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**CAPITAL
VC LIMITED**

首都創投有限公司

Capital VC Limited
首都創投有限公司

*(Incorporated in the Cayman Islands with limited liability
and carrying on business in Hong Kong as CNI VC Limited)*
(Stock Code: 02324)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 31 MARCH 2022**

The board (the “Board”) of directors (the “Director(s)”) of Capital VC Limited (the “Company”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 31 March 2022 (the “Period”). The unaudited condensed consolidated interim financial statements (the “Interim Financial Statements”) have not been audited by the Company’s independent auditor but have been reviewed by the Company’s audit committee (the “Audit Committee”).

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 MARCH 2022

	<i>Notes</i>	Six months ended	
		31 March 2022 (unaudited) HK\$	31 March 2021 (unaudited) HK\$
Turnover	5	(40,707,096)	53,181,523
Other income		202,370	350,525
Administrative expenses		(5,722,107)	(5,554,433)
Share-based payments		(4,097,371)	(2,802,996)
Reversal of expected credit loss on financial assets at amortised cost		2,153,115	–
Reversal of expected credit loss on deposits and other receivables		–	2,770,153
Operating profit/(loss)		(48,171,089)	47,944,772
Finance costs		(1,559,692)	(904,487)
Profit/(Loss) before tax	7	(49,730,781)	47,040,285
Income tax	8	–	–
Profit/(Loss) for the Period attributable to equity holders of the Company		(49,730,781)	47,040,285
Other comprehensive income for the Period, net of tax		–	–
Total comprehensive income/(loss) for the Period attributable to equity holders of the Company		(49,730,781)	47,040,285
Dividend	9	–	–
Earnings/(loss) per share (HK cents)	10		
– Basic		(12.25)	13.87
– Diluted		(12.25)	13.53

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2022

	<i>Notes</i>	31 March 2022 (unaudited) HK\$	30 September 2021 (audited) HK\$
NON-CURRENT ASSETS			
Plant and equipment	<i>11</i>	639,852	–
Financial assets at fair value through profit or loss	<i>12</i>	8,069,180	8,069,180
Investments in financial assets at amortised cost	<i>13</i>	135,773,438	151,275,464
		<u>144,482,470</u>	<u>159,344,644</u>
CURRENT ASSETS			
Financial assets at fair value through profit or loss	<i>12</i>	236,101,311	263,876,612
Investments in financial assets at amortised cost	<i>13</i>	50,650,026	46,364,972
Prepayments, deposits and other receivables	<i>14</i>	84,606,269	72,818,023
Bank balances and cash		17,739,779	11,912,344
		<u>389,097,385</u>	<u>394,971,951</u>
CURRENT LIABILITIES			
Other payables and accruals		<u>34,034,857</u>	<u>28,101,966</u>
NET CURRENT ASSETS			
		<u>355,062,528</u>	<u>366,869,985</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>499,544,998</u>	<u>526,214,629</u>
NET ASSETS			
		<u>499,544,998</u>	<u>526,214,629</u>
CAPITAL AND RESERVES			
Share capital	<i>15</i>	105,032,062	85,809,562
Reserves		394,512,936	440,405,067
		<u>499,544,998</u>	<u>526,214,629</u>
NET ASSET VALUE PER SHARE			
	<i>16</i>	<u>1.19</u>	<u>1.53</u>

NOTES TO INTERIM FINANCIAL STATEMENTS

For the six months ended 31 March 2022

1. GENERAL INFORMATION

Capital VC Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business was Room 2302, 23/F, New World Tower 1, 18 Queen’s Road Central, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). These condensed consolidated interim financial information are presented in Hong Kong dollars, unless otherwise stated.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The Interim Financial Statements should be read in conjunction with the 2020/21 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2021.

3. ACCOUNTING POLICIES

The Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 October 2021. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); HKAS; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Company has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

In preparing the Interim Financial Statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 September 2021.

5. TURNOVER

Revenue represents the amounts received and receivable on investments, net gains on financial assets at fair value through profit or loss (“FVTPL”) and bank and other interest income during the six months ended 31 March 2022 (the “Period”) as follows:

	Six months ended	
	31 March 2022 (unaudited) HK\$	31 March 2021 (unaudited) HK\$
Net realised gain/(loss) on financial assets of FVTPL	(1,162,994)	6,690,040
Net unrealised gain/(loss) on financial assets of FVTPL	(50,987,981)	33,547,469
Dividend income from investments in listed securities	164,358	–
Interest income on other receivables	2,437,917	3,391,912
Bank and bond interest income	8,841,604	9,552,102
	(40,707,096)	53,181,523

6. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular reports reviewed by the chief operating decision maker for decisions about resources allocated to the Group’s business components and for their review of the performance of those components.

The principal activity of the Group is investing in listed and unlisted companies. The Group has identified the operating and reportable segments as follows.

- Financial assets at FVTPL – Investments in securities listed on Hong Kong Stock Exchange
- Available-for-sale investment – Investments in unlisted securities

Plant and equipment, tax recoverable, accruals, interest-bearing borrowings and certain amount of prepayments, deposits and other receivables and cash and cash equivalents, were not allocated to segment.

	For the six months ended 31 March 2022				
	Investment in unlisted bonds HK\$	Investment in listed equity securities HK\$	Investment in unlisted equity securities HK\$	Unallocated HK\$	Total HK\$
Segment revenue	9,042,413	(51,986,617)	2,437,917	1,561	(40,504,726)
Reversal of expected credit loss on financial assets at amortised cost	2,153,115	–	–	–	2,153,115
Administrative expenses	–	–	–	(5,722,107)	(5,722,107)
Segment result	11,195,528	(51,986,617)	2,437,917	(5,720,546)	(44,073,718)

	For the six months ended 31 March 2021				
	Investment in unlisted bonds <i>HK\$</i>	Investment in listed equity securities <i>HK\$</i>	Investment in unlisted equity securities <i>HK\$</i>	Unallocated <i>HK\$</i>	Total <i>HK\$</i>
Segment revenue	9,552,102	40,237,509	3,391,912	350,525	53,532,048
Reversal of expected credit loss on deposits and other receivables	–	–	2,770,153	–	2,770,153
Administrative expenses	–	–	–	(5,554,433)	(5,554,433)
Segment result	<u>9,552,102</u>	<u>40,237,509</u>	<u>6,162,065</u>	<u>(5,203,908)</u>	<u>50,747,768</u>

7. PROFIT/(LOSS) BEFORE TAX

	Six months ended	
	31 March 2022 (unaudited) <i>HK\$</i>	31 March 2021 (unaudited) <i>HK\$</i>
The Group's profit/(loss) before tax has been arrived at after charging:		
Total staff costs (including directors' remuneration and share-based payments)	6,406,821	5,013,746
Depreciation on plant and equipment	50,075	–
Operating lease charges on rented premises	72,600	72,600
Interest expenses	<u>1,559,692</u>	<u>904,487</u>

8. INCOME TAX

As at 30 September 2021, the Group has unused tax losses of approximately HK\$859,242,329 available for offset against future profits. The unrecognised tax losses may be carried forward indefinitely. As the Group recorded net loss for the Period and no taxable profit was generated, no provision for Hong Kong Profits Tax was made.

9. DIVIDEND

The directors did not recommend the payment of an interim dividend for the six months ended 31 March 2022 (2021: Nil).

10. EARNINGS/(LOSS) PER SHARE

The calculations of basic and diluted loss per share are based on the Group's loss for the Period attributable to the equity holders of the Company of HK\$49,730,781 (2021: profit of HK\$47,040,285).

The basic loss per share for the Period are based on the weighted average number of 406,090,557 ordinary shares in issue for the Period. The Company had no potentially dilutive ordinary shares in the six months ended 31 March 2022. The share options during the six months ended 31 March 2022 were anti-dilutive. The diluted loss per share for the six months ended 31 March 2022 are based on weighted average number of 406,090,557 ordinary shares in issue for that Period.

The basic earnings per share for the six months ended 31 March 2021 was based on the weighted average number of 339,157,205 ordinary shares in issue.

The share options granted by the Company have potential dilutive effect on the earning per share ("EPS") of the Company for the six months ended 31 March 2021. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share options granted by the Company (forming the denominator for computing the diluted EPS).

	Unaudited Six months ended 31 March 2021 HK\$
Profit attributable to the equity holders of the Company	<u><u>47,040,285</u></u>
Weighted average number of ordinary shares shares in issue	<u>339,157,205</u>
Adjustments for share options	<u>8,498,903</u>
Weighted average number of ordinary shares for the calculation of diluted EPS	<u><u>347,656,108</u></u>
Diluted EPS (<i>HK cents</i>)	<u><u>13.53</u></u>

11. PLANT AND EQUIPMENT

During the six months ended 31 March 2022, the Group purchased a motor vehicle at cost of HK\$689,929. Except for this motor vehicle, other plant and equipment have been fully depreciated in prior years.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		31 March 2022 (unaudited) HK\$	30 September 2021 (audited) HK\$
	<i>Note</i>		
Fair value			
Unlisted equity securities		8,069,180	8,069,180
Listed equity securities in Hong Kong	<i>(a)</i>	236,101,311	263,876,612
		244,170,491	271,945,792
Analysed as:			
Current assets		236,101,311	263,876,612
Non-current assets		8,069,180	8,069,180
		244,170,491	271,945,792

Note (a):

Included in the financial assets at fair value through profit or loss as at 31 March 2022 were 24,312,000 shares of Hong Kong Education (Int'l) Investments Limited (stock code: 1082) at market value of HK\$38,169,840, 679,080,000 shares of WLS Holdings Limited (stock code: 8021) at market value of HK\$33,274,920, and 82,860,000 shares of AMCO United Holding Limited (stock code: 630) at market value of HK\$6,628,800.

13. INVESTMENTS IN FINANCIAL ASSETS AT AMORTISED COST

	31 March 2022 (unaudited) HK\$	30 September 2021 (audited) HK\$
Investments in financial assets at amortised cost	186,423,464	197,640,436
Less: Non-current assets	(135,773,438)	(151,275,464)
	50,650,026	46,364,972

Particulars of the major bonds held as at 31 March 2022, are as follows:

Name of issuer	Notes	Place of incorporation	Acquisition cost HK\$	Imputed interest HK\$	Expected credit loss HK\$	Fair value/ Carrying amount HK\$	Terms	Coupon rate p.a.
Hao Wen Holdings Limited ("Hao Wen")	(a)	Cayman Islands	42,500,000	1,629,167	(5,145,816)	38,983,351	From 1 November 2020 to 31 October 2025	8.0%
Gold Medal Hong Kong Limited ("Gold Medal")	(b)	Hong Kong	42,000,000	1,295,000	(5,510,109)	37,784,891	From 31 October 2020 to 30 October 2025	6.5%
Gold Medal	(b)	Hong Kong	20,000,000	641,666	(782,210)	19,859,456	From 28 October 2019 to 27 October 2022	6.5%
AMCO United Holding Limited ("AMCO")	(c)	Bermuda	30,000,000	787,500	(4,339,698)	26,447,802	From 12 October 2018 to 12 January 2027	10.5%

Notes:

(a) Hao Wen is a company incorporated in Cayman Islands with limited liability and principally engaged in money lending and processing and trading of electronic parts. It is listed on the GEM of the Stock Exchange (stock code: 8019). There is no provision of terms in the agreement regarding early redemption rights. Coupons of HK\$4,675,000 was received from the bonds issued by Hao Wen for the six months ended 31 March 2022.

(b) Gold Medal is a company incorporated in Hong Kong with limited liability and principally engaged in money lending business. It is a wholly owned subsidiary of WLS Holdings Limited which is listed on the GEM of the Stock Exchange (stock code: 8021). According to the terms of the agreement and subject to certain conditions, both the Group and Gold Medal have the early redemption rights as follows:

The Group can request early redemption of the bonds at 100% of the outstanding principal amount and 50% of the outstanding coupon.

Gold Medal can early redeem the bonds at 100% of the total amount of such bond together with any payment of interests accrued up to the date of such early redemption. An additional 1% will be given to the Group, together with the outstanding principal and coupon. Total coupons of HK\$5,060,000 was received from these bonds issued by Gold Medal for the six months ended 31 March 2022.

As the fair values of the early redemption rights of both Gold Medal and the Group as at 31 March 2022 were insignificant and the Group intended to hold the bonds issued by Gold Medal to maturity, the Group's investment in these bonds was recorded as financial assets at amortised cost.

(c) AMCO is a company incorporated in Bermuda with limited liability and principally engaged in manufacturing and selling of medical devices and plastic moulding products, providing construction services, money lending and securities investment. It is listed on the Main board of the Stock Exchange (stock code: 630). There is no provision of terms in the agreement regarding early redemption rights. Coupons of HK\$3,787,500 was received for the six months ended 31 March 2022.

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		31 March 2022 (unaudited) HK\$	30 September 2021 (audited) HK\$
	<i>Notes</i>		
Prepayments and deposits		231,071	864,030
Margin receivables	<i>(a)</i>	568,195	584,907
Amounts receivable on disposal of unlisted investments	<i>(b)</i>	83,807,003	71,369,086
		84,606,269	72,818,023

The carrying amounts of prepayments, deposits and other receivables at the end of the reporting period approximated their fair values.

Notes:

- (a) Margin receivables are generated from investment in financial assets at FVTPL, with interest rates ranged from 0.000% to 0.025% (30 September 2021: 0.001% to 0.05%) per annum.
- (b) The balance principally represented receivable from the purchaser of 66% equity interest of Kendervon Profits Inc. of HK\$54,130,035 (30 September 2021: HK\$57,042,116).

15. SHARE CAPITAL

	<i>Notes</i>	Number of ordinary shares of HK\$0.25 each	Share Capital HK\$
Authorised:			
At 1 October 2020, 30 September 2021, 1 October 2021 and 31 March 2022		800,000,000	200,000,000
Issued and fully paid:			
At 1 October 2020		275,488,249	68,872,062
Conversion of convertible bonds	<i>(a)</i>	54,000,000	13,500,000
Exercise of share options		13,750,000	3,437,500
At 30 September 2021 and 1 October 2021		343,238,249	85,809,562
Placing of new shares	<i>(b)</i>	68,640,000	17,160,000
Exercise of share options		8,250,000	2,062,500
At 31 March 2022		420,128,249	105,032,062

Notes:

- (a) 54,000,000 shares of HK\$0.25 each were issued and allotted upon conversion of the convertible bonds placed by the Company on 18 September 2020. Please refer to the Company's announcements dated 1 September 2020 and 18 September 2020 for further details.
- (b) On 4 October 2021, the Company entered into the placing agreement to issue and allot a maximum of 68,640,000 placing shares of HK\$0.25 each in the Company with China Prospect Securities Limited at a price of HK\$0.25. The net proceeds from the subscription would be used for the general working capital of the Group and for future investments pursuant to the investment objectives of the Company. These new placing shares rank pari passu in all respect with existing shares. This transaction has been completed on 25 October 2021.

16. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net asset value of the Group as at 31 March 2022 of HK\$499,544,998 (30 September 2021: HK\$526,214,629) and on the number of 420,128,249 ordinary shares of HK\$0.25 each in issue as at 31 March 2022 (30 September 2021: 343,238,249 ordinary shares of HK\$0.25 each).

17. RELATED PARTY AND CONNECTED TRANSACTIONS

- (a) During the Period, significant transactions with related parties and connected parties are as follows:

		Six months ended	
		31 March 2022 (unaudited) HK\$	31 March 2021 (unaudited) HK\$
China Everbright Securities (HK) Limited ("CES")			
Investment management fee paid	(i)	–	100,000
Evergrande Securities (Hong Kong) Limited ("ESL")			
Investment management fee paid	(ii)	<u>300,000</u>	<u>188,710</u>

Notes:

- (i) CES is an investment manager of the Company and considered as a connected person under 14A.08 of Chapter 21 of the Listing Rules. Pursuant to an investment management agreement ("CES Agreement") dated 29 December 2017 entered into between the Company and CES, CES agreed to provide the Company with investment management services (excluding general administrative services) commencing on 1 January 2018. Pursuant to the terms of CES Agreement, the monthly investment advisory fee is HK\$50,000. The CES Agreement was terminated with effect from 1 December 2020.

- (ii) ESL is an investment manager of the Company and considered as a connected person under 14A.08 of Chapter 21 of the Listing Rules. Pursuant to an investment management agreement (“ESL Agreement”) dated 30 November 2020 entered into between the Company and ESL, ESL agreed to provide the Company with investment management services for an initial term of three years commencing on 8 December 2020. Pursuant to the terms of ESL Agreement, the monthly investment advisory fee is HK\$50,000.
- (b) Compensation of key management personnel. The remuneration of directors and other members of key management during the Period was as follows:

	Six months ended	
	31 March 2022 (unaudited) HK\$	31 March 2021 (unaudited) HK\$
Short-term benefits (including share-based payments)	<u>2,253,391</u>	<u>2,090,581</u>

18. PLEDGE OF ASSETS

The Group has pledged its financial assets at fair value through profit or loss, which are HK\$109,785,642 as at 31 March 2022 (30 September 2021: HK\$107,879,456), to secure margin financing facilities obtained from regulated securities dealers.

19. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with current period’s presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Highlights

For the six months ended 31 March 2022 (the “Period”), the Group recorded a negative turnover of approximately HK\$40.7 million (2021: positive amount of HK\$53.2 million) and net loss attributable to equity holders of the Company of approximately HK\$49.7 million (2021: profit of HK\$47.0 million). The performance of the Group’s listed investments was not such satisfactory during the Period. As compared to net profit on listed investment of approximately HK\$40.2 million recognised during the six months ended 31 March 2021, the performance of the Group’s listed investments has turned around and net loss of approximately HK\$52.0 million was recorded. The performance in the Group’s listed investment led to the turnaround from the net profit of approximately HK\$47.0 million for the the six months ended 31 March 2021 to net loss of approximately HK\$49.7 million for the Period.

During the Period, the Group did not acquire or dispose of its unlisted equity investments. In relation to bonds investments, the Group acquired new bonds from SEEC Group Limited (“SEEC”) at principal of HK\$20 million with coupon rate of 6% and in terms of 6 years. The Group also extended the bonds issued by AMCO United Holding Limited (“AMCO”). The extended bonds issued by AMCO is with principal of HK\$30 million and coupon rate of 10.5%, and due in January 2027. Both SEEC and AMCO are listed on Main Board the Stock Exchange. In addition, the Group disposed of bonds issued by Profit Big Enterprises Limited during the Period and gain on disposal of approximately HK\$200,000 was recorded.

During the Period, the Group has reversed expected credit loss on financial assets at amortised cost of approximately HK\$2.2 million. In view of satisfactory repayment of other receivables, the Company considers adequate expected credit loss provision has been made as at 31 March 2022, and no further provision was made accordingly.

As at 31 March 2022, the net asset value (“NAV”) of the Group was approximately HK\$499.5 million (30 September 2021: HK\$526.2 million), representing a decrease of approximately 5.1% over the Period. The decrease in NAV is principally attributable to the comprehensive loss for the Period attributable to equity holders of the Company of approximately HK\$49.7 million, net of the proceeds of approximately HK\$16.9 million from placing of 68.6 million of ordinary shares of the Company of HK\$0.25 each during the Period.

PERFORMANCE OF THE GROUP'S LISTED SECURITIES

The performance of Group's listed investments changed from gain of HK\$40.2 million in six months ended 31 March 2021 to loss of HK\$52.0 million for the Period. The gain on listed investments for the Period of approximately HK\$52.0 million represented net realised loss of approximately HK\$1.2 million and net unrealised loss of approximately HK\$51.0 million, net of dividend income of approximately HK\$0.2 million. Set out below are further information of these net realised and unrealised losses:

NET REALISED LOSS

Net realised loss of approximately HK\$1.2 million represented realised gain of approximately HK\$6.6 million net of realised loss of approximately HK\$7.8 million.

Company name	Stock code	Investment costs <i>HK\$' million</i>	Disposal consideration <i>HK\$' million</i>	Unrealised	Realised gain <i>HK\$' million</i>	Realised loss <i>HK\$' million</i>
				loss recognised in prior years <i>HK\$' million</i>		
China Properties Investments						
Holdings Limited	736	5.5	0.3	(10.9)	5.7	–
EV Dynamics (Holdings) Limited	476	11.9	8.3	(1.8)	–	(1.8)
Diwang Industrial Holdings Limited	1950	6.1	3.0	(1.3)	–	(1.8)
Others					0.9	(4.2)
					<u>6.6</u>	<u>(7.8)</u>

The above shares are listed on Main Board of the Stock Exchange, and no stock included in others contributed the realised gain or loss over HK\$1.5 million during the Period.

NET UNREALISED LOSS

The net unrealised loss of approximately HK\$51.0 million represents the unrealised gain of approximately HK\$11.1 million net of unrealised loss of approximately HK\$62.1 million. Set out below is the breakdown of the aforesaid unrealised gain and loss:

Company name	Stock code	Unrealised gain <i>HK\$' million</i>	Unrealised loss <i>HK\$' million</i>
Wealth Glory Holdings Limited	8269	4.0	–
SEEC Media Group Limited	205	–	(8.0)
China Properties Investments Holdings Limited	736	–	(7.7)
AMCO United Holding Limited	630	–	(6.6)
China e-Wallet Payment Group Limited	802	–	(5.4)
Glory Sun Financial Group Limited	1282	–	(4.3)
China Zenith Chemical Group Limited	362	–	(4.1)
China Baoli Technologies Holdings Limited	164	–	(3.0)
Others		7.1	(23.0)
		<u>11.1</u>	<u>(62.1)</u>

The above shares are listed either on Main Board or GEM of the Stock Exchange, and no stock included in others contributed the realised gain over HK\$2.0 million or loss over HK\$3.0 million during the Period.

Business Review and Prospect

In Year 2021, the global investment market extended the difficult time of prior years. The launch of vaccines cannot completely stop the spread of COVID-19. Omicron variant has appeared in China, which is one of the lowest spreading countries, in the first half of Year 2022. The performance of most stocks listed on the Stock Exchange of Hong Kong Limited was affected accordingly. Hang Seng index dropped from 24,575 points as at 30 September 2021 to the recent lowest point of 18,415 points as at 15 March 2022.

In such pessimistic market atmosphere, the Group's listed securities performed unsatisfactorily. The performance of the Group's listed investments turnaround from profit of approximately HK\$40.2 million in the six months ended 31 March 2021 to loss of approximately 50.2 million in the Period.

In connection with unlisted investments, the Group acquired one new bonds, extended one existing bonds and disposed of one bonds in the Period, the details of which have been stated under the headline of "Financial Highlights" on page 13 of this announcement. Bond coupons of approximately HK\$19.4 million were recorded in the Period.

Looking forward, as COVID-19 keeps changing over time and there is no effective solution to this virus at the moment, we do not expect the global investment market will have good performance in the rest of this year. Accordingly, we will continue to adopt cautious measures to manage the Group's investment portfolio.

LIQUIDITY, FINANCIAL RESOURCES, CHARGE ON ASSETS, GEARING, CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

The Group's liquidity position has maintained steady over the Period. The Group's bank balances as at 31 March 2022 increased to approximately HK\$17.7 million (30 September 2021: approximately HK\$11.9 million) and its current ratio (as defined by current assets/current liabilities) maintained a healthy level of 11.4 as at 31 March 2022 (30 September 2021: 14.1). The Board believes that the Group has sufficient resources to satisfy its working capital requirements.

During the Period, the Group maintained low level of gearing ratio (as defined by total liabilities/total assets) (31 March 2022: 6.4%; 30 September 2021: 5.1%), and the Group had no material commitment and contingent liabilities as at 31 March 2022.

Included in the Group's listed securities of HK\$236.1 million as at 31 March 2022 were amount of approximately HK\$109.8 million secured for the margin payables of approximately HK\$30.2 million, which were included in other payables and accruals of HK\$34.0 million.

SIGNIFICANT INVESTMENTS

The Group's investments with fair value over 5% of value of its total assets are considered as significant investments. The Group's significant investments as at 31 March 2022 include (i) 24.3 million shares of Hong Kong Education (Int'l) Investments Limited (stock code: 1082), (ii) 679.1 million shares of WLS Holdings Limited (stock code: 8021) and bonds in principal of HK\$62.0 million in aggregate issued by Gold Medal Hong Kong Limited, which is a wholly owned subsidiary of WLS Holdings Limited, (iii) the bonds issued by Hao Wen Holdings Limited (stock code: 8019) in principal of HK\$42.5 million, and (iv) 82.9 million shares of AMCO United Holding Limited (stock code: 630) and its bonds in principal of HK\$30.0 million held by the Group. Set out below are certain information of the Group's significant investments as at 31 March 2022:

Significant Investments	Fair value/ Carrying value of significant investments as at 31 March 2022 <i>HK\$' million</i>	Percentage of fair value of significant investments to the Company's total assets as at 31 March 2022	Realised loss recognised during the six months ended 31 March 2022 <i>HK\$' million</i>	Unrealised gain/ (loss) recognised during the six months ended 31 March 2022 <i>HK\$' million</i>	Bond coupons received during the six months ended 31 March 2022 <i>HK\$' million</i>
Equity investment in Hong Kong Education (Int'l) Investments Limited	38.2	7.2%	(0.5)	(1.9)	N/A
Equity investment in WLS Holdings Limited	33.3	6.2%	–	1.4	N/A
Bonds investment in Gold Medal Hong Kong Limited	57.6	10.8%	–	(1.2)	5.1
Bonds investment in Hao Wen Holdings Limited	39.0	7.3%	–	(2.0)	4.7
Equity investment in AMCO United Holding Limited	6.6	1.2%	–	(6.6)	N/A
Bonds investment in AMCO United Holding Limited	26.4	4.9%	–	(2.1)	3.8

Equity Investment – Hong Kong Education (Int'l) Investments Limited (“HKEI”) (stock code: 1082)

The Group held approximately 24.3 million shares of HKEI with market value of approximately HK\$38.2 million as at 31 March 2022.

HKEI Group had still been operating in a severe and challenging environment during the year ended 30 June 2021. The Group had been facing a continuous decreasing enrolment of secondary school students, declining number of candidates participating in the Hong Kong Diploma of Secondary Education Examination, increasing number of students studying abroad, and a fierce competition in the education industry. Also, the ongoing of coronavirus disease 2019 (“COVID-19”) pandemic in Hong Kong seriously affected the progress of resumption of face-to-face classes in our education centres and eventually caused a distinct reduction in course enrolments during the year ended 30 June 2021.

For the year ended 30 June 2021, HKEI Group recorded revenue of approximately HK\$43.3 million (2020: approximately HK\$67.2 million), representing a decrease of approximately 35.6% as compared to the last financial year. Profit attributable to owners of the Company for the year ended 30 June 2021 amounted to approximately HK\$3.6 million (2020: loss of approximately HK\$107.19 million).

The overall market has entered into a new era with the advent of COVID-19. The pandemic has revolutionised human activities due to social distancing. It is not difficult to understand that control measures arising from the COVID-19 hindered business development. In order to reduce the adverse effect on HKEI Group's businesses due to geographical and travelling barriers, HKEI Group acquired the UFO Group to meet the unprecedented challenges.

With the introduction of VR, augmented reality and artificial intelligence from the UFO Group, it can break through the existing obstacles and may be applied to HKEI's distinct businesses under the brand names of "Modern Education (現代教育)" and "Modern Bachelor Education (現代小學士)". The aforesaid technologies can allow students to allocate their study schedules effectively without geographical and time boundaries, and at the same time, allow HKEI Group to expand its business to international markets. The mixture of traditional learning and technology-based learning will help our students and HKEI Group to improve their efficiencies as a whole.

With the help from the UFO Group, which is also a content and solution provider in the STEAM education industry, HKEI Group became a more complete education services provider by diversifying its business in the education industry and being more agile in response to market dynamics and opportunities.

Looking forward, HKEI Group considers despite the roll out of various vaccines in many parts of the world, the COVID-19 pandemic continued to pose a significant threat across the world due to the more contagious COVID-19 variants. Full resumption of business is not expected to happen in the near future. The industry of private education has encountered unprecedented transformation due to suspension of physical classes and economic downturn. To a certain extent, the market could hardly resume to pre-COVID-19 level until the spread of COVID-19 variants are fully under control.

Against this backdrop, HKEI Group is determined to exploit its resources to develop its operation based on digital technology while adapting to the constraints of campus suspension and social distancing in order to meet students and parents' expectations. During the year, e-learning has made it possible for everyone to stay connected. Students and tutors connect, discuss, share their opinions, and act upon situations collaboratively. Students now have gotten used to distance learning via digital platforms due to social distancing. Online courses and curriculum have the ability to eliminate educational barriers based on locations, so that all learners can thrive in this unprecedented market environment. It is possible to work out the solutions that may break through the traditional limitations of teaching and learning including but not limited to geographic, physical presence and time boundary for education business. The class learning experience has undergone a tremendous change since VR came to education. The rise in demand for experiential learning pushes forward the development of learning with VR as well as the new trend of STEAM-based programs. Along with the Group's acquisition of UFO school, by leveraging its specialties in the VR technology and STEAM education industry, HKEI Group is ready to explore the possibility of education technology – combined use of computer hardware, software, and educational theory and

practice to facilitate learning. HKEI Group will also carefully consider opportunities for merger and acquisition which is education-related in the market so as to increase our market share and enlarge revenue base.

The Company shares the similar viewpoints of HKEI's management and believes that the adverse business environment will improve, and bring the return to us, as HKEI's shareholders in medium to long terms.

Equity Investment – WLS (stock code: 8021)

The Group held approximately 679.1 million shares of WLS with market value of approximately HK\$33.3 million as at 31 March 2022.

As mentioned above, WLS is listed on GEM of the Stock Exchange (stock code: 8021). WLS is principally engaged in the scaffolding and fitting out services, management contracting services and other services for construction and buildings work, money lending business, securities brokerage and margin financing and securities investment business. For the year ended 30 April 2021, the audited consolidated loss attributable to owners of WLS was approximately HK\$16.9 million. Their performance significantly improved and the unaudited net profit attributable to owners of WLS of approximately 27.8 million was recorded in the six months ended 31 October 2021.

As WLS is one of the leading scaffolding sub-contractors in the industry, the management of WLS are confident about securing more contracts which based on the multi-pronged strategy adopted by Hong Kong government to maintain a steady and sustainable land supply with the aim to meet the continuing housing needs. The Company believes the WLS's business strategy is in line with the overall direction of the Hong Kong government's strategic development plans for property construction, infrastructure investment and financial market development, and considerable amount of profit will be generated in medium to long terms.

Bonds Investment – Gold Medal Hong Kong Limited (“Gold Medal”)

Gold Medal is a company incorporated in Hong Kong with limited liability and principally engaged in money lending business. It is a wholly owned subsidiary of WLS Holdings Limited (“WLS”), the guarantor of the bonds, which is listed on GEM of the Stock Exchange (stock code: 8021). Based on WLS' interim report for the six months ended 31 October 2021, its net asset value was approximately HK\$535.5 million, and its current assets and total liabilities as at 31 October 2021 were approximately HK\$449.6 million and HK\$242.5 million respectively. The current assets can fully cover its total liabilities. Accordingly, the Company considers that there is no signal of default of bonds issued by Gold Medal to the Group.

Bonds Investment – Hao Wen Holdings Limited (“Hao Wen”) (stock code: 8019)

Hao Wen is a company incorporated in Cayman Islands with limited liability. Hao Wen and its subsidiaries are principally engaged in money lending, manufacturing of biomass fuel product and trading of electronic parts. It is listed on GEM of the Stock Exchange (stock code: 8019). Based on Hao Wen’s annual report for the year ended 31 December 2021, its net asset value was approximately RMB290.4 million, its current assets were approximately RMB191.8 million and total liabilities were approximately RMB34.2 million. In view of Hao Wen’s strong liquid assets and limited liabilities, the Company considers that Hao Wen has sufficient financial resources to meet its ongoing operation, there is no signal of default of bonds issued by Hao Wen to the Group.

Bonds and Equity Investment – AMCO United Holding Limited (“AMCO”) (stock code: 630)

AMCO is a company incorporated in Bermuda with limited liability and principally engaged in medical device businesses. The company operates through five business segments, namely Medical Devices Business, Plastic Molding Business, Building Contract Works Business, Money Lending Businesses and Securities Investment. The company operates businesses in the regions of Asia, Europe and North and South Americas. It is listed on main board of the Stock Exchange (stock code: 630). Based on AMCO’s annual report for the year ended 31 December 2021, its net asset value was approximately HK\$114.8 million, its current assets were approximately HK\$162.0 million and total liabilities were approximately HK\$69.5 million. Included in current assets of approximately HK\$162.0 million were substantially assets liquid in nature, which were cash and cash equivalents of approximately HK\$4.7 million, listed stocks investments of approximately HK\$42.6 million, trade receivables of approximately HK\$9.4 million and loan receivables of approximately HK\$100.2 million, totalling HK\$156.9 million. These liquid assets can fully cover AMCO’s total liabilities of approximately HK\$69.5 million. Accordingly, the Company considers that AMCO has sufficient working capital to meet the ongoing business, there is no signal of default of bonds issued by AMCO.

The Group held approximately 82.9 million shares of AMCO with market value of approximately HK\$6.6 million as at 31 March 2022.

In relation to AMCO’s four business segments above, increase in revenue were noted in the year ended 31 December 2021 as compared to the revenue amount for the corresponding period in year 2020, except for Building Contract Works Business and Plastic Products Business, which contributed minimal turnover to AMCO only. The decrease in revenue of Building Contract Works Business segment was primarily due to (i) substantial completion of several significant public contracts during the same period of 2020; (ii) slowdown in the progress of existing construction projects under the impact of COVID-19, and (iii) decrease in awards of projects in both public and private sectors, under the stringent and competitive market environment of the building construction and maintenance industry caused by slower growth of the industry and the Hong Kong economy during the period.

Consistent with the Group’s investment in WLS as mentioned above, along with the Hong Kong government’s strategic development plans for property construction, we believe the performance of AMCO will improve and we consider their diversified business portfolio can reduce the risk of business concentration.

SEGMENTAL INFORMATION

There is no material change in the Group's investment segment, which are principally investments in listed and unlisted equity securities, and unlisted bond, during the Period.

FOREIGN CURRENCY FLUCTUATION

The Group's exposures to foreign currencies mainly arises from its investments in companies located in the PRC, which are financed internally. In order to mitigate the potential impact of currency fluctuations, the Group closely monitors its foreign currency exposures and will use suitable hedging instruments against significant foreign currency exposures, where necessary. No foreign currency hedge contract was entered into by the Group during the Period. As at 31 March 2022, the Group had no outstanding foreign currency hedge contracts (30 September 2021: Nil).

SIGNIFICANT ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATES

During the Period the Company does not have any significant acquisition and disposal of subsidiaries and associates.

HUMAN RESOURCES

As at 31 March 2022, the Group had 13 employees, excluding the directors of the Company. Total staff costs excluding Directors' remuneration amounted to approximately HK\$4.6 million. They perform clerical, research, business development and administrative functions for the Group. The Group's remuneration policies are in line with the prevailing market practice and the staff remuneration is determined on the basis of the performance and experience of individual employees.

CAPITAL STRUCTURE

During the six months ended 31 March 2022, the share capital of the Company increased from 343,238,249 shares as at 30 September 2021 to 420,128,249 shares as at 31 March 2022, which was due to 68,640,000 shares and 8,250,000 shares issued and allotted by placing of new shares and exercise of share options, respectively. Included in other payables as at 31 March 2022 were margin payables of approximately HK\$30.2 million bearing interest rates ranged from 8% to 16% (2021: 8% to 8.25%) per annum. The margin payables are in Hong Kong Dollars, and secured by listed investments of the Group, repayable on demand and are guaranteed by the Company on behalf of a subsidiary. In view of such immaterial amount of the margin payables in Hong Kong Dollars as compared to the Group's listed stocks of approximately HK\$236.1 million, the Company considers the currency and interest rate risks exposure of its debt and obligation are manageable.

The Board has been actively seeking fund raising opportunities to strengthen the Company's financial position. On 25 October 2021, the Company completed a placing and has successfully raised approximately HK\$17.2 million (before expenses), which are detailed below.

On 4 October 2021 (after trading hours), the Company and China Prospect Securities Limited (the "Placing Agent") entered into a placing agreement (the "Placing Agreement") pursuant to which the Placing Agent agreed to place, on a best endeavour basis, to not less than six independent places for up to 68,640,000 new shares at a price (the "Placing Price") of HK\$0.250 per placing share (the "Placing"). These new shares rank pari passu in all respect with the then existing Shares. The Placing was completed on 25 October 2021.

The Placing Price of HK\$0.250 per placing share represents: (i) a discount of approximately 5.66% to the closing price of HK\$0.265 per share of the Company as quoted on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 4 October 2021, being the date of the Placing Agreement; and (ii) a discount of approximately 10.71% to the average of the closing prices of HK\$0.280 per share of the Company as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Group is principally engaged in listed investments in Hong Kong and in unlisted equity and debt securities.

The Board considers that the Placing represents a good opportunity for the Company to raise additional funds and to widen the Company's shareholder base. The terms of the Placing Agreement (including the Placing Price and the placing commission) were determined after arm's length negotiations between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The gross and net proceeds from the Placing were approximately HK\$17.2 million and approximately HK\$16.9 million, respectively. The Company intended to use such net proceeds for the general working capital of the Group and for future investments pursuant to the investment objectives of the Company. The 68,640,000 new shares were fully placed and the net placing price was approximately HK\$0.246 per Placing Share. As of 31 March 2022, the net proceeds of approximately HK\$16.9 million were fully used for working capital and investments as intended.

Save as the Placing, the Group did not have run any capital exercise during the Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS AND THEIR EXPECTED OF FUNDING IN COMING YEAR

As at 31 March 2022 and up to the date of this announcement, the Company does not have any concrete plan for material investments or capital assets.

DIRECTORS AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 31 March 2022, save as 2,750,000 ordinary shares of the Company held by Mr. Kong Fanpeng, and the share options granted to Mr. Chan Cheong Yee and Mr. Kong Fanpeng as detailed in the section "SHARE OPTION SCHEME" below, none of the Directors or the chief executive of the Company had or were deemed to have any Discloseable Interests or Short Position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance ("SFO") (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2022, there was no person who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed by shareholders of the Company at the annual general meeting on 10 December 2013, the Company adopted a new share option scheme (the "Scheme"). Under the Scheme, the directors of the Company may, at their absolute discretion, invite any employee (full-time or part-time), director, consultant or advisor of any member of the Group, or any substantial shareholder of any member of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of any member of the Group, or any company wholly owned by one or more persons belonging to any of the above classes to subscribe for shares in the Company representing up to a maximum of 10% of the shares in issue on date of the aforesaid annual general meeting.

On 16 February 2022 (after trading hours), the Company offered to grant an aggregate of 25,200,000 share options (the “Group A Share Options”) to certain employees of the Company (the “Group A Grantees”), subject to acceptance of the Group A Grantees, under the Scheme. The closing price of the Company’s shares immediately before the date of the grant of Group A Share Options (i.e. 15 February 2022) was HK\$0.270. The Group A Share Options will enable the Group A Grantees to subscribe for an aggregate of 25,200,000 new shares, representing approximately 6.0% of the issued share capital of the Company as at the date of grant. The validity period of the Group A Share Options was three years from the date of grant and the exercise price of the Group A Share Options is HK\$0.275 per share. The fair value of the Group A Share Options granted was HK\$2,995,757. On 9 March 2022 (after trading hours), the Company offered to grant an aggregate of 8,400,000 share options (the “Group B Share Options”) to certain directors of the Company (the “Group B Grantees”), subject to acceptance of the Group B Grantees, under the Scheme. The closing price of the Company’s shares immediately before the date of the grant of Group B Share Options (i.e. 8 March 2022) was HK\$0.250. The Group B Share Options will enable the Group B Grantees to subscribe for an aggregate of 8,400,000 new shares, representing approximately 2.0% of the issued share capital of the Company as at the date of grant. The validity period of the Group B Share Options was three years from the date of grant and the exercise price of the Group B Share Options is HK\$0.251 per share. The fair value of the Group B Share Options granted was HK\$1,101,614. Since then, the Group has not granted any new options under the Share Option Scheme up to the date of this announcement. The scheme mandate limit was refreshed at the Company’s annual general meeting held on 31 March 2022. 42,012,824 share options are ungranted which represent approximately 10.0% of the issued share capital of the Company up to the date of this announcement. 8,250,000 share options of the Company were exercised during the six months ended 31 March 2022.

Details of the options granted to the Group A and B Grantees under the Scheme and movements in such holdings during the Period were as follows:

Category	Date of Grant	Exercise Price	Option Period	Number of options held as at 1 October 2021	Number of options granted during the Period	Number of options exercised during the Period	Number of options cancelled/lapsed during the Period	Number of options held as at 31 March 2022
Directors								
Mr. Kong Fanpeng	13 February 2020	HK\$0.25*	Two years from date of grant	2,750,000*	–	(2,750,000)	–	–
	16 February 2021	HK\$0.25	Three years from date of grant	3,430,000	–	–	–	3,430,000
	9 March 2022	HK\$0.251	Three years from date of grant	–	4,200,000	–	–	4,200,000
Mr. Chan Cheong Yee	13 February 2020	HK\$0.25*	Two years from date of grant	2,750,000*	–	(2,750,000)	–	–
	16 February 2021	HK\$0.25	Three years from date of grant	3,430,000	–	–	–	3,430,000
	9 March 2022	HK\$0.251	Three years from date of grant	–	4,200,000	–	–	4,200,000
Employees								
	13 February 2020	HK\$0.25*	Two years from date of grant	2,750,000*	–	(2,750,000)	–	–
	16 February 2021	HK\$0.25	Three years from date of grant	20,580,000	–	–	–	20,580,000
	16 February 2022	HK\$0.275	Three years from date of grant	–	25,200,000	–	–	25,200,000
Total				<u>35,690,000</u>	<u>33,600,000</u>	<u>(8,250,000)</u>	<u>–</u>	<u>61,040,000</u>

* The share options granted on 13 February 2020 were adjusted to reflect the share consolidation effective on 14 July 2020. Please refer to the Company’s circular dated 23 June 2020 for further details.

The fair values of the Group A and B Share Options of HK\$2,995,757 and HK\$1,101,614, which were calculated by Binomial Option Pricing Model with the following assumptions:

	Group A	Group B
	Share Options	Share Options
Share price at the grant date:	HK\$0.265	HK\$0.250
Nature of the Share Options:	Call	Call
Risk-free rate:	1.215%	1.300%
Expected life of the options:	3 years	3 years
Expected dividend yield:	0%	0%
Expected volatility:	90.884%	90.459%

The expected volatility was based on the historical volatility of the Company's share prices. Expected dividends were based on historical dividends. Change in subjective input assumptions could materially affect the fair value estimate.

Save as mentioned above, no share option was granted by the Company during the Period, and there was no share option outstanding as at 1 October 2021 and 31 March 2022.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries repurchased, redeemed or sold any of the Company's listed securities during the six months ended 31 March 2022.

AUDIT COMMITTEE

As at 31 March 2022, the Audit Committee comprises three independent non-executive directors, namely, Mr. Cheung Wai Kin, Mr. Lee Ming Gin and Ms. Lai Fun Yin with written terms of reference in compliance. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Company, and discussed risk management, internal control and financial reporting matters including the review of the unaudited interim results for the six months ended 31 March 2022.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (“Model Code”) as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiry to all directors regarding any non compliance with the Model Code during the Period and they all confirmed that they have fully complied with the required standard set out in the Model Code.

CORPORATE GOVERNANCE PRACTICE

During the Period, the Company has complied with the code provisions in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Listing Rules, except the deviations from the CG Code as described below:

CG Code provision A.2.1 (which has been re-numbered as CG Code provision C.2.1 under the new Corporate Governance Code that came to effect on 1 January 2022) stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same person. Decisions of the Company are made collectively by the executive directors. The Board believes that this arrangement enables the Company to make and implement decisions promptly, and thus achieve the Company’s objectives efficiently and effectively in response to the changing environment. The Board also believes that the Company already has a strong corporate governance structure in place to ensure effective oversight of management.

CG Code provision A.4.1 requires that non-executive directors should be appointed for a specific term and subject to re-election. Currently all non-executive directors, including independent non-executive directors, have no specific term of appointment but they are subject to retirement by rotation in accordance with the articles of association of the Company. As such, the Company considers that sufficient measures have been taken to serve the purpose of this code provision.

On behalf of the Board
Chan Cheong Yee
Executive Director

Hong Kong, 24 May 2022

As at the date of this announcement, the Board comprises Mr. Kong Fanpeng and Mr. Chan Cheong Yee as executive directors; and Mr. Lee Ming Gin, Ms. Lai Fun Yin and Mr. Cheung Wai Kin as independent non-executive directors.