



國聯通信控股有限公司

GLOBAL LINK COMMUNICATIONS HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8060)

FIRST QUARTERLY RESULTS ANNOUNCEMENT 2023

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

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

This announcement will remain on the website of Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting. This announcement will also be posted on the website of the Company at www.glink.hk.

HIGHLIGHTS

Turnover for the three months ended 30 June 2023 was approximately HK\$29,066,000 representing a decrease of approximately 1% as compared to the Last Corresponding Period.

Loss attributable to equity shareholders of the Company of approximately HK\$1,788,000, as compared with the loss of approximately HK\$1,698,000 for the Last Corresponding Period.

UNAUDITED FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2023

The board of Directors (the “**Board**”) of Global Link Communications Holdings Limited (the “**Company**”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (“**Global Link**” or the “**Group**”) for the three months ended 30 June 2023 (“**Current Period**” or “**period**”) together with the unaudited comparative figures for the three months ended 30 June 2022 (“**Last Corresponding Period**”) as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2023

		2023 (Unaudited) <i>HK\$'000</i>	2022 (Unaudited) <i>HK\$'000</i>
Revenue	2	29,066	29,349
Cost of sales		<u>(26,768)</u>	<u>(28,048)</u>
Gross profit		2,298	1,301
Other revenue		776	1,909
Selling expenses		(2,571)	(2,473)
Administrative expenses		(2,112)	(2,107)
Other operating expenses		<u>(116)</u>	<u>(55)</u>
Loss from operation		(1,725)	(1,425)
Finance costs		<u>(63)</u>	<u>(273)</u>
Loss before taxation		(1,788)	(1,698)
Income tax	3	<u>–</u>	<u>–</u>
Loss for the period		(1,788)	(1,698)
Other comprehensive (loss)/gain:			
Exchange differences on translating foreign operations		<u>10</u>	<u>(583)</u>
Total comprehensive loss for the period		<u>(1,778)</u>	<u>(2,281)</u>
Loss attributable to:			
Equity shareholders of the Company		(1,788)	(1,698)
Non-controlling interests		<u>–</u>	<u>–</u>
		<u>(1,788)</u>	<u>(1,698)</u>
Total comprehensive loss attributable to:			
Equity shareholders of the Company		(1,778)	(2,281)
Non-controlling interests		<u>–</u>	<u>–</u>
		<u>(1,778)</u>	<u>(2,281)</u>
		<i>HK cents</i>	<i>HK cents</i>
Loss per share:	5		
– Basic and diluted		<u>(0.55)</u>	<u>(0.52)</u>

NOTES TO THE INCOME STATEMENT

1. BASIS OF PREPARATION

The Group's unaudited quarterly results have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention.

2. REVENUE

Revenue, which is also the Group's turnover, presents net of value-added tax, trade discounts and returns.

3. INCOME TAX

The statutory income tax rate of the Company and its subsidiaries operated in Hong Kong was 16.5% for the three months ended 30 June 2023 and 2022, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rates regime. For this subsidiary the first HK\$2 million of assessable profits are taxed at 8.25%, and the remaining assessable profits are taxed at 16.5%.

The provision for Hong Kong Profits Tax for the three months ended 30 June 2023 was HK\$0 (2022: HK\$0).

A PRC subsidiary of the Company, Guangzhou Global Link Communications Inc. ("Guangzhou GL"), was qualified as "High and new technology enterprise" and subject to concessionary rate of PRC enterprise income tax (the "PRC EIT") at 15%, which was granted for further three years starting from December 2020. The remaining PRC subsidiaries were qualified as "Small Low-profit Enterprise" and subject to a concessionary PRC EIT rate.

The Company and its subsidiaries incorporated in countries other than the PRC and Hong Kong are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.

There was no significant unprovided deferred taxation for the three months ended 30 June 2023.

4. DIVIDEND

The Board does not recommend an interim dividend for the three months ended 30 June 2023 (2022: Nil).

5. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the unaudited consolidated loss attributable to equity shareholders of the Company for the three months ended 30 June 2023 of approximately HK\$1,788,000 (2022: approximately HK\$1,698,000) and the weighted average number of approximately 326,380,800 ordinary shares (2022: approximately 326,380,800 ordinary shares) in issue during the period calculated.

(b) Diluted loss per share

The basic and diluted loss per share are the same for the three months ended 30 June 2023 and for the three months ended 30 June 2022, as there no diluted potential ordinary shares in issue during the period.

6. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital (unaudited) HK\$'000	Share premium (unaudited) HK\$'000	Merger reserve (unaudited) HK\$'000 (note a)	Exchange reserve (unaudited) HK\$'000 (note b)	Accumulated losses (unaudited) HK\$'000	Statutory reserves (unaudited) HK\$'000	Total (unaudited) HK\$'000
As at 1 April 2022	32,638	188,107	2,135	10,092	(153,101)	14,583	94,454
Loss attributable to equity shareholders of the Company for the period	-	-	-	-	(1,698)	-	(1,698)
Other comprehensive loss Exchange differences on translating foreign operations	-	-	-	(583)	-	-	(583)
As at 30 June 2022	<u>32,638</u>	<u>188,107</u>	<u>2,135</u>	<u>9,509</u>	<u>(154,799)</u>	<u>14,583</u>	<u>92,173</u>
As at 1 April 2023	32,638	188,107	2,135	9,840	(161,933)	11,600	82,387
Loss attributable to equity shareholders of the Company for the period	-	-	-	-	(1,788)	-	(1,788)
Other comprehensive loss Exchange differences on translating foreign operations	-	-	-	10	-	-	10
As at 30 June 2023	<u>32,638</u>	<u>188,107</u>	<u>2,135</u>	<u>9,850</u>	<u>(163,721)</u>	<u>11,600</u>	<u>80,609</u>

Note:

- (a) The merger reserve represents the difference between the nominal value of the share capital issued by the Company in exchange for the nominal value of the share capital and share premium of its subsidiary arising from group reorganisation in 2002.
- (b) Statutory reserves comprise statutory surplus reserve and statutory welfare reserve fund of subsidiary in the People's Republic of China (the "PRC").

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

During the period under review, Mainland China faced a complex and challenging international situation and shouldered the daunting and onerous task of domestic reform, development and stability. Adhering to the main tone of making progress while maintaining stability, it implemented the new development concept completely, accurately and comprehensively by focusing on promoting high-quality development and giving prominence to the work of stabilizing growth, employment and prices. As a result, the market demand gradually recovered and the economic operation as a whole rebounded steadily. However, the global economic and political landscape was complicated, and the sustainable recovery and development of the domestic economy was still on shaky ground. Various reforms were pending to be promoted by the relevant local governments and departments, and corresponding measures and policies implemented on entity enterprises still faced many headwinds.

The main operations of Guangzhou Global Link Communications Inc. (“**Guangzhou Global Link**”), a subsidiary of the Group during the period were as follows. Specifically, the first was the implementation and delivery of contracts signed, the new purchase of Guangzhou Metro Line 2, the overhaul of Harbin Metro Line 3, Shenzhen Metro Line 3 and Wuhan Metro Line 2, and the provision of spare parts for Guangzhou Metro and Fuzhou Metro. Second, Guangzhou Global Link invested a large amount of resources in corporate product research and development by organizing technology innovation, product authentication and other works on tackling key problems, in order to adapt to the requirements of new technical specifications on “Standard Subway Train” for the urban railway industry. Thirdly, the Company actively prepared to participate in the “First GBA International Rail Transit Forum & Exhibition (首屆廣州大灣區國際軌道交通產業發展論壇暨展覽會)”, in order to better explore in the operational market. The Company’s core technologies and the concept of serving the industry were better revealed through the participation. At the same time, we were able to learn more about the development trend of the industry and gain solid experience for the Company’s development.

According to the annual report of Modern Urban Transit, by the end of 2022, 290 urban rail transit lines have been opened and operated in 53 cities in Mainland China, with an operational length of 9,584 km and 5,609 stations. As some cities failed to meet the threshold of urban rail transit construction indicators, in particular, falling far from the standard for implementation of the operation intensity. Therefore, cities with a new round of urban rail projects approved will be reduced to a certain extent, which will affect the market expectations for enterprises along the industrial chain. Due to huge investments in urban rail transit construction, local government’s finances were under pressure during the pandemic years, and the defaults in payments to various suppliers also affected the operations of supporting enterprises. The Opinions of the CPC Central Committee and the State Council on Promoting the Development and Growth of Private Economy was published recently. We look forward to the implementation of relevant policies, which will solve the substantial operational problems of small and medium-sized enterprises, and further stimulate the development vitality of the private economy.

During the period under review, with the liberalisation of the anti-epidemic policies, economic activities in various countries gradually returned to normal, bringing domestic and foreign economies back to the pre-pandemic levels. While keeping close to the promotion of national economic development policies, economic exchanges from enterprises in the Greater Bay Area became more active. Under the circumstance of the liberalisation of the anti-epidemic policies, interpersonal communications tended to be face-to-face. However, changes in the way people live brought new impact on CRM business. While stabilizing the existing business by colleagues of the Company, in order to coordinate with people's new lifestyle pattern, the Group proactively explored new service areas and customer base, and provided customers with solutions amidst such changes to match with customers' business promotion. In the meantime, faced with the global trend of AI intelligence, the Company also researched AI intelligence service systems in the market with the expectation of enabling the Company's service system to be improved, thereby improving the efficiency and performance of CRM services, expanding service contents, saving labor costs, and bringing greater business opportunities for the development of the Company's CRM business.

FINANCIAL REVIEW

For the three months ended 30 June 2023, the turnover of the Group was approximately HK\$29,066,000, slightly lower than that for the Last Corresponding Period. Loss attributable to equity shareholders of the Company for the three months ended 30 June 2023 amounted to approximately HK\$1,788,000, representing an increase of approximately 5% as compared to the loss of approximately HK\$1,698,000 for the Last Corresponding Period.

During the period under review, the Group's CRM business suffered a slight setback due to the new impact on the CRM business brought about by the changes in the way people live as a result of the liberalisation of the anti-epidemic policy, but the Group believes that there is still plenty of room for the development of the CRM business in the Greater Bay Area. The turnover from CRM business for the three months ended 30 June 2023 was approximately HK\$14,591,000, representing a decrease of approximately 14% as compared to approximately HK\$17,000,000 for the Last Corresponding Period. Guangzhou Global Link was engaged in the delivery of the signed contracts during the period, which were the new purchase of Guangzhou Metro Line 2, the overhaul of Harbin Line 3, Shenzhen Line 3 and Wuhan Line 2, and the provision of spare parts for Guangzhou Metro and Fuzhou Metro. The turnover from rail transportation for the three months ended 30 June 2023 was approximately HK\$14,475,000, representing an increase of approximately 21% as compared to approximately HK\$12,000,000 for the Last Corresponding Period.

Selling expenses for the period amounted to approximately HK\$2,571,000, representing an increase of approximately 4% as compared to approximately HK\$2,473,000 for the Last Corresponding Period.

Administrative expenses amounted to approximately HK\$2,112,000, slightly higher than that of approximately HK\$2,107,000 for the Last Corresponding Period.

Other operating expenses amounting to approximately HK\$116,000 represented after-sales repair and maintenance provision provided for the train information system for railway transportation.

Other income amounted to approximately HK\$776,000, representing a decrease of approximately 59% as compared to approximately HK\$1,909,000 for the Last Corresponding Period, which was mainly due to the decrease in the reversal of provision for accounts receivable during the period in addition to the decrease in foreign exchange income, interest income and other income during the period as compared with the Last Corresponding Period.

USE OF PROCEEDS FROM THE SUBSCRIPTION COMPLETED ON 21 APRIL 2016

Honor Crest Holdings Limited, a direct wholly owned subsidiary of Goldstream Investment Limited (formerly known as International Elite Ltd.), a company listed on the Main Board of the Stock Exchange (stock code: 1328) completed the subscription of 1,000,000,000 shares of the Company on 21 April 2016. For details, please refer to the announcements of the Company dated 29 February 2016 and 21 April 2016 and the circular published by the Company dated 30 March 2016 (the “**2016 Circular**”).

The gross proceeds from the subscription were HK\$80.0 million. The net proceeds of the subscription, after deduction of expenses and professional fees, amounted to approximately HK\$79.0 million (the “**2016 Subscription Proceeds**”), amongst which approximately HK\$68.7 million had been utilised as at 30 June 2023. The breakdown of the Company’s actual use of the 2016 Subscription Proceeds as at 30 June 2023 is as follows:

	Proposed use of the 2016 Subscription Proceeds as disclosed in the 2016 Circular HK\$ million	Actual use of the 2016 Subscription Proceeds as at 30 June 2023 HK\$ million	Remaining balance of the 2016 Subscription Proceeds as at 30 June 2023 HK\$ million
The Company’s existing train information system solutions for urban rail transit business, mainly for the execution of the newly signed order contracts of a number of new lines projects in several cities in the PRC	30.0	30.0	0
The development of the “Smart City” project by using the Company’s existing CA-SIM technology, mainly for staff hiring, development of relevant management system platform and gradual roll out of the mobile apps and value-added services to target users	41.1	30.8	10.3
Working capital	7.9	7.9	0
Total	79.0	68.7	10.3

In view of the current industry trend and based on the best estimation of future market conditions made by the Group, it is expected that the Group will fully utilise the 2016 Subscription Proceeds by 31 March 2025. It will be subject to change based on the current and future development of market conditions. The Group will apply its financial resources, including but not limited to, funds from the 2016 Subscription Proceeds based on market conditions and opportunities.

There has been a delay in the expected timeline for the use of funds from the 2016 Subscription Proceeds allocated for the purpose of the development of the “Smart City” project by using the Group’s existing Certificate Authority-SIM (CA-SIM) technology. The delay arose mainly for the following reasons:

- (i) The Group has been upgrading and developing its CA-SIM products and the related mobile applications to be compatible with 5G network specifications, which are required for the integrated “Smart City” solution in the PRC. The 4G network version of the CA-SIM products are outdated and no longer acceptable to the market and end-users for lack of 5G network compatibility. While the research and development efforts are underway, the Company currently expects the improved and redesigned CA-SIM products and the related mobile applications can be introduced and marketed to the end-users by the end of 2023.
- (ii) The COVID-19 Pandemic caused a delay in the development and implementation of the “Smart City” project in various candidate districts or cities in the PRC. On this end, since the beginning of financial year 2023, the Group has continued active negotiations and discussions with the relevant government authorities in the PRC and in overseas countries for business collaboration opportunities.

The Company will continue to work closely with business partners in the development and implementation of the “Smart City” project and will update shareholders on further progress as and when appropriate.

The remaining balance of the unutilised 2016 Subscription Proceeds has been kept in the banks as deposits.

As at 30 June 2023, there is no plan to change the original intended use of the proceeds as disclosed in the 2016 Circular.

USE OF PROCEEDS FROM THE SUBSCRIPTION COMPLETED ON 13 NOVEMBER 2019

Mr. Li Kin Shing, the chairman of the Board and the controlling shareholder of the Company, completed the subscription of 1,175,000,000 new shares of the Company on 13 November 2019, details of which are included in the announcements of the Company dated 28 August 2019, 24 October 2019 and 13 November 2019 and the circular of the Company dated 9 October 2019 (the “**2019 Circular**”). The net proceeds of the said subscription were approximately HK\$40.0 million (the “**2019 Subscription Proceeds**”). On 7 March 2023, after careful consideration and detailed evaluation of the Group’s operations and business strategy, the Directors had resolved to change the use of the remaining unutilised net proceeds from the Subscription in the amount of approximately HK\$35.4 million to be used as general working capital of the Group, details of which is included in the announcement of the Company dated 7 March 2023. The breakdown of the Company’s actual use of the 2019 Subscription Proceeds as at 30 June 2023 is as follows:

	Proposed use of the 2019 Subscription proceeds as disclosed in the Circular HK\$ million	Revised use of the 2019 Subscription proceeds HK\$ million	Actual use of the 2019 Subscription proceeds as at 30 June 2023 HK\$ million	Remaining balance of the 2019 Subscription proceeds as at 30 June 2023 HK\$ million
General working purposes and in particular the procurement of the POS equipment with the Company’s patented 2.4G technology software installed to meet the potential orders from the Group’s business partner	40.0	4.6	4.6	0
General working capital of the Group	0	35.4	23.3	12.1
	<u>40.0</u>	<u>40.0</u>	<u>27.9</u>	<u>12.1</u>
Total	<u>40.0</u>	<u>40.0</u>	<u>27.9</u>	<u>12.1</u>

Since the termination of the purchase agreement entered into by the Group with the business partner in December 2020, the Group has been actively looking for other potential purchasers of the POS Equipment. However, due to the continuing impact of COVID-19 on the urban public transportation industries in the PRC, no procurement agreement for the Group’s POS Equipment has been entered into. As such, due to the slower than expected business development progress and the general market outlook for the POS Equipment, the Directors have resolved to terminate the business development relating to the POS Equipment. The Directors are of the view that to change the use of the 2019 Subscription Proceeds originally allocated to this segment to be used for general working capital of the group would enable the Group to apply its financial resources more efficiently and to capture other business opportunities for the Group’s revenue growth.

The Directors note that the Group continued to develop the customer relationship management (“CRM”) business vigorously and the current CRM business achieved rapid growth for the financial year ended 31 March 2023 with approximately HK\$80.9 million in revenue recorded for the CRM segment, representing approximately 58% of the Group’s total revenue for the financial year ended 31 March 2023. The Directors are of the view that the CRM segment will continue to see growth in revenue generation and better profit margin in the future if allocated with additional working capital to support its business development and process streamlining.

The Directors confirm that there are no material changes in the nature of the business of the Group. The Directors consider that the change of use of the unutilised 2019 Subscription Proceeds will allow the Company to deploy its financial resources more effectively and is in the interests of the Company and its shareholders as a whole and will not have any material adverse effect on the existing business and operations of the Group.

In view of the current industry trend and based on the best estimation of future market conditions made by the Group, it is expected that the Group will fully utilise the unutilised 2019 Subscription Proceeds in the sum of approximately HK\$12.1 million by the end of 2024. It will be subject to change based on the current and future development of market conditions. The Group will apply its financial resources, including but not limited to, funds from the 2019 Subscription Proceeds based on market conditions and opportunities.

The remaining balance of the unutilised 2019 Subscription Proceeds has been kept in the banks as deposits.

As at 30 June 2023, there is no plan to further change the intended use of the 2019 Subscription Proceeds.

DIRECTORS' AND CHIEF EXECUTIVES' INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2023, so far as is known to the Directors, the interests of the Directors and the chief executives of the Company in the shares of the Company (the “Share(s)”), underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”)) which would have to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions of which they were taken or deemed to have under such provisions of the SFO) and/or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which would have to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules relating to securities transactions by the Directors were as follows:

Name of Director	Company/name of associated corporation	Capacity	Number and class of securities	Approximate percentage of shareholdings
Ma Yuanguang	Company	Beneficial owner	1,055,600 ordinary Shares Long position	0.32%
Li Kin Shing ⁽¹⁾	Company	Beneficial owner	164,877,714 ordinary Shares Long position	50.52%
		Interest of corporation controlled by the director	25,465,320 ordinary Shares Long position	7.80%
		Interest of the spouse	38,749,356 ordinary Shares Long position	11.87%
Wong Kin Wa	Company	Beneficial owner	186,150 ordinary Shares Long position	0.06%

Note:

- (1) Mr. Li Kin Shing (“**Mr. Li**”) is personally interested in 164,877,714 Shares. Ms. Kwok King Wa (“**Ms. Kwok**”) is personally interested in 38,749,356 Shares. Mr. Li is the spouse of Ms. Kwok. Accordingly, Mr. Li is deemed to be interested in his spouse’s shareholding under the SFO. Furthermore, Ever Prosper International Limited, which is held as to 50% and 46.5% by Mr. Li and Ms. Kwok respectively, is interested in 25,465,320 Shares. Therefore, Mr. Li is also deemed to be interested in the Shares held by Ever Prosper International Limited under the SFO.

Save as disclosed above, as at 30 June 2023, so far as is known to the Directors, none of the Directors nor the chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interest and/or short positions which they were 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, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2023, so far as is known to the Directors, the following person (not being a Director or a chief executive of the Company) had an interest and/or a short position in the shares and/or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and/or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO and/or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other members of the Group:

Interests in ordinary shares of the Company – long position

Name	Capacity	Number of securities	Approximate percentage of shareholding
Kwok King Wa ⁽¹⁾	Beneficial owner	38,749,356	11.87%
	Interest of the spouse	164,877,714	50.52%
	Interest of corporation controlled by her	25,465,320	7.80%
Ever Prosper International Limited ⁽²⁾	Beneficial owner	25,465,320	7.80%

Notes:

- (1) Ms. Kwok King Wa (“**Ms. Kwok**”) is personally interested in 38,749,356 Shares. Mr. Li Kin Shing (“**Mr. Li**”) is personally interested in 164,877,714 Shares. Mr. Li is the spouse of Ms. Kwok. Accordingly, Ms. Kwok is deemed to be interested in her spouse’s shareholding under the SFO. Furthermore, Ever Prosper International Limited, which is held as to 50% and 46.5% by Mr. Li and Ms. Kwok respectively, is interested in 25,465,320 Shares. Therefore, Ms. Kwok is also deemed to be interested in the Shares held by Ever Prosper International Limited under the SFO.
- (2) The 25,465,320 Shares are held by Ever Prosper International Limited, which is held as to 50% and 46.5% by Mr. Li and Ms. Kwok respectively. Mr. Li is the spouse of Ms. Kwok.

Save as disclosed above, as at 30 June 2023, so far as is known to the Directors, there was no person who had an interest and/or a short position in the shares and/or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and/or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO and/or was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other members of the Group, or any options in respect of such capital.

DIRECTORS’ AND CHIEF EXECUTIVES’ RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed in this announcement, as at 30 June 2023, neither the Company nor any of its subsidiaries was a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities, including debentures, of the Company or any other body corporate, and none of the Directors and chief executives of the Company or their spouses or children under the age of 18 had any right to subscribe for the securities of the Company, or had exercised any such rights.

COMPLIANCE WITH RULES 5.48 TO 5.67 OF THE GEM LISTING RULES

The Company has adopted a code of conduct regarding Directors’s securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry with all Directors, the Company confirms that all Directors have complied with such code of conduct and the required standard of dealings and its code of conduct regarding securities transactions by the Directors throughout the three months ended 30 June 2023.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

None of the members of the Group had purchased, sold or redeemed any of the shares of the Company during the three months ended 30 June 2023.

COMPETING INTERESTS

None of the Directors nor the substantial shareholders (as defined in the GEM Listing Rules) of the Company nor their respective associates (as defined in the GEM Listing Rules) had any interest in a business which competed or might compete with the business of the Group.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company applied the principles and complied with all the code provisions as set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules throughout the period under review. Investors may refer to the corporate governance report of the Group in its annual report for the year ended 31 March 2023 for details of the Group's corporate governance practices.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the GEM Listing Rules. The audit committee comprises of three members, namely Mr. Leung Kwok Keung, Mr. Cheung Sai Ming and Mr. Liu Chun Bao, all being independent non-executive Directors. The Group's unaudited results for the three months ended 30 June 2023 have been reviewed by the audit committee, which was of the opinion that such results complied with the applicable accounting standards, the relevant legal and regulatory requirements, and that adequate disclosures have been made.

The audit committee further reviewed the Company's internal control and risk management system and is of the view that the internal control and risk management system in place are effective and adequate for the Group as a whole.

On behalf of the Board
Li Kin Shing
Chairman

Hong Kong, 10 August 2023

As at the date of this announcement, the executive Directors are Mr. Li Kin Shing, Mr. Ma Yuanguang and Mr. Wong Kin Wa; and the independent non-executive Directors are Mr. Leung Kwok Keung, Mr. Cheung Sai Ming and Mr. Liu Chun Bao.