



CHINA COME RIDE NEW ENERGY GROUP LIMITED

中國來騎哦新能源集團有限公司

(Formerly known as KNK Holdings Limited 中國卓銀國際控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8039)

2023/2024

INTERIM REPORT

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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This report, for which the directors (the “Directors”) of China Come Ride New Energy Group Limited (the “Company”, together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) 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 report 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 report misleading.

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The board of Directors (the “Board”) announces the unaudited condensed consolidated results of the Group for the six months ended 30 September 2023 (“Period”) together with the comparative unaudited figures for the corresponding period in 2022.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2023

	Note	Three months ended 30 September		Six months ended 30 September	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue	5	5,655	7,726	13,292	23,515
Cost of services		(4,881)	(8,149)	(9,610)	(22,692)
Gross profit/(loss)		774	(423)	3,682	823
Other income		74	571	147	644
Administrative expenses		(1,839)	(3,175)	(4,071)	(4,776)
Finance costs		(27)	(8)	(29)	(19)
Loss before tax		(1,018)	(3,035)	(271)	(3,328)
Income tax expenses	6	-	-	-	-
Loss and total comprehensive loss for the period attributable to owners of the Company		(1,018)	(3,035)	(271)	(3,328)
Loss per share					
Basic (HK cents)	8	(0.21)	(0.62)	(0.05)	(0.68)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	Note	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
NON-CURRENT ASSETS			
Right-of-use assets	9	1,199	173
Equity investment at fair value through other comprehensive income	10	4,424	4,424
		5,623	4,597
CURRENT ASSETS			
Trade and other receivables	11	7,967	7,984
Tax recoverable		317	344
Bank balances and cash		6,108	3,958
		14,392	12,286
CURRENT LIABILITIES			
Other payables	12	7,975	7,339
Other borrowings	13	5,500	5,500
Term loans	14	1,740	—
Lease liabilities		674	180
		15,889	13,019
NET CURRENT LIABILITIES		(1,497)	(733)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,126	3,864
NON-CURRENT LIABILITIES			
Lease liabilities		533	—
NET ASSETS		3,593	3,864
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	15	4,930	4,930
Reserves		(1,337)	(1,066)
TOTAL EQUITY		3,593	3,864

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2023

	Attributable to owners of the Company					Total HK\$'000
	Issued capital HK\$'000	Share premium HK\$'000	Other reserves HK\$'000	Fair value reserve (non- recycling) HK\$'000	Accumulated losses HK\$'000	
At 1 April 2023 (audited)	4,930	43,081	5,000	237	(49,384)	3,864
Loss and total comprehensive income for the period	-	-	-	-	(271)	(271)
At 30 September 2023 (unaudited)	4,930	43,081	5,000	237	(49,655)	3,593

For the six months ended 30 September 2022

	Attributable to owners of the Company					Total HK\$'000
	Issued capital HK\$'000	Share premium HK\$'000	Other reserves HK\$'000	Fair value reserve (non- recycling) HK\$'000	Accumulated losses HK\$'000	
At 1 April 2022 (audited)	4,930	43,081	5,000	237	(44,740)	8,508
Loss and total comprehensive income for the period	-	-	-	-	(3,328)	(3,328)
At 30 September 2022 (unaudited)	4,930	43,081	5,000	237	(48,068)	5,180

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2023

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Net cash generated from operating activities	105	2,910
Net cash used in investing activities	1	–
Net cash generated from/(used in) financing activities	2,044	(364)
Net increase in cash and cash equivalents	2,150	2,546
Cash and cash equivalents as at the beginning of the period	3,958	3,085
Cash and cash equivalents as at the end of the period	6,108	5,631

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company with limited liability on 29 July 2015 under the Companies Law of the Cayman Islands and acts as an investment holding company. Its shares have been listed on the GEM on 12 December 2016. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business is Unit E, 33rd Floor, Legend Tower, 7 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong.

The Group are principally engaged in the provision of comprehensive architectural and structural engineering consultancy service.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The Group's unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

The unaudited condensed consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values.

Other than additional accounting policies resulting from the application of new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 September 2023 are the same as those presented in the Group's annual financial statements for the year ended 31 March 2023.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

The application of the Amendments to References to the Conceptual Framework in HKFRSs and the amendments to HKFRSs in the current period has no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. ESTIMATES

The preparation of unaudited condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed consolidated interim financial information, 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 of the Group as at and for the year ended 31 March 2023.

4. SEGMENT REPORTING

The Group manages its operation by business lines in a manner consistent with the way in which information is reported internally to the Group's most senior executive management, being the chief operating decision maker, for the purposes of resource allocation and performance assessment. The management reviews the overall results and financial position of the Group as a whole. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

Information about geographical areas

All of the activities of the Group are carried out in Hong Kong and all of the Group's revenue for the six months period ended 30 September 2023 and 2022 were derived from Hong Kong. Accordingly, no analysis of geographical information is presented.

5. REVENUE

Revenue represents the contract revenue from provision of comprehensive architectural and structural engineering consultancy service, including licensing consultancy, alteration and addition works and minor works consultancy, inspection and certification and other architectural related consultancy.

6. INCOME TAX EXPENSES

The provision for Hong Kong Profits tax for 2023 is calculated at 8.25% for the first HK\$2,000,000 and 16.5% on the remaining balance (2022: 8.25% for the first HK\$2,000,000 and 16.5% on the remaining balance) of estimated assessable profits for the period. Since there was no estimated assessable profits for the six months ended 30 September 2023, no provision was made.

7. DIVIDEND

The Directors do not recommend the payment of any dividend for the six months ended 30 September 2023 (2022: HK\$ nil).

8. LOSS PER SHARE

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

	For the three months ended 30 September		For the six months ended 30 September	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Loss:				
Loss for the purposes of basic and diluted loss per share:				
Loss attributable to owners of the Company	1,018	3,035	271	3,328
Number of shares:				
Weighted average number of ordinary shares ('000)	493,000	493,000	493,000	493,000

Diluted loss per share is the same as basic loss per share as there were no potential ordinary shares during the six months ended 30 September 2023 and 2022.

9. RIGHT-OF-USE ASSETS

The Group leases an office premises for its daily operations. During the six months ended 30 September 2023, the Group extended the lease agreement to 24 months.

10. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Note	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
Equity securities designated at FVOCI (non-recycling)			
– Unlisted securities	(i) (ii)	4,424	4,424

Notes:

- (i) Financial assets at fair value through other comprehensive income (FVOCI) comprise equity securities which the Group intends to hold for strategic purposes, and which the Group has irrevocably elected at initial recognition to recognise in this category.
- (ii) The Group held shares in Kin On Engineering (International) Limited, a company incorporated in Hong Kong SAR.

11. TRADE AND OTHER RECEIVABLES

		30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
Trade receivables			
Trade receivables from third parties		4,699	4,576
Less: allowance for expected credit loss		(664)	(664)
	11a	4,035	3,912
Contract assets			
Contract assets		1,905	1,905
Less: allowance for expected credit loss		(21)	(21)
	11b	1,884	1,884
Sub-total		5,919	5,796
Other receivables			
Deposits, prepayments and others		1,888	2,028
Amount due from an investee company		160	160
		2,048	2,188
		7,967	7,984

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

11a) Trade receivable

In normal practice, the Group does not allow any credit period to its customers. As of the end of the reporting period, the ageing analysis of trade receivables based on invoice date and net of loss allowance is as follows:

	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
Within 30 days	560	1,368
31–60 days	412	1,147
61–90 days	789	474
91–180 days	1,184	343
Over 180 days	1,090	580
	4,035	3,912

11b) Contract assets

	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
At the beginning of the period	1,884	626
Addition	–	1,905
Allowance for expected credit loss	–	(21)
Transferred to trade receivables	–	626
At the end of the reporting period	1,884	1,884

At 30 September 2023, the contract assets are expected to be recovered within 1 year.

The Group has rights to considerations from customers for comprehensive architectural and structural engineering consultancy contract. Contract assets arise when the Group has right to consideration for completion of contracts and not yet billed under the relevant contracts, and their right is conditional on factors other than passage of time. Any amount previously recognised as a contract asset is reclassified to trade debtors when such right becomes unconditional other than the passage of time.

12. OTHER PAYABLES

	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
Accrued charges and other creditors	5,139	5,179
Amount due to ultimate holding company	2,836	2,160
	7,975	7,339

13. OTHER BORROWINGS

During the year ended 31 March 2020, the Group received an advance of HK\$5.5 million (“Alleged Debt”). The proceeds of the Group’s Alleged Debt was received through a subsidiary of the Company, namely Golden Legend Capital Limited. The current management has been unable to reach certain former directors of the Company who are also the directors (“Former Directors”) of the subsidiary, to obtain loan agreements and representations in relation to the Alleged Debt.

On 20 July 2020, a statutory demand served on the Company by a purported creditor to demand the Company to pay for the Alleged Debt with accrued interest in an aggregate amount of approximately HK\$5.8 million within 3 weeks after service of the statutory demand. If no payment was made by the expiry of the 3-week period, the creditor might present a winding-up petition against the Company. On 23 September 2020, the Company received a writ of summons issued in the Court of First Instance of the High Court of Hong Kong by the same purported creditor. Pursuant to the writ, the plaintiff claims against the Company for the Alleged Debt with accrued interest.

The Company received the statement of claim in relation to the Writ on 8 December 2020 in which the Plaintiff claimed against the Company, inter alia, approximately HK\$5.8 million, being the principal and interest of the Alleged Debt. The Company’s lawyer is contesting the claim in the legal proceedings for the time being.

13. OTHER BORROWINGS (CONTINUED)

On the other hand, since the current management has been unable to reach the Former Directors, on 31 July 2020 the Company issued and filed the writ of summons, together with the statement of claim dated 30 July 2020, against the Former Directors for breach of the directors' duties in the High Court of Hong Kong. Application was made to the said court to serve the writ out of jurisdiction on the Former Directors in the People Republic of China. As advised by the legal advisers of the Company in respect of this litigation in June 2021, service of the writ to them through the PRC Judiciary was unsuccessful. The Company is considering the legal adviser's advice on application for substituted service of the writ to them, and has to locate their address first. However, there is no progress in locating the whereabouts of them as at the date of this report.

For details, please refer to the announcements of the Company dated 24 January 2020, 31 July 2020, 31 August 2020 and 8 October 2020.

14. TERM LOANS

		30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
Loans from a director	(i)	1,740	–

Notes:

- (i) The loans from a director were a non-interest bearing with principal of HK\$1,740,000. The loan was unsecured and repayable within 12 months.

15. SHARE CAPITAL

	Number of Shares '000	HK\$'000
Authorised:		
At 1 April 2022, 31 March 2023, and 30 September 2023 ordinary shares of HK\$0.01 each	2,000,000	20,000
Issued and fully paid:		
At 1 April 2022, 31 March 2023 and 30 September 2023 ordinary shares of HK\$0.01 each	493,000	4,930

16. EVENT AFTER THE REPORTING PERIOD

Up to the date of this report, there was no other significant event relevant to the business or financial performance of the Group that come to the attention of the Directors after the six months period ended 30 September 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged in the provision of comprehensive architectural and structural engineering consultancy service. During the six months ended 30 September 2023, the Group continued to focus on developing business opportunities with existing customers as well as working on those referrals from them; at the same time, the Group plans to expand the types of architectural-related services.

The revenue of the Group was approximately HK\$13.3 million for the six months ended 30 September 2023 (2022: approximately HK\$23.5 million, which represented approximately 43.4% decrease compared to the corresponding period in 2022. The loss for the six months ended 30 September 2023 was approximately HK\$0.3 million whereas there was a loss of HK\$3.3 million for the six months ended 30 September 2022. The reasons of such changes can be found under the Financial Review section below.

Going forward, the Group will continue to actively explore new opportunities and/or business diversification such as the new energy industry, and also plan to extend new business geographical coverage such as the mainland China. These strategic directions aim to capture new business opportunities in the market and contribute satisfactory long-term returns to our shareholders. Such achievements depend on whether we can attract competent professionals to join the Group.

In view of the current economic environment, the Group will seek to minimise risk exposure by bargaining better terms from sub-contractors, minimising expenses, securing projects and closely monitoring recoverability of the receivables to keep the operations of the Group as usual.

FINANCIAL REVIEW

Revenue

The Group's revenue is generated from the contract revenue from provision for comprehensive architectural and structural engineering consultancy service in Hong Kong, including licensing consultancy, alternation and addition works and minor works consultancy, inspection and certification and other architectural related consultancy.

The total revenue for the Period was approximately HK\$13.3 million (2022: approximately HK\$23.5 million) which represented approximately HK\$10.2 million or 43.4% decrease as compared to the corresponding period in 2022. Such change was mainly attributable to the revenue contribution from projects with a relatively small contract sum.

The gross profit margin increased from approximately 3.5% for the six months ended 30 September 2022 to approximately 27.7% in the Period. Such increase was mainly due to the revenue contribution from projects with higher profit margin during the six months ended 30 September 2023 compared to the corresponding period in 2022.

Administrative expenses

The total administrative expenses for the Period was approximately HK\$4.1 million (2022: approximately HK\$4.8 million) and there was a decrease of approximately HK\$0.7 million or 14.6%. Such decrease was mainly due to decrease in listing compliance fees on handling various compliance issues.

Income tax expenses

The income tax expenses for the Period was HK\$nil (2022: HK\$nil) at the rate of 8.25% for the first HK\$2,000,000 and 16.5% on the remaining balance of estimated assessable profits for the Period.

Loss for the period

The Group recorded a net loss attributable to owners of the Company of approximately HK\$0.3 million for the Period (2022: approximately HK\$3.3 million). Such decrease was mainly attributed from the increase of gross profit for the six months ended 30 September 2023.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the Period, the Group financed its operations by cash flow from operating activities. As at 30 September 2023, the Group had net current liabilities of approximately HK\$1.5 million (31 March 2023: HK\$0.7 million), including bank and cash balances of approximately HK\$6.1 million (31 March 2023: HK\$4.0 million). The current ratio, being the ratio of current assets to current liabilities, was approximately 0.9 times as at 30 September 2023 (31 March 2023: 0.9 times).

The capital of the Group comprises only ordinary shares. Total equity attributable to owners of the Company amounted to approximately HK\$3.6 million as at 30 September 2023 (31 March 2023: approximately HK\$3.9 million).

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2023, the Group had 27 (2022: 24) employees. Total staff and directors' remuneration for the Period was approximately HK\$6.1 million (2022: HK\$9.6 million). The Group's remuneration policies are formulated on the basis of performance, qualifications and experience of individual employee and with reference to the prevailing market conditions. The Group's remuneration packages comprise monthly fixed salaries and discretionary year-end bonuses based on individual performance, which are paid to employees as recognition of, and reward for, their contributions.

CHARGES ON THE GROUP'S ASSETS

The Group did not have any charge arranged with any financial institution in Hong Kong as at 30 September 2023 (2022: nil).

FOREIGN EXCHANGE EXPOSURE

The revenue and business costs of the Group were principally denominated in Hong Kong dollars, and as such the exposure to the risk of foreign exchange rate fluctuations for the Group was minimal. Hence, no financial instrument for hedging was employed.

CONTINGENT LIABILITIES

No material contingent liability had come to the attention of the Directors in the six months ended 30 September 2023 and up to the date hereof.

EVENT AFTER THE REPORTING PERIOD

Up to the date of this report, there was no other significant event relevant to the business or financial performance of the Group that come to the attention of the Directors after the six months period ended 30 September 2023.

LITIGATIONS

References are made to the announcements of the Company dated 13 July 2020, 21 July 2020, 31 August 2020 and 8 October 2020 in relation to, amongst others, the Alleged Bond and the Alleged Debt. The Company received the statement of claim in relation to the Writ on 8 December 2020 in which the Plaintiff claimed against the Company, inter alia, HK\$5,830,000 being the principal and interest of the Alleged Debt. The Company's lawyer is contesting the claim in the legal proceedings. The plaintiff and the Company have exchanged their respective witness statements, Mediation took place but was unsuccessful. Case Management Summons hearing is scheduled in 15 October 2024.

Reference is also made to the announcement of the Company dated 31 August 2020 in relation to the claim against three ex-directors, namely Mr. Sun Xiao Li, Mr. Gu Jintai and Ms. Shi Lijie for breach of fiduciary duties. The writ was lodged at the Hong Kong Judiciary on 9 November 2020 for service out of jurisdiction through the PRC Judiciary on them at their last known PRC addresses. As advised by the legal advisers of the Company in respect of this litigation in June 2021, service of the writ to them through the PRC Judiciary was unsuccessful. The Company is considering the legal adviser's advice on application for substituted service of the writ to them, and has to locate their address first. However, there is no progress in locating the whereabouts of them as at the date of this report.

FUND RAISING ACTIVITIES AND USE OF PROCEEDS

There was no fund raising activity during the Period.

OTHER INFORMATION

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVES IN SECURITIES

As at 30 September 2023, the interests and short positions of the Directors and chief executives of the Company (the “Chief Executives”) in the ordinary shares with a par value of HK\$0.01 each in the Company (“Shares”), underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuer set out in rules 5.48 to 5.67 of the GEM Listing Rules (the “Model Code”) were as follows:

Long Position in the Shares

Name of Directors	Capacity/ Nature of interests	Number of share held	Approximate percentage of issued share capital
New Energy Business Cluster Company Limited (<i>Note</i>)	Beneficial owner	265,865,000	53.93%
Mr. Zhou Renchao (“Mr. Zhou”) (<i>Note</i>)	Interest of a controlled corporation	265,865,000	53.93%

Note: Mr. Zhou owns 85% equity interest of New Energy Business Cluster Company Limited with the remaining 15% equity interest owned by Mr. Cai Zhengfeng, which is interested in 265,865,000 shares of the Company, representing approximately 53.93% of the entire issued share capital of the Company.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY IN SECURITIES

So far as is known to the Directors and the Chief Executives, as at 30 September 2023, the interests and short positions of the persons or corporations (other than the Directors and the Chief Executives) in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO were as follows:

Long position in the Shares

Name of Directors	Capacity/ Nature of interests	Number of share held	Approximate percentage of issued share capital
New Energy Business Cluster Company Limited <i>(Note)</i>	Beneficial owner	265,865,000	53.93%
Mr. Zhou Renchao ("Mr. Zhou") <i>(Note)</i>	Interest of a controlled corporation	265,865,000	53.93%

Note:

Mr. Zhou owns 85% equity interest of New Energy Business Cluster Company Limited with the remaining 15% equity interest owned by Mr. Cai Zhengfeng, which is interested in 265,865,000 shares of the Company, representing approximately 53.93% of the entire issued share capital of the Company.

Save as disclosed above, as at 30 September 2023, there was no person or corporation (other than the Directors and the Chief Executives) who had any interest or short position in the Shares or underlying Shares as recorded in the register of interests required to be kept by the Company under section 336 of the SFO.

OTHER INTERESTS DISCLOSEABLE UNDER THE SFO

Save as disclosed above, so far as is known to the Directors, there was no other person who had interest or short position in the Shares and underlying Shares that is discloseable under Chapter 18 of the GEM Listing Rules.

SHARE OPTION SCHEME

The purpose of the share option scheme is to enable the Company to grant options to any employee, adviser, consultant, agent, contractors, client, supplier, customer and/or such other person, who in the sole discretion of the Board has contributed or may contribute to our Group (the “Eligible Participant”). The Company conditionally adopted a share option scheme (the “Scheme”) on 21 November 2016 which has become effective since 12 December 2016 (the “Effective Date”) whereby the Board are authorised, at their absolute discretion and subject to the terms of the Scheme, to grant options to subscribe for the shares of the Company to the Eligible Participant. The Scheme will be valid and effective for a period of ten years commencing from the Effective Date. Terms used below shall have the same meaning as those defined in the section “D. Share Option Scheme” in Appendix IV to the Prospectus.

An offer of the grant of option(s) shall be made to an Eligible Participant by letter in such form as the Board may from time to time determine requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Scheme and shall remain open for acceptance by the Eligible Participant concerned until 5:00 p.m. on the 20th business days following the Offer Date provided that no such offer shall be open for acceptance after the Scheme Period or after the Scheme has been terminated.

An Option shall be deemed to have been granted and accepted when the duplicate of the offer letter as referred to above comprising acceptance of the Option duly signed by the Grantee together with a remittance in favour of our Company of HK\$1.00 or any other amount as determined by the Board by way of consideration for the grant thereof is received by our Company within the period open for acceptance referred to above. Such remittance shall in no circumstances be refundable.

The subscription price for the shares subject to Options will be a price determined by the Board and notified to each participant and shall be the highest of: (i) the closing price of the shares as stated in the Stock Exchange’s daily quotations sheet on the date of offer of the grant of option, which must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange’s daily quotations sheets for the 5 business days immediately preceding the date of offer of the grant of option; and (iii) the nominal value of a share.

As at the date of this report, the maximum number of shares available for issue under the Scheme is 41,800,000 shares, representing approximately 10% of the issued share capital of the Company as at the date of adoption of the Scheme.

The Company may at any time refresh such limit, subject to the shareholders' approval and issue of a circular in compliance with the GEM Listing Rules, provided that the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes of the Company does not exceed 30% of the shares in issue at the time of refreshment. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

The total number of shares issued and to be issued upon exercise of the options granted and to be granted to each Eligible Participant (including exercised, cancelled and outstanding options) under the Share Option Scheme and any other share option scheme of the Company in any 12-month period up to and including the date of offer of the grant of option shall not exceed 1% of the total number of shares in issue for the time being. Any further grant of options in excess of this limit is subject to shareholder's approval in general meeting.

As at the date of this report and since the adoption of the Scheme, no share option has been granted by the Company.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraphs headed "Interests and Short Positions of the Directors and Chief Executives in Securities" and "Share Option Scheme" in this report, at no time during the Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

Save as disclosed above, at no time during the Period had the Directors and the Chief Executives (including their spouses and children under 18 years of age) any interest in, or been granted, or exercised any rights to subscribe for the Shares (or warrants or debentures, if applicable) of the Company and its associated corporations (within the meaning of the SFO).

COMPETING INTERESTS

As at 30 September 2023, none of the Directors and their respective associates (as defined in the GEM Listing Rules) had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

COMPLIANCE WITH THE CORPORATE GOVERNANCE

Corporate Governance Code

The Company is committed to achieving high standards of corporate governance to safeguard the interests of the shareholders and enhance its corporate value. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code under Appendix C1 of the GEM Listing Rules (the "CG Code").

The Company had complied throughout the six months ended 30 September 2023 with all the code provisions as set out in the CG Code.

Model Code for Securities Transactions by Directors

The Company has adopted the required standard of dealings set out in the Rules 5.48 to 5.67 of the GEM Listing Rules as its code of conduct for dealing in securities of the Company by the Directors. The Company had made specific enquiries to the Directors, and all of them had confirmed they had complied with the required standard of dealings as set out in the Model Code throughout the Period.

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

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

REVIEW OF UNAUDITED INTERIM RESULTS

The condensed consolidated financial results of the Group for the Period has not been reviewed nor audited by the Company's auditor, McMillan Woods (Hong Kong) CPA Limited (Registered Public Interest Entity Auditor), but has been reviewed by the Audit Committee of the Company, which comprises the three independent non-executive Directors of the Company.

By order of the Board

China Come Ride New Energy Group Limited

Zhou Renchao

Chairman and Executive Director

Hong Kong, 23 May 2024

As at the date of this report, the executive Directors are Mr. Zhou Renchao, Mr. Chung Yuk Lun and Mr. Cao Dayong; and the independent non-executive Directors are Ms. Lai Pik Chi, Peggy, Mr. Leung Tsun Ip and Mr. Liu Jianting.