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**ENM HOLDINGS LIMITED**

**安寧控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 00128)**

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

The Board of Directors (the “Board”) of ENM Holdings Limited (the “Company”) herein presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2022 together with the unaudited comparative amounts for the corresponding period in 2021.

The financial information set out below in this announcement represents an extract from the condensed consolidated financial statements for the six months ended 30 June 2022, which are unaudited, but have been reviewed by the Company’s external auditor, RSM Hong Kong, 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, whose unmodified review report is included in the interim report to be sent to shareholders. The condensed consolidated financial statements for the six months ended 30 June 2022 have also been reviewed by the Company’s Audit Committee.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	Note	<b>Six months ended 30 June</b>	
		<b><u>2022</u></b>	<b><u>2021</u></b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Revenue</b>	4	<b>40,966</b>	51,542
Cost of sales		<u>(19,540)</u>	<u>(17,172)</u>
<b>Gross profit</b>		<b>21,426</b>	34,370
Other income		<b>2,728</b>	903
Selling and distribution costs		<b>(18,712)</b>	(17,993)
Administrative expenses		<b>(32,049)</b>	(29,311)
Depreciation of property, plant and equipment and amortization		<b>(739)</b>	(1,842)
Other operating gains/(losses), net		<u><b>(83,571)</b></u>	<u>28,373</u>
<b>Profit/(loss) from operations</b>		<b>(110,917)</b>	14,500
Fair value gains on investment properties		–	3,700
Finance costs	5	<u>(594)</u>	<u>(1,171)</u>
<b>Profit/(loss) before tax</b>		<b>(111,511)</b>	17,029
Income tax expense	6	<u>–</u>	<u>–</u>
<b>Profit/(loss) for the period</b>	7	<u><b>(111,511)</b></u>	<u>17,029</u>
<b>Attributable to:</b>			
Owners of the Company		<b>(111,060)</b>	17,051
Non-controlling interests		<u>(451)</u>	<u>(22)</u>
		<u><b>(111,511)</b></u>	<u>17,029</u>
		<b>HK\$</b>	<b>HK\$</b>
		<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Earnings/(loss) per share</b>			
- Basic	8(a)	<u><b>(6.73) cents</b></u>	<u>1.03 cents</u>
- Diluted	8(b)	<u><b>N/A</b></u>	<u>N/A</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	<b>Six months ended 30 June</b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Profit/(loss) for the period</b>	<b><u>(111,511)</u></b>	<b><u>17,029</u></b>
<b>Other comprehensive income/(loss):</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
Fair value gain on revaluation of the club property	<b>83,000</b>	39,000
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	<b><u>(125)</u></b>	<b><u>25</u></b>
<b>Other comprehensive income for the period, net of tax</b>	<b><u>82,875</u></b>	<b><u>39,025</u></b>
<b>Total comprehensive income/(loss) for the period</b>	<b><u><u>(28,636)</u></u></b>	<b><u><u>56,054</u></u></b>
<b>Attributable to:</b>		
Owners of the Company	<b>(28,156)</b>	56,070
Non-controlling interests	<b><u>(480)</u></b>	<b><u>(16)</u></b>
	<b><u><u>(28,636)</u></u></b>	<b><u><u>56,054</u></u></b>

**CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION  
AT 30 JUNE 2022**

	Note	<b>30 June <u>2022</u> HK\$'000 (unaudited)</b>	31 December <u>2021</u> HK\$'000 (audited)
<b>Non-current assets</b>			
Property, plant and equipment		<b>424,818</b>	342,224
Right-of-use assets		<b>24,459</b>	19,881
Investment properties		<b>52,500</b>	52,500
Intangible assets		<b>372</b>	396
Financial assets at fair value through profit or loss	10	<b>74,621</b>	79,117
Total non-current assets		<b>576,770</b>	494,118
<b>Current assets</b>			
Inventories		<b>23,908</b>	21,992
Trade receivables	11	<b>1,124</b>	1,778
Prepayments, deposits and other receivables		<b>12,939</b>	12,349
Financial assets at fair value through profit or loss	10	<b>509,758</b>	604,878
Pledged bank deposits		<b>10,000</b>	10,000
Time deposits		<b>63,987</b>	70,211
Cash and bank balances		<b>31,355</b>	40,853
Total current assets		<b>653,071</b>	762,061
<b>Current liabilities</b>			
Trade and other payables	12	<b>18,711</b>	19,960
Lease liabilities		<b>11,841</b>	14,125
Interest-bearing bank borrowings		<b>6,881</b>	7,001
Total current liabilities		<b>37,433</b>	41,086
<b>Net current assets</b>		<b>615,638</b>	720,975
<b>Non-current liabilities</b>			
Lease liabilities		<b>12,725</b>	6,774
<b>NET ASSETS</b>		<b>1,179,683</b>	1,208,319

**CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION (CONT'D)  
AT 30 JUNE 2022**

	<b>30 June <u>2022</u> HK\$'000 (<i>unaudited</i>)</b>	31 December <u>2021</u> HK\$'000 ( <i>audited</i> )
<b>Capital and reserves</b>		
Issued capital	<b>1,206,706</b>	1,206,706
Accumulated losses	<b>(1,166,725)</b>	(1,055,665)
Other reserves	<b>1,140,773</b>	1,057,869
	<hr/>	<hr/>
Equity attributable to owners of the Company	<b>1,180,754</b>	1,208,910
Non-controlling interests	<b>(1,071)</b>	(591)
	<hr/>	<hr/>
<b>TOTAL EQUITY</b>	<b><u>1,179,683</u></b>	<u>1,208,319</u>

*Notes:*

**1. Basis of Preparation**

These 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 (the “HKICPA”) and the applicable disclosures required by the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited.

The financial information relating to the year ended 31 December 2021 that is included in these unaudited condensed consolidated financial statements for the six months ended 30 June 2022 as comparative information does not constitute the statutory annual consolidated financial statements of the Company for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

- The Company has delivered the consolidated financial statements for the year ended 31 December 2021 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).
- The Company’s auditor has reported on those consolidated financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

These condensed consolidated financial statements should be read in conjunction with the 2021 annual consolidated financial statements. The accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2021 except for the adoption of new and revised Hong Kong Financial Reporting Standards as described in note 2.

## 2. Adoption of New and Revised Hong Kong Financial Reporting Standards

The accounting policies applied in these financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2021. In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2022 but they do not have a material effect on the Group's financial statements.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

## 3. Segment Information

The Group has three reportable segments as follows:

Segment	Activity
Retail of fashion wear and accessories	The trading of fashion wear and accessories
Resort and recreational club operations	The provision of resort and recreational facilities including lodging and catering services
Investments	The holding and trading of investments for short term and long term financial returns

The Group's reportable segments are strategic business units that offer different products and services. Business units that have similar economic characteristics are combined in a single reportable segment. They are managed separately because each business requires different operating and marketing strategies.

Segment profits or losses do not include the following:

- Unallocated corporate administrative expenses;
- Fair value gains on investment properties;
- Finance costs; and
- Income tax expense.

Segment liabilities do not include interest-bearing bank borrowings.

### 3. Segment Information (Cont'd)

	Retail of fashion wear and accessories	Resort and recreational club operations	Investments	Total
	HK\$'000 ( <i>unaudited</i> )	HK\$'000 ( <i>unaudited</i> )	HK\$'000 ( <i>unaudited</i> )	HK\$'000 ( <i>unaudited</i> )
<b>6 months ended 30 June 2022:</b>				
Revenue from external customers	31,853	3,054	6,059	40,966
Segment loss	(12,597)	(5,333)	(89,496)	(107,426)
<b>As at 30 June 2022:</b>				
Segment assets	63,536	424,733	741,572	1,229,841
Segment liabilities	<u>(30,993)</u>	<u>(1,581)</u>	<u>(10,703)</u>	<u>(43,277)</u>
<b>6 months ended 30 June 2021:</b>				
Revenue from external customers	34,274	3,324	13,944	51,542
Segment profit/(loss)	(10,600)	(5,339)	31,669	15,730
<b>As at 31 December 2021:</b>				
Segment assets, audited	50,828	341,771	863,580	1,256,179
Segment liabilities, audited	<u>(24,928)</u>	<u>(2,343)</u>	<u>(13,588)</u>	<u>(40,859)</u>

<b>Six months ended 30 June</b>	
<u>2022</u>	<u>2021</u>
HK\$'000	HK\$'000
( <i>unaudited</i> )	( <i>unaudited</i> )

#### Reconciliations of reportable segment profit or loss:

Total profit or loss of reportable segments	(107,426)	15,730
Unallocated corporate administrative expenses	(3,491)	(1,230)
Fair value gains on investment properties	-	3,700
Finance costs	<u>(594)</u>	<u>(1,171)</u>
Consolidated profit/(loss) for the period	<u>(111,511)</u>	<u>17,029</u>



#### 4. Revenue

The principal activities of the Group are (i) retail of fashion wear and accessories, (ii) resort and recreational club operations, and (iii) investments. An analysis of revenue of the Group by operating activities and timing of revenue recognition are as follows:

	<b>Six months ended</b>	
	<b>30 June</b>	
	<u><b>2022</b></u>	<u><b>2021</b></u>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
<i>Revenue from contracts with customer</i>		
(i) Retail of fashion wear and accessories		
Sale of fashion wear and accessories recognised at a point in time	<u>31,853</u>	<u>34,274</u>
(ii) Resort and recreational club operations		
Catering service income recognised at a point in time	<b>1,709</b>	1,599
Resort and club facilities and other services income recognised over time	<b>217</b>	708
Entrance fee and subscription fee income recognised over time	<u>1,128</u>	<u>1,017</u>
	<u><b>3,054</b></u>	<u>3,324</u>
<i>Revenue from other sources</i>		
(iii) Investments		
Dividend income arising from financial assets at fair value through profit or loss:		
- listed equity investments	<b>560</b>	479
- listed fund investments	<b>201</b>	-
- unlisted fund investments	<b>4,198</b>	12,352
Interest income from:		
- Financial assets at fair value through profit or loss	<b>590</b>	646
- Other financial assets	<u>510</u>	<u>467</u>
	<u><b>6,059</b></u>	<u>13,944</u>
	<u><b>40,966</b></u>	<u>51,542</u>

## 5. Finance Costs

	Six months ended 30 June	
	<u>2022</u> HK\$'000 <i>(unaudited)</i>	<u>2021</u> HK\$'000 <i>(unaudited)</i>
Interest on bank loans	64	68
Interest on lease liabilities	<u>530</u>	<u>1,103</u>
	<u><u>594</u></u>	<u><u>1,171</u></u>

## 6. Income Tax Expense

No provision for Hong Kong Profits Tax and overseas income tax has been made for the six months periods ended 30 June 2022 and 2021 since the Group has no assessable profit in Hong Kong and other countries in which the Group operates or has sufficient tax losses brought forward to set off against the assessable profits for both periods.

## 7. Profit/(Loss) for the Period

The Group's profit/(loss) for the period is stated after charging/(crediting) the following:

	Six months ended	
	30 June	
	<u>2022</u>	<u>2021</u>
	HK\$'000	HK\$'000
	( <i>unaudited</i> )	( <i>unaudited</i> )
Cost of inventories sold <sup>#</sup>	19,540	17,172
Charge for inventories allowances	4,477	947
Depreciation of right-of-use assets	8,404	9,484
Depreciation of property, plant and equipment	715	1,818
Amortisation of intangible assets	24	24
Losses/(gains) from financial assets at fair value through profit or loss, net*:		
Fair value losses/(gains), net	71,650	(29,054)
Losses on disposal, net	10,573	637
	82,223	(28,417)
Fair value gains on investment properties	–	(3,700)
Gains on disposal of property, plant and equipment, net*	(255)	–
Foreign exchange losses, net*	1,603	44

\* These amounts are included in “Other operating gains/(losses), net”.

# Cost of inventories sold included charge for inventories allowances of HK\$4,477,000 (30 June 2021: HK\$947,000).

## **8. Earnings/(Loss) Per Share**

### **(a) Basic earnings/(loss) per share**

The calculation of basic earnings/(loss) per share is based on the loss for the period attributable to owners of the Company of HK\$111,060,000 (30 June 2021: profit of HK\$17,051,000) and the weighted average number of ordinary shares of 1,650,658,676 (30 June 2021: 1,650,658,676) in issue during the period.

### **(b) Diluted earnings/(loss) per share**

No diluted earnings/(loss) per share is presented as the Company did not have any dilutive potential ordinary shares during the six months periods ended 30 June 2022 and 2021.

## **9. Dividends**

The directors do not recommend the payment of any interim dividend to shareholders for the six months ended 30 June 2022 and 2021.

## 10. Financial Assets at Fair Value Through Profit or Loss

	<b>30 June 2022 HK\$'000 (unaudited)</b>	31 December 2021 HK\$'000 (audited)
Financial assets at fair value through profit or loss:		
Equity investments, at fair value		
- Listed in Hong Kong	25,308	34,761
- Listed outside Hong Kong	25,092	35,006
	<b>50,400</b>	69,767
Fund investments, at fair value		
- Listed outside Hong Kong	27,611	22,651
- Unlisted	464,409	547,429
	<b>492,020</b>	570,080
Debt investments, at fair value		
- Listed in Hong Kong*	8,054	12,142
- Listed outside Hong Kong*	33,905	32,006
	<b>41,959</b>	44,148
	<b>584,379</b>	683,995

\* Listed as selectively marketed securities on The Stock Exchange of Hong Kong Limited, The Singapore Exchange Securities Trading Limited and other overseas stock exchanges

The carrying amounts of the above finance assets are mandatorily measured at fair value through profit or loss in accordance with HKFRS 9.

	<b>30 June 2022 HK\$'000 (unaudited)</b>	31 December 2021 HK\$'000 (audited)
Current assets – Financial assets at fair value through profit or loss		
- Listed equity investments	50,400	69,767
- Listed fund investments	27,611	22,651
- Unlisted fund investments	389,788	468,312
- Listed debt investments	41,959	44,148
	<b>509,758</b>	604,878
Non-current assets – Financial assets at fair value through profit or loss		
- Unlisted fund investments	74,621	79,117
	<b>584,379</b>	683,995

## 11. Trade Receivables

The Group maintains a defined credit policy for its trade customers and the credit terms given vary according to the business activities. The financial strength of and the length of business relationship with the customers, on an individual basis, are considered in arriving at the respective credit terms. Overdue balances are reviewed regularly by management.

An ageing analysis of the trade receivables, based on the invoice date and net of impairment, is as follows:

	<b>30 June <u>2022</u> HK\$'000 (<i>unaudited</i>)</b>	31 December <u>2021</u> HK\$'000 ( <i>audited</i> )
Within 1 month	<b>1,093</b>	1,704
2 to 3 months	<b>31</b>	74
Over 3 months	<u>—</u>	<u>—</u>
	<b><u>1,124</u></b>	<b><u>1,778</u></b>

## 12. Trade and Other Payables

Included in the Group's trade and other payables as at 30 June 2022 are trade and bills payables of HK\$4,671,000 (31 December 2021: HK\$3,654,000) and contract liabilities of HK\$1,292,000 (31 December 2021: HK\$1,258,000).

An ageing analysis of the trade and bills payables, based on the invoice date, is as follows:

	<b>30 June <u>2022</u> HK\$'000 (<i>unaudited</i>)</b>	31 December <u>2021</u> HK\$'000 ( <i>audited</i> )
Within 1 month	<b>4,028</b>	2,565
2 to 3 months	<b>156</b>	886
Over 3 months	<u>487</u>	<u>203</u>
	<b><u>4,671</u></b>	<b><u>3,654</u></b>

## CHIEF EXECUTIVE OFFICER’S STATEMENT

### OVERVIEW

In the first half of 2022, the Group experienced a number of adversities concurrently, a situation that was very rare and it had never encountered previously. The Hong Kong Government implemented the most stringent social distancing measures since the beginning of the COVID-19 outbreak in 2019, to combat the 5<sup>th</sup> wave of the pandemic that saw an exponential rise in cases and related death fuelled by the Omicron variant. In addition to continual restrictions on cross-border and inbound travel, additional measures such as a vaccine pass requirement significantly reduced shopping centre footfall which severely affected the Group’s fashion retail business. At the same time, the return of limitation on the number of persons in food and beverage outlets and social gatherings also had a major negative impact on the recreational club operation with cancellation of function and lodging bookings. The Government strongly urged people to avoid going out, dine out less often and stop unnecessary social activities which were effectively similar to a “lockdown”.

Furthermore, the downturn in the global financial markets that started in late 2021 persisted into 2022 as inflation continued to climb in the United States, while Europe faced the same inflationary pressure fuelled by the Russia-Ukraine war that began in February 2022. Major equity markets retreated by 20%, with significant sell off in growth and technology stocks which saw the Nasdaq falling more than 25% while the global fixed income markets also experienced its worst ever start in history with the average global bond funds down by nearly 14% in the first half of 2022. For the first time in over 30 years, equities and bonds were falling together, hence the Group’s investment portfolio suffered a huge mark-to-market loss up to 30 June 2022.

The total loss recorded by the Group for the period ended 30 June 2022 was an amount of HK\$111,060,000 (2021: profit of HK\$17,051,000) attributable to shareholders of the Company. Excluding the fair value gains on investment properties for 2021, the underlying loss attributable to shareholders of the Company for the period ended 30 June 2022 was HK\$111,060,000 as compared to a profit of HK\$13,351,000 for the same period in 2021.

The Company’s rezoning application in relation to the property at Hilltop Road from “Other Specified Uses” annotated “Sports and Recreation Club” to “Residential (Group B) 8” was approved by the Chief Executive in Council in February 2022. As mentioned in the Group’s 2021 annual report, there remain a number of further steps required and hurdles to overcome, including application for exchange of Land Grant and the assessment of change of land use premium before the site can be used for residential development.

## FINANCIAL REVIEW

	Six months ended 30 June		
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	Change + / (-)
<b>Consolidated Revenue</b>	<b>40,966</b>	51,542	(21%)
Retail of fashion wear and accessories	<b>31,853</b>	34,274	(7%)
Resort and recreational club operation	<b>3,054</b>	3,324	(8%)
Dividend income	<b>4,959</b>	12,831	(61%)
Interest income	<b>1,100</b>	1,113	(1%)
<b>Profit/(loss) from operations</b>	<b>(110,917)</b>	14,500	(865%)
Fair value gains on investment properties	-	3,700	(100%)
Finance costs	<b>(594)</b>	(1,171)	49%
<b>Profit/(loss) for the period</b>	<b>(111,511)</b>	17,029	(755%)
<b>Profit/(loss) attributable to shareholders</b>	<b>(111,060)</b>	17,051	(751%)
<b>Earnings/(loss) per share</b>	<b>HK (6.73) cents</b>	HK1.03 cents	

The loss from operations for the period ended 30 June 2022 of HK\$110,917,000 (2021: profit of HK\$14,500,000) attributable to the Group's reportable segments was:

	Six months ended 30 June		
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	Change + / (-)
Retail of fashion wear and accessories	<b>(12,597)</b>	(10,600)	(19%)
Resort and recreational club operations	<b>(5,333)</b>	(5,339)	0%
Investments	<b>(89,496)</b>	31,669	(383%)
Unallocated corporate administrative expenses	<b>(3,491)</b>	(1,230)	(184%)
<b>Profit/(loss) from operations</b>	<b>(110,917)</b>	14,500	(865%)

The Group's fashion retail business, SWANK reported a reduction in revenue and gross profit of 7% and 27% respectively compared to the first half of 2021. The shortfall in revenue was primarily attributable to the strict social distancing measures implemented at shopping centres and restaurants in Hong Kong which significantly reduced the footfall in our stores between February and April 2022. The decline in gross profit of HK\$4,706,000 (or -27%) as a result of lower sales revenue and higher discount required to boost sales and move inventory was partly offset by cost savings from outsourcing the warehouse operations to a third-party logistics (3PL) company, reduction in depreciation for the period ended 30 June 2022, lower retail store rental negotiated for lease renewal and wage subsidies to labour cost received from the Hong Kong Government under the Employment Support Scheme (ESS). Nevertheless, for the six months ended 30 June 2022, the operating loss from this business segment increased by 19% to HK\$12,597,000 (2021: HK\$10,600,000).



COVID-19 also continued to adversely affect the revenue of Hilltop, the Group's resort and recreational club operation, due to governmental rules and regulations implemented to combat the pandemic. Specifically, the Hong Kong Government introduced a vaccine pass requirement in response to the 5<sup>th</sup> wave whereby unvaccinated persons are not allowed to dine in restaurants. Coupled with restrictions on social gathering and strict patronage limit, revenue of HK\$3,054,000 for the period under review was 8% lower compared to HK\$3,324,000 in the first half of 2021, mainly attributable to decrease in venues rental and lodging, as well as regular dining revenue in the months of February to April 2022 when no evening dining was permitted and the maximum number of patrons per table was limited to two. Despite increases in the prices of some food ingredients and supplies due to global supply chain issues, the overheads and operating costs were well under control, together with the ESS subsidies from the Hong Kong Government's Anti-Epidemic Fund, the operating loss of HK\$5,333,000 for the period ended 30 June 2022 was on par with the same period last year (2021: HK\$5,339,000).

As a result of the continuous downturn in the global financial markets, the investment portfolio of the Group, primarily comprised of marketable bond and equity funds investments, returned net realised and unrealised losses (before general and administrative expenses) of HK\$76,338,000 (2021: net realised and unrealised gains of HK\$41,894,000) which included interest and dividend income of HK\$5,549,000 (2021: HK\$13,477,000), net losses on disposal of HK\$10,452,000 (2021: HK\$637,000) and net unrealised fair value losses of HK\$71,435,000 (2021: net unrealised fair value gains of HK\$29,054,000). Distributions and dividends received from our private equity fund investments in ASEAN China Investment Fund III L.P. and ASEAN China Investment Fund IV L.P. were also lower in 2022 at HK\$1,359,000 (2021: HK\$6,574,000) and HK\$37,000 (2021: HK\$2,211,000) respectively, these were partly offset by the gain on disposal of HK\$3,289,000 (2021: unrealised fair value gains of HK\$85,000) of PuraPharm Corporation Limited shares. Overall, for the six months ended 30 June 2022, the Group's investments recorded a segment loss of HK\$89,496,000 (2021: a segment profit of HK\$31,669,000).

The Group's overall gross profit margin declined to 52.3% in the first half of 2022 compared to 66.7% in 2021. The reduction is mostly attributable to the need to adopt a different retail strategy of bringing forward sales discount on current season merchandise to generate sales revenue amid the 5<sup>th</sup> wave COVID-19 "lockdown" which also had a negative impact on the stock provision and thus lowered SWANK's gross profit margin, plus lower dividend income from the Group's investment portfolio.

*The Group's other income and expenditure for the six months ended 30 June 2022 included:*

- Other income of HK\$2,728,000, which was HK\$1,825,000 (or 202%) higher compared to the HK\$903,000 in 2021, mainly comprising of:
  - rental income of HK\$490,000 (2021: HK\$510,000) from the Group's investment property situated in Hong Kong; and
  - anti-epidemic subsidies of HK\$2,078,000 (2021: HK\$200,000) received/receivable from the Hong Kong Government.

- Selling and distribution expenses of HK\$18,712,000 being a 4% increase compared to 2021 of HK\$17,993,000, mainly attributable to:
  - increase in occupancy costs with the opening of a new store in Elements in January 2022;
  - increase in advertising & promotion expenses; and
  - partly offset by decrease in occupancy costs for the existing retail store in Chater House as a result of lower rental negotiated on renewal of the lease.
  
- Administrative expenses of HK\$32,049,000, a 9% increase from the 2021 amount of HK\$29,311,000, mainly attributable to salary increment and other inflationary increase in staff costs, partly offset by cost savings from outsourcing SWANK’s warehousing and logistic operations to a third party logistic (3PL) company, thereby reducing staffing, warehouse rental and transportation costs.
  
- Depreciation for property, plant and equipment and amortisation expenses of HK\$739,000, being 60% reduction from HK\$1,842,000 in 2021, was mainly attributable to fully depreciated and impairment of the cost of leasehold improvement and furniture and fixtures of SWANK’s flagship store in December 2021.
  
- “Other operating gains/(losses), net” mainly comprised of net realised and unrealised fair value losses of HK\$81,887,000 (2021: net realised and unrealised fair value gains of HK\$28,417,000) from investment in financial instruments (before interest and dividend income which are included in “Revenue”) and exchange losses, net of HK\$1,603,000 (2021: HK\$44,000).

In accordance with the Hong Kong Financial Reporting Standards (“HKFRS”), and with advice from an independent and reputable valuer, the Group has valued the club property based on its highest and best use by comparing the value based on its current use as a recreational club and the value based on obtaining the approval to rezone the property for residential development, after factoring in the uncertainty and timing of the remaining steps required to carry out the redevelopment. This approach was first adopted for the year ended 31 December 2020. As at 30 June 2022, the fair value of the club property was HK\$423,000,000 (31 December 2021: HK\$340,000,000). This increase in valuation of HK\$83,000,000 was recognised as other comprehensive income and accumulated in the property revaluation reserve which had no impact on the Group’s consolidated statement of profit or loss for the period.

For the period ended 30 June 2022, the Group’s finance cost included interest on bank loans of HK\$64,000 (2021: HK\$68,000) and interest expenses on lease liabilities of HK\$530,000 (2021: HK\$1,103,000). Since interest expenses on lease liabilities for existing retail stores were recognised on a front-loaded basis under HKFRS 16, the finance cost this period was lower as compared to the same period of 2021.

## **BUSINESS REVIEW**

### **SWANK**

For the first half of 2022, the Hong Kong retail market performed distinctly different in the first and second quarter. Quarter one was severely impacted by the most stringent COVID-19 anti-epidemic restrictions imposed by the Hong Kong Government resulting in dramatically reduced customer foot traffic in shopping malls and dampen consumption sentiments. These social distancing measures disrupted SWANK's original business plan to implement a new strategy to bring customers back into its stores, after two years of the COVID-19 pandemic, with a series of marketing and publicity events. Hence, for the first 3 months of the year, SWANK's sales revenue saw a decrease of 36% against the same period last year, with February this year being the worst performing month since the start of the pandemic in the beginning of 2020, at an overall decline of 50% against February 2021.

The Hong Kong Government began to gradually relax its anti-5th wave-epidemic regulations from the end of April, the business acted swiftly to capture potential "revenge shopping" and this had resulted in some strong sales numbers in the months of May and June to achieve an overall uplift of 15% in the second quarter this year compared to the same period in 2021.

While the overall retail market in 2021 was very challenging, an opportunity arose at the end of 2021 for SWANK to apply its planned strategy to capture new customers through establishing more point of sales with minimal financial risk. A new SWANK womenswear store with a curated brand assortment and different operations strategy was opened in the Elements shopping mall on 26 January 2022. The store has great potential to attract customers of different demographics and to offer SWANK's extraordinary taste and styles of clothes in a new geographic area inside a first-tier shopping mall with high quality shoppers. We were also able to apply a better cost control model to opening this store which limited our financial exposure.

SWANK's online sales continue to flourish through the partnership with a well-established fashion online sales platform and we look to expand the merchandise offerings to capture the growth in online shopping. Merchandising also closely monitors the sales performance of all our brands to ensure that underperforming ones are replaced with more exclusive ones that are sought after by both existing and potential customers. The retail operation and marketing teams are focused on providing renewed customer in-store shopping experience, especially in SWANK's flagship store in Central Building.

We will keep exploring opportunities to create short term pop-up stores with low commitments to showcase brands that are unique, strengthen SWANK's brand image, enhance customer's shopping experience, and welcome more customers to experience the extraordinary merchandise and service that SWANK has to offer.

## **HILL TOP COUNTRY CLUB (“Hilltop” or “the Club”)**

The operating performance of Hilltop for the first half of 2022 fell short of the original business plan due to the 5<sup>th</sup> wave of COVID-19 in Hong Kong. Lodging and banqueting revenue was severely affected by the continued cessation of cross-border traffic and social distancing restrictions imposed by the Government. Nevertheless, the Club was able to limit the operating loss to HK\$5,333,000 which was at a similar level to the same period last year of HK\$5,339,000. This was achieved through proactive marketing initiatives to attract members’ patronage of the Club’s dining and recreational facilities, put in place as soon as the Government lifted its anti-epidemic measures in late April 2022, together with Management’s enhanced costs control initiative in procurement and ESS subsidy from the Hong Kong Government’s Anti-Epidemic Fund.

Hilltop’s revenue dropped by 8% compared to last year, mainly attributable to a decrease in revenue from venue rental and lodging, partly offset by an increase in patronage and revenue in the Chinese and European restaurants in the months of May and June 2022, after a significant decline in the months of February to April 2022 as a result of the Government’s strict social distancing rules and regulations which disallowed evening dining and limiting to 2 diners per table.

For the second half of 2022, the Club will continue to devise attractive dining offers and interesting initiatives in recreational activities, as well as actively market our banquet and function facilities and services to members and their guests.

## **INVESTMENT**

The Group’s investment in financial instruments mainly comprises of four categories: (A) Marketable Funds Investment including, unitized open-end fixed income, equity fund and money market investment; (B) Discretionary Investment Portfolios managed by three Private Banks under the control of the Group; (C) Listed Securities Investments; and (D) Other Fund Investments, including Private Equity Funds.

As of 30 June 2022, the total carrying value of the Group’s investment portfolio in financial instruments was HK\$584,379,000 (31 December 2021: HK\$683,995,000), representing approximately 47.4% (31 December 2021: 54.5%) of the carrying value of the Group’s total assets. During the period under review, the Group disposed all PuraPharm Corporation Limited shares under Listed Securities Investments.

In the first half of 2022, the investment market, across currency, equity and fixed income investments, was highly volatile caused by mounting inflation pressure that turned most central banks around the globe, in particular the United States (“US”) Federal Reserve (“Fed”), from a dovish monetary policy stance to a hawkish one. The Fed made four interest rate hikes year to date with a total increase of 225 basis points. In addition, the Fed had also kicked off quantitative tightening (QT) in June 2022 to start reducing assets from its US\$9 trillion balance sheet. Against this backdrop, both the fixed income and equity markets dived sharply, a situation that was rarely seen in the past three decades.

Nevertheless, our diverse investment portfolio delivered a better performance than the overall market for the period under review. The main contributing factor, apart from adhering to cautious asset allocation approved by the Board and selection of investment managers approved by the Investment Committee, was closely monitoring the market conditions and taking timely action to adjust the asset allocation and investment categories. We had increased the weightings on alternative (to the conventional equity and fixed income) investment strategies and cash holding through reallocation in the marketable funds investment portfolio that began in fourth quarter of 2021.

This approach had helped to mitigate the loss in the Group's investment in financial instruments to a net loss of HK\$76,338,000 (2021: a net gain of HK\$41,894,000) for the six months ended 30 June 2022 before general and administrative expenses.

**A. Marketable Funds Investment Portfolio – including unitized open-end fixed income, equity fund and money market investment**

The marketable funds investment portfolio includes four primary investment strategies, namely money market investment, investment grade & high yield bond funds, enhanced yield funds and equity funds.

The total carrying value of the Group's investment in this category was HK\$339,103,000 as of 30 June 2022 (31 December 2021: HK\$396,668,000), representing approximately 27.6% of the carrying value of the Group's total assets; and the asset allocation in this portfolio was 0.4% in a money market investment, 53.1% in fixed income funds, 28% in enhanced yield funds and 18.5% in equity funds. This category of portfolio recorded a net loss of HK\$43,421,000 (-10.9%) (2021: a net gain of HK\$11,510,000) for the six months ended 30 June 2022. The net loss was attributable to HK\$41,250,000 unrealised mark-to-market loss, HK\$4,946,000 realised loss on disposal and HK\$2,775,000 dividend and interest income received.

***Investment Grade & High Yield Bond Funds***

In this strategy, the Group held seven fixed income funds which can be grouped into the categories of investment grade bond and high yield bond funds. As at 30 June 2022, the fair value of the Group's investment in this strategy was HK\$180,191,000, representing approximately 53.1% of the carrying value of the marketable funds investment portfolio and 14.7% of the carrying value of the Group's total assets. The net return on this investment was a HK\$22,993,000 loss (-10.4%) for the six months ended 30 June 2022. Below are individual funds with fair value exceeding 5% of the carrying value of the Group's total assets:

***PIMCO GIS - Income Fund***

The PIMCO Income Fund is a portfolio that is actively managed and utilises a broad range of fixed income securities that seek to produce an attractive level of income with a secondary goal of capital appreciation. The fund (Institutional Income Class USD) has had a 5-year annualised return of 4.7% for the period of 2017 to 2021. As at 30 June 2022, the fair value of the Group's investment in this fund was HK\$66,219,000

(31 December 2021: HK\$83,984,000), representing approximately 5.4% of the carrying value of the Group's total assets. The net return of this fund was HK\$8,402,000 loss (-10.0%) for the six months ended 30 June 2022, comprised of a HK\$8,950,000 unrealised mark-to-market loss, a HK\$1,035,000 realised loss on disposal and HK\$1,583,000 of dividend received. For 2022, we have elected to receive the dividend in cash rather than reinvest into the fund.

### ***Enhanced Yield Funds***

As at 30 June 2022, the Group held seven funds in this strategy with a fair value of HK\$94,754,000, representing approximately 28% of the carrying value of the marketable funds investment portfolio and 7.7% of the carrying value of the Group's total assets. This portfolio consist of one China credit hedge fund, two US multi-asset funds, two private real estate funds and two private credit funds. The net return on investment was a HK\$7,492,000 loss (-6.7%) for the six months ended 30 June 2022. The Group's investment in individual fund in this strategy did not exceed 5% of the carrying value of the Group's total assets.

### ***Equity Funds***

As of 30 June 2022, the Group held six equity-based funds with a fair value of HK\$62,798,000, representing approximately 18.5% of the carrying value of the marketable fund investment portfolio and 5.1% of the carrying value of the Group's total assets. This portfolio included one U.S. equity fund, one global technology fund, two China A-share funds, one Asian (excluding Japan) equity fund and one global infrastructure fund. The net return on investment was a HK\$12,756,000 loss (-15.7%) for the six months ended 30 June 2022. The Group's investment in individual fund in this strategy did not exceed 5% of the carrying value of the Group's total assets.

## **B. Discretionary Investment Portfolio divided and managed by Morgan Stanley Asia International Limited ("MS Portfolio"), LGT Bank (Hong Kong) ("LGT Portfolio") and Bank Julius Baer & Co. Ltd. (Singapore) ("JB Portfolio")**

### ***MS Portfolio***

Morgan Stanley ("MS") offers a bespoke asset allocation solution based upon its Global Investment Committee Model. The Asia Investment Management Services team leverages the extensive research, investment expertise and execution capabilities of MS to invest in traditional and sophisticated multi-asset, equity and fixed income funds, Exchange-Traded Funds ("ETF") and money market instruments. As of 30 June 2022, the total carrying value of the MS Portfolio was HK\$58,417,000 (31 December 2021: HK\$69,854,000) with a total of 24 funds and ETF holdings, representing approximately 4.7% of the carrying value of the Group's total assets. The asset allocation in the portfolio comprised of 35.9% money market investment, 12.5% fixed income funds, 44.2% equity funds and 7.4% other investments. The MS Portfolio has been set up to gradually spread risk with a high flexibility to invest a significant proportion in the Money Market Investment awaiting suitable opportunities to reinvest in other asset classes. The MS Portfolio recorded a net loss of HK\$12,410,000 (-16.3%) during the period under review.

### ***LGT Portfolio***

LGT offers a bespoke asset allocation solution based on recommendations from LGT's Investment Committee in Asia and dynamically incorporates monitoring of macroeconomic outlook, market conditions, and fundamentals of securities funds into the portfolio. Investments are largely in equity and fixed income securities, and to a smaller extent, in mutual funds or ETFs. As of 30 June 2022, the total market value of the LGT portfolio was HK\$68,471,000 (31 December 2021: HK\$82,352,000), with 25 fixed income securities, 44 equities, and 7 alternative (including hedge funds and REITs) investment holdings, representing in total approximately 5.6% of the carrying value of the Group's total assets. The asset allocation in the LGT portfolio as of 30 June 2022 was 59.3% in fixed income, 36.8% in equities, and 3.9% in alternative investments. The LGT portfolio has been set up to diversify risk and reduce volatility, thus with fixed income investment as the dominant asset class. The LGT portfolio recorded a net loss of HK\$14,575,000 (-16.9%) during the period under review.

### ***JB Portfolio***

Julius Baer offers a bespoke asset allocation solution based upon assessment and recommendations of its Global Chief Investment Officer and dynamically incorporates monitoring of macroeconomic outlook, market conditions, and asset allocation strategy into the portfolio through ETF investment. As at 30 June 2022, the total carrying value of the JB Portfolio was HK\$18,707,000 (31 December 2021: HK\$21,845,000), comprised of three (39.3%) fixed income ETFs, five (55.3%) equity ETFs and one (5.4%) listed REIT, representing in total approximately 1.5% of the carrying value of the Group's total assets. The JB Portfolio have been set up to diversify our investment portfolio to ETF investments and it returned a net loss of HK\$3,702,000 (-15.6%) during the period under review.

## **C. Listed Securities**

In keeping with the investment approach to minimise direct investment in individual listed equities, the Group disposed the entire holding of PuraPharm Corporation Limited ("PuraPharm") shares during the period under review, realizing a net gain of HK\$3,289,000 with total proceeds of HK\$10,202,000. As of 30 June 2022, the Group had only one listed security in its investment portfolio, namely China Motor Bus Company Limited ("CMB"), with a total carrying value of HK\$25,060,000 (31 December 2021: HK\$27,245,000), representing approximately 2.0% of the carrying value of the Group's total assets. The investment in CMB recorded a net loss of HK\$1,873,000 (2021: HK\$3,874,000 net gain), comprised of an unrealised fair value loss of HK\$2,185,000 and dividend income of HK\$312,000 for the six months ended 30 June 2022.

#### **D. Other Fund Investments - Private Equity Funds**

The total carrying value of the Group's investment in this category was HK\$74,621,000 as of 30 June 2022 (31 December 2021: HK\$79,117,000) and recorded a net loss of HK\$3,646,000 (2021: a net gain of HK\$20,816,000) for the six months ended 30 June 2022.

##### ***ASEAN China Investment Fund III L.P. ("ACIF III")***

The Group has made an investment commitment of US\$4,000,000 (equivalent to HK\$31,120,000) in ACIF III for a 1.532% shareholding. ACIF III is managed out of Singapore by United Overseas Bank Venture Management Private Limited ("UOBVM") and targets investments in growth-oriented companies operating in East and South East Asia countries and China. As of 30 June 2022, the Group invested a total of HK\$27,366,000 in this fund and its capital value was HK\$44,641,000 based on the management accounts it has provided. The total return on investment of ACIF III was a HK\$5,713,000 net loss for the six months ended 30 June 2022 (2021: net gain of HK\$18,563,000), comprised of HK\$7,072,000 mark-to-market loss and HK\$1,359,000 distribution income. Given the poor equity market performance, this mark-to-market loss mainly stemmed from the fund's listed securities holdings. Despite this short-term setback, ACIF III is viewed as a long-term investment which helps to diversify the Group's investment portfolio with exposure to a wider range of potentially profitable private companies managed by a team of tried and tested Managers. Based on the update provided to the Limited Partners of the fund of which we are one, we have confidence in both its performance and upside prospects in the long run.

##### ***ASEAN China Investment Fund IV L.P. ("ACIF IV")***

With the success of ACIF III, the Group has made another capital commitment of US\$4,000,000 (equivalent to HK\$31,120,000) in ACIF IV for a 1.649% shareholding. ACIF IV is an exempted limited partnership incorporated in the Cayman Islands on 20 February 2018 and a closed-end private equity fund. The fund is also managed out of Singapore by the UOBVM team, and is a "follow-on" fund to its predecessors (ACIF I, ACIF II and ACIF III) and continues the focus of investing primarily via minority stakes in expansion stage capital opportunities through privately negotiated equity and equity related investments in small and medium sized growing companies that benefit from the continuing expansion of trade and investment among the ASEAN member-states and China, and their respective overseas trading partners. As at 30 June 2022, the Group invested a total of HK\$28,290,000 in this fund and its capital value was HK\$29,980,000 based on the management accounts it has provided. The total return of the Group's investment in ACIF IV was a HK\$2,067,000 net gain for the six months ended 30 June 2022 (2021: HK\$2,240,000) comprised of mark-to-market gain of HK\$2,030,000 and distribution income of HK\$37,000.



## **Outlook**

As we enter the second half of 2022, it is anticipated that the global financial markets will continue to be volatile, largely influenced by three factors: (i) inflation control and the corresponding monetary policy, (ii) earnings prospects of US equities in the face of high inflation and (iii) supply-side disruption that may be exacerbated by Russia-Ukraine War or lockdown in China due to COVID-19 resurgence. Looking at the key geographical markets that the Group has invested in, the largest exposure is to the US market which will likely remain volatile due to the expectation that monetary policy tightening will continue for the rest of 2022 after the Fed made its fourth rate hike for the year in July . In contrast, the Chinese government is likely to keep its relative loose fiscal and monetary policies given inflation is more manageable and the need to pursue social stability. However, resumption of any major city lockdown due to COVID-19 resurgence or spill-over effects from the ailing property market to the broader economy and financial system will be the key risks to the Chinese financial market. The European (“EU”) market is viewed as the most vulnerable major economy as it suffers the most directly from potential energy supply cut-off by Russia, which would spur inflation higher and interrupt its economic activities. The European Central Bank (“ECB”) has raised interest rate by a higher-than-signalled 50 basis points and investors doubt the EU’s ailing economy could restrict the pace of ECB’s rate normalization path. The ECB has also introduced a new “Transmission Protection Instrument” bond-buying programme to prevent the divergence of sovereign borrowing costs among the EU member states.

Given the multiple uncertainties in global market outlook which will make it challenging to maintain stability in the return on investment, the Group’s investment strategy will continue to be conservative and cautious with proactive measures taken to diversify risk, preserve capital and maintain liquidity.

## **MATERIAL ACQUISITION AND DISPOSAL OF INVESTMENTS**

The Group had no material acquisition and disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2022.

## **TREASURY MANAGEMENT/POLICIES**

As part of the ordinary activities of the Group, Treasury actively projects and manages the cash balance and borrowing requirements of the Group to ensure sufficient funds are available to meet the Group’s commitments and day-to-day operations. The Group’s liquidity and financial requirements are reviewed regularly.

In order to minimise risk, the Group continues to adopt a prudent approach regarding cash management and foreign currency exposure. Treasury is permitted to invest cash in short-term deposits subject to specified limits and guidelines. Forward foreign exchange contracts are utilised when considered appropriate to mitigate foreign exchange exposures subject to specified limits and guidelines.

The Group's imported purchases are mainly denominated in Euro, with insignificant amounts in Japanese Yen, British Pounds and United States Dollars and a relatively small portion of the investment portfolio is denominated in currencies other than United States Dollars and Hong Kong Dollars. The Group has undertaken appropriate scale of hedging to protect its foreign currency exposure, especially with respect to Euro and will, from time to time, review its position and market conditions to determine the amount of hedging (if any) that is required. Typically, the Group purchases forward contract of Euro and Euro cash amounting to approximately half of its anticipated merchandise purchase requirements in each season for its fashion business.

## **LIQUIDITY AND FINANCIAL POSITION**

As at 30 June 2022, the Group was in a solid financial position with cash and non-pledged deposit holdings of HK\$95,342,000 (31 December 2021: HK\$111,064,000). Total borrowings and lease liabilities amounted to HK\$6,881,000 (31 December 2021: HK\$7,001,000) and HK\$24,566,000 (31 December 2021: HK\$20,899,000) respectively with HK\$18,722,000 (31 December 2021: HK\$21,126,000) repayment falling due within one year. As previously reported and elaborated in more detail above, the Group has invested a substantial proportion of the cash and non-pledged deposit holdings in open-end unitized equity and fixed income funds since the second half of 2018 which continued in this year. The Group will retain sufficient cash deposits for its daily activities in the treasury portfolio, and has chosen to invest in a high proportion of marketable funds to ensure that there is more than adequate liquidity as though the funds had been retained as cash. As at 30 June 2022, the Group's gearing ratio (a comparison of total borrowings and lease liabilities with equity attributable to equity holders of the Company) was 2.7% (31 December 2021: 2.3%) and is in a sound financial position with its current ratio (current assets over current liabilities) standing at 17.4 times (31 December 2021: 18.5 times). As all segments of the Group's operations continue to be adversely impacted by COVID-19 and recovery from the prolonged negative impacts remains uncertain, management will closely monitor the financial position and believes that while the near term remains challenging, our strong liquidity and tight-cost management will provide support for the long-term prospects of the Group.

As at 30 June 2022, the Group's bank balances and borrowings were denominated primarily in United States Dollars, Hong Kong Dollars and Euro and exchange differences were reflected in the unaudited condensed consolidated financial statements. All borrowings of the Group are on a floating interest rate.

## **PLEDGE OF ASSETS**

As at 30 June 2022, HK\$10,000,000 of the Group's fixed deposits (31 December 2021: HK\$10,000,000) were pledged to banks to secure trade banking facilities of up to HK\$30,000,000 (31 December 2021: HK\$30,000,000), and foreign exchange facilities.

## **IMPORTANT EVENTS AFTER THE FINANCIAL PERIOD**

There have been no important events significantly affecting the finances and future prospects of the Group that have occurred since the end of the financial period.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2022.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

In the opinion of the Directors, the Company complied with all Code Provisions of the Corporate Governance Code set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2022.

## **BOARD OF DIRECTORS**

As at the date of this announcement, the Executive Director is Mrs. Penny Soh Peng CROSBIE-WALSH (Chief Executive Officer), the Non-executive Directors are Mr. Hung Han WONG (Non-executive Chairman) and Mr. David Charles PARKER, and the Independent Non-executive Directors are Mr. Kin Wing CHEUNG, Mr. Kiu Sang Baldwin LEE, Mr. Ted Tak Tai LEE and Ms. Sarah Young O'DONNELL.

By order of the Board  
**Penny Soh Peng CROSBIE-WALSH**  
*Executive Director*  
*and Chief Executive Officer*

Hong Kong, 26 August 2022