



PT INTERNATIONAL DEVELOPMENT CORPORATION LIMITED

保 德 國 際 發 展 企 業 有 限 公 司 *

(Incorporated in Bermuda with limited liability)

(Stock Code : 372)

** For identification purpose only*

INTERIM REPORT 2021



Contents

| | |
|--|----|
| ABBREVIATIONS | 2 |
| CORPORATE INFORMATION | 3 |
| REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS | 4 |
| CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME | 5 |
| CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION | 7 |
| CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY | 8 |
| CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS | 9 |
| NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS | 10 |
| MANAGEMENT DISCUSSION AND ANALYSIS | 28 |
| SUPPLEMENTARY INFORMATION | 36 |

Abbreviations

In this interim report, the following abbreviations have the following meanings unless otherwise specified:

| | |
|----------------------------|---|
| “Board” | Board of Directors of the Company |
| “Bye-laws” | Bye-laws of the Company |
| “Company” | PT International Development Corporation Limited |
| “Current Period” | the six months ended 30th September, 2021 |
| “Directors” | directors of the Company |
| “Group” | the Company and its subsidiaries |
| “Hong Kong Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Listing Rules” | Rules Governing the Listing of Securities on the Hong Kong Stock Exchange |
| “PRC” | People’s Republic of China |
| “SFO” | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Shareholders” | shareholders of the Company |
| “HK\$” and “HK cents” | Hong Kong dollars and cents, the lawful currency of Hong Kong |
| “%” | per cent. |

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Ching Man Chun, Louis
(Chairman and Managing Director)
Mr. Sue Ka Lok *(resigned on 6th July, 2021)*
Ms. Xu Wei
Mr. Yeung Kim Ting
Mr. Heinrich Grabner

Independent Non-executive Directors

Mr. Yam Kwong Chun
Mr. Wong Yee Shuen, Wilson
Mr. Lam Yik Tung

AUDIT COMMITTEE

Mr. Wong Yee Shuen, Wilson *(Chairman)*
Mr. Yam Kwong Chun
Mr. Lam Yik Tung

REMUNERATION COMMITTEE

Mr. Lam Yik Tung *(Chairman)*
Mr. Yam Kwong Chun
Mr. Wong Yee Shuen, Wilson

NOMINATION COMMITTEE

Mr. Yam Kwong Chun *(Chairman)*
Mr. Wong Yee Shuen, Wilson
Mr. Lam Yik Tung

CORPORATE GOVERNANCE COMMITTEE

Mr. Ching Man Chun, Louis *(Chairman)*
(appointed on 6th July, 2021)
Mr. Sue Ka Lok *(Chairman)*
(resigned on 6th July, 2021)
Mr. Yam Kwong Chun
Mr. Wong Yee Shuen, Wilson
Mr. Lam Yik Tung

COMPANY SECRETARY

Ms. Lo Yuen Mei

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditor

LEGAL ADVISORS

Vincent T.K. Cheung, Yap & Co.
Solicitors & Notaries
Conyers Dill & Pearman (Bermuda)

PRINCIPAL BANKERS

Bank of Communications Co., Ltd.,
Hong Kong Branch
DBS Bank (HK) Limited
Fubon Bank (Hong Kong) Limited
Industrial and Commercial Bank of China
(Asia) Limited
Nonghyup Bank
The Hong Kong and Shanghai Banking
Corporation Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 3412-3413
34/F., China Merchants Tower, Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
4th Floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
Level 54
Hopewell Centre
183 Queen's Road East
Hong Kong

WEBSITE

www.ptcorp.com.hk

STOCK CODE

Hong Kong Stock Exchange 372

Report on Review of Condensed Consolidated Financial Statements

Deloitte.

德勤

To the Board of Directors of PT International Development Corporation Limited

(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of PT International Development Corporation Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 5 to 27, which comprise the condensed consolidated statement of financial position as of 30th September, 2021 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
29th November, 2021

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30th September, 2021

| | | (Unaudited) Six months ended 30th September, | |
|---|-------|--|------------------|
| | NOTES | 2021 HK\$'000 | 2020 HK\$'000 |
| Revenue | 3 | | |
| Contracts with customers | | 494,935 | 702,730 |
| Interest under effective interest method | | 2,125 | 175 |
| Total revenue | | 497,060 | 702,905 |
| Cost of sales | | (463,382) | (695,647) |
| Gross profit | | 33,678 | 7,258 |
| Other income, other gains and losses | | 213 | 1,924 |
| Gain on disposal of an associate | 17 | – | 163,480 |
| Net (loss) gain on financial instruments | 4 | (72,433) | 11,866 |
| Selling and distribution expenses | | (17,441) | – |
| Administrative expenses | | (38,318) | (30,679) |
| Finance costs | | (2,352) | (544) |
| (Loss) profit before taxation | 5 | (96,653) | 153,305 |
| Income tax expense | 6 | – | (5) |
| (Loss) profit for the period | | (96,653) | 153,300 |
| Other comprehensive income: | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | |
| Exchange differences arising on translation of foreign operations | | 569 | 2,392 |
| Reclassification adjustment of reserves on disposal of an associate | 17 | – | 13,427 |
| Other comprehensive income for the period | | 569 | 15,819 |
| Total comprehensive (expenses) income for the period | | (96,084) | 169,119 |
| (Loss) profit for the period attributable to: | | | |
| Owners of the Company | | (95,573) | 153,649 |
| Non-controlling interests | | (1,080) | (349) |
| | | (96,653) | 153,300 |

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30th September, 2021

| | | (Unaudited) Six months ended 30th September, | |
|---|------|--|------------------|
| | NOTE | 2021 HK\$'000 | 2020 HK\$'000 |
| Total comprehensive (expenses) income for the period attributable to: | | | |
| Owners of the Company | | (95,004) | 169,468 |
| Non-controlling interests | | (1,080) | (349) |
| | | (96,084) | 169,119 |
| | | HK cents | HK cents |
| (Loss) earnings per share | 8 | | |
| Basic | | (4.74) | 7.61 |
| Diluted | | (4.74) | N/A |

Condensed Consolidated Statement of Financial Position

At 30th September, 2021

| | NOTES | (Unaudited) At 30th September, 2021 HK\$'000 | (Audited) At 31st March, 2021 HK\$'000 |
|---|-------|--|--|
| Non-current assets | | | |
| Property, plant and equipment | 9 | 86,284 | 29,849 |
| Right-of-use assets | 9 | 39,248 | 18,425 |
| Debt instrument at amortised cost | 10 | 200,000 | 200,000 |
| Financial assets at fair value through profit or loss | 11 | 143,647 | 197,704 |
| Loan receivables | 12 | 21,850 | – |
| | | 491,029 | 445,978 |
| Current assets | | | |
| Inventories | | 36,845 | 86,682 |
| Debtors, deposits and prepayments | 13 | 29,858 | 9,053 |
| Derivative financial instruments | | 1,969 | 6,106 |
| Equity investments held for trading | | 6,595 | 1,893 |
| Loan receivables | 12 | 3,096 | – |
| Bank balances and cash | | 168,866 | 239,325 |
| | | 247,229 | 343,059 |
| Current liabilities | | | |
| Other payables and accrued expenses | | 12,120 | 6,205 |
| Derivative financial instruments | | 5,133 | 3,145 |
| Contract liabilities | | – | 57,686 |
| Borrowings – due within one year | 14 | 52,383 | – |
| Lease liabilities – due within one year | | 5,102 | 5,344 |
| | | 74,738 | 72,380 |
| Net current assets | | 172,491 | 270,679 |
| Total assets less current liabilities | | 663,520 | 716,657 |
| Non-current liabilities | | | |
| Borrowings – due after one year | 14 | 20,306 | – |
| Lease liabilities – due after one year | | 21,449 | 1,509 |
| | | 41,755 | 1,509 |
| Net assets | | 621,765 | 715,148 |
| Capital and reserves | | | |
| Share capital | 15 | 20,183 | 20,183 |
| Share premium and reserves | | 594,359 | 689,363 |
| Equity attributable to the owners of the Company | | 614,542 | 709,546 |
| Non-controlling interests | | 7,223 | 5,602 |
| Total equity | | 621,765 | 715,148 |

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th September, 2021

| | Attributable to the owners of the Company | | | | | | | | Total HK\$'000 |
|--|---|---------------------------|--|---------------------------------|--|--------------------------------|-----------------------|---------------------------------------|-------------------|
| | Share capital HK\$'000 | Share premium HK\$'000 | Capital redemption reserve HK\$'000 | Translation reserve HK\$'000 | Amounts recognised in other comprehensive income and accumulated in equity relating to asset held for sale HK\$'000 | Accumulated losses HK\$'000 | Sub-total HK\$'000 | Non-controlling interests HK\$'000 | |
| At 1st April, 2021 (audited) | 20,183 | 959,550 | 908 | 3,425 | - | (274,520) | 709,546 | 5,602 | 715,148 |
| Loss for the period | - | - | - | - | - | (95,573) | (95,573) | (1,080) | (96,653) |
| Exchange differences arising on translation of foreign operations | - | - | - | 569 | - | - | 569 | - | 569 |
| Total comprehensive income (expenses) for the period | - | - | - | 569 | - | (95,573) | (95,004) | (1,080) | (96,084) |
| Capital contribution from non-controlling shareholders of subsidiaries | - | - | - | - | - | - | - | 2,701 | 2,701 |
| At 30th September, 2021 (unaudited) | 20,183 | 959,550 | 908 | 3,994 | - | (370,093) | 614,542 | 7,223 | 621,765 |
| At 1st April, 2020 (audited) | 20,183 | 959,550 | 908 | (1,920) | (122,336) | (332,667) | 523,718 | 6,205 | 529,923 |
| Profit (loss) for the period | - | - | - | - | - | 153,649 | 153,649 | (349) | 153,300 |
| Exchange differences arising on translation of foreign operations | - | - | - | 2,392 | - | - | 2,392 | - | 2,392 |
| Reserves released on disposal of an associate | - | - | - | - | 13,427 | - | 13,427 | - | 13,427 |
| Total comprehensive income (expenses) for the period | - | - | - | 2,392 | 13,427 | 153,649 | 169,468 | (349) | 169,119 |
| Disposal of an associate | - | - | - | - | 108,909 | (108,909) | - | - | - |
| At 30th September, 2020 (unaudited) | 20,183 | 959,550 | 908 | 472 | - | (287,927) | 693,186 | 5,856 | 699,042 |

Condensed Consolidated Statement of Cash Flows

For the six months ended 30th September, 2021

| | | (Unaudited) Six months ended 30th September, | |
|---|-------|--|------------------|
| | NOTES | 2021 HK\$'000 | 2020 HK\$'000 |
| Net cash used in operating activities | | | |
| (Loss) profit before taxation | | (96,653) | 153,305 |
| Adjustments for: | | | |
| Net unrealised loss (gain) on financial instruments | | 56,100 | (16,161) |
| Gain on disposal of an associate | | - | (163,480) |
| Decrease (increase) in inventories | | 48,742 | (4,978) |
| (Increase) decrease in debtors, deposits and prepayments | | (18,660) | 2,408 |
| Increase in equity investments held for trading | | (4,702) | (6,109) |
| Increase in loan receivables | | (3,276) | - |
| Increase (decrease) in other payables and accrued expenses | | 3,689 | (2,099) |
| Decrease in contract liabilities | | (57,686) | (2,522) |
| Other operating activities | | 10,432 | 24,084 |
| | | (62,014) | (15,552) |
| Net cash (used in) from investing activities | | | |
| Additions to property, plant and equipment | 9 | (58,057) | (1,911) |
| Loans to third parties | 12 | (24,470) | - |
| Repayment of loans to third parties | | 2,800 | - |
| Proceeds from disposal of an associate | 17 | - | 196,687 |
| Interest received | | - | 357 |
| Payments for right-of-use assets | | - | (190) |
| | | (79,727) | 194,943 |
| Net cash from (used in) financing activities | | | |
| Borrowings raised | | 225,722 | - |
| Capital contribution from non-controlling shareholders of subsidiaries | | 2,701 | - |
| Repayment of borrowings | | (153,033) | - |
| Repayment of lease liabilities | | (2,000) | (3,766) |
| Interest paid | | (1,845) | (203) |
| | | 71,545 | (3,969) |
| Net (decrease) increase in cash and cash equivalents | | (70,196) | 175,422 |
| Cash and cash equivalents at beginning of the period | | 239,325 | 77,938 |
| Effect of foreign exchange rate changes | | (263) | 787 |
| Cash and cash equivalents at end of the period, represented by bank balances and cash | | 168,866 | 254,147 |

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2021

1. BASIS OF PREPARATION

The condensed consolidated financial statements of PT International Development Corporation Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th September, 2021 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31st March, 2021.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1st April, 2021 for the preparation of the Group’s condensed consolidated financial statements:

| | |
|---|---|
| Amendment to HKFRS 16 | Covid-19-Related Rent Concessions |
| Amendment to HKFRS 16 | Covid-19-Related Rent Concessions beyond 30 June 2021 |
| Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 | Interest Rate Benchmark Reform – Phase 2 |

The application of the amendments to HKFRSs in the current interim period has had 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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2021

3. REVENUE AND SEGMENT INFORMATION

Revenue

An analysis of the Group's revenue for the period is as follows:

| | Six months ended 30th September, | |
|---|-------------------------------------|------------------|
| | 2021 HK\$'000 | 2020 HK\$'000 |
| Revenue from contracts with customers | | |
| – Trading income | 494,089 | 702,685 |
| – Insurance brokerage income | 846 | 45 |
| | 494,935 | 702,730 |
| Interest under effective interest method | | |
| – Interest income from investment | 2,005 | 175 |
| – Interest income from provision of finance | 120 | – |
| | 2,125 | 175 |
| | 497,060 | 702,905 |

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2021

3. REVENUE AND SEGMENT INFORMATION (continued)

Revenue (continued)

Disaggregation of revenue from contracts with customers

| | Six months ended 30th September, | |
|-----------------------------------|-------------------------------------|------------------|
| | 2021 HK\$'000 | 2020 HK\$'000 |
| Types of goods or services | | |
| Trading income | | |
| – Metals | 291,348 | 679,786 |
| – Chemicals and energy | 202,741 | 22,899 |
| | 494,089 | 702,685 |
| Insurance brokerage income | 846 | 45 |
| | 494,935 | 702,730 |
| Geographical location | | |
| Hong Kong | 494,935 | 620,196 |
| The PRC, excluding Hong Kong | – | 82,534 |
| | 494,935 | 702,730 |

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2021

3. REVENUE AND SEGMENT INFORMATION (continued)

Revenue (continued)

Set out below is the reconciliation of revenue from contracts with customers with amounts disclosed in the segment information.

Six months ended 30th September, 2021

| | Trading HK\$'000 | Metal recycling HK\$'000 | Long-term investment HK\$'000 | Chemical HK\$'000 | Financial institute business HK\$'000 | Finance HK\$'000 | Other investment HK\$'000 | Others HK\$'000 | Total HK\$'000 |
|---|---------------------|--------------------------------|-------------------------------------|----------------------|--|---------------------|---------------------------------|--------------------|-------------------|
| Trading income | 494,089 | - | - | - | - | - | - | - | 494,089 |
| Insurance brokerage income | - | - | - | - | 846 | - | - | - | 846 |
| Revenue from contracts with customers | 494,089 | - | - | - | 846 | - | - | - | 494,935 |
| Interest under effective interest method | | | | | | | | | |
| - interest income from investment | - | - | 2,005 | - | - | - | - | - | 2,005 |
| - interest income from provision of finance | - | - | - | - | - | 120 | - | - | 120 |
| Total revenue | 494,089 | - | 2,005 | - | 846 | 120 | - | - | 497,060 |

Six months ended 30th September, 2020

| | Trading HK\$'000 | Long-term investment HK\$'000 | Chemical HK\$'000 | Financial institute business HK\$'000 | Finance HK\$'000 | Other investment HK\$'000 | Others HK\$'000 | Total HK\$'000 |
|--|---------------------|-------------------------------------|----------------------|--|---------------------|---------------------------------|--------------------|-------------------|
| Trading income | 702,685 | - | - | - | - | - | - | 702,685 |
| Insurance brokerage income | - | - | - | 45 | - | - | - | 45 |
| Revenue from contracts with customers | 702,685 | - | - | 45 | - | - | - | 702,730 |
| Interest under effective interest method | | | | | | | | |
| - interest income from investment | - | 175 | - | - | - | - | - | 175 |
| Total revenue | 702,685 | 175 | - | 45 | - | - | - | 702,905 |

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2021

3. REVENUE AND SEGMENT INFORMATION (continued)

Segment information

The Group's operating segments, based on information reported to the chief operating decision maker, being the executive directors of the Company, for the purposes of resources allocation and performance assessment are as follows:

| | | |
|------------------------------|---|---|
| Trading | - | trading of commodities |
| Metal recycling | - | recycling and trading of metals (<i>Note</i>) |
| Long-term investment | - | investments including long-term debt instruments and equity investments |
| Chemical | - | chemical storage services |
| Financial institute business | - | provision of asset management, insurance brokerage and related services |
| Finance | - | loan financing services |
| Other investment | - | investment in trading of securities |
| Others | - | provision of management services |

Note: During the six months ended 30th September, 2021, the Group subscribed 90% equity interests in Cupral Group Ltd. ("**Cupral**"). The principal activity of Cupral is the recycling, upgrading and sale of copper granules and high grade aluminium scraps. Cupral has not commenced business operations during the six months ended 30th September, 2021. Details of the Group's subscription of interests in Cupral are set out in note 16.

Information regarding the above operating segments, which are also reportable segments of the Group, is reported below:

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

Six months ended 30th September, 2021

| | Trading HK\$'000 | Metal recycling HK\$'000 | Long-term investment HK\$'000 | Chemical HK\$'000 | Financial institute business HK\$'000 | Finance HK\$'000 | Other investment HK\$'000 | Others HK\$'000 | Consolidated HK\$'000 |
|--------------------------------------|---------------------|--------------------------------|-------------------------------------|----------------------|--|---------------------|---------------------------------|--------------------|--------------------------|
| SEGMENT REVENUE | | | | | | | | | |
| External sales | 494,089 | - | 2,005 | - | 846 | 120 | - | - | 497,060 |
| RESULTS | | | | | | | | | |
| Segment results | (8,611) | (8,108) | (55,113) | (1,168) | (3,501) | 107 | 888 | - | (75,506) |
| Central administration costs | | | | | | | | | (18,973) |
| Other income, other gains and losses | | | | | | | | | 178 |
| Finance costs | | | | | | | | | (2,352) |
| Loss before taxation | | | | | | | | | (96,653) |

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2021

3. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Segment revenue and results (continued)

Six months ended 30th September, 2020

| | Trading HK\$'000 | Long-term investment HK\$'000 | Chemical HK\$'000 | Financial institute business HK\$'000 | Finance HK\$'000 | Other investment HK\$'000 | Others HK\$'000 | Consolidated HK\$'000 |
|--------------------------------------|---------------------|-------------------------------------|----------------------|--|---------------------|---------------------------------|--------------------|--------------------------|
| SEGMENT REVENUE | | | | | | | | |
| External sales | 702,685 | 175 | - | 45 | - | - | - | 702,905 |
| RESULTS | | | | | | | | |
| Segment results | (1,612) | 12,805 | (1,422) | (2,543) | - | 21 | - | 7,249 |
| Central administration costs | | | | | | | | (18,190) |
| Other income, other gains and losses | | | | | | | | 1,310 |
| Gain on disposal of an associate | | | | | | | | 163,480 |
| Finance costs | | | | | | | | (544) |
| Profit before taxation | | | | | | | | 153,305 |

Segment results represent the result of each segment without allocation of central administration costs, including directors' salaries, certain other income, other gains and losses, finance costs and gain on disposal of an associate.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2021

4. NET (LOSS) GAIN ON FINANCIAL INSTRUMENTS

| | Six months ended 30th September, | |
|--|-------------------------------------|------------------|
| | 2021 HK\$'000 | 2020 HK\$'000 |
| (Decrease) increase in fair value of financial assets at fair value through profit or loss | (54,057) | 16,161 |
| Increase in fair value of equity investments held for trading | 888 | 21 |
| Decrease in fair values of derivative financial instruments | (19,264) | (4,316) |
| | (72,433) | 11,866 |

5. (LOSS) PROFIT BEFORE TAXATION

| | Six months ended 30th September, | |
|---|-------------------------------------|------------------|
| | 2021 HK\$'000 | 2020 HK\$'000 |
| (Loss) profit before taxation has been arrived at after charging: | | |
| Depreciation of property, plant and equipment | 2,135 | 1,018 |
| Depreciation of right-of-use assets | 3,460 | 4,638 |
| Allowances for inventories | 1,095 | – |
| | 1,095 | – |

6. INCOME TAX EXPENSE

| | Six months ended 30th September, | |
|--|-------------------------------------|------------------|
| | 2021 HK\$'000 | 2020 HK\$'000 |
| Underprovision in prior years in respect of: | | |
| Hong Kong Profits Tax | – | 5 |
| | – | 5 |

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits. No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits arising in Hong Kong for both periods.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2021

6. INCOME TAX EXPENSE (continued)

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, PRC EIT is calculated at 25% of the assessable profits for the subsidiaries in the PRC. No provision for EIT has been made as the Group had no assessable profits arising in the PRC for both periods.

United Kingdom Corporation tax is calculated at 19% of the assessable profits for the subsidiary in the United Kingdom. No provision for United Kingdom Corporation tax has been made as the Group had no assessable profits arising in the United Kingdom for both periods.

7. DISTRIBUTIONS

No dividends were paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period.

8. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted loss per share (2020: basic earnings per share) attributable to the owners of the Company is based on the following data:

| | Six months ended 30th September, | |
|---|----------------------------------|---------------|
| | 2021 | 2020 |
| | HK\$'000 | HK\$'000 |
| (Loss) profit for the period attributable to the owners of the Company for the purpose of basic and diluted loss per share (2020: basic earnings per share) | (95,573) | 153,649 |
| | Number of shares | |
| Number of shares for the purpose of basic and diluted loss per share (2020: basic earnings per share) | 2,018,282,827 | 2,018,282,827 |

For the six months ended 30th September, 2021, the computation of diluted loss per share does not assume the exercise of the call options granted to the non-controlling shareholders of Cupral since their assumed exercise would result in a decrease in loss per share. Details of the call options related to Cupral's shares are disclosed in note 16.

For the six months ended 30th September, 2020, no diluted earnings per share was presented as the Company and the Group's associate had no potential ordinary shares in issue.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2021

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30th September, 2021, the Group acquired property, plant and equipment of HK\$58,057,000, including the purchase of plant and equipment of HK\$27,045,000 for the business operations of Cupral. In addition, the Group recognised right-of-use assets of HK\$24,043,000 and lease liabilities of HK\$21,747,000 on lease commencement in relation to the lease of factory sites by Cupral in England with a lease term of ten years. Details of the Group's subscription of interests in Cupral during the six months ended 30th September, 2021 are disclosed in note 16.

During the six months ended 30th September, 2020, the Group spent HK\$1,911,000 on the acquisition of property, plant and equipment. During the six months ended 30th September, 2020, the Group entered into a new lease agreement with lease term of two years. The Group is required to make fixed monthly payments. On lease commencement, the Group recognised right-of-use assets of HK\$8,341,000 and lease liabilities of HK\$7,901,000.

10. DEBT INSTRUMENT AT AMORTISED COST

In April 2018, the Group entered into a subscription agreement with Thousand Vantage Investment Limited ("**Thousand Vantage**"), pursuant to which the Group as subscriber agreed to subscribe and Thousand Vantage, as issuer, agreed to allot and issue 100 preference shares at a total subscription price of HK\$200,000,000. The preference shares confer the Group the right to receive cumulative fixed preferential dividend at the rate of 2% per annum of the subscription price up to the redemption date of 16th April, 2020. The preference shares are guaranteed by the sole shareholder of Thousand Vantage (the "**Guarantor**") who has executed a share charge in favour of the Group relating to all shares of Thousand Vantage (the "**Share Charge**").

The preference shares are held within a business model whose objective is to hold the preference shares in order to collect contractual cash flows, and the contractual terms of the preference shares give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Accordingly, the preference shares subscribed are accounted for as a debt instrument measured at amortised cost.

On 9th November, 2020, the Group entered into a supplemental agreement with Thousand Vantage and the Guarantor pursuant to which the parties conditionally agreed to extend the redemption date of the preference shares from the original redemption date of 16th April, 2020 to the new redemption date of 16th April, 2022 (the "**Extension**"). Save for the Extension, other principal terms of the preference shares remain the same.

During the six months ended 30th September, 2021, dividends arising on the preference shares amounting to HK\$2,005,000 (six months ended 30th September, 2020: HK\$175,000) are recognised in profit or loss as interest income from investments (included in revenue).

No significant expected credit loss is recognised as the Group's exposure to credit losses is minimal considering the underlying value of the Share Charge held by the Group.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2021

10. DEBT INSTRUMENT AT AMORTISED COST (continued)

On 29th March, 2021, the Group entered into a subscription agreement with Thousand Vantage and the Guarantor (the “**Subscription**”) to subscribe for 668,571,429 new ordinary shares (the “**Subscription Shares**”) of Thousand Vantage at a subscription price (the “**Subscription Price**”), being the redemption amount (the “**Redemption Amount**”) which is the aggregate sum of the subscription price for the preference shares of HK\$200,000,000 and all the accrued and unpaid dividends on the preference shares up to the date of completion. Based on the Subscription Price, the price per Subscription Share shall be approximately HK\$0.3049. The Subscription Price shall be paid on completion by way of offsetting against the Redemption Amount payable by Thousand Vantage for redemption of the preference shares issued by Thousand Vantage to the Group on 16th April, 2018. Upon completion of the Subscription, the Group will hold approximately 65% of all the issued shares of Thousand Vantage as enlarged by the Subscription Shares, and all preference shares issued by Thousand Vantage shall have been fully redeemed.

The assets held by Thousand Vantage and its subsidiaries (the “**Thousand Vantage Group**”) mainly include right-of-use assets (representing land and sea areas use rights at Yingling Terminal Operation Area of Qinzhou Port in Guangxi, the PRC) and property, plant and equipment thereon (representing mainly port infrastructure, oil tanks and related facilities, plant and machinery and construction in progress) for the petrochemical port and storage business of the Thousand Vantage Group.

Upon completion of the Subscription, the Group is expected to obtain control over the Thousand Vantage Group through its 65% equity interests in Thousand Vantage and the consolidated financial statements of the Thousand Vantage Group will be consolidated into the Group’s consolidated financial statements for the year ending 31st March, 2022. The management agreement entered into between the Group and Thousand Vantage on 9th November, 2020 in respect of the appointment of the Group by Thousand Vantage to provide advisory, management and administrative services to the Thousand Vantage Group is expected to be terminated upon completion of the Subscription. Details of the Subscription are disclosed in the Company’s Announcement dated 29th March, 2021 and the Company’s Circular dated 17th September, 2021.

The Subscription was completed subsequent to the end of the reporting period with a completion date on 11th October, 2021. Details are disclosed in note 21.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss mainly represent the Group’s investment in an unlisted fund.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2021

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

On 21st June, 2018, the Group entered into a subscription agreement with certain independent third parties pursuant to which the Group agreed to subscribe for shares of a private equity fund established in Korea (the "Fund"), as a limited partner, for an aggregate consideration of United States Dollar ("US\$") 20,000,000 (equivalent to approximately HK\$156,000,000) in cash. The Fund principally invests in shares of companies listed on the Korea Exchange. The Fund is managed by a fund manager, while limited partners of the Fund do not have rights to engage in the management of the Fund. The Group, as a limited partner in the Fund, does not have the power to participate in the financial and operating policy decisions of the Fund. As such, the Group does not have significant influence over the Fund and the Fund is not accounted for as an associate. The shares of the Fund held by the Group represent approximately 29.71% (31st March, 2021: 29.71%) of the issued share capital of the Fund as at 30th September, 2021.

The Fund is accounted for as a financial asset at fair value through profit or loss. As at 30th September, 2021, the fair value of the Fund is HK\$143,647,000 (31st March, 2021: HK\$197,704,000). During the six months ended 30th September, 2021, fair value loss of HK\$54,057,000 (six months ended 30th September, 2020: gain of HK\$27,834,000) was recognised in profit or loss. Details of the fair value measurements of the Fund are disclosed in note 19. In the opinion of the directors of the Company, the Fund is held for long-term strategic investment purposes and as such, the investment is classified as non-current.

12. LOAN RECEIVABLES

| | At 30th September, 2021 HK\$'000 | At 31st March, 2021 HK\$'000 |
|---|---|---------------------------------------|
| Loans to non-controlling shareholders (note 16) | 2,815 | – |
| Loans to third parties | 22,131 | – |
| | 24,946 | – |
| Analysed as reporting purposes as: | | |
| Current assets | 3,096 | – |
| Non-current assets | 21,850 | – |
| | 24,946 | – |

Loans to third parties are mainly secured, interest-bearing at 7% per annum and have a maturity date in June 2023. No significant expected credit loss is recognised as the Group's exposure to credit loss is minimal considering the repayment from the counterparty and the value of collateral held by the Group.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2021

13. DEBTORS, DEPOSITS AND PREPAYMENTS

| | At 30th September, 2021 HK\$'000 | At 31st March, 2021 HK\$'000 |
|--|---|---------------------------------------|
| Trade debtors | | |
| – contracts with customers | 1,201 | – |
| – interest | 5,830 | 3,825 |
| | 7,031 | 3,825 |
| Prepayments to suppliers | 16,146 | – |
| Prepaid expenses, deposits and other receivables | 6,681 | 5,228 |
| | 29,858 | 9,053 |

Trade debtors from contracts with customers of HK\$1,201,000 (31st March, 2021: nil) as at 30th September, 2021 was aged from 0 to 30 days based on the date of delivery notes. The following is an aged analysis of trade debtors arising from interest income based on the date of recognition of interest income at the end of each reporting period:

| | At 30th September, 2021 HK\$'000 | At 31st March, 2021 HK\$'000 |
|---------------|---|---------------------------------------|
| Trade debtors | | |
| 0 – 30 days | 329 | 340 |
| 31 – 60 days | 340 | 307 |
| 61 – 90 days | 340 | 340 |
| Over 90 days | 4,821 | 2,838 |
| | 5,830 | 3,825 |

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2021

14. BORROWINGS

| | At 30th September, 2021 HK\$'000 | At 31st March, 2021 HK\$'000 |
|---------------------|---|---------------------------------------|
| Secured (Note i) | 20,306 | – |
| Unsecured (Note ii) | 52,383 | – |
| | 72,689 | – |

The carrying amounts of the above borrowings are repayable:

| | At 30th September, 2021 HK\$'000 | At 31st March, 2021 HK\$'000 |
|---|---|---------------------------------------|
| Within one year | 52,383 | – |
| Within a period of more than one year but not exceeding two years | 20,306 | – |
| | 72,689 | – |

Notes:

- (i) During the six months ended 30th September, 2021, the Group obtained a loan from a third party amounting to HK\$20,306,000 for the purpose of purchasing plant and equipment for the business operations of Cupral. As at 30th September, 2021, the loan is secured by a pledge of plant and equipment amounting to HK\$22,813,000, interest-bearing at 10% per annum and repayable in October 2022.
- (ii) During the six months ended 30th September, 2021, the Group obtained financing from certain financial institutions for its commodities trading business. As at 30th September, 2021, the loans are unsecured, interest-bearing at 1.83% per annum and repayable within 4 months from the end of the reporting period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2021

15. SHARE CAPITAL

| | Number of shares | | Value | |
|----------------------------------|------------------------|------------------------|------------------|------------------|
| | 2021 | 2020 | 2021 HK\$'000 | 2020 HK\$'000 |
| Ordinary shares of HK\$0.01 each | | | | |
| Authorised: | | | | |
| At 1st April and 30th September | <u>102,800,000,000</u> | <u>102,800,000,000</u> | <u>1,028,000</u> | <u>1,028,000</u> |
| Issued and fully paid: | | | | |
| At 1st April and 30th September | <u>2,018,282,827</u> | <u>2,018,282,827</u> | <u>20,183</u> | <u>20,183</u> |

16. SUBSCRIPTION OF INTERESTS IN CUPRAL

On 16th April, 2021, several independent third-party individuals (the “**Initial Shareholders**”) and the Group entered into an investment and shareholders’ agreement in relation to the subscription of 24,999,050 ordinary shares in aggregate in Cupral at a total subscription amount of British Pounds Sterling (“**GBP**”) 2,500,000 (equivalent to HK\$26,955,000) (the “**Cupral Subscription**”). On completion of the Cupral Subscription, the Group was allotted 22,500,000 ordinary shares in Cupral with an aggregate subscription price of GBP2,250,000 (equivalent to HK\$24,260,000), which represents 90% of the enlarged issued share capital of Cupral, and the Initial Shareholders were allotted 2,499,050 ordinary shares in aggregate with an aggregate subscription price of GBP250,000 (equivalent to HK\$2,696,000). Cupral is accounted for as a subsidiary of the Company as the Group is able to exercise control over Cupral.

Cupral is a private limited company incorporated and registered in England and Wales. The Cupral Subscription allows Cupral to build a metal recycling and upgrading plant in the United Kingdom and engage in the recycling, upgrading and sale of copper granules and high grade aluminium scraps. Cupral has not commenced business operations during the six months ended 30th September, 2021.

Call option liabilities

On the same date as the Cupral Subscription, the Group entered into call option agreements (“**Call Option Agreements**”) with each of the Initial Shareholders under which the Initial Shareholders are granted an option to purchase all of the specified number of option shares (the “**Option Shares**”) from the Group on specified exercise dates (the “**Exercise Date**”) within an exercisable period of three years from the date of the Call Option Agreements (the “**Option Period**”) at exercise prices ranging from GBP0.1 to GBP0.1331 per share on each Exercise Date. The maximum number of Option Shares for purchase by the Initial Subscribers is 7,500,000 in aggregate, which represents 30% of the enlarged issued share capital of Cupral upon completion of the Cupral Subscription. Any unexercised options will lapse at the end of the Option Period.

As at 30th September, 2021, the call option liabilities are not significant and thus not recognised in the condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2021

16. SUBSCRIPTION OF INTERESTS IN CUPRAL (continued)

Loans to non-controlling shareholders of Cupral

On the same date as the Cupral Subscription, the Group entered into loan agreements with each of the Initial Shareholders in relation to the advance of loans to each of the Initial Shareholders with a loan principal of GBP250,000 (equivalent to HK\$2,696,000) in aggregate. The loans carry interest at 10% per annum and have maturity one year from the date of drawdown of the loan. The loans are each pledged with shares held by each of the Initial Shareholders in Cupral, representing 2,500,000 ordinary shares, or 10% of the enlarged issued share capital of Cupral, in aggregate.

The loan principal of HK\$2,696,000 and interest receivable of HK\$120,000 was included in loan receivables. Interest income during the six months ended 30th September, 2021 of HK\$120,000 was recognised as interest income from provision of finance (included in revenue).

No significant expected credit loss is recognised as the Group's exposure to credit losses is minimal considering the underlying value of share charges held by the Group.

17. DISPOSAL OF INTEREST IN AN ASSOCIATE

On 7th April, 2020, the Group entered into a conditional agreement with an independent third party for the disposal of its 19.57% equity interests in Blue River Holding Limited ("**Blue River**"), the then associate of the Group (the "**Disposal**"), at a consideration of HK\$181,440,000, subject to adjustments. As a conditional precedent to the Disposal, the Group has agreed to place the remaining 4.08% equity interests in Blue River to independent third parties by way of placing before completion of the Disposal (the "**Placing**"), after which the Group and the Company will no longer hold any shares of Blue River after the Placing and the Disposal.

The Placing and the Disposal was completed on 24th June, 2020 and 6th July, 2020, respectively. The Group received net proceeds from the Placing and the Disposal amounting to HK\$15,337,000 and HK\$181,350,000, respectively and recognised a total gain on disposal of interest in the associate of HK\$163,480,000 in profit or loss, calculated as follows:

| | <i>HK\$'000</i> |
|---|-----------------|
| Net proceeds received from the Placing and the Disposal | 196,687 |
| Less: Carrying amount of 23.65% equity interests in Blue River | (19,780) |
| Reclassification of cumulative share of translation reserve of the associate upon disposal of the associate | <u>(13,427)</u> |
| Gain on disposal of an associate recognised in profit or loss | <u>163,480</u> |

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2021

18. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in these condensed consolidated financial statements, the Group has the following transactions with related parties:

Compensation of key management personnel

| | Six months ended 30th September, | |
|-------------------------------|----------------------------------|------------------|
| | 2021 HK\$'000 | 2020 HK\$'000 |
| Fees | 225 | 225 |
| Salaries and other emoluments | 5,860 | 4,845 |
| | 6,085 | 5,070 |

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

- Level 1: fair value measurements are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: fair value measurements are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2021

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

| Financial assets | Fair value at | | Fair value hierarchy | Valuation techniques and key inputs |
|---|---|-------------------------------------|----------------------|---|
| | 30th September, 2021 <i>HK\$'000</i> | 31st March, 2021 <i>HK\$'000</i> | | |
| Equity investments | | | | |
| – Listed equity securities | 6,595 | 1,893 | Level 1 | Quoted closing prices in an active market. |
| Derivative financial instruments | | | | |
| – Commodities forward contracts | | | | |
| Assets | 1,969 | 6,106 | Level 2 | Discounted cash flow. Based on future cash flows estimated based on forward commodities prices and contracted commodities prices, discounted at a rate that reflects the credit risk of various counterparties. |
| Liabilities | 5,052 | 3,145 | | |
| – Currency forward contracts | | | | |
| Liabilities | 81 | – | Level 2 | Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties. |
| Financial assets at fair value through profit or loss | | | | |
| – Unlisted fund | 143,647 | 197,704 | Level 2 | Based on the net asset values of the fund determined with reference to observable quoted prices in an active market of the underlying investment portfolio, mainly listed shares |

There were no transfers into and out of Levels 1, 2 and 3 during the current and prior periods.

For financial instruments that are recorded at amortised cost, fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis. The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values at the end of the reporting period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2021

20. CAPITAL COMMITMENT

At the end of each reporting period, the Group had the following capital commitment:

| | At 30th September, 2021 HK\$'000 | At 31st March, 2021 HK\$'000 |
|--|---|---------------------------------------|
| Capital expenditure in respect of acquisition of construction in progress contracted for but not provided in the condensed consolidated financial statements | 64,132 | 60,603 |

21. EVENT AFTER THE REPORTING PERIOD

As disclosed in note 10, the subscription of 65% equity interests in Thousand Vantage was completed subsequent to the end of the reporting period on 11th October, 2021. The directors of the Company are in the process of evaluating the financial impact of the completion of the Subscription to the Group's annual consolidated financial statements for the year ending 31st March, 2022 and it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

Management Discussion and Analysis

BUSINESS REVIEW

Review of Financial Performance

During the Current Period, the Group, pursuant to its long-term strategy of exploring potential investments and enhancing the value of its strategic investments by active participation in or close liaisons with the management of the Group's investee companies, continued to strategically invest or hold significant interests, both directly or indirectly, in a portfolio of listed companies in Hong Kong, United States and Korea and also high-potential private companies and funds, through equity instruments and debt financing, financial assets and securities, and engaged in trading of commodities, recycling and trading of metals, chemical storage business, provision of management services, financial institute business and loan financing services.

For the Current Period, the Group reported a loss of HK\$95,573,000 attributable to the owners of the Company (2020: profit of HK\$153,649,000) and basic loss per share of HK4.74 cents (2020: basic earnings per share of HK7.61 cents). The Current Period loss was mainly due to the unrealised fair value loss of financial instruments, in particular, the Group's investment in AFC Mercury Fund.

Commodities Trading

During the Current Period, the Group, through its subsidiaries, continued its trading business which focuses on the trading of commodities including nickel, aluminium and chemical & energy products. The business generated a segment revenue of HK\$494,089,000 (2020: HK\$702,685,000) and a segment loss of HK\$8,611,000 (2020: HK\$1,612,000). The losses was mainly due to decrease in fair values of derivative financial instruments, freight and storage charges incurred for uncompleted trades, and unrealised allowances for inventories as at 30th September, 2021. The decrease in revenue was mainly due to the supply chains issues including delay in warehouse loadout, vessels delayed, high freight cost, longer than expected shipping days, production cut. The management has been monitoring the situation and the credit exposures in commodities markets via a conservative approach to allow additional tolerance in freight cost, shipment schedule, delivery time, etc.

The metal business remains one of the main sources of income for the Group. Our trading profile enhanced with increasing sales to end users in Asia. Revenue from chemical and energy business increased and now accounts for 41% of total trading revenue in the Current Period. However, the supply shortage, vessels shortage, long delivery lead time and expensive freight cost are the main operational concern for the trading business.

Metal Recycling

On 16th April, 2021, several independent third-party individuals and the Group entered into an investment and shareholders' agreement in relation to the subscription of 24,999,050 ordinary shares in aggregate in Cupral at a total subscription amount of British Pound Sterling ("**GBP**") 2,500,000 (equivalent to approximately HK\$27.0 million) (the "**Cupral Subscription**"). During the Current Period, the Cupral Subscription was completed, the Group has been allotted 22,500,000 ordinary shares in Cupral with an aggregate subscription price of GBP2,250,000 (equivalent to approximately HK\$24.3 million), which represents 90% of the enlarged issued share capital of Cupral.

During the Current Period, the Group's Metal Recycling business recorded a nil revenue and a segment loss of HK\$8,108,000. This business segment has not commenced operation as at 30th September 2021.

Management Discussion and Analysis

The Group is working to develop the green metals market for the end users to help in reducing their carbon emission. The Group invested in a recycling plant in the UK, which is managed by a highly experienced team in the UK, and is designed to upgrade both copper and aluminium scraps to high purity for the export to Asia and China. The commissioning of the recycling plant is expected to commence in December 2021 and will reach full capacity before the financial year ended March 2022.

Long-term Strategic Investments

During the Current Period, the Group's long-term investment recorded a revenue of HK\$2,005,000 (2020: HK\$175,000) and a segment loss of HK\$55,113,000 (2020: segment profit of HK\$12,805,000). The segment revenue and the segment loss for the Current Period was mainly attributed to the Preference Shares dividend from Thousand Vantage Investment Limited ("**Thousand Vantage**") and the unrealised loss from the AFC Mercury Fund, respectively.

Thousand Vantage

Thousand Vantage is an investment holding company. Its subsidiaries are principally engaged in the provision of petrochemical port and storage services as well as port-related services through operation of a terminal at Yingling Terminal Operation Area of Qinzhou Port, in Guangxi, the PRC.

The assets held by Thousand Vantage and its subsidiaries (collectively "**Thousand Vantage Group**") mainly include right-of-use assets (representing land and sea areas use right) and property, plant and equipment thereon (representing mainly port infrastructure, oil tanks and related facilities, plant and machinery and construction in progress).

In April 2018, the Group, through its subsidiary, entered into a subscription agreement with Thousand Vantage pursuant to which the Group as a subscriber, agreed to subscribe and Thousand Vantage as an issuer, agreed to allot and issue 100 preference shares at a total subscription price of HK\$200,000,000 (the "**Preference Shares**"). The Preference Shares confer the Group the right to receive cumulative fixed preferential dividend at a rate of 2% per annum of the subscription price up to the redemption date of 16th April, 2020. The Preference Shares are guaranteed by the sole shareholder of Thousand Vantage (the "**Guarantor**") who has executed a share charge in favour of the Group relating to all then issued shares of Thousand Vantage (the "**Share Charge**").

Pursuant to such subscription agreement entered into in April 2018, Thousand Vantage shall redeem the Preference Shares on 16th April, 2020 at an aggregate sum of subscription price and all accrued and unpaid dividends through and including the date of payment (the "**Redemption Price**"). The Guarantor granted to the Group an exclusive right during the period commencing from the date of the issue of the Preference Shares up to the full payment of the Redemption Price, as may be extended by agreement between the parties from time to time to purchase all or part of the issued ordinary shares of and all or part of shareholder's loan due by Thousand Vantage or to subscribe for new ordinary shares in Thousand Vantage.

On 9th November, 2020, the Group entered into a supplemental agreement with Thousand Vantage and the Guarantor pursuant to which the parties conditionally agreed to extend the redemption date of the Preference Shares from the original redemption date of 16th April, 2020 to the new redemption date of 16th April, 2022. Save for this, other principal terms of the Preference Shares remain the same.

Management Discussion and Analysis

During the Current Period, dividends arising on the Preference Shares amounting to HK\$2,005,000 (2020: HK\$175,000) are recognised in profit or loss as interest income from investments (included in revenue).

As part of the Group's management role in Thousand Vantage Group and with an aim to strengthening its overall business performance, the Group has been conducting a detailed review on the business operation and financial position of Thousand Vantage Group so as to formulate business and financing plans and strategies for Thousand Vantage Group's future business development. Since the subscription of Preference Shares, the Group has assigned three senior officers to 廣西廣明碼頭倉儲有限公司 Guangxi Guangming Warehouse Storage Limited, a PRC company in which Thousand Vantage has a 75% equity interest (the "**PRC Subsidiary**"), whom took up the positions of legal representative, general manager and head of finance department respectively and participated in the business operation of the PRC Subsidiary. Moreover, the Group was able to formalise our management role in Thousand Vantage Group pursuant to the management agreement entered into between the Group and Thousand Vantage on 9th November, 2020 (the "**Management Agreement**"), under which Thousand Vantage agreed to appoint the Group on an exclusive basis to provide advisory, management and administrative services to Thousand Vantage Group. Through this appointment, the Group is entitled to management fee remuneration, subject to earlier termination as stipulated in the Management Agreement.

On 29th March, 2021, the Group entered into a subscription agreement with Thousand Vantage and the Guarantor (the "**Subscription**") to subscribe for 668,571,429 new ordinary shares (the "**Subscription Shares**") of Thousand Vantage at a subscription price (the "**Subscription Price**"), being the redemption amount (the "**Redemption Amount**") which is the aggregate sum of the subscription price for the Preference Shares and all the accrued and unpaid dividends on the Preference Shares up to the date of completion.

Based on the Subscription Price, the price per Subscription Share shall be approximately HK\$0.3049. The Subscription Price shall be paid on completion by way of offsetting against the Redemption Amount payable by Thousand Vantage for redemption of the Preference Shares.

Upon completion of the Subscription, the Group will hold approximately 65% of all the issued shares of Thousand Vantage as enlarged by the Subscription Shares, and all Preference Shares shall have been fully redeemed.

The Subscription was completed subsequent to the end of the reporting period with a completion date of 11th October, 2021. Details of which are set out in Events After the Reporting Period.

AFC Mercury Fund

AFC Mercury Fund principally invests in shares of companies listed on the Korea Exchange, principally STX Corporation Limited. STX Corporation Limited (stock code: 011810) is primarily engaged in the business of energy trading, commodity trading, machinery and engine trading, and shipping and logistics. The shares of the AFC Mercury Fund held by the Group represent approximately 29.71% of the issued share capital of the AFC Mercury Fund as at 30th September, 2021.

Management Discussion and Analysis

In June 2018, the Group, through its subsidiary, entered into a subscription agreement with certain independent third parties pursuant to which the Group agreed to subscribe for shares in AFC Mercury Fund, as a limited partner, at an aggregate consideration of US\$20,000,000 (equivalent to approximately HK\$156,000,000).

During the Current Period, an unrealised fair value loss of HK\$54,057,000 (2020: fair value gain of HK\$27,834,000) was made.

CEC Asia Media

CEC Asia Media Group L.P. (“**CEC Fund**”) was organised primarily to invest, directly or indirectly, in Global K Centre Limited and Lionheart Entertainment Asia Limited and other strategical investment in relation to media, artist and beauty training academy based in South Korea. The shares of the CEC Fund held by the Group represent 20% of the issued share capital of the CEC Fund.

In December 2018, the Group, through its subsidiary, entered into a subscription agreement with the CEC Fund pursuant to which the Group agreed to subscribe for shares in CEC Fund, as a limited partner, at an aggregate consideration of US\$2,000,000 (equivalent to approximately HK\$15,600,000).

A fair value change of nil (2020: fair value loss of HK\$11,673,000) was recognised in profit or loss. CEC Fund has nil fair value as at 30th September, 2021 (31st March, 2021: nil) as the Directors of the Company determine that such investment is unable to generate future cash flows to the Group due to significant financial difficulties of CEC Fund.

Chemical Storage

Jiangsu Hong Mao (江蘇宏貿倉儲)

The Group invested in Yangtze Prosperity Development (HK) Limited (“**YPD (HK)**”) through the capitalisation of a loan in 2019. YPD (HK) is incorporated in Hong Kong as an investment holding company which in turn owns the entire equity interest in 江蘇宏貿倉儲有限公司, which has been granted a sea area use right in respect of a parcel of reclaimed land constructed on the relevant sea plot in Yangkou Port, Nantong, the PRC and is in the course of constructing infrastructure for operating chemical storage and related facilities thereon.

Such investment reinforces the Group’s commitment towards sustainable development and it will broaden the income stream of the Group in the near future. This business segment has not commenced operation as at 30th September, 2021.

Management Discussion and Analysis

Financial Institute Business

The Group established Helios Asset Management (HK) Limited (“**Helios**”), which is principally engaged in assets management and advisory business in Hong Kong and is licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) Type 4 licence (Advising on Securities) and Type 9 licence (Asset Management) from the Securities and Futures Commission. To further develop its financial institute business, the Group has actively extended its reach to different facets of the financial services sector so as to develop an all-rounded business, the Group acquired in November 2020 an insurance brokerage firm, PT Insurance Brokers Company Limited which is a member of the Hong Kong Confederation of Insurance Brokers and allowed to carry out insurance brokerage business in the long term (excluding linked long term) insurance in Hong Kong. In December 2020, Muhabura Capital Limited (“**MCL**”), a subsidiary of the Company incorporated in Mauritius, was granted an investment banking licence by Financial Services Commission of Mauritius (“**FSC**”).

The business goals of the financial institute business of the Group are to build an international financial platform that capitalises on cross-border investments between Asia and Africa. In light of the One Belt One Road initiative, the Group expects to see increasing business flows between the two continents. The Group takes the view that by operating licensed entities in both Hong Kong and Africa will give confidence in institutional, corporate and retail customers when working with the Group.

Mauritius, where MCL is located, was pledged by wave after wave of COVID-19 outbreak. With the Mauritius government keeping the island locked down from the outside world for most of the year until they were able to get hold of sufficient vaccines for the local population, most of the staff worked from home during much of the lock down, and almost all meetings were conducted via video conferencing. MCL front line staff were unable to travel overseas or even to the African continent for client acquisition thus making the start-up phase of this new business line slow. MCL is ready for business and with the recent opening of the island for business travel and tourism we expect client acquisition to find traction if the current wave of COVID-19 continues to subside on the island.

Helios was looking to launch an African focused fund; however the launch of this fund was delayed due to travel restrictions both in HK and many of the African regions.

During the Current Period, the continued global COVID-19 pandemic continued to hamper the full launch of the Financial Institute Business.

Loan Financing Services

For the Current Period, the Group’s loan financing operation reported a segment profit of HK\$107,000 (2020: nil). As at 30th September, 2021, the loan portfolio held by the Group was HK\$2,815,000 (31st March, 2021: nil).

Other Investment

During the Current Period, the Group’s other investment contributed nil segment revenue (2020: nil) and a segment profit of HK\$888,000 (2020: HK\$21,000).

Management Discussion and Analysis

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30th September, 2021, the Group's total assets of HK\$738,258,000 (31st March, 2021: HK\$789,037,000) represented a decrease of approximately 6.4% when compared with the last period.

As at 30th September, 2021, equity attributable to owners of the Company amounted to HK\$614,542,000 (31st March, 2021: HK\$709,546,000), representing a decrease of HK\$95,004,000 or 13.4% as compared to 31st March, 2021. The decrease was mainly due to the unrealised fair value loss of financial instruments, in particular, the Group's investment in AFC Mercury Fund.

The Group continued to adopt a prudent funding and treasury policy to manage its liquidity needs. The objective is to maintain adequate funds for financing working capital and capture investment opportunities as and when they become available.

As at 30th September, 2021, current assets and current liabilities of the Group were HK\$247,229,000 (31st March, 2021: HK\$343,059,000) and HK\$74,738,000 (31st March, 2021: HK\$72,380,000) respectively. Accordingly, the Group's current ratio was about 3 (31st March, 2021: 5).

Gearing Ratio

As at 30th September, 2021, the Group had bank balances and cash of HK\$168,866,000 (31st March, 2021: HK\$239,325,000) and bank and other borrowings of HK\$72,689,000 (31st March, 2021: nil). The Group's gearing ratio was zero at 30th September, 2021 and 31st March, 2021 as the Group was in net cash position. The gearing ratio is calculated on the basis of net borrowings over the equity attributable to owners of the Company. Net borrowings are arrived at by deducting bank deposits, bank balances and cash from borrowings.

Material Acquisitions or Disposals and Future Plans for Material Investments

There were no material acquisitions or disposals of subsidiaries, associates or joint ventures during the Current Period nor were there material investments authorised by the Board at the date of this report.

Subsequent to the end of reporting period, the subscription of 65% equity interest in Thousand Vantage was completed on 11th October, 2021. Further details are set out in Events After The Reporting Period.

Foreign Currency Management

The monetary assets and liabilities as well as business transactions of the Group are mainly denominated in Hong Kong dollars, Korean Won, Renminbi, United States dollars, Japanese Yen and British Sterling. During the Current Period, the Group entered into foreign currency forward contracts and currency swaps for hedging purposes. Appropriate measures would be undertaken by the Group when exchange rate fluctuations become significant.

Pledge of Assets

As at 30th September, 2021, the Group pledged assets of plant and equipment to a third party in the amount of HK\$22,813,000 (31st March, 2021: nil).

Management Discussion and Analysis

Contingent Liabilities

As at 30th September, 2021, the Group had no significant contingent liabilities (31st March, 2021: nil).

Capital Commitments

As at 30th September, 2021, the capital commitments of the Group were HK\$64,312,000 (31st March, 2021: HK\$60,603,000) in respect of construction contracts entered into for the construction of chemical storage and related facilities in order to operate the chemical storage business located in China.

Securities in Issue

As at 30th September, 2021, there were 2,018,282,827 shares in issue. There was no change in the capital structure of the Company during the Current Period. The share capital of the Company only comprises of ordinary shares.

Interim Dividend

The Board resolved not to recommend the payment of an interim dividend for the Current Period (2020: nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30th September, 2021, the Group had a total of 66 employees (as at 31st March, 2021: 45 employees), including executive Directors. The Group's remuneration policy is to ensure that the Group's remuneration structure is appropriate and aligns with the Group's goals and objectives. The employees' remuneration is based on the employees' skill, knowledge and involvement in the Company's affairs and is determined by reference to the Company's performance, as well as remuneration benchmark in the industry and the prevailing market conditions. The ultimate objective of the remuneration policy is to ensure that the Group is able to attract, retain and motivate a high-calibre team which is essential to the success of the Company. The Group also offers benefits to employees including discretionary bonus, training and provident funds. The share option scheme of the Company is established for the eligible participants (including employees). No share option was granted during the Current Period and there was no outstanding share option as at 30th September, 2021 and as at the date of this report.

Management Discussion and Analysis

PROSPECTS

The prolonged COVID-19 pandemic together with the continued Sino-US/EU/Australia tension posed unprecedented challenges to both individuals and corporations across the globe. Within the reporting period some parts of the world began to open to tourism and business travelers only to see a fourth wave of COVID-19 rising in many countries in the West. In Asia, apart from Singapore which began to open up in summer and has since seen new COVID-19 spikes, most countries remain closed and business travel and interactions continued to be difficult. Various businesses of the Group continued to be severely affected. With travel restrictions implemented globally, especially the continued quarantine measures by the HKSAR government, many of the Group's new business initiatives have seen a much slower roll out, as business activities and international meetings moved to virtual platforms, which is adequate but not ideal.

Given the uncertain economic backdrop in the Current Period, the management of the Group has taken a more prudent approach. The Group's overall financial performance was worse than that of last period, which was mainly due to the absence of the one-off gain arising from the disposal of the Group's associate in the same period last year; and an unrealised fair value loss of the Group's investment in AFC Mercury Fund for the Current Period. The reopening of some of the economies brought about a massive logistics and shipping shortage added to the operating risk of the division, hence a more conservative approach causing a weaker revenue was recorded. The management will continue to monitor the situation and the credit exposures in commodities markets.

Cupral, the Group's new subsidiary in the UK, saw three months' delay in the building of its metal recycling plant, mainly due to transport issues of plant equipment around Europe. At the time of reporting, Cupral is conducting testing and beginning plant commissioning. The plant trial will continue over the next months and full capacity production is expected by the end of March 2022 at approximately 14,000mt per annum. The management of Cupral is also testing the plants' ability to process aluminium scraps in addition to copper recycling in an attempt to increase product diversification and reduce pricing risk during this period of commodities price volatility. We expect a mixture between the two products going forward. The contribution from Cupral is expected to be much more significant in the next financial year.

The management of the Group is cautiously optimistic towards the prospects of the Group for the future mainly due to the worry of any unforeseen continued negative economic effects brought on by COVID-19 and logistical issues. Most banks expected the logistics bottlenecks to ease by early 2022 which will help the Group's commodities trading business in Asia and commodities recycling business in the UK achieve better results. For the Financial Intermediaries business, it will vastly depend on ease of travel and when Hong Kong will reduce or drops its quarantine requirement. Recent expectations of Hong Kong/China border reopening is expected to drum up our insurance brokerage business if the numbers of travelers between the boarder is restored to a meaningful amount of visitors. The latest acquisition of Thousand Vantage is also expected to see stronger revenue in the calendar year 2022 as the Group's management continue to upgrade processes, management, risk, controls and business development.

Supplementary Information

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th September, 2021, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or, as the case may be, the percentage in the equity interest and debentures of the Company or its associated corporations (within the meaning of the SFO), which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange were as follows:

Long positions in shares, underlying shares and debentures of the Company

| Name of Director | Capacity | Number of shares held | Approximate percentage of the issued share capital of the Company |
|--|------------------------------------|-----------------------|---|
| Mr. Ching Man Chun, Louis ("Mr. Ching") | Beneficial owner | 100,000,000 | 4.95% |
| | Interest of controlled corporation | 488,000,000 (Note) | 24.18% |

Note:

Champion Choice Holdings Limited ("Champion Choice"), which is the registered holder of 488,000,000 shares of the Company, is wholly-owned by Mr. Ching. Accordingly, Mr. Ching is deemed to be interested in 488,000,000 shares of the Company directly held by Champion Choice under the SFO.

Save as disclosed above, as at 30th September, 2021, none of the Directors and chief executive of the Company or any of their close associates had any interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

On 20th August, 2021, the Company has adopted a new share option scheme (the "Share Option Scheme"), which replaced an old share option scheme that expired on 18th August, 2021.

The purpose of the Share Option Scheme is to provide incentive or reward to eligible persons for their contributions to, and continuing efforts to promote the interests of, the Company or any of its subsidiaries and/or any of its invested entities.

Supplementary Information

Pursuant to the Share Option Scheme, the Board may, on or before 19th August, 2031, in its absolute discretion, subject to the terms of the Share Option Scheme, offer to grant share options to, inter alia, (i) employees (whether full time or part time), executive or non-executive directors of the Company or any of its subsidiaries or any of its invested entities; (ii) any shareholders of the Company or any of its subsidiaries or any of its invested entities; (iii) any advisors (professional or otherwise), consultants, any person or entity who has contributed or will contribute to the growth and development of the Group; (iv) suppliers, (v) customers; (vi) any person or entity that provides research, development or other technological support to any member of the Group or any of its invested entities; and (vii) joint venture partners, business alliance partners or any person or entity who has contributed or may contribute by way of other business arrangement to the development and growth of the Group. As at the date of this report, the total number of shares available for issue under the Share Option Scheme is 201,828,282 shares, which represented approximately 10% of the number of shares in issue of the Company as at the date on which the Share Option Scheme was adopted at the annual general meeting of the Company held on 20th August, 2021.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) adopted by the Group shall not, in aggregate, exceed 30% of the share capital of the Company in issue from time to time.

The exercise price in respect of any options shall be at the discretion of the Board (subject to any adjustments made pursuant to the Share Option Scheme), provided that it shall not be lower than the nominal value of the shares of the Company and shall be the highest of (i) the closing price of the shares of the Company as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of the offer, which must be a business day; and (ii) the average closing price of the shares of the Company as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the offer.

The Board may in its absolute discretion determine the period in respect of any options, save that such period shall not be more than 10 years from the date of the grant of option, and the minimum period for which a share option must be held before it can be exercised. Unless otherwise determined by the Board and stated in the offer to a grantee, the Share Option Scheme does not specify a minimum period for which an option must be held nor a performance target which must be achieved before an option can be exercised.

The Share Option Scheme shall be valid and effective for a period of ten years commencing on the adoption date i.e. 20th August, 2021. The total number of shares issued and to be issued upon exercise of the share options granted to each participant except for independent non-executive directors and substantial shareholders of the Company (including exercised, cancelled and outstanding options) within any 12-month period under the Share Option Scheme and any other share option scheme(s) of the Company and/or any of its subsidiaries shall not exceed 1% of the number of shares in issue of the Company for the time being.

Supplementary Information

Any grant of share options to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, would result in the shares issued and to be issued upon exercise of all share options already granted and to be granted (including share options exercised, cancelled or outstanding) to such person in the 12-month period up to and including the date of such grant: (i) representing in aggregate over 0.1% of the number of shares in issue on the date of such grant; and (ii) having an aggregate value, based on the closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotations sheets on each relevant date on which the grant of such options is made to (and subject to acceptance by) such person under the relevant scheme, in excess of HK\$5 million, such further grant of share options shall be subject to prior approval by resolution of the shareholders of the Company (voting by way of poll).

An offer under the Share Option Scheme shall remain open for acceptance by the eligible participant concerned for 21 days from the date of the grant of option. A consideration of HK\$1.00 is payable on acceptance of the offer of the grant of share option.

No share option under the Share Option Scheme was granted, cancelled, exercised or lapsed during the Current Period nor outstanding as at 30th September, 2021. At the date of this report, there were a total of 201,828,282 shares available for issue under the Share Option Scheme, which representing approximately 10% of the existing issued share capital of the Company.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

Save as disclosed below, as at 30th September, 2021, the Directors and chief executive of the Company are not aware of any person who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

| Name of Substantial Shareholders | Capacity | Number of issued shares held | Approximate percentage of the issued shares of the Company |
|----------------------------------|------------------------------------|------------------------------|--|
| Mr. Ching | Beneficial owner | 100,000,000 | 4.95% |
| | Interest of controlled corporation | 488,000,000 (Note) | 24.18% |
| Champion Choice | Beneficial owner | 488,000,000 (Note) | 24.18% |

Note:

Champion Choice is the registered holder of 488,000,000 shares of the Company. Mr. Ching, a director of the Company is also a director of Champion Choice, who owns the entire issued share capital of Champion Choice. Accordingly, Mr. Ching is deemed to be interested in 488,000,000 shares of the Company directly held by Champion Choice under the SFO.

EVENTS AFTER THE REPORTING PERIOD

Acquisition of Thousand Vantage

The subscription of 65% equity interests in Thousand Vantage was completed subsequent to the end of the reporting period on 11th October, 2021. The directors of the Company are in the process of evaluating the financial impact of the completion of the Subscription to the Group's annual consolidated financial statements for the year ending 31st March, 2022 and it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of an interim dividend for the Current Period (six months ended 30th September, 2020: nil).

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

During the six months ended 30th September, 2021, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company has, throughout the six months ended 30th September, 2021, complied with the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules except for the following deviations with reason as explained:

Code Provision A.2.1 – Chairman and Chief Executive

Under this code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Deviation

Mr. Ching Man Chun, Louis, an Executive Director of the Company, has taken up the positions of the Chairman of the Board and the Managing Director of the Company. The Board considers that vesting the roles of chairman and chief executive in the same person enables more effective and efficient planning and implementation of business plans, the Board also believes that the balance of power and authority is adequately ensured.

Except as stated above, the Company has continued to comply with the applicable code provisions of the CG Code. The Board will continue to monitor and review the Company's corporate governance practices to ensure compliance with the CG Code.

Supplementary Information

CHANGES IN INFORMATION IN RESPECT OF DIRECTOR(S)

Pursuant to Rule 13.51B of the Listing Rules, the changes in information of Directors subsequent to the date of the 2021 Annual Report of the Company are set out below:

Ms. Xu Wei was appointed as an independent non-executive director of Smart-Core Holdings Limited (stock code: 2166) on 6 December 2021, the shares of which is listed on the main board of Hong Kong Stock Exchange.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has continued to adopt the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the Current Period.

REVIEW OF INTERIM RESULTS

The interim results for the six months ended 30th September, 2021 have not been audited, but have been reviewed by the auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA, and the Audit Committee of the Company.

On behalf of the Board

Ching Man Chun, Louis

Chairman and Managing Director

Hong Kong, 29th November, 2021