

Note: Unallocated corporate assets mainly comprised of compensation from profit guarantee for the year ended 30 June 2021 and 2020.

3. REVENUE AND SEGMENT REPORTING (Continued)

Segment reporting (Continued)

(d) Other segment information

For the year ended 30 June 2021

	Hotel hospitality business HK\$'000	Money lending services HK\$'000	Liquor and wine HK\$'000	Investments in funds HK\$'000	Unallocated HK\$'000	Total HK\$'000
Amounts included in the measure of segment profit or loss or segment assets:						
Additions to non-current assets	1,330	-	-	-	3,554	4,884
Depreciation of property, plant and equipment	(6,175)	(2,067)	-	(4)	-	(8,246)
Impairment loss on property, plant and equipment	(13,605)	(2,016)	(7)	-	-	(15,628)
Impairment losses on other receivables and deposits	-	-	-	(1,839)	(89)	(1,928)
Reversal of impairment losses on trade receivables	-	-	374	-	-	374
Reversal of impairment losses on loans receivable	-	8,824	-	-	-	8,824
Gain on disposal of subsidiaries	-	-	-	-	9,039	9,039
Interest income from banks and a financial institution	-	-	18	-	1,818	1,836
Surplus on revaluation of investment properties	-	-	-	-	200	200
Change in fair value of financial assets at fair value through profit or loss	-	-	-	1,036	-	1,036
Amounts regularly provided to the chief operating decision-maker but not included in the measure of segment profit or loss:						
Finance costs	(1,030)	(10)	-	-	(1,164)	(2,204)

3. REVENUE AND SEGMENT REPORTING (Continued)

Segment reporting (Continued)

(d) Other segment information (Continued)

For the year ended 30 June 2020

	Hotel hospitality business HK\$'000	Money lending services HK\$'000	Liquor and wine HK\$'000	Investments in funds HK\$'000	Unallocated HK\$'000	Total HK\$'000
Amounts included in the measure of segment profit or loss or segment assets:						
Additions to non-current assets	2,293	–	–	–	15,600	17,893
Depreciation of property, plant and equipment	(6,361)	(25)	(2)	(126)	(1,827)	(8,341)
Impairment loss on property, plant and equipment	(74,159)	–	–	–	–	(74,159)
Impairment losses on loans receivable	–	(18,734)	–	–	–	(18,734)
(Impairment losses)/reversal of impairment losses on other receivables and deposits	–	–	(2,718)	(1,837)	97	(4,458)
Impairment losses on goodwill	(56,984)	–	–	–	–	(56,984)
Gain on disposal of subsidiaries	–	–	4,063	–	4,449	8,512
Interest income from banks and a financial institution	–	–	21	12	1,312	1,345
Net deficit on revaluation of investment properties	–	–	–	–	(1,261)	(1,261)
Change in fair value of financial assets at fair value through profit or loss	–	–	–	9,997	–	9,997
Amounts regularly provided to the chief operating decision-maker but not included in the measure of segment profit or loss:						
Finance costs	(1,099)	(2)	–	–	(950)	(2,051)

3. REVENUE AND SEGMENT REPORTING (Continued)

Segment reporting (Continued)

(e) Geographic information

The Group's operations are mainly located in Hong Kong (place of domicile), the PRC and Japan.

The Group's revenue from external customers and information about its non-current assets (other than financial assets) by geographical markets are detailed as below:

	Revenue from external customers (including continuing and discontinued operations)		Non-current assets	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Hong Kong	4,943	12,901	24,543	38,074
PRC	772	4,050	–	6
Sweden	–	492	–	–
Japan	18,756	31,479	375,756	404,195
	<u>24,471</u>	<u>48,922</u>	<u>400,299</u>	<u>442,275</u>

The geographical location of customers is based on the location at which the goods and services are delivered. For goodwill and intangible assets, the geographical location is based on the areas of operation. The geographical location of other non-current assets is based on the physical location of the assets.

(f) Major customers

There is no significant revenue that is more than 10% of the Group's revenue derived from specific external customers for the years ended 30 June 2021 and 2020.

4. DISCONTINUED OPERATIONS

During the year ended 30 June 2021, the Group has completed disposing the business of development, manufacture and distribution of a vegetable fuel additive (“New Energy Business”) to an independent third party.

New Energy Business represented the separate line of major business and is classified as discontinued operations for the year ended 30 June 2021. For the purpose of presenting discontinued operations, the comparative consolidated statement of comprehensive income and the related notes have been represented.

The results and cash flows of the New Energy Business for the years ended 30 June 2021 and 30 June 2020 are as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue	379	2,072
Cost of sales	(298)	(930)
Other income and gains	111	1,070
Selling and distributing expenses	(394)	(1,536)
General and administrative expenses	(3,949)	(11,813)
Finance costs	–	(70)
Impairment loss on property, plant and equipment	–	(127)
Impairment loss on other receivables and deposits	(9)	(309)
	<u> </u>	<u> </u>
Loss before income tax	(4,160)	(11,643)
Income tax expense	–	–
	<u> </u>	<u> </u>
Loss after income tax from discontinued operations	(4,160)	(11,643)
Gain on disposal of subsidiaries (<i>note 19</i>)	9,039	–
	<u> </u>	<u> </u>
Profit/(loss) for the year from discontinued operations	<u>4,879</u>	<u>(11,643)</u>

5. OTHER INCOME AND GAINS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Continuing operations		
Interest income from banks and a financial institution	1,836	1,345
Additional compensation in relation to profit guarantee	170	400
Other operating income	–	85
Interest income on amount due from non-controlling interests	–	94
Change in fair value of financial assets at fair value through profit or loss (<i>note 15</i>)	1,036	9,997
Government subsidies (<i>note</i>)	948	–
Other sundry income	1,597	2,781
	<u> </u>	<u> </u>
	<u>5,587</u>	<u>14,702</u>

Note: The government subsidies represented a one-off subsidy under Employment Support Scheme launched by the Government of the Hong Kong Special Administrative Region and subsidy received under “Employment Adjustment Subsidy” from Japan Government. There are no unfulfilled conditions and other contingencies attached to the receipts of those subsidies.

6. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting):

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Continuing operations		
Auditor's remuneration	1,900	2,080
Depreciation expenses in respect of:		
Owned assets	7,139	6,830
Right-of-use assets	1,107	1,511
Cost of inventories recognised as expense	13,174	19,805
Reversal of impairment loss/(impairment loss) of loans receivable (<i>note 13</i>)	(8,824)	18,734
Impairment loss on other receivables	1,928	4,458
Impairment loss on goodwill	–	56,984
Impairment loss on property, plant and equipment (<i>note 11</i>)	15,628	74,159
Employee benefit expense (including directors' remuneration):		
Wages and salaries	8,834	10,880
Contributions to retirement benefit schemes	475	1,172
Share-based payment expenses	–	787
Short term lease expenses	251	1,458
Exchange losses, net	646	2,379
Reversal of impairment loss on trade receivables (<i>note 14</i>)	(374)	–
Written off of property, plant and equipment	236	32
Loss on derecognition of associates	678	–
	<u>1,900</u>	<u>2,080</u>

7. FINANCE COSTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Continuing operations		
Interest on bank loans and bank overdraft	1,030	1,101
Interest on other loans	1,080	720
Interest on lease liabilities	94	230
	<u>1,030</u>	<u>1,101</u>
	<u>2,204</u>	<u>2,051</u>

8. INCOME TAX CREDIT

Hong Kong profits tax was provided at the rate of 16.5% on the estimated assessable profit arising in Hong Kong for both years ended 30 June 2021 and 2020. No provision for Hong Kong profits tax has been made for the current and prior periods as the Group has no assessable profits arising in Hong Kong.

The subsidiaries established in the PRC are subject to enterprise income tax ("EIT") at tax rates of 25% for both years ended 30 June 2021 and 2020. No provision for PRC EIT has been made for the current and prior periods as the Group has no assessable profits arising in the PRC.

8. INCOME TAX CREDIT (Continued)

Under the relevant Japan tax regulations, the profits of the business under tokumei kumiai arrangement which is distributed to a tokumei kumiai investor after deducting any accumulated losses in prior years is only subject to 20.42% withholding income tax in Japan. The withholding tax is final Japanese tax on such distributed tokumei kumiai profits and such profits are not subject to any other Japanese taxes. There is no withholding tax paid or payable for the both years ended 30 June 2021 and 2020 as there is no profit distribution.

The subsidiary established in Japan is subject to prefectural and municipal inhabitant taxes on a per capita basis in accordance with the relevant Japan tax regulations for the year ended 30 June 2021 and 2020.

The subsidiary established in Sweden is subject to corporate income tax at tax rates of 22% for the year ended 30 June 2021 and 2020. No provision for Sweden corporate income taxes have been made for the current and prior periods as the Group has no assessable profits arising in Sweden.

	2021		2020	
	Continuing operations HK\$'000	Discontinued operations HK\$'000	Continuing operations HK\$'000	Discontinued operations HK\$'000
Current tax for the year				
Hong Kong	–	–	–	–
Japan	10	–	10	–
Deferred tax	<u>(5,851)</u>	<u>–</u>	<u>(9,111)</u>	<u>–</u>
Total income tax credit	<u><u>(5,841)</u></u>	<u><u>–</u></u>	<u><u>(9,101)</u></u>	<u><u>–</u></u>

9. DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 30 June 2021 (2020: Nil).

10. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share is based on the loss for the year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the year.

The calculation of the basic loss per share based on the following data:

	2021 HK\$'000	2020 HK\$'000
(Loss)/profit for the year attributable to owners of the Company for the purpose of calculating basic and diluted (loss)/earnings per share:		
Continuing operations	(41,776)	(155,926)
Discontinued operations	<u>6,411</u>	<u>(7,594)</u>
Total loss from continuing operations and discontinued operations	<u><u>(35,365)</u></u>	<u><u>(163,520)</u></u>

10. (LOSS)/EARNINGS PER SHARE (Continued)

	Number of shares	
	2021 '000	2020 '000
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	<u>15,695,532</u>	<u>15,695,532</u>

Diluted (loss)/earnings per share amount for both years were not presented because the impact of the exercise of the share options and convertible preference shares was anti-dilutive. Potential ordinary shares are dilutive when and only when their conversion into ordinary shares would increase loss per share attributable to owners of the Company from continuing operations.

11. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment with the net carrying amount of HK\$389,361,000 (2020: HK\$481,241,000) (before the impairment assessment) is attributable to the cash-generating unit of hotel hospitality (“Hotel Hospitality Business CGU”) with which the goodwill amount is recognised. As the recoverable amount of the Hotel Hospitality CGU is lower than its carrying amount, the directors of the Company considered that an impairment loss of approximately HK\$13,605,000 (2020: HK\$74,159,000) has been recognised for the year ended 30 June 2021.

As at 30 June 2021, the Directors reviewed the recoverable amounts of property, plant and equipment in the business segment of money lending business as the business incurred losses. The recoverable amount of property, plant and equipment in the business segment of money lending business is based on the fair value less cost of disposal. Considering with the poor operating result, the Directors are of the opinion that the result of value-in-use calculation would be minimal. As a result of such review, an impairment loss of HK\$2,023,000 (2020: HK\$Nil) was recognised in the consolidated statement of comprehensive income for the year ended 30 June 2021.

12. INTERESTS IN ASSOCIATES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
At beginning of the year	12,989	–
Acquisition of associates	–	15,600
Share of loss for the year	(5,619)	(2,611)
Impairment loss recognised for the year	<u>(3,883)</u>	<u>–</u>
At end of the year	<u>3,487</u>	<u>12,989</u>

As at 30 June 2021, given that the recent development and operating result of Ming Fong Group, the Directors reviewed the recoverable amount of interests in associates, in which the goodwill amount was recognised at the date of acquisition. The recoverable amount of interests in associates is based on the fair value less cost of disposal. As a result of such review, an impairment loss of HK\$3,883,000 was recognised in the consolidated statement of comprehensive income for the year ended 30 June 2021.

13. LOANS RECEIVABLE

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Gross loan and interest receivables	241,638	222,238
Less: impairment losses allowances	(175,747)	(168,401)
	65,891	53,837
Less: Non-Current portion	(554)	(1,423)
Current portion	65,337	52,414

As at 30 June 2021, the loans receivable with gross principal amount of HK\$200,562,000 (2020: HK\$201,808,000) in aggregate and related gross interest receivables of HK\$41,076,000 (2020: HK\$20,430,000) were due from ten (2020: ten) independent third parties. These loans are interest-bearing at rates ranging from 5.5% to 20% (2020: 5.5% to 20%) per annum. Except for the balances of HK\$554,000 (2020: HK\$1,423,000) as at 30 June 2021, all the loan receivables were repayable within twelve months from the end of the reporting period and therefore were classified as current assets as at 30 June 2021.

As at 30 June 2021, the Group held collateral over loans receivable with gross principal amount of HK\$85,155,000 (2020: HK\$85,243,000).

Reversal of impairment loss of HK\$8,824,000 (2020: Impairment loss of HK\$18,734,000) has been recognised in the consolidated statement of comprehensive income for the year.

Subsequent to the reporting date of 30 June 2021, one of the loans receivable has been set off by the consideration of the acquisition of 2.08% of issued share capital of Zhong Ji Longevity Science Group Limited (stock code: 767) as at 13 September 2021 at the consideration of HK\$43,781,000, representing approximately HK\$0.5428 per sale share. The acquisition was completed on 13 September 2021. Details of the transaction are set out in the Company's announcement dated 13 September 2021.

The movements in the impairment losses allowances for loans receivable for the year ended 30 June 2021 and 2020 are as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
At 1 July	168,401	141,361
Expected credit loss for the year	–	18,734
Reversal of expected credit loss for the year	(8,824)	–
Adjustment on interest receivables arising from the impaired loans	16,170	8,306
At 30 June	175,747	168,401

14. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade receivables	1,748	2,477
Less: Provision for impairment losses	<u>(1,296)</u>	<u>(2,058)</u>
Trade receivables, net (<i>note a</i>)	452	419
Other receivables (<i>note b</i>)	74,752	80,710
Other deposits and prepayments	<u>5,419</u>	<u>9,097</u>
	<u><u>80,623</u></u>	<u><u>90,226</u></u>

Note:

- (a) The Group allows an average credit period of 0 to 90 days to its trade receivables.

The ageing analysis of trade receivables, net of provision for impairment losses, based on invoice date, is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 30 days	411	319
31–60 days	20	11
61–90 days	–	10
Over 90 days	<u>21</u>	<u>79</u>
	<u><u>452</u></u>	<u><u>419</u></u>

The movements in the expected credit loss for trade receivables for the years ended 30 June 2021 and 2020 are as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
At 1 July	2,058	2,121
Reversal of impairment loss	(374)	–
Disposal of subsidiaries	(578)	–
Exchange realignment	<u>190</u>	<u>(63)</u>
As at 30 June	<u><u>1,296</u></u>	<u><u>2,058</u></u>

- (b) Other receivables mainly represented redemption of investment fund of HK\$61,242,000 as at 30 June 2021 (2020: HK\$61,242,000). This was fully settled subsequent to the reporting date. Other receivables as at 30 June 2020 also included consideration receivables in relation to the disposal of Miracle True Investment Limited of HK\$7,000,000, which was fully settled subsequently.

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Compensation from profit guarantee (<i>note (a)</i>)	7,500	10,000
Unlisted private funds (<i>note (b)</i>)	<u>59,805</u>	<u>58,769</u>
	67,305	68,769
Less: Non-current portion	<u>(59,805)</u>	<u>(58,769)</u>
Current portion	<u><u>7,500</u></u>	<u><u>10,000</u></u>

Notes:

- (a) The compensation from profit guarantee was arising from a profit guarantee undertaken by the vendor in relation to the financial performance of Delta Prestige Holdings Limited and its subsidiaries for the year ended 30 June 2016.

For the year ended 30 June 2021, no fair value change of compensation from profit guarantee (2020: Nil) was recognised in the consolidated statement of comprehensive income.

Subsequent to the reporting date of 30 June 2021, the vendor has fully settled the outstanding balance of the compensation.

- (b) The fair value gain of unlisted private fund was HK\$1,036,000 (2020: HK\$9,997,000) which has been dealt with in the consolidated statement of comprehensive income for the year ended 30 June 2021.

16. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade payables (<i>note (a)</i>)	2,460	1,462
Other payables and accruals (<i>note (b)</i>)	<u>5,449</u>	<u>12,786</u>
	7,909	14,248
	<u><u>7,909</u></u>	<u><u>14,248</u></u>

Notes:

- (a) The ageing analysis of trade payables, based on invoice date, is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 30 days	2,349	728
31–60 days	75	62
61–90 days	14	564
Over 90 days	<u>22</u>	<u>108</u>
	2,460	1,462
	<u><u>2,460</u></u>	<u><u>1,462</u></u>

- (b) As at 30 June 2021, other payables and accruals consists of accrued audit fee of HK\$1,900,000 (2020: HK\$2,080,000).

17. BORROWINGS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Bank loans, secured	116,549	128,671
Other loan, secured	12,000	12,000
	128,549	140,671
Less: Current portion	(128,549)	(20,659)
Non-current portion	–	120,012

Based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause, borrowings are repayable as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within one year or on demand	128,549	20,659
More than one year, but not exceeding two years	–	119,785
More than two years, but not exceeding five years	–	227
	128,549	140,671

Bank loans were secured by (i) land and building with the carrying amount of HK\$375,756,000 (2020: HK\$407,082,000); (ii) the bank balances of HK\$1,126,000 (2020: HK\$6,138,000); and (iii) the entire equity interest of certain subsidiaries as at 30 June 2021 and 2020.

The abovementioned bank loans are charged at floating rates of 0.75% per annum (2020: 0.75% per annum).

Other loan is secured by a legal charge over investment properties with the carrying amount of HK\$19,600,000 (2020: HK\$19,400,000) and is charged at 9% per annum (2020: 9% per annum).

18. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Ordinary shares of HK\$0.05 each at 30 June 2020 and 2021		
Authorised:		
At 1 July 2019, 30 June 2020, 1 July 2020 and 30 June 2021	30,000,000	1,500,000
	Number of shares '000	Amount HK\$'000
Issued and fully paid:		
At 1 July 2019, 30 June 2020, 1 July 2020 and 30 June 2021	15,695,532	784,776

19. DISPOSAL OF SUBSIDIARIES

Disposal of the EPS Group

On 5 February 2021, the Group entered into an agreement with an independent third party to dispose of its entire equity interest of the EPS Group at a consideration of HK\$5,800,000. The disposal has been completed on 10 February 2021. Gain on disposal amounted to HK\$9,039,000 was analysed as follows:

	2021 HK\$'000
Net liabilities disposed of:	
Inventory	1,278
Trade receivables	326
Prepayment and other receivables	1,423
Cash at bank	411
Amount due to non-controlling interests	(44,022)
Borrowings	(243)
Lease liabilities	(1,298)
Trade payables	(201)
Other payables and accruals	(8,224)
	<u>(50,550)</u>
Add: Release of non-controlling interests	46,660
Release of exchange reserve to profit or loss upon disposal	651
Less: Proceeds from disposal	<u>(5,800)</u>
Gain on disposal (<i>note 4</i>)	<u><u>(9,039)</u></u>

20. EVENTS AFTER REPORTING PERIOD

- (a) On 6 August 2021, the Company's subsidiary (the "Purchaser") entered into the sales and purchase agreement with an independent third party (the "Vendor"), pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the 52% of the issued share capital of Power Gas (Hong Kong) Limited ("Target Company") for the consideration of HK\$185,201,000, which shall be satisfied by the issue of the convertible bonds in three tranches to the Vendor by the Company. Upon the completion, the Target Company will be owned as to 52% by the Company.

Details of the transaction are set out in the Company's announcement dated 9 August 2021, 3 September 2021, 17 September 2021 and 30 September 2021.

- (b) The Company has conducted a series of acquisitions on listed securities in August and September 2021. A total number of 3,870,000 shares of Hong Kong Aerospace Technology Group Limited ("HKATGL") (stock code: 1725) was acquired, which representing 1.29% of the issued share capital of HKATGL at a total consideration of approximately HK\$116.1 million.

Details of the transaction are set out in the Company's announcement dated 17 September 2021 and 29 September 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year, the Group was engaged in five business segments, (i) hotel hospitality business; (ii) provision of money lending services; (iii) new energy business; (iv) trading and distribution of liquor and wine; and (v) investments in fund. Since the performance of the new energy business was unsatisfactory for the past years, on 10 February 2021, the Group disposed of the new energy business to an independent third party. Upon the disposal, the Group ceased to have any interest in the new energy business. The disposal provided the Group an immediate cash inflow and allowed the Group to devote its resources to focus on other core business segments.

As at 30 June 2021, the Group's continuing operations recorded a revenue of approximately HK\$24.1 million (2020: approximately HK\$46.9 million). The net loss for the year ended 30 June 2021 was approximately HK\$36.9 million (2020: approximately HK\$167.6 million) while the loss for the year attributable to owners of the Company was approximately HK\$35.4 million (2020: approximately HK\$163.5 million). Basic loss per share was approximately 0.23 HK cents (2020: approximately 1.04 HK cent). The net loss for the year was mainly attributable to the net off of (i) the absence of impairment losses on goodwill in relation to the hotel hospitality business of approximately HK\$57.0 million; (ii) the decrease in impairment loss on freehold land and building of the hotel hospitality business of approximately HK\$55.8 million; and (iii) the reversal of impairment loss on loans receivable of approximately HK\$8.8 million.

Hotel hospitality business

During the year, the hotel hospitality business recorded a revenue of approximately HK\$18.8 million (2020: approximately HK\$31.5 million) and a segment loss of approximately HK\$22.6 million (2020: approximately HK\$135.3 million). The decrease in segment loss was mainly due to the absence of the impairment loss on goodwill and decrease in impairment loss on freehold land and building.

Hotel hospitality business is the core business of the Group which contributed approximately 77.9% of the Group's revenue for the year ended 30 June 2021. The hotel, One Niseko Resort Towers (the "Resort Towers"), is located in the famous Japanese skiing destination of Niseko, Hokkaido, Japan. Niseko is one of the famous ski resort areas in Japan and is well known for its heavy light powder snow and spectacular backcountry. The Resort Towers consists of 110 units of high-end accommodation and has an onsen with an indoor and outdoor bath. It attracts many tourists from world-wide for skiing in the winter time.

In the course of preparing the financial statements, the management had engaged an independent qualified valuer (the “Hotel Valuer”) to determine the recoverable amount of the cash generating unit of the hotel hospitality business (the “Hotel Hospitality Business CGU”). For the sake of prudence, the management had further engaged another independent qualified valuer to conduct an independent review of the valuation report issued by the Hotel Valuer on the valuation methodology and key valuation parameters. Both valuers are members of Royal Institute of Chartered Surveyors and with extensive experience in valuation of properties. In assessing the recoverable amount of the cash generating unit of the hotel hospitality business as at 30 June 2021, the fair value less cost of disposal method was adopted which based on direct comparison approach with reference to the recent sales of similar transactions in the market.

Given the worldwide prevalence of the Novel Coronavirus (the “COVID-19”) pandemic, the Japanese Government adopted the border enforcement measures, including in particular, the denial of permission to entry for foreign nationals and the quarantine measures. As a result, there was a drastic decrease in the number of visitors to Japan in the year under review which affected the global financial markets and the real estate market in Japan. As the recoverable amount of the cash generating unit of the hotel hospitality business as at 30 June 2021 was lower than its carrying amount, impairment loss on freehold land and building was recognised for the year ended 30 June 2021.

As at the end of each financial year, the Company was required to assess any indication that its assets and/or cash generating unit may be impaired (i.e. the carrying amount may be higher than the recoverable amount). Recoverable amount is the higher of the assets’ or the cash generating unit’s value-in-use and fair value less cost of disposal. The value-in-use is developed under the income approach while the fair value less cost of disposal is developed based on direct comparison approach with reference to the recent sales transaction evidences for similar premises in the proximity. Comparable transactions vary along the change in valuation date.

Direct comparison method under market approach is considered to be the most popular and common valuation approach in valuing the property. Moreover, income approach has been indirectly adopted from the business perspective in the calculation of the value-in-use of the Hotel Hospitality Business CGU. Thus, direct comparison method is adopted for valuing the fair value of property.

The Company has consistently applied the same methodology to determine the recoverable amount and the fair value less cost of disposal was adopted for impairment assessment as at 30 June 2021 and 2020.

The value-in-use calculation was the estimated future cash flows discounted to their present value using a pre-tax discount rate that reflected current market assessment of time value of money and the risk specific to the hotel hospitality business. The calculation used in cash flow projections was based on latest financial budgets covering a period of 5 years with compound annual growth rate of revenue of approximately 4.23% (2020: 1.43%). The compound annual growth rate of revenue was determined with reference to historical revenue in the current year and the 5-year forecasted revenue taking into account of the expected number of tourists who would visit Niseko. Due to worldwide prevalence of the COVID-19 pandemic and the travel restrictions imposed by most of the countries, the revenue growth rate in 2021 was lower than that in 2020 by approximately 40%. The Company expects the impact of the COVID-19 pandemic would be contained and under control in 2022 and consider the vaccination program launched by the government in different countries, the revenue in 2022 and 2023 would boost by approximately 57% and 11% respectively. After the one-off event of the COVID-19 pandemic, the Directors expect the revenue would return to normal level from the peak level and expected to record a steadily annual growth rate of approximately 2% in the subsequent years. The gross profit ratio of the forecasted period was expected to be approximately 94% (2020: 91%) with reference to the historical record. The pre-tax discount rate of 18% (2020: 18%) was determined with reference to the market conditions, such as company specific risk premium and cost of debt of the hotel hospitality business. The cash flow projections beyond the 5-year period are extrapolated using a perpetual growth rate of 2% (2020: 2%) which was referred to long-term growth rate of tourism in Niseko and the long-term inflation rate in Japan.

The key assumption adopted in the fair value less cost of disposal approach for 30 June 2021 and 2020 was the cost of disposal which was 3.5% of the market value of the property. It included the average market rate of brokerage fee and other miscellaneous administrative and legal costs.

Money lending services

As at 30 June 2021, the Group had loans receivable with gross principal amount of approximately HK\$200.6 million (2020: approximately HK\$201.8 million) with related gross interest receivables of approximately HK\$41.1 million for the year ended 30 June 2021 (2020: approximately HK\$20.4 million).

The loan portfolio comprises loans to independent third party borrowers with term ranging from eight months to forty months and interest rate ranged from 5.5% to 20% (2020: 5.5% to 20%) per annum.

The money lending business recorded a segment profit of approximately HK\$13.3 million (2020: segment loss of approximately HK\$5.3 million). The segment profit was mainly resulted from the reversal of impairment loss on loans receivable.

In the course of preparing the financial statements, the management had engaged an independent qualified valuer (the “1st ECL Valuer”) to determine the expected credit losses (the “ECL”) of the Group’s loans receivable. For the sake of prudence, the management had further engaged another independent qualified valuer to conduct an independent review of the valuation report issued by the 1st ECL Valuer on the valuation methodology, the underlying assumptions, the parameters and inputs used in the valuation for accounting purpose. In assessing the ECL of the Group’s loans receivable, a credit rating analysis of the underlying debtors was adopted by reviewing the historical accounting information to estimate the default risk. The Group applied different expected loss rates to different classes of receivables according to their respective risk characteristics. In determining the default risk, factors including but not limited to, the ageing analysis of the receivables, the Group’s internal assessment of the debtors’ credit worthiness, historical and forecast occurrence of event of default, existence and valuation of the collaterals, the relevant regulatory framework and government policies in Hong Kong and global economic outlook in general and the specific economic condition of Hong Kong and the People’s Republic of China (the “PRC”), would be considered. The rate of ECL ranged from 0% to 100% (2020: 9% to 100%) depending on the nature, probability of default and loss given default of the loans receivable.

The Group has adopted a credit policy to manage its money lending business which includes compliance with all applicable laws and regulations, credit assessment on potential borrower and his/its assets, the credibility of the potential borrower, the necessity in obtaining collaterals and determination of suitable interest rate to reflect the risk level of the provision of loan.

The Group has performed credit risk assessment before granting the loans by (a) reviewing the financial information of the potential borrower; and (b) performing an assessment on the financial condition of the potential borrower and its shareholder (for enterprises), such as the type and value of assets owned by the potential borrower.

The Group also assesses and decides the necessity and the value of security/collateral for granting of each loan, whether to an individual or enterprise, on a case by case basis considering factors, including but not limited to, the repayment history, results of public search towards the borrower, the value and location of the assets owned by the borrower and the financial condition of the borrower.

For loan collection/recovery, the Group issues overdue payment reminder to the borrower, instructs its legal advisers to issue demand letter for loans overdue for a longer period of time, negotiates with the borrower for the repayment or settlement of the loan and/or commences legal actions against the borrower.

Liquor and wine business

The revenue for the year ended 30 June 2021 of the liquor and wine business was approximately HK\$0.4 million (2020: approximately HK\$2.5 million) and a segment loss of approximately HK\$0.8 million was recorded for the year ended 30 June 2021 (2020: segment profit of approximately HK\$3.1 million). The Group had continually source the customers to sell the inventories during the year.

Fund investments

As at 30 June 2021, the Group had invested into a fund with a value of approximately HK\$59.8 million (2020: approximately HK\$58.8 million).

TAR High Value Fund SP (the “TAR Fund”)

TAR Fund is a segregated portfolio created by TAR Opportunities Fund SPC (“TAR SPC”) which is a segregated portfolio company incorporated under the laws of the Cayman Islands with limited liability. TAR SPC is registered as a “segregated portfolio company” with the Registrar of Companies of the Cayman Islands and principally engaged in the investment and fund related services. TAR SPC has appointed TAR Fund Management (Cayman) Limited (“TAR Fund Management”) as its investment manager. TAR Fund Management is an exempted company incorporated in the Cayman Islands with limited liability. The director of TAR Fund Management has over 10 years of experience in manufacturing, management and investment and has been involved in financial industries in the PRC and Hong Kong for many years, and has considerable experience in stock and derivative products. The purpose of TAR Fund is to carry on the business of investing, holding, monitoring and realising investments made with the principal objective of achieving a high rate of return through capital appreciation through investments that operates in or derive significant business opportunities from the financial services, natural resources and/or property investments sectors. Such investment can be in form of equity investments and/or debt instruments including but not limited to convertible or exchangeable bonds, notes and debentures.

The value of the TAR Fund as at 30 June 2021 was approximately HK\$59.8 million, represented approximately 6.0% to the Group’s total assets. The TAR Fund had an average return of approximately 0.95% and 1.05% for the years ended 30 June 2021 and 2020 respectively.

PROSPECTS

The worldwide prevalence of the COVID-19 pandemic has affected every sector across the globe, and the hotel hospitality business is among the hardest hit.

Given the outbreak and widespread of the COVID-19, the Japanese Government adopted the border enforcement measures, including in particular, the denial of permission to entry for foreign nationals and the quarantine measures. As a direct result, there is a drastic decrease in the number of visitors to Japan.

Despite the COVID-19 pandemic, the Group is still optimistic about the prospects of the hotel hospitality business in Japan in the long run with reference to: (i) the policy adopted by the Japanese Government in promoting the tourism in Japan with an aim to attract approximately 60 million international visitors to Japan in 2030; (ii) Niseko (where the Resort Towers is located) as a premium skiing and sightseeing destination; and (iii) the passing of the integrated resort law in Japan in 2018 and the fact that the availability of integrated casino resorts in Japan in future will attract more tourists travelling to Japan.

Although the businesses of the Group had been disrupted by the COVID-19 pandemic, the impact of the pandemic should be temporary. Given that the COVID-19 vaccination programs have been launched by the government in different countries, the Directors are confident in the future prospects of the businesses of the Group, especially the hotel hospitality business. The Group has potential plans to further develop the hotel hospitality business, namely, the renovation of the Resort Towers and the development of adjacent land. However, the implementation of the potential plans has been disrupted by the outbreak of the COVID-19 pandemic and the pandemic prevention measures adopted by the Japanese Government. The Group expects to start the implementation of the potential plans as soon as the end of the COVID-19 pandemic.

In the meanwhile, the Group will grasp investment opportunities to diversify the Group's business and, at the same time, strive to control the costs to maintain stable return to the shareholders of the Company.

FINAL DIVIDEND

The Board resolved not to recommend the payment of any dividend for the year ended 30 June 2021 (2020: Nil).

FINANCIAL RESOURCES, LIQUIDITY AND GEARING

As at 30 June 2021, the Group has in aggregate approximately HK\$336.1 million (2020: approximately HK\$360.2 million) in deposits in a financial institution, pledged bank balances, and bank balances and cash. The net current assets value was approximately HK\$397.5 million (2020: approximately HK\$473.3 million).

The Group's gearing ratio as at 30 June 2021 was approximately 0.16 (2020: approximately 0.18), being a ratio of total interest bearing debts, including borrowings of approximately HK\$128.5 million (2020: approximately HK\$140.7 million) to the total equity of approximately HK\$802.9 million (2020: approximately HK\$791.7 million).

USE OF PROCEEDS FROM RIGHTS ISSUE

The Company completed a rights issue on 13 June 2018, pursuant to which the Company issued 10,463,687,800 ordinary shares of the Company of HK\$0.05 each as rights shares at HK\$0.052 per rights share on the basis of two rights shares for every one existing share held on 18 May 2018. The net proceeds from the rights issue (after deducting the expenses) were approximately HK\$523.6 million. The net subscription price per rights share after deducting the related expenses of the rights issue was approximately HK\$0.050.

As set out in the announcements of the Company dated 10 August 2018 and 17 January 2019, the Board resolved to change its use of the net proceeds from the rights issue. The proposed allocation of the net proceeds as stated in the prospectus of the Company dated 21 May 2018 (the “Planned Use of Net Proceeds”), the revised allocation of the net proceeds (the “Revised Use of Net Proceeds”), the utilisation of net proceeds as at 30 June 2021 (the “Utilisation of Net Proceeds”) and the remaining balance of the net proceeds are set out below:

Intended use	Planned Use of Net Proceeds <i>HK\$ million</i>	Revised Use of Net Proceeds <i>HK\$ million</i>	Utilisation of Net Proceeds <i>HK\$ million</i>	Remaining balance <i>HK\$ million</i>
Repayment of outstanding borrowings	193.9	193.9	75.2	118.7 ^(Note 1)
Contribution to the facility to be made available to a joint venture company formed with Zhongke International Capital Limited	196.0	–	–	–
Expansion of the Group’s money lending business	100.0	111.3	111.3	–
Future potential investments and/or general working capital	33.7	218.4	206.8	11.6 ^(Note 2)
Total	<u>523.6</u>	<u>523.6</u>	<u>393.3</u>	<u>130.3</u>

Notes:

1. It is expected that the remaining balance would be utilised on or before 30 December 2021. The Company has been discussing with the bank in Japan for early repayment of the bank loan since the completion of the rights issue and in the hope of reaching a consensus with the bank before making the early repayment of the bank loan in order to maintain a good relationship with the bank. If a consensus on early repayment of the bank loan can be reached with the bank, the remaining balance of the net proceeds allocated for repayment of outstanding borrowings would be utilised for early repayment of the outstanding bank loan. If a consensus on early repayment of the bank loan cannot be reached with the bank, the remaining balance of the net proceeds allocated for repayment of outstanding borrowings would be utilised for repayment of the remaining instalments of the outstanding bank loan with the last instalment of the outstanding bank loan to be repaid in December 2021.

The amount was equivalent to JPY1.65 billion with reference to an exchange rate of JPY : HK\$0.072 being the exchange rate used in the prospectus of the Company in relation to the rights issue.

2. It is expected that the remaining balance would be utilised on or before 31 December 2021.

The unutilised net proceeds have been placed as the interest bearing deposits with licensed banks and a financial institution in Hong Kong.

PLEDGE OF ASSETS

As at 30 June 2021, the Group pledged hotel land and building in Japan with an aggregated carrying value of approximately HK\$375.8 million (2020: approximately HK\$407.1 million), investment property in Hong Kong with an aggregate carrying value of approximately HK\$19.6 million (2020: approximately HK\$19.4 million), bank deposits of approximately HK\$1.1 million (2020: approximately HK\$6.1 million) and the entire equity interest of certain subsidiaries of the Company to secure borrowing facilities of the Group.

CAPITAL STRUCTURE

During the year ended 30 June 2021, 569,550,406 share options were lapsed.

Save as disclosed above, the Company had no other changes in capital structure during the year ended 30 June 2021.

INVESTMENT POSITION AND PLANNING

Financial Assets at Fair Value through Profit or Loss

As at 30 June 2021, the Group had invested in one unlisted private fund with carrying amount of approximately HK\$59.8 million (2020: approximately HK\$58.8 million). The purpose of the fund portfolio is to carry on the business of investing, holding, monitoring and realising the equity investments and/or debt instruments from the financial services, natural resources and/or property investment sectors. The value of fund portfolio was based on fair value.

Settlement Deed and Supplemental Settlement Deeds in relation to the Profit Guarantee Compensation

With reference to the Company's announcements dated 26 April 2015 and 29 May 2015 in relation to the acquisition of the electric cycles business, Mr. Lee Man Bun ("Mr. Lee") as the vendor irrevocably warranted and guaranteed to the Company that the after-tax audited consolidated net profit of the electric cycles business for the year ended 30 June 2016 shall not be less than HK\$100,000,000 (the "Guaranteed Net Profit").

In the event that the electric cycles business cannot achieve the Guaranteed Net Profit, Mr. Lee has irrevocably undertaken to the Company to pay to the Company in cash within 10 business days from the date of receipt of the certificate from the auditors of the Company an amount equal to the shortfall (the "Profit Guarantee Compensation").

In view of the loss recorded for the year ended 30 June 2016 of the electric cycles business, Mr. Lee had been requested to settle the Profit Guarantee Compensation of HK\$100,000,000. After arm's length negotiations, on 26 September 2016, Mr. Lee and the Company entered into a settlement deed regarding the settlement of the Profit Guarantee Compensation of HK\$100,000,000 and the additional amount of compensation of HK\$850,000, in which HK\$70,700,000 was settled by Mr. Lee on 27 September 2016 and 21 September 2017.

Pursuant to the supplemental settlement deed entered into between Mr. Lee and the Company on 28 September 2018, Mr. Lee shall pay HK\$30,650,000 (being the sum of the outstanding settlement payment of HK\$30,150,000 and the additional amount of compensation of HK\$500,000) to the Company in the following manner: (a) HK\$10,000,000 shall be paid to the Company on the date of the supplemental settlement deed; and (b) HK\$20,650,000 shall be paid to the Company on or before 31 March 2019. The amount of HK\$10,000,000 was received by the Company pursuant to the terms of the supplemental settlement deed. The amount of HK\$20,650,000 was still outstanding as at 30 June 2019.

Pursuant to the second supplemental settlement deed entered into between Mr. Lee and the Company on 27 September 2019, Mr. Lee shall pay HK\$21,050,000 (being the sum of the outstanding settlement payment of HK\$20,650,000 and the additional amount of compensation of HK\$400,000) to the Company in the following manner: (a) HK\$10,000,000 shall be paid to the Company on the date of the second supplemental settlement deed; and (b) HK\$11,050,000 shall be paid to the Company on or before 30 September 2020. The Company received HK\$10,000,000 from Mr. Lee on 27 September 2019.

Pursuant to the third supplemental settlement deed entered into between Mr. Lee and the Company on 16 September 2020, Mr. Lee shall pay HK\$11,220,000 (being the sum of the outstanding settlement payment of HK\$11,050,000 and the additional amount of compensation of HK\$170,000) to the Company in the following manner: (a) HK\$2,500,000 shall be paid to the Company on the date of the third supplemental settlement deed; and (b) HK\$8,720,000 shall be paid to the Company on or before 30 September 2021. The Company received HK\$2,500,000 and HK\$8,720,000 from Mr. Lee on 16 September 2020 and 29 September 2021 respectively.

Details of the settlement deed and supplemental settlement deeds are set out in the Company's announcements dated 26 September 2016, 28 September 2018, 27 September 2019 and 16 September 2020.

Disposal of a Land in the PRC

On 7 September 2017, Advanced System Group Limited, wholly-owned subsidiary of the Company, as vendor entered into a sale and purchase agreement (the "PRC Land Disposal Agreement") with an independent third party as purchaser. Pursuant to the PRC Land Disposal Agreement, the purchaser agreed to acquire and the vendor agreed to sell the entire issued share capital of Miracle True Investment Limited and its subsidiary in the PRC, which holds a land in Huizhou City, Guangdong Province, the PRC, and the shareholder's loan in cash at a consideration of HK\$11,000,000, in which HK\$550,000 had been received on 7 September 2017 and the remaining balance of HK\$10,450,000 would be payable by the purchaser within six months from the date of the PRC Land Disposal Agreement. On 7 February 2018, 31 January 2019 and 31 July 2019, the vendor and the purchaser confirmed their mutual agreement to extend the long stop date to 31 January 2019, 31 July 2019 and 31 December 2019 respectively or such other date as the vendor and the purchaser may agree in writing. On 30 April 2019, the purchaser further paid to the vendor HK\$450,000.

On 16 December 2019, the vendor and the purchaser entered into a supplemental agreement, pursuant to which HK\$3,000,000 was paid by the purchaser to the vendor on or before 31 December 2019 and the remaining balance of HK\$7,000,000 shall be payable by the purchaser to the vendor within twelve months from the completion date. On 15 January 2021, the vendor and the purchaser entered into a 2nd supplemental agreement, pursuant to which HK\$500,000 was paid by the purchaser to the vendor upon the signing of the 2nd supplemental agreement and the remaining balance of HK\$6,500,000 shall be payable by the purchaser to the vendor on or before 30 June 2021.

A share charge was given by the purchaser in favour of the vendor pursuant to which the purchaser created a first fixed charge over the entire issued shares of Miracle True Investment Limited. The disposal was completed on 30 December 2019 and the purchaser has settled HK\$6,500,000 to the vendor on 21 June 2021.

The disposal was classified as a non-disclosable transaction under Chapter 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

EVENT AFTER REPORTING PERIOD

Acquisition of 52% equity interest of natural gas supply business

On 6 August 2021, Easy Nice Holdings Group Limited (“Easy Nice”), a wholly-owned subsidiary of the Company as purchaser, entered into a sale and purchase agreement (the “SPA”) with Rich Rite Limited (“Rich Rite”) as vendor and Mr. Frank Wang as guarantor. Pursuant to the terms of the SPA, Easy Nice has conditionally agreed to purchase and Rich Rite has conditionally agreed to sell 52% equity interest of the target company at a consideration of HK\$185,201,000, which shall be satisfied by the issue of convertible bonds in three tranches to Rich Rite by the Company. The target company together with its subsidiaries are principally engaged in the constitution of long-distance natural gas pipelines and the sale and supply of natural gas. The completion shall take place on or before 6 September 2021.

On 3 September 2021, 17 September 2021 and 30 September 2021, Easy Nice and Rich Rite agreed to defer the date of completion to 15 October 2021.

Details of the transaction are set out in the Company’s announcements dated 9 August 2021, 3 September 2021, 17 September 2021 and 30 September 2021.

CONTINGENT LIABILITIES

As at 30 June 2021, the Group had no significant contingent liabilities (2020: Nil).

CAPITAL COMMITMENTS

As at 30 June 2021, the Group had no significant capital commitments (2020: Nil).

FOREIGN CURRENCY RISK

Most of the Group's assets and liabilities are denominated in Hong Kong dollars and Renminbi, and Japanese Yen which are the functional currencies of respective group companies. The Group has not entered into any instruments on the foreign exchange exposure. The Group will closely monitor exchange rate movement and will take appropriate activities to reduce the exchange risk.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2021, the Group had approximately 30 (2020: 77) employees in Hong Kong, the PRC and Japan. The Group's remuneration policy is reviewed periodically and determined by reference to market terms, company performance, and individual qualifications and performance. Other staff benefits include bonuses awarded on a discretionary basis, medical schemes and share option scheme.

CONNECTED TRANSACTIONS

Save as disclosed, the Company did not have any other connected transactions which were subject to the reporting requirements under Chapter 14A of the Listing Rules for the year ended 30 June 2021.

CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company (the "2021 AGM") is scheduled to be held on Monday, 6 December 2021, at 10:30 a.m.. For determining the entitlement to attend and vote at the 2021 AGM, the register of members of the Company will be closed from Wednesday, 1 December 2021 to Monday, 6 December 2021, both days inclusive, during which period no transfer of shares of the Company will be registered. In order for a shareholder of the Company to be eligible to attend and vote at 2021 AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Tengis Limited of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 30 November 2021.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the year ended 30 June 2021.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 30 June 2021, the Company has complied with the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Listing Rules except for the following deviations:

Code Provision A.2.1

Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Since the resignation of Mr. Chi Chi Hung, Kenneth in March 2020, the Company does not have any officer with the title of Chief Executive Officer. The overall responsibility of supervising and ensuring that the Group’s business in line with the order of the Board in terms of day-to-day operations and execution is vested in the Board itself.

Code Provision A.4.1

Under the code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. The existing independent non-executive Directors were not appointed for a specific term as required under the code provision A.4.1 but are subject to retirement by rotation and re-election at annual general meeting in accordance with the bye-laws of the Company (the “Bye-laws”). As such, the Company considers that sufficient measures have been taken to ensure that the Company has good corporate governance practices.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the full set of Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 of the Listing Rules as the code of the conduct for securities transactions by directors. The prohibitions on securities dealing and disclosure requirements in the Model Code apply to specified individuals including the Group’s senior management and also persons who are privy to price sensitive information of the Group. Having made specific enquiry of all Directors, the Board confirmed that all Directors had complied with the Model Code regarding directors’ securities transactions during the year and up to the date of this announcement.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) currently comprises three independent non-executive Directors, Mr. Chiu Wai On (the chairman of the Audit Committee), Mr. Man Kwok Leung and Mr. Sheung Kwong Cho. The primary duties of the Audit Committee are to (i) review the Group’s financial reporting system, the nature and scope of audit review; (ii) review the effectiveness of the system of internal control procedures and risk management and the Company’s internal audit function; and (iii) review and monitor the external auditor’s independence and objectivity. In addition, the Audit Committee discusses matters raised by the external auditor and regulatory bodies to ensure that appropriate recommendations are implemented. The Audit Committee meets as and when required to perform its responsibilities and at least twice a year.

The Audit Committee has reviewed the Group’s annual results for the year ended 30 June 2021 with the management of the Company and the external auditor, and was of the opinion that the preparation of such results are in compliance with the relevant accounting standards, rules and regulations and that adequate disclosures have been made.

SCOPE OF WORK OF BDO LIMITED ON THIS ANNUAL RESULTS ANNOUNCEMENT

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 30 June 2021 as set out in this announcement have been agreed by the Group’s auditor, BDO Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on this announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Stock Exchange’s website (www.hkexnews.hk) and the Company’s website (www.detai-group.com). The annual report will be despatched to the shareholders and will be available on websites of the Stock Exchange and the Company in due course.

By order of the Board
DeTai New Energy Group Limited
Cheng Chi Kin
Executive Director

Hong Kong, 30 September 2021

As at the date of this announcement, the executive Directors are Mr. Charlie Lu (Chairman), Mr. Cheng Chi Kin and Mr. Liu Shihao; and the independent non-executive Directors are Mr. Chiu Wai On, Mr. Man Kwok Leung and Mr. Sheung Kwong Cho.