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**KINGKEY INTELLIGENCE CULTURE HOLDINGS LIMITED**  
**京基智慧文化控股有限公司**

*(Incorporated in Cayman Islands and continued in Bermuda with limited liability)*

**(Stock code: 550)**

**RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**AUDITED RESULTS**

The board of directors (the “Board”) of Kingkey Intelligence Culture Holdings Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2021, together with the comparative figures for the year ended 31 December 2020 as follows:

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

*For the year ended 31 December 2021*

	<i>Notes</i>	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Turnover</b>	3	<b>34,893</b>	20,051
Direct operating costs		<u>(9,508)</u>	<u>(11,184)</u>
<b>Gross profit</b>		<b>25,385</b>	8,867
Other income		<b>4,430</b>	6,462
Selling and distribution costs		<b>(9,354)</b>	(11,349)
Administrative expenses		<b>(29,684)</b>	(25,019)
Reversal of/(Provision for) impairment on trade and other receivables and loan receivables, net		<b>128</b>	(124)
Fair value gain on contingent consideration receivables		<b>3,185</b>	–
Finance costs		<u>(1,151)</u>	<u>(1,262)</u>
<b>Loss before income tax</b>	5	<b>(7,061)</b>	(22,425)
Income tax credit	6	<u>16</u>	<u>66</u>
<b>Loss for the year</b>		<u><b>(7,045)</b></u>	<u>(22,359)</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)**

*For the year ended 31 December 2021*

	<i>Notes</i>	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Other comprehensive income</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value gain/(loss) on equity instruments at fair value through other comprehensive income		<u>44,010</u>	<u>(13,887)</u>
<b>Other comprehensive income for the year, net of tax</b>		<u>44,010</u>	<u>(13,887)</u>
<b>Total comprehensive income for the year</b>		<u><b>36,965</b></u>	<u><b>(36,246)</b></u>
<b>(Loss)/Profit for the year attributable to:</b>			
Equity shareholders of the Company		<u>(7,109)</u>	<u>(22,562)</u>
Non-controlling interests		<u>64</u>	<u>203</u>
		<u><b>(7,045)</b></u>	<u><b>(22,359)</b></u>
<b>Total comprehensive income attributable to:</b>			
Equity shareholders of the Company		<u>36,901</u>	<u>(36,449)</u>
Non-controlling interests		<u>64</u>	<u>203</u>
		<u><b>36,965</b></u>	<u><b>(36,246)</b></u>
<b>Loss per share</b>			
– Basic and diluted	8	<u><b>(HK1.59 cents)</b></u>	<u><b>(HK5.05 cents)</b></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	<i>Notes</i>	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		120	248
Right-of-use assets		3,639	4,398
Equity instruments at fair value through other comprehensive income		77,546	36,228
Loan receivables		850	–
		<b>82,155</b>	40,874
<b>Current assets</b>			
Inventories		597	20
Trade receivables	9	3,383	2,358
Other receivables, deposits and prepayments	10	8,791	11,096
Loan receivables		9,058	13,220
Contingent consideration receivables		3,185	–
Tax recoverable		–	610
Cash and cash equivalents		89,194	92,553
		<b>114,208</b>	119,857
<b>Current liabilities</b>			
Contract liabilities		966	1,159
Trade and other payables	11	9,478	14,052
Amounts due to a director	12	1,093	1,093
Other borrowing		4,318	5,818
Current portion of lease liabilities		1,533	957
Provision for taxation		82	–
		<b>17,470</b>	23,079
<b>Net current assets</b>		<b>96,738</b>	96,778
<b>Total assets less current liabilities</b>		<b>178,893</b>	137,652
<b>Non-current liabilities</b>			
Non-current portion of lease liabilities		1,845	544
		<b>1,845</b>	544
<b>Net assets</b>		<b>177,048</b>	137,108
<b>EQUITY</b>			
Share capital	13	89,323	89,323
Reserves		87,458	47,582
Equity attributable to shareholders of the Company		176,781	136,905
Non-controlling interests		267	203
<b>Total equity</b>		<b>177,048</b>	137,108

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Attributable to equity shareholders of the Company							Non-	Total equity	
	Share capital	Share premium	Employee compensation reserve	Investment revaluation reserve	Merger reserve	Contributed surplus	Accumulated losses	controlling interests		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Balance at 1 January 2021	89,323	162,310	-	1,386	(43,897)	95,402	(167,619)	136,905	203	137,108
Share options granted	-	-	2,975	-	-	-	-	2,975	-	2,975
Transactions with equity shareholders	-	-	2,975	-	-	-	-	2,975	-	2,975
Loss for the year	-	-	-	-	-	-	(7,109)	(7,109)	64	(7,045)
Other comprehensive income										
Change in fair value on equity instruments at fair value through other comprehensive income	-	-	-	44,010	-	-	-	44,010	-	44,010
Total comprehensive income for the year	-	-	-	44,010	-	-	(7,109)	36,901	64	36,965
Release of investment revaluation reserve upon disposals of equity instruments at fair value through other comprehensive income	-	-	-	7,154	-	-	(7,154)	-	-	-
Balance at 31 December 2021	<u>89,323</u>	<u>162,310</u>	<u>2,975</u>	<u>52,550</u>	<u>(43,897)</u>	<u>95,402</u>	<u>(181,882)</u>	<u>176,781</u>	<u>267</u>	<u>177,048</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the year ended 31 December 2021

	Attributable to equity shareholders of the Company							Non-	Total equity	
	Share capital	Share premium	Employee compensation reserve	Investment revaluation reserve	Merger reserve	Contributed surplus	Accumulated losses	controlling interests		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Balance at 1 January 2020	89,323	162,310	-	15,273	(43,897)	95,402	(145,057)	173,354	-	173,354
Loss for the year	-	-	-	-	-	-	(22,562)	(22,562)	203	(22,359)
<b>Other comprehensive income</b>										
Change in fair value on equity instruments at fair value through other comprehensive income	-	-	-	(13,887)	-	-	-	(13,887)	-	(13,887)
<b>Total comprehensive income for the year</b>	-	-	-	(13,887)	-	-	(22,562)	(36,449)	203	(36,246)
<b>Balance at 31 December 2020</b>	<b>89,323</b>	<b>162,310</b>	<b>-</b>	<b>1,386</b>	<b>(43,897)</b>	<b>95,402</b>	<b>(167,619)</b>	<b>136,905</b>	<b>203</b>	<b>137,108</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2021*

## 1. GENERAL INFORMATION

Kingkey Intelligence Culture Holdings Limited (formerly known as KK Culture Holdings Limited) (the “Company”) was incorporated in the Cayman Islands as an exempted company on 13 March 2000 and redomiciled to Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda, with limited liability on 29 January 2003. The address of the Company’s registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is 44/F, Office Tower, Convention Plaza, 1 Harbour Road, Wan Chai, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “SEHK”).

Pursuant to a special resolution by the shareholders passed on 15 July 2021, the Certificate of Change of Name and the Certificate of Secondary Name were issued by the Registrar of Companies in Bermuda on 16 July 2021. Hence, the English name of the Company has been changed from “KK Culture Holdings Limited” to “Kingkey Intelligence Culture Holdings Limited” and the Chinese name “京基智慧文化控股有限公司” as its secondary name has been adopted in place of “KK文化控股有限公司” with effect from 16 July 2021.

The Company acts as an investment holding company and provides corporate management services. The principal activities of the Group are provision of advertising services and sales of medical and health products.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKAS”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also include the applicable disclosures required by the Rules Governing the Listing of Securities on the SEHK.

## 2. ADOPTION OF NEW OR AMENDED HKFRSs

### 2.1 New or amended HKFRSs which are effective during the year

During the year, the Group has applied for the first time the following new or amended HKFRSs issued by the HKICPA, which are relevant to and effective for the Group’s consolidated financial statements for the annual period beginning on 1 January 2021:

Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendment to HKFRS 16	COVID-19-Related Rent Concessions

The new or amended HKFRSs that are effective for the current reporting period did not have any significant impact on the Group’s consolidated financial statements.

## 2.2 New or amended HKFRSs which are issued but not yet effective

At the date of this announcement, the following new or amended HKFRSs have been issued but are not yet effective, and have not been adopted early by the Group.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current <sup>4</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>4</sup>
HK Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>4</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>3</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>4</sup>
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use <sup>2</sup>
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>2</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>3</sup>
Amendment to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021 <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>5</sup>
HKFRS 17	Insurance Contracts and related amendments <sup>4</sup>
Annual Improvements to HKFRSs 2018–2020 Cycle	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards, HKFRS 9 Financial Instruments, HKFRS 16 Lease and HKAS 41 Agriculture <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 April 2021

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2022

<sup>3</sup> 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

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>5</sup> Effective date for annual period beginning on or after a date to be determined

The directors of the Company (“Directors”) anticipate that all of the pronouncements will be adopted in the Group’s accounting policy for the first period beginning after the effective date of the pronouncement. The Directors are currently assessing the impact of the new or amended HKFRSs upon initial application. So far, the Directors have preliminarily concluded that the initial application of these HKFRSs will not result in material financial impact on the consolidated financial statements.

## 3. TURNOVER

The principal activities of the Group are the provision of advertising services and sales of medical and health products.

	<b>2021</b>	2020
	<b>HK\$’000</b>	HK\$’000
Revenue from contracts with customers within the scope of HKFRS 15:		
Advertising income	<b>29,577</b>	18,247
Sales of medical and health products	<b>5,316</b>	1,804
	<b>34,893</b>	20,051

In the following table, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

	Advertising		Sales of medical and health products		Total	
	2021	2020	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Primary geographical market</b>						
Hong Kong	<u>29,577</u>	<u>18,247</u>	<u>5,316</u>	<u>1,804</u>	<u>34,893</u>	<u>20,051</u>
<b>Major products and service lines</b>						
Provision of advertising services	29,577	18,247	–	–	29,577	18,247
Sales of medical and health products	–	–	5,316	1,804	5,316	1,804
	<u>29,577</u>	<u>18,247</u>	<u>5,316</u>	<u>1,804</u>	<u>34,893</u>	<u>20,051</u>
<b>Timing of revenue recognition</b>						
At point in time	–	–	5,316	1,804	5,316	1,804
Transferred over time	<u>29,577</u>	<u>18,247</u>	<u>–</u>	<u>–</u>	<u>29,577</u>	<u>18,247</u>
	<u>29,577</u>	<u>18,247</u>	<u>5,316</u>	<u>1,804</u>	<u>34,893</u>	<u>20,051</u>

The following table provides information about trade receivables and contract liabilities from contracts with customers:

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Receivables	3,383	2,358
Contract liabilities	<u>966</u>	<u>1,159</u>

Contract liabilities mainly relate to the advance consideration received from customers. HK\$1,159,000 of the contract liabilities as of 31 December 2020 has been recognised as revenue for the year ended 31 December 2021 from performance obligations satisfied due to the completion of services.

The Group has applied the practical expedient to its sales contracts for advertising services and sales of medical and health products and therefore the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for advertising services and sales of medical and health products that had an original expected duration of one year or less. No other consideration is included in these sales contracts.

#### 4. SEGMENT INFORMATION

Executive director has identified the Group has two reportable and operating segments. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

	Advertising		Sales of medical and health products		Total	
	2021	2020	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue – External sales	<u>29,577</u>	<u>18,247</u>	<u>5,316</u>	<u>1,804</u>	<u>34,893</u>	<u>20,051</u>
Reportable segment profit/(loss)	<u>512</u>	<u>(15,263)</u>	<u>130</u>	<u>495</u>	<u>642</u>	<u>(14,768)</u>
Amounts included in the measure of segment profit or loss or segment assets:						
Depreciation and amortisation	1,719	1,839	–	–	1,719	1,839
(Reversal of)/Provision for impairment on trade and other receivables and loan receivables, net	(160)	105	–	–	(160)	105
Interest income	(51)	(407)	–	–	(51)	(407)
Reportable segment assets	<u>12,544</u>	<u>17,278</u>	<u>2,144</u>	<u>472</u>	<u>14,688</u>	<u>17,750</u>
Reportable segment liabilities	<u>7,921</u>	<u>10,327</u>	<u>812</u>	<u>435</u>	<u>8,733</u>	<u>10,762</u>

There is no inter-segment revenue earned by the segments in both years.

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Reportable segments profit/(loss)	642	(14,768)
Unallocated corporate income	7,360	5,908
Unallocated corporate expenses*	(13,912)	(12,303)
Finance costs	(1,151)	(1,262)
	<u>(7,061)</u>	<u>(22,425)</u>
Loss before income tax	<u>(7,061)</u>	<u>(22,425)</u>
Reportable segments' assets	14,688	17,750
Property, plant and equipment	97	214
Right-of-use assets	849	3,587
Equity instruments at fair value through other comprehensive income	77,546	36,228
Loan receivables	9,908	1,812
Other receivables, deposits and prepayments	6,799	9,210
Cash and cash equivalents	83,291	91,929
Other corporate assets	3,185	1
	<u>196,363</u>	<u>160,731</u>
Group's assets	<u>196,363</u>	<u>160,731</u>
Reportable segments' liabilities	8,733	10,762
Amounts due to a director	1,093	1,093
Other borrowings	4,318	5,818
Lease liabilities	316	643
Other payables and accruals	4,854	5,302
Other corporate liabilities	1	5
	<u>19,315</u>	<u>23,623</u>
Group's liabilities	<u>19,315</u>	<u>23,623</u>

\* Unallocated corporate expenses included staff costs, depreciation at corporate level and legal and professional fee incurred by the Group.

The Group's revenue from external customers and its non-current assets other than financial instruments are divided into the following geographical areas.

	Revenue from external customers		Non-current assets	
	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Hong Kong (domicile)	<u>34,893</u>	<u>20,051</u>	<u>3,759</u>	<u>4,646</u>

Sales by geographical markets are analysed based on the location of customers and the geographical location of non-current assets is based on the physical location of the assets.

No single customer contributed 10% or more of the Group's revenue in 2021 and 2020.

## 5. LOSS BEFORE INCOME TAX

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loss before income tax is arrived at after charging/(crediting):		
Auditor's remuneration	500	500
Depreciation of property, plant and equipment	132	485
Depreciation of right-of-use assets	4,441	3,435
Employee benefit expense (including directors emoluments)	25,895	24,898
Exchange gain, net	(69)	(45)
Gain on disposals of property, plant and equipment	(3,200)	(176)
(Reversal of)/Provision for impairment on trade and other receivables and loan receivables, net	(128)	124
Short-term lease expenses	105	–
Cost of inventories recognised in direct operating costs	<u>3,419</u>	<u>1,309</u>

*Note:* During the year, auditor's remuneration for other services amounted to HK\$50,000 (2020: HK\$70,000).

## 6. INCOME TAX CREDIT

The Group is subject to Hong Kong Profits Tax under the two-tiered profits tax rate regime. Under the two-tiered profits tax rate regime, the first HK\$2 million of profits of the qualifying group entity would be taxed at 8.25%, and profits above HK\$2 million would be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime would continue to be taxed at a flat rate of 16.5%.

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Hong Kong profits tax:		
Current year	–	82
Over provision in prior years	<u>(16)</u>	<u>(148)</u>
	<u>(16)</u>	<u>(66)</u>

Reconciliation between income tax credit and accounting loss at applicable tax rates is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Loss before income tax</b>	<u>(7,061)</u>	<u>(22,425)</u>
Notional tax calculated at the rates applicable to the losses in the tax jurisdictions concerned	(1,165)	(3,700)
Tax effect of non-taxable revenue	(679)	(191)
Tax effect of non-deductible expenses	4	41
Tax effect of tax losses not recognised	1,840	3,932
Over provision in prior years	<u>(16)</u>	<u>(148)</u>
<b>Income tax credit</b>	<u>(16)</u>	<u>(66)</u>

## 7. DIVIDENDS

The Directors do not recommend the payment of dividend for the years ended 31 December 2021 and 2020.

## 8. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to equity shareholders of the Company is based on the following data:

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loss for the year attributable to equity shareholders of the Company	<u><b>(7,109)</b></u>	<u>(22,562)</u>
	<b>Number of shares</b>	
	<b>2021</b> <i>'000</i>	2020 <i>'000</i>
Weighted average number of ordinary shares for the purpose of basic loss per share	<u><b>446,614</b></u>	<u>446,614</u>

The calculation of basic loss per share was based on the loss attributable to equity shareholders of the Company of HK\$7,109,000 (2020: HK\$22,562,000) and the denominators used were the same as those detailed above for both basic and diluted loss per share.

In 2021, diluted loss per share attributable to equity shareholders of the Company was the same as basic loss per share as the impact of the exercise of share options was anti-dilutive.

In 2020, diluted loss per share attributable to equity shareholders of the Company was the same as basic loss per share as the Company did not have any potential equity instruments throughout the year.

## 9. TRADE RECEIVABLES

Ageing analysis of trade receivables, net of provision as at 31 December 2021, based on invoice date, is as follows:

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0–30 days	<b>3,193</b>	2,269
31–60 days	<b>137</b>	85
61–90 days	<b>17</b>	4
91–120 days	–	–
121–150 days	<b>3</b>	–
Over 150 days	<b>33</b>	–
	<hr/>	<hr/>
Total trade receivables	<b>3,383</b>	2,358
	<hr/> <hr/>	<hr/> <hr/>

The Group allows a credit period from 7 to 120 days (2020: 7 to 120 days) to its customers.

## 10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Other receivables	<b>1,206</b>	3,934
Deposits	<b>2,741</b>	2,622
Prepayments	<b>4,909</b>	4,615
	<hr/>	<hr/>
	<b>8,856</b>	11,171
Less: Provision for impairment	<b>(65)</b>	(75)
	<hr/>	<hr/>
	<b>8,791</b>	11,096
	<hr/> <hr/>	<hr/> <hr/>

Included in the carrying amount of other receivables and deposits as at 31 December 2021 is accumulated impairment losses of HK\$65,000 (2020: HK\$75,000).

## 11. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade creditors with the following ageing analysis, based on invoice dates, as of the end of reporting period:

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 1 month	<b>452</b>	435
1 to 3 months	–	–
Over 3 months but within 6 months	<b>43</b>	–
	<hr/>	<hr/>
	<b>495</b>	435
	<hr/> <hr/>	<hr/> <hr/>

Average credit period on purchase of goods was 30 days (2020: 30 days).

## 12. AMOUNTS DUE TO A DIRECTOR

The amounts are non-trade related, unsecured, interest-free and repayable on demand.

## 13. SHARE CAPITAL

	2021		2020	
	Number of shares '000	Nominal value HK\$'000	Number of shares '000	Nominal value HK\$'000
Authorised:				
Ordinary shares of HK\$0.20 each	<u>5,000,000</u>	<u>1,000,000</u>	<u>5,000,000</u>	<u>1,000,000</u>
Issued and fully paid:				
Ordinary shares of HK\$0.20 each At 1 January and 31 December	<u>446,614</u>	<u>89,323</u>	<u>446,614</u>	<u>89,323</u>

## 14. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Save as disclosed elsewhere in the results announcement, details of other significant transactions between the Group and other related parties during the year are disclosed as follows:

### (a) Related party transactions

#### *Nature of transactions*

	Notes	2021 HK\$'000	2020 HK\$'000
Professional fees	(i)	<u>1,260</u>	1,200
Leasing income	(ii)	–	(2,610)
Disposals of property, plant and equipment	(iii)	<u>–</u>	<u>(2,910)</u>

#### *Notes:*

- (i) During the years ended 31 December 2021 and 2020, professional fees were paid to a related company, in which Mr. Tsang Hing Bun, a director of the Company, is a director and has control over this company, for providing company secretary services. The service charges were determined at the market rate at the date when the service was provided.

- (ii) On 24 January 2019, the Company entered into a licensing agreement (the “Licence Agreement”) with Kingkey Enterprise Hong Kong Limited (“Kingkey Enterprise”) (as Licensors) and UKF Management Limited (currently Known as “Kingkey Management Limited”) (“KKM”) (as Licensee), a wholly owned subsidiary of UKF (Holdings) Limited (currently known as “Kingkey Financial International (Holdings) Limited”) (“KKFI”), the issued shares of which are primary listed on the Main Board of the Stock Exchange (Stock Code: 1468), where the Licensors agreed to lease certain areas of the office premises of 44/F, Office Tower, Convention Plaza, 1 Harbour Road, Wan Chai, Hong Kong to Licensee for the period from 24 January 2019 to 15 May 2020, at a monthly rent of HK\$580,000. As Kingkey Enterprise is wholly-owned by Mr. Chen Jiajun, a substantial shareholder of the Company, holding 21.28% interest of the Company and also a substantial shareholder of KKFI, therefore Kingkey Enterprise and KKFI are related parties of the Company. Leasing income was charged at the market rate at the date when the Licence Agreement was entered.
- (iii) During the year ended 31 December 2020, the Company disposed certain property, plant and equipment to KKM, a wholly owned subsidiary of KKFI with a consideration of HK\$2,910,000. The consideration was determined by an arms-length negotiation with reference to the net book value of the property, plant and equipment on the contract date.

**(b) Amount due from/(to) a related party**

At the end of the reporting period, the Group had the following balance with a related party:

	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
Included in other receivables:		
Kingkey Management Limited ( <i>Note</i> )	–	2,910
	<u>          </u>	<u>          </u>
Included in other payables:		
Kingkey Enterprise Hong Kong Limited ( <i>Note</i> )	<b>(2,014)</b>	(2,014)
	<u>          </u>	<u>          </u>

*Note:* Amounts due from/(to) a related party is unsecured, interest free and expected to be recovered within one year.

**(c) Compensation of key management personnel**

The key management personnel of the Group are the Directors. The remuneration of the key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

#### **Recruit Magazine**

Turnover for the recruitment advertising business recorded a 62.6% increase from approximately HK\$18.2 million in 2020 to approximately HK\$29.6 million in 2021. The increase was mainly attributed to increase in recruitment advertisement due to the recovery of labour market.

#### **Medical and health services**

Turnover for the medical and health services business recorded a 194.7% increase from approximately HK\$1.8 million in 2020 to approximately HK\$5.3 million in 2021. The increase was mainly attributed to increase in demand on COVID-19 testing and its related professional medical services after commencement of business in July 2020.

#### **Principal risk and uncertainties**

In general, the Company's businesses are subject to the following factors: (i) the overall macroeconomic condition in the People's Republic of China ("PRC"); (ii) economic and employment condition in Hong Kong; and (iii) the situation of the COVID-19 epidemic.

These factors may or may not have material impact on the Group's financial conditions and results of its operation. The Company will continue to implement prudential, operational and financial policies in seeking to address the impact of these uncertain factors.

### **PROSPECTS**

In view of the outbreak of the fifth wave of the COVID-19 pandemic started in the early beginning of 2022, it is expected a considerable growth of the medical and health service business but it is cautious on the Recruit magazine business as the impact on the labour market is not certain. Meanwhile, the Group is considering a new business and will announce more details in due course.

### **FINANCIAL REVIEW**

Turnover for the year ended 31 December 2021 was approximately HK\$34.9 million (2020: HK\$20.0 million) and represented a increase of 74.0% from the corresponding year which was mainly due to the recovery of labour market and commencement of Medical and Health Services business since July 2020. The gross profit margin improved from 44.2% in 2020 to 72.8% in 2021 as a result of the change in sales mix.

Other income decreased by 31.4% to approximately HK\$4.4 million (2020: HK\$6.5 million) in 2021 due to expiry of the licence agreement with Kingkey Management Limited in May 2020 and the respective licensing income ceased since then.

The administrative and other operating expenses increased by 18.6% to approximately HK\$29.7 million (2020: HK\$25.0 million) mainly due to (i) increase in staff cost of approximately HK\$1.0 million as a result of share options granted; (ii) increase in depreciation on right-of-use assets of approximately HK\$1.0 million as a result of renewal of the lease arrangement of the office; and (iii) increase in legal and professional fee of approximately HK\$0.7 million.

For the year ended 31 December 2021, there was a reversal of impairment of approximately HK\$0.1 million due to the recovery of receivables which were provided in the previous financial year (2020: impairment of HK\$0.1 million). No impairment on other assets was made for the year ended 31 December 2021 (2020: nil).

## **FINANCIAL KEY PERFORMANCE**

The above financial data were chosen to present in this announcement as they represent a material financial impact on the financial statements of the Group for the current and/or the previous financial year, that a change of which could affect the revenue and profit conspicuously. It is believed that by presenting the changes of these financial data can effectively explain the financial performance of the Group for the year ended 31 December 2021.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2021, the Group had net current assets of approximately HK\$96.7 million (2020: HK\$96.8 million). The Group's current ratio as at 31 December 2021, which is defined as current assets over current liabilities, was 6.5 (2020: 5.2). As at 31 December 2021, the Group had a total cash and bank balance of approximately HK\$89.2 million (2020: HK\$92.6 million).

The Group's gearing ratio as at 31 December 2021 was 0.02 (2020: 0.04), which is calculated on the basis of the Group's total interest bearing debts over the total equity interest. Total other borrowing as at 31 December 2021 was approximately HK\$4.3 million (2020: HK\$5.8 million). There was no bank loan as at 31 December 2021 (2020: nil).

The Group adopts centralised financing and treasury policies in order to ensure the Group's funding is utilised efficiently. Conservative approach is adopted on monitoring foreign exchange exposure and interest rate risk. Forward contracts were used to hedge the foreign currency exposure in trading and capital expenditure when it was considered appropriate.

## CAPITAL STRUCTURE

As at 31 December 2021, the total issued shares of the Company (“Shares”) was 446,614,000 (2020: 446,614,000 Shares) at HK\$0.2 each.

### Share Options

On 22 January 2021, a total of 22,300,000 share options of the Company were granted to certain of eligible persons (as defined in the rules of the share option scheme approved and adopted by the Company pursuant to an ordinary resolution passed by the shareholders of the Company on 29 December 2015) at an exercise price of HK\$0.38 per share. No options were exercised, cancelled nor lapsed during the year.

### Fund Raising Activity

On 31 July 2018, the Company entered into a placing agreement with BaoQiao Partners Capital Limited (“BaoQiao”, the “Placing Agent”) pursuant to which the Company conditionally agreed to place, through the Placing Agent, on a best-effort basis, a maximum of 74,000,000 Shares under the general mandate granted by the shareholders of the Company at the annual general meeting held on 8 June 2018 to placees who and whose ultimate beneficial owners were third parties independent of and not connected with the Company and its connected persons as defined in the Listing Rules at a price of HK\$1.40 per share. The gross and net proceeds raised from the placing of a total of 74,000,000 Shares were approximately HK\$103.6 million and HK\$103.0 million (the “Net Proceeds”) respectively where the intended use of proceeds was for general working capital and future business and investment opportunities. Set out below is the table summarising (i) the net proceeds from the Placing; (ii) the intended use of proceeds from the Placing; (iii) the actual use of proceeds from the Placing as at 31 December 2021; and (iv) the remaining net proceeds from the Placing as at 31 December 2021.

No.	Net proceeds from the Placing	Intended use of proceeds from the Placing	Actual use of proceeds from the Placing as at 31 December 2021	Remaining net proceeds from the Placing as at 31 December 2021
(i)	Approximately HK\$10 million	For general working capital in the daily operation of the Group	Fully utilised by the Company for general working capital in the daily operation of the Group	Not applicable
(ii)	Approximately HK\$93 million	For any potential investment opportunities as identified by the Group	Approximately HK\$11 million	Approximately HK\$82 million and is expected to be utilised by the end of 2022
<b>Total</b> Approximately <b>HK\$103 million</b>				

As at 31 December 2021 and as disclosed in the Company’s announcement dated 2 January 2022, the unutilised Net Proceeds amounted to approximately HK\$82 million (the “Unutilised Net Proceeds”). The Board having considered the existing business environment and development of the Group resolved to change the use of the Unutilised Net Proceeds. Set out below is the proposed change of use of the Unutilised Net Proceeds:

<b>Intended use of Unutilised Net Proceeds</b>	<b>Original allocation of Unutilised Net Proceeds</b>	<b>Revised allocation of Unutilised Net Proceeds</b>
For any potential investment opportunities as identified by the Group	Approximately HK\$82 million	Approximately HK\$49 million
For general working capital in the daily operation – of the Group		Approximately HK\$33 million

Save as the other strategic investments and acquisitions which shall be identified by the Group from time to time, it is expected that a substantial portion, if not all, of the Unutilised Net Proceeds shall be utilised by the end of the year 2022.

It is submitted that apart from the imminent needs for additional funding in its existing business and daily operation needs, it is the Group’s plan to diversify its business and expand its revenue base through different types of business partnerships.

After certain review on the existing global environment and study on the existing market trend, the Board considered that the global e-commerce market evolves rapidly, brands have become more reliant on e-commerce service providers with sophisticated brand e-commerce operation experience and flexible industry partnership, thereby help brand partners quickly build online retail channels, strengthen brand positioning, improve marketing efficiency and expand the user pool along with the product sales. In light of this, it is plan of the Group to allocate cash resources to pursue strategic investments in e-commerce upstream and/or downstream industry participants, taking into account the potential business growth, track record as well as the expected synergies to be achieved. Specifically, the management of the Group will keep looking for investment opportunities and/or cooperation with experienced market participants and target to operate a brand e-commerce retail and/or wholesale solution provider in China, strategically focused on branded fast-moving consumer goods.

As at the date hereof, there is no definitive target identified, nor has any due diligence process been commenced or definitive agreement been entered into.

The Directors will continuously assess the plans for the use of Unutilised Net Proceeds and may revise or amend such plans where necessary to cope with the changing market conditions and strive for better business performance for the Group.

Save as disclosed above, there was no fund raising activity taken place during the financial year 2021.

#### **CAPITAL COMMITMENTS**

As at 31 December 2021, the Group did not have any significant capital commitments (2020: nil).

#### **CONTINGENT LIABILITIES**

As at 31 December 2021, the Group had no contingent liabilities (2020: nil).

#### **EVENT AFTER REPORTING PERIOD**

Save as disclosed, there is no significant event subsequent to the end of reporting period.

#### **MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES**

Save as disclosed, the Group did not have any other material acquisition or disposal of subsidiaries during the year.

## INVESTMENTS IN SECURITIES

As at 31 December 2021, the Company has invested in one security. The details of, the breakdown and the movement of which during the year is summarised below:

Principal business	No. of share	% of shareholding	At	Addition	Disposal	Fair value	31 December	% to the	% to the	
			1 January			changed		Group's total	Group's net	
			2020			during	2021	assets as at	assets as at	
			HK\$	HK\$	HK\$	the year	HK\$	31 December	31 December	
<i>Listed equity securities –</i>										
<i>Hong Kong</i>										
Kingkey Financial International (Holdings) Limited (HK: 1468) <sup>#(Note 1)</sup>	(i) securities brokerage; (ii) wealth management; and (iii) other financial services, mink farming and trading of mink's fur skin.	115,740,000	1.72%	31,249,800	-	-	46,296,000	77,545,800	39.5%	43.8%
China Baoli Technology (Holdings) Limited (HK: 0164) <sup>#</sup>	(i) mobile and multi-media technologies; (ii) gamma ray radiation services; (iii) tourism and hospitality business; and (iv) train media.	N/A	N/A	4,978,000	-	(2,691,922)	(2,286,078)	-	N/A	N/A
<b>Total</b>			<b>36,227,800</b>	<b>-</b>	<b>(2,691,922)</b>	<b>44,009,922</b>	<b>77,545,800</b>	<b>39.5%</b>	<b>43.8%</b>	

<sup>#</sup> Included in equity instruments at fair value through other comprehensive income

*Note 1:* The above listed securities was a significant investment held by the Company as at 31 December 2021. The aggregate cost of investment was approximately HK\$24,996,000. No dividend was received from the investment during the year.

The Company believes that, to allocate certain capital to securities investment is a means of diversifying the Group's risk while a higher return in general can be improved which can in turn enhance the Company's value and is beneficial to the shareholders as a whole. These securities investments are categorised as equity instrument at fair value through other comprehensive income accordingly to Hong Kong Financial Reporting Standards and the Company consider to sell some or all of these investments when (i) there is a working capital need; (ii) shortfall of fund to repay the due debts; or (iii) a profitable return is achieved.

Save as disclosed above, no significant securities investments were made and no dividend was received from the above securities during the year ended 31 December 2021.

On 29 March 2019, the Company and China Baoli Technologies Holdings Limited (“China Baoli” or the “Purchaser”), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (stock code: 164), entered into the sale and purchase agreement (the “Agreement”), pursuant to which the Company conditionally agreed to sell and the Purchaser conditionally agreed to acquire the entire issued share capital of Fullmoon Global Limited (the “Target Company”), the then direct wholly-owned subsidiary of the Company which then held 60% interest in Hong Kong Made (Media) Limited (“Hong Kong Made”) and Ample Success Limited (“Ample Success”), the train media business vehicle of the Group, for an aggregate consideration of HK\$34,750,000 (the “Consideration”), which shall be satisfied by the allotment and issue of the shares (the “Consideration Shares”) in tranches at the issue price of HK\$0.2 per share of the Purchaser at HK\$0.1 per ordinary share in the share capital of the Purchaser (the “Purchaser Shares”) to the Company or its designated nominee(s) in accordance with the terms and conditions of the Agreement. The Consideration is satisfied by the allotment and issue of the Consideration Shares in tranches at the issue price of HK\$0.2 per Purchaser Share by the Purchaser to the Company or its designated nominee(s) in the following manner:

- (i) as to HK\$11,583,333, representing one third of the Consideration, shall be paid by the Purchaser to the Company or its designated nominee(s) by the allotment and issue of 57,916,665 Purchaser Shares upon the Completion Date (the “First Tranche Consideration Shares”);
- (ii) as to HK\$11,583,333, representing one third of the Consideration, shall be paid by the Purchaser to the Company or its designated nominee(s) by the allotment and issue of 57,916,665 Purchaser Shares (the “Second Tranche Consideration Shares”) upon the Second Tranche Consideration Shares Issue Date, subject to Hong Kong Made and 廣州聲煜金線廣告有限公司 (“Guangzhou Shengyu Golden Line Advertising Company Limited” for identification purpose only) (“Guangzhou Shengyu”) having executed an agreement (in form and substance satisfactory to the Purchaser) to extend the term of the Hong Kong Made Contract for three years to 30 June 2023 (the “Second Tranche Consideration Shares Conditions”); and
- (iii) as to HK\$11,583,334, representing one third of the Consideration, shall be paid by the Purchaser to the Company or its designated nominee(s) by the allotment and issue of 57,916,670 Purchaser Shares (the “Third Tranche Consideration Shares”) upon the Third Tranche Consideration Shares Issue Date, subject to the satisfaction of the following conditions (the “Third Tranche Consideration Shares Conditions”): (a) Hong Kong Made and Guangzhou Shengyu having executed an agreement (in form and substance satisfactory to the Purchaser) to further extend the term of the Hong Kong Made Contract for two years to 30 June 2025; and (b) Ample Success and Guangzhou Shengyu having executed an agreement (in form and substance satisfactory to the Purchaser) to further extend the term of the Ample Success Contract for two years to 30 March 2024.

In the event that the Second Tranche Consideration Shares Condition and/or the Third Tranche Consideration Shares Conditions are satisfied, the Purchaser shall allot and issue the Second Tranche Consideration Shares and/or the Third Tranche Consideration Shares (as the case may be) on the Second Tranche Consideration Shares Issue Date and/or the Third Tranche Consideration Shares Issue Date (as the case may be).

The Consideration was determined on an arm's length basis under normal commercial terms pursuant to the negotiation between the Company and the Purchaser after taking into account, among others, the equity interest of Hong Kong Made and Ample Success owned by the Target Company after capitalisation of certain loans owed by Hong Kong Made and Ample Success to the Target Company and the then shareholders of Hong Kong Made and Ample Success and calculated by reference to a premium over the net asset value of the Target Group as at 31 December 2018. The disposal was completed on 6 June 2019 and the Company received the First Tranche Consideration Shares.

On 14 August 2020, the Company and the Purchaser entered into a supplemental agreement (the "Supplemental Agreement") to the Agreement, pursuant to which the parties to the Supplemental Agreement agreed to amend certain terms of the Agreement.

**(I) AMENDMENT TO THE DEFINITIONS OF "SECOND TRANCHE CONSIDERATION SHARES ISSUE DATE" AND "THIRD TRANCHE CONSIDERATION SHARES ISSUE DATE"**

Pursuant to the definitions of the Agreement, the Second Tranche Consideration Shares Issue Date shall have the meaning of "the first anniversary date of the Completion Date or 5th Business Day after the date on which the Second Tranche Consideration Shares Conditions are fulfilled (whichever occurs the earlier) or such other date as may be agreed by the Purchaser and the Company in writing" and the Third Tranche Consideration Shares Issue Date shall have the meaning of "the second anniversary date of the Completion Date or 5th Business Day after the date on which the Third Tranche Consideration Shares Conditions are fulfilled (whichever occurs the earlier) or such other date as may be agreed by the Purchase and the Company in writing". Pursuant to the terms and conditions of the Supplemental Agreement, the above definitions have been amended to "5th Business Day after the date on which the Second Tranche Consideration Shares Conditions are fulfilled or such other date as may be agreed by the Purchaser and the Company in writing" and "5th Business Day after the date on which the Third Tranche Consideration Shares Conditions are fulfilled or such other date as may be agreed by the Purchaser and the Company in writing" respectively.

**(II) AMENDMENT TO THE TERMS OF THE CONSIDERATION RELATING TO THE SECOND TRANCHE CONSIDERATION SHARES**

Pursuant to the terms and conditions of the Agreement, the Second Tranche Consideration Shares shall be paid by the Purchaser to the Company or its designated nominee(s) upon the Second Tranche Consideration Shares Issue Date (i.e. (i) the first anniversary date of the Completion Date or the 5th Business Day after the satisfaction of the Second Tranche Consideration Shares Conditions (whichever is earlier); or (ii) such other date as may be agreed by the Company and the Purchaser in writing), subject to Hong Kong Made and Guangzhou Shengyu having executed an agreement (in form and substance satisfactory to the Purchaser) to extend the term of the Hong Kong Made Contract for three years to 30 June 2023. Pursuant to the terms and conditions of the Supplemental Agreement, the above term has been amended to “the Second Tranche Consideration Shares shall be paid by the Purchaser to the Company or its designated nominee(s) on or before 15 July 2022, subject to Hong Kong Made and Guangzhou Shengyu having executed an agreement (in form and substance satisfactory to the Purchaser) to extend the term of the Hong Kong Made Contract for three years to 30 June 2023.

**(III) AMENDMENT TO THE TERMS OF THE CONSIDERATION RELATING TO THE THIRD TRANCHE CONSIDERATION SHARES**

Pursuant to the terms and conditions of the Agreement, the Third Tranche Consideration Shares shall be paid by the Purchaser to the Company or its designated nominee(s) upon the Third Tranche Consideration Shares Issue Date (i.e. (i) the second anniversary date of the Completion Date or the 5th Business Day after the satisfaction of the Third Tranche Consideration Shares Conditions (whichever is earlier); or (ii) such other date as may be agreed by the Company and the Purchaser in writing), subject to the satisfaction of the Third Tranche Consideration Shares Conditions” Pursuant to the terms and conditions of the Supplemental Agreement, the above term has been amended to “the Third Tranche Consideration Shares shall be paid by the Purchaser to the Company or its designated nominee(s) on or before 15 July 2023, subject to the satisfaction of the Third Tranche Consideration Share Conditions.

In light of the COVID-19 outbreak in the PRC, both Hong Kong Made and Guangzhou Shengyu are unable to ascertain with certainty the date of finalizing the extension term of the Hong Kong Made Contract, it was mutually agreed between the Company and the Purchaser that the terms of the Consideration relating to the Second Tranche Consideration Shares Issue Date and the Third Tranche Consideration Shares Issue Date were revised to be paid on (i) on or before 15 July 2022; and (ii) on or before 15 July 2023, respectively. Having considered that the aforesaid extension offers the Company an opportunity to strive for the Second Tranche Consideration Shares and the Third Tranche Consideration Shares, subject to the satisfaction of the Second Tranche Consideration Shares Conditions and the Third Tranche Consideration Shares Conditions, the Directors are of the view that such extension does not constitute a material variation of the terms of the Consideration and the terms of the Supplemental Agreement are fair and reasonable and in the interest of the Company and the Shareholders.

## **CHARGES ON GROUP ASSETS**

The Group has no charges on group assets at the end of the reporting period (2020: nil).

## **MISCELLANEOUS**

Save as disclosed, during the financial year ended 31 December 2021, there were no transactions, arrangements or contracts of significance entered into by the Group in which any Director or an entity connected with any Director are or were materially interested, either directly or indirectly.

## **EMPLOYEES AND EMOLUMENT POLICY**

As at 31 December 2021, the Group had 23 employees (2020: 22). The pay scale of the Group's employees is maintained at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system. Other employees' benefits include provident fund, insurance and medical cover.

## **DIVIDEND**

The Directors did not recommend any final dividend for the year ended 31 December 2021 (2020: nil).

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

During the year ended 31 December 2021, the Company did not purchase, redeem or sell any of the Company's listed securities.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with the required standard as set out in the Model Code regarding securities transactions by the Directors throughout the year ended 31 December 2021.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

The Group has adopted practices which meet the Corporate Governance Code and Corporate Governance Report for the year (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). This announcement describes its corporate governance practices, explains the applications of the principles of the Code and deviations, if any.

In the opinion of the Board, the Company has complied with the Code for the year, except for the following deviation:

### **Chairman and the Chief Executive Officer**

Currently, the positions of Chairman and Chief Executive Officer have been vacant but the Executive Director performs similar function as Chief Executive Officer. Besides, the Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation by management. The Board monitors the Group's operating and financial performance and ensures that effective governance and corporate social responsibility and policies and sound internal control and risk management systems are in place. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are comparable to those in the Code Provision.

### **AUDIT COMMITTEE**

The audit committee has four members comprising three independent non-executive directors, namely, Mr. Chan Chiu Hung, Alex (Chairman), Ms. Tang Po Lam Paulia, Mr. William Keith Jacobsen and one non-executive director, namely, Mr. Yiu Yu Cheung with terms of reference in compliance with the Listing Rules. The audit committee has reviewed the audited financial results of the Group for the year ended 31 December 2021.

### **SCOPE OF WORK OF AUDITOR**

The figures in respect of this announcement of the Group's results for the year ended 31 December 2021 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 ended 31 December 2021.

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 the results announcement.

By order of the Board  
**Kingkey Intelligence Culture Holdings Limited**  
**Tsang Hing Bun**  
*Executive Director*

Hong Kong, 25 March 2022

*As at the date of this announcement, the Board comprises Mr. Tsang Hing Bun as executive Director; Mr. Yiu Yu Cheung as non-executive Director; and Ms. Tang Po Lam Paulia, Mr. William Keith Jacobsen and Mr. Chan Chiu Hung, Alex, as independent non-executive Directors.*