

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

## **Century Group International Holdings Limited**

**世紀集團國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code : 02113)**

### **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

The board (the “**Board**”) of directors (the “**Directors**”) of Century Group International Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2022 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2021:

#### **FINANCIAL HIGHLIGHTS**

- Revenue of the Group for the Reporting Period amounted to approximately HK\$73.8 million (for the six months ended 30 September 2021: approximately HK\$170.0 million).
- Loss attributable to owners of the Company for the Reporting Period amounted to approximately HK\$16.4 million (for the six months ended 30 September 2021: approximately HK\$15.6 million).
- Basic and diluted loss per share for the Reporting Period amounted to approximately HK cents 2.04 (for the six months ended 30 September 2021: approximately HK cents 1.94).
- The Board does not declare any interim dividend for the Reporting Period (for the six months ended 30 September 2021: nil).

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

	Notes	Six months ended 30 September	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	4	73,786	170,000
Cost of sales and services		(90,961)	(185,198)
		<hr/>	<hr/>
Gross loss		(17,175)	(15,198)
Other income, other gains and losses, net	5	4,216	4,344
Administrative expenses		(3,586)	(4,862)
Finance costs		(117)	(36)
		<hr/>	<hr/>
Loss before taxation		(16,662)	(15,752)
Income tax credit	6	279	154
		<hr/>	<hr/>
Loss for the period	7	(16,383)	(15,598)
Other comprehensive (expense) income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(214)	14
		<hr/>	<hr/>
Total comprehensive expense for the period		(16,597)	(15,584)
		<hr/>	<hr/>
<b>Loss for the period attributable to:</b>			
Owners of the Company		(16,383)	(15,598)
Non-controlling interests		—	—
		<hr/>	<hr/>
		(16,383)	(15,598)
		<hr/>	<hr/>
<b>Total comprehensive expense for the period attributable to:</b>			
Owners of the Company		(16,597)	(15,584)
Non-controlling interests		—	—
		<hr/>	<hr/>
		(16,597)	(15,584)
		<hr/>	<hr/>
<b>Loss per share (HK cents)</b>			
- Basic and diluted	9	(2.04)	(1.94)
		<hr/>	<hr/>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
AS AT 30 SEPTEMBER 2022

	Notes	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
<b>Non-current assets</b>			
Plant and equipment		759	1,046
Right-of-use assets		540	992
		<b>1,299</b>	2,038
<b>Current assets</b>			
Trade and other receivables, deposits and prepayments	10	24,567	24,115
Contract assets	11	41,308	42,788
Restricted bank balances		15,804	15,719
Bank balances and cash		5,982	6,200
		<b>87,661</b>	88,822
<b>Current liabilities</b>			
Trade and other payables	12	52,780	44,938
Other short-term borrowing	13	2,356	728
Amount due to a director of a subsidiary		22,058	16,058
Amount due to a shareholder		3,555	3,555
Provisions		2,572	2,572
Tax payable		—	293
Lease liabilities		455	811
		<b>83,776</b>	68,955
<b>Net current assets</b>		<b>3,885</b>	19,867
<b>Total assets less current liabilities</b>		<b>5,184</b>	21,905
<b>Non-current liabilities</b>			
Lease liabilities		—	124
<b>Net assets</b>		<b>5,184</b>	21,781
<b>Capital and reserves</b>			
Share capital	14	8,048	8,048
Reserves		(2,864)	13,733
<b>Total equity</b>		<b>5,184</b>	21,781

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the six months ended 30 September 2022*

### Attributable to owners of the Company

	Share capital HK\$'000	Share premium HK\$'000 (note a)	Merger reserve HK\$'000 (note b)	Statutory reserve HK\$'000 (note c)	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2021 (Audited)	8,048	109,951	—*	37	29	(72,298)	45,767
Loss for the period	—	—	—	—	—	(15,598)	(15,598)
Other comprehensive income for the period	—	—	—	—	14	—	14
Total comprehensive expense for the period	—	—	—	—	14	(15,598)	(15,584)
At 30 September 2021 (Unaudited)	8,048	109,951	—*	37	43	(87,896)	30,183
At 1 April 2022 (audited)	8,048	109,951	—*	162	75	(96,455)	21,781
Loss for the period	—	—	—	—	—	(16,383)	(16,383)
Other comprehensive expense for the period	—	—	—	—	(214)	—	(214)
Total comprehensive expense for the period	—	—	—	—	(214)	(16,383)	(16,597)
At 30 September 2022 (Unaudited)	<b>8,048</b>	<b>109,951</b>	<b>—*</b>	<b>162</b>	<b>(139)</b>	<b>(112,838)</b>	<b>5,184</b>

\* Less than HK\$1,000

Note:

- a. Under the Company Law (as revised) of the Cayman Islands, the share premium account of the Company is distributable to its shareholders, provided that immediately following the date on which the dividend is proposed to be paid, the Company shall be able to pay its debts as they fall due in the ordinary course of business.
- b. Merger reserve represents the difference between the nominal value of the issued capital of subsidiaries acquired pursuant to a group reorganization over the consideration paid for acquiring these subsidiaries.
- c. The statutory reserve represents the amount set aside from the retained earnings by a subsidiary incorporated in the People's Republic of China ("PRC") and is not distributable as dividend. In accordance with the relevant regulations and its articles of association, the Company's subsidiary incorporated in the PRC is required to allocate at least 10% of its after-tax profit according to the PRC accounting standards and regulations to legal reserves until such reserves have reached 50% of registered capital. The reserve can only be used for specific purposes and is not distributable or transferable to loans, advances and cash dividends.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
NET CASH USED IN OPERATING ACTIVITIES	(7,735)	(1,308)
NET CASH GENERATED FROM INVESTING ACTIVITIES	694	5,475
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	7,031	(7,518)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10)	(3,351)
Effect of foreign exchange rate changes	(208)	12
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6,200	7,818
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, represented by bank balances and cash	5,982	4,479

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

## 1. GENERAL INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the interim report.

The Company is an investment holding company and its subsidiaries are principally engaged in provision of construction and site formation services and trading of liquefied natural gas.

The condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

## 2. BASIS OF PREPARATION

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

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for financial asset at fair value through profit or loss which is measured at fair values.

## 3. ACCOUNTING POLICIES

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements of the Group for the Reporting Period are consistent with those used in the audited financial statements of the Group for the year ended 31 March 2022 and should be used in conjunction with the audited consolidated financial statements for the year ended 31 March 2022.

HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) and interpretations that are first effective or available for early adoption for the Reporting Period. There have been no significant changes to the accounting policies applied in these financial statements for the Reporting Period presented as a result of these developments.

### **ADOPTION OF NEW AND AMENDED HKFRSs**

In the Reporting Period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operation and effective for its accounting period beginning on 1 April 2022, comprise HKFRSs, HKAS and Interpretations.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. A number of new or amended standards are effective from 1 April 2022 but they do not have a material effect on the Group’s unaudited condensed consolidated interim financial statements.

#### 4. REVENUE AND SEGMENT INFORMATION

##### (a) Revenue

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Disaggregation of revenue from contracts with customers</b>		
Sales of goods	5,306	56,195
Construction and site formation services in Hong Kong	68,480	113,805
	<u>73,786</u>	<u>170,000</u>
<b>Timing of revenue recognition</b>		
Over time	68,480	113,805
At a point in time	5,306	56,195
	<u>73,786</u>	<u>170,000</u>

##### (b) Segment information

Information reported to the directors of the Group, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance is based on the nature of business.

Segment results represent the profit/(loss) from each segment without allocation of central administrative expenses, finance costs and other income, other gains and losses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The CODM makes decision according to operating results of each segment. No analysis of segment assets and liabilities is presented as they were not regularly provided to the CODM for the purpose of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

The following is an analysis of the Group's revenue and results by reportable segments which are also the operating segments for the periods under review:

**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

	<b>Construction and Site Formation Business HK\$'000 (Unaudited)</b>	<b>Trading Business HK\$'000 (Unaudited)</b>	<b>Total HK\$'000 (Unaudited)</b>
Revenue from external customers	68,480	5,306	73,786
Segment results	<u>(20,057)</u>	<u>73</u>	<u>(19,984)</u>
Unallocated administrative expenses			(777)
Finance costs			(117)
Other income, other gains and losses			4,216
Loss before taxation			<u><u>(16,662)</u></u>

**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

	<b>Construction and Site Formation Business HK\$'000 (Unaudited)</b>	<b>Trading Business HK\$'000 (Unaudited)</b>	<b>Total HK\$'000 (Unaudited)</b>
Revenue from external customers	113,805	56,195	170,000
Segment results	<u>(20,031)</u>	<u>698</u>	<u>(19,333)</u>
Unallocated administrative expenses			(763)
Finance costs			—
Other income, other gains and losses			4,344
Loss before taxation			<u><u>(15,752)</u></u>

## 5. OTHER INCOME, OTHER GAINS AND LOSSES, NET

	Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Bank interest income	85	51
Gain on disposal of plant and equipment	537	3,794
Government grants	3,100	—
Others	494	499
	<b>4,216</b>	<b>4,344</b>

During the Reporting Period, the Group recognized government grants of approximately HK\$3,100,000 in respect of Covid-19 related subsidies and HK\$3,030,000 of which relates to Employment Support Scheme.

## 6. INCOME TAX (EXPENSE) CREDIT

	Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Current tax		
- Hong Kong Profits Tax	—	—
- PRC Enterprise Income Tax	(4)	(26)
Over-provision in respect of prior years		
- PRC Enterprise Income Tax	283	—
Deferred taxation	—	180
	<b>279</b>	<b>154</b>

Pursuant to the laws and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI as there is no income tax imposed in such jurisdictions.

No provision for Hong Kong Profits Tax has been made for both years as there was no assessable profits generated for the year.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the Reporting Period.

In accordance with the “Notice on implementing Generalised Preferential Tax Treatment for Small Low-profit Enterprises” (Caishui [2019] No. 13), the Group’s PRC entity which is qualified as small and thin profit enterprises with an annual taxable income of RMB1 million or less enjoyed a preferential tax rate of 20% of its taxable income, with the residual 80% exempted for the Reporting Period.



## 10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
Trade receivables from contracts with customers	19,014	16,837
Less: Allowance for credit losses	(250)	(250)
	<u>18,764</u>	<u>16,587</u>
Prepayments, deposits and other receivables	5,803	7,528
	<u>24,567</u>	<u>24,115</u>

The Group does not hold any collateral over these balances.

The Group does not have a standardised and universal credit period granted to its customers of construction contracts, and the credit period of individual customer of construction contracts is considered on a case-by-case basis and stipulated in the project contract, as appropriate. In respect of sales of liquefied natural gas, payment is required to be settled by 30 days from presentation of sale invoices. The following is an aged analysis of trade receivables, presented based on the date of the certified report and invoice date which approximates revenue recognition date at the end of the reporting period:

	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
0 to 30 days	11,338	1,626
31 to 60 days	3,086	9,549
61 to 365 days	4,590	5,662
	<u>19,014</u>	<u>16,837</u>
Less: Allowance for credit losses	(250)	(250)
	<u>18,764</u>	<u>16,587</u>

As at the reporting date, included in the Group's trade receivables balance is a debtor with aggregate carrying amount of approximately HK\$4,137,000 (31 March 2022: HK\$5,662,000) which is past due over 90 days as at the reporting date and this past due amount is not considered in default as this amount has been fully arranged settlement (31 March 2022: fully settled) subsequent to the reporting date.

## 11. CONTRACT ASSETS

	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
Unbilled revenue of construction contracts	5,159	13,526
Retention receivables of construction contracts	36,798	29,911
	<hr/>	<hr/>
	41,957	43,437
Less: Allowance for credit losses	(649)	(649)
	<hr/>	<hr/>
	<b>41,308</b>	<b>42,788</b>
	<hr/> <hr/>	<hr/> <hr/>

## 12. TRADE AND OTHER PAYABLES

	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
Trade payables	42,665	27,969
Retention payables	2,226	2,211
Accrued expenses and other payables	7,889	14,758
	<hr/>	<hr/>
	52,780	44,938
	<hr/> <hr/>	<hr/> <hr/>

Trade payables represent payables to suppliers and subcontractors. The credit terms granted to subcontractors are stipulated in the relevant contracts and the payables are usually due for settlement within 60 days. In respect of purchases of liquefied natural gas, the credit period is 30 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time-frame. The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
0 to 30 days	15,516	10,085
31 to 60 days	3,326	6,356
61 to 90 days	3,157	3,342
91 to 365 days	20,666	8,186
	<hr/>	<hr/>
	42,665	27,969
	<hr/> <hr/>	<hr/> <hr/>

### 13. OTHER SHORT-TERM BORROWING

	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
Accrued expenses and other payables	<u>2,356</u>	<u>728</u>

The other short-term borrowing is unsecured, repayable within one year or on demand (including those with repayable on demand clause).

### 14. SHARE CAPITAL

	Number of shares		Share Capital	
	30 September 2022 (Unaudited)	31 March 2022 (Audited)	30 September 2022 (Unaudited)	31 March 2022 (Audited)
Ordinary shares of HK\$0.01 each				
<b>Authorised</b>				
At the beginning and at the end of the period/year	<u>2,000,000,000</u>	2,000,000,000	<u>20,000</u>	20,000
<b>Issued and fully paid:</b>				
At the beginning of the period/year	<u>804,750,000</u>	804,750,000	<u>8,048</u>	8,048
At the end of the period/year	<u>804,750,000</u>	804,750,000	<u>8,048</u>	8,048

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

During the Reporting Period, the Group was engaged to undertake site formation works in Hong Kong as a subcontractor and the trading of liquefied natural gas (“LNG”) in the PRC.

### Construction and site formation services

During the Reporting Period, revenue amounted to approximately HK\$68.5 million, approximately HK\$45.3 million lower than the corresponding period in 2021. Such decrease was mainly attributable to the projects on hand from previous years at their later stage of completion while no new project awarded during the Reporting Period.

During the Reporting Period, there was no new project awarded whereas in contrast the Group was awarded one project with contract sum of approximately HK\$46.0 million for the six months ended 30 September 2021.

One of five projects was already completed in the Reporting Period contributing a revenue of approximately HK\$0.6 million. As at 30 September 2022, the remaining four projects with related variation orders on hand are in progress, with a total contract sum of approximately HK\$533.1 million (2021: seven projects, approximately HK\$622.0 million). Approximately HK\$67.9 million was recognised as revenue from these four projects during the Reporting Period.

Set out below is a list of projects completed during the Reporting Period and those projects which are still in progress at 30 September 2022:

Site Location	Type of Work	Status	Contract Sum (HK\$'Million)
Kwun Tong District	Site formation works	In progress	310.0
Shatin District	Site clearance, demolition work and earthwork	Completed	42.7
Islands District	Road and drainage works	In progress	62.1
Islands District	Road and drainage works	In progress	47.9
Sai Kung District	ELS and shoring works	In progress	113.1

## **Trading of LNG**

The revenue of the Group for the trading of LNG in the Reporting Period was approximately HK\$5.3 million, a decrease of approximately HK\$50.9 million or 90.6% in comparing with approximately HK\$56.2 million for the corresponding period in last year. COVID-19 outbreaks in Shanghai in the second quarter of 2022 had a great impact on the economy, with gas demand from industry, power generation, public services and transportation sectors falling significantly. The PRC's natural gas demand growth in 2022 may be the lowest annual rate on record, and possibly even negative, as high LNG prices, sluggish economic growth and COVID-related curbs batter consumption.

## **Financial Review**

The Group recorded revenue of approximately HK\$73.8 million for the Reporting Period, representing a decrease of approximately 96.2 million or 56.6% compared with approximately HK\$170.0 million for the corresponding period in 2021. The decrease was mainly due to the failure in awarding new projects and decreased demand in LNG in PRC.

The Group's total gross loss amounted to approximately HK\$17.2 million for the Reporting Period, an increase of approximately HK\$2.0 million or 13.2% compared with approximately HK\$15.2 million for the corresponding period in 2021. The Group's overall gross loss margin during the Reporting Period was approximately 23.3% (2021: approximately 8.9%).

The increase in gross loss was mainly attributable to the increase in cost of sales resulting from the unexpected increase in material cost in a construction project.

The other revenue of the Group for the Reporting Period amounted to approximately HK\$4.2 million, representing a decrease of approximately HK\$0.1 million or 2.3% compared with approximately HK\$4.3 million for the corresponding period of 2021. There was government grants in the Reporting Period of approximately HK\$3.1 million while a contribution by a gain on disposal of plant and equipment of approximately HK\$3.8 million was recorded in the corresponding period of 2021

The administrative expenses of the Group for the Reporting Period amounted to approximately HK\$3.6 million, representing a decrease of approximately HK\$1.3 million or 26.5% compared with approximately HK\$4.9 million for the corresponding period of 2021. The decrease was mainly attributable to a reduction of staff cost of approximately HK\$0.5 million in the Reporting Period.

For the Reporting Period, the Group recorded a net loss of approximately HK\$16.4 million, as compared to approximately HK\$15.6 million for the corresponding period in 2021. The increase was mainly attributable to the increase in gross loss resulting from the increase in the cost of sales as discussed above.

## **Prospects**

### **Construction and site formation services**

With the continuous support of the Hong Kong government, the construction industry has been able to develop steadily. It expects the overall construction industry volume can reach a high record, including the construction of public and private housing, the promotion of hospital development and reconstruction plans, and the development and expansion of new cities towns and new development areas, etc.

Hong Kong is carrying out a number of short-term, medium-term and long-term development projects, such as: housing planning, urban infrastructure, commercial building development, interior decoration, building maintenance, cultural relic revitalization and greening projects, etc., which are bound to inject strong momentum into the further development of the construction industry.

### **Trading of LNG**

The PRC government has encouraged coal-to-electricity switching and renewable energy for heating in the north of the northern part of the PRC, diminishing city gas demand in the north. However, residents in the south of the northern part of the PRC have strong heating demand, boosting local gas demand.

It expects gas consumption from gas-fired power plants to grow slightly while demand from the transportation sector is expected to fall amid the increased uptake of new energy vehicles and high LNG prices. Global LNG prices are set to remain elevated in coming years, with international markets requiring demand balance for an extended period in the wake of tight supplies that are expected to support prices. The global demand-supply equilibrium will be likely restored toward 2025-2027 when more liquefaction projects come online and demand destruction becomes inevitable.

### **Liquidity, Financial Resources and Capital Resources**

As at 30 September 2022, the Group had bank balances of approximately HK\$6.0 million (31 March 2022: approximately HK\$6.2 million).

The gearing ratio is calculated based on the amount of total interest-bearing debts divided by total equity. As at 30 September 2022, the gearing ratios of the Group were 0.45 (31 March 2022: 0.03).

### **Pledge of Assets**

As at 30 September 2022, the Group did not pledge any assets to secure any loans.

### **Foreign Exchange Risk**

The Group mainly operates in Hong Kong and PRC. Most of the operating transactions such as sales, expenses, monetary assets and liabilities are denominated in Hong Kong dollars and Renminbi. They are very stable in the period under review. As such, the Directors are of the view that the Group's risk in foreign exchange is insignificant and that we should have sufficient resources to meet foreign exchange requirements if and when they arise. Therefore, the Group has not engaged in any derivative contracts to hedge its exposure to foreign exchange risk during the Reporting Period.

## **Employees and Remuneration Policy**

As at 30 September 2022, the Group employed 182 staff (31 March 2022: 150 staff). Total staff costs including directors' emoluments for the Reporting Period, amounted to approximately HK\$33.6 million (for the six months ended 30 September 2021: approximately HK\$39.4 million). The salary and benefit levels of the employees of the Group are competitive and individual performance is rewarded through the Group's salary and bonus system. The Group conducts annual review on salary increase, discretionary bonuses and promotions based on the performance of each employee.

During the Reporting Period, the Group has not experienced any significant problems with its employees due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff.

## **Capital Structure**

During the six months ended 30 September 2022, there has been no change in capital structure of the Company. The capital of the Company comprises ordinary shares and capital reserves.

## **Capital Commitments**

As at 30 September 2022, the Group did not make any capital commitments (31 March 2022: nil).

## **Contingent Liabilities**

As at 30 September 2022, the Group did not have any significant contingent liabilities (31 March 2022: nil).

## **Purchase, sale and redemption of listed securities of the Company**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

## **Dividend**

No dividend was paid or proposed for ordinary shareholders of the Company during the Reporting Period, nor has any dividend been proposed since the end of the Reporting Period (2021: nil).

## **Compliance with the corporate governance code**

The Group recognise the importance of achieving the highest standard of corporate governance consistent with the needs and requirements of its businesses and the best interest of all of its stakeholders, and the Board is fully committed to doing so. The Board believes that high standards of corporate governance provide a framework and solid foundation for the Group to manage business risks, enhance transparency, achieve high standard of accountability and protect stakeholders' interests.

The Group has adopted a corporate governance statement of policy which provides guidance on the application of the corporate governance principles on the Group, with reference to the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules.

In the opinion of the Directors, the Company has complied with all code provisions as set out in the CG Code during the Reporting Period and, where appropriate, the applicable recommended best practices of the CG Code.

## **Compliance with the Model Code**

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Companies (the "**Model Code**") in the Listing Rules. In response to a specific enquiry by the Company, all Directors have confirmed that they complied with the requirements of the Model Code during the Reporting Period.

## **Audit Committee**

The Company has established an audit committee (the "**Audit Committee**") in accordance with the requirements of the Listing Rules with terms of reference aligned with the provision of the CG Code as set out in Appendix 14 to the Listing Rules. The Audit Committee is to serve as a focal point for communication between other directors, the external auditors, and the management as their duties relate to financial and other reporting, internal controls, risk management and the audits; and to assist the Board in fulfilling its responsibilities by providing an independent review of financial reporting, be satisfying themselves as to the effectiveness of the Company's risk management and internal controls systems and as to the efficiency of the audits. The Audit Committee comprises three independent non-executive directors, namely Ms. Lam Yuen Man Maria (Chairman), Mr. Law, Michael Ka Ming and Mr. Chung Man Lai.

## **Review of interim results**

The Group's unaudited condensed consolidated interim results and financial report for the Reporting Period have been reviewed and approved by the Audit Committee.

By order of the Board  
**Century Group International Holdings Limited**  
**Man Wai Lun**  
*Executive Director*

Hong Kong, 25 November 2022

*As at the date of this announcement, the Board comprises Mr. Wang Feng and Mr. Man Wai Lun as executive Directors and Mr. Law, Michael Ka Ming, Mr. Chung Man Lai and Ms. Lam Yuen Man Maria as independent non-executive Directors.*