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**EJE (HONG KONG) HOLDINGS LIMITED**  
**壹家壹品 (香港) 控股有限公司 \***  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 8101)**

**ANNOUNCEMENT OF INTERIM RESULTS**  
**FOR THE THREE MONTHS AND SIX MONTHS ENDED**  
**30 SEPTEMBER 2020**

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

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

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “**Directors**”) of EJE (Hong Kong) Holdings Limited (the “**Company**”) collectively and individually accept full responsibilities, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (2) there are no other matters the omission of which would make any statement in this announcement misleading.*

*\* For identification purpose only*

The Board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (the “**Group**”) for the three months and six months ended 30 September 2020, together with the unaudited comparative figures for the corresponding period in 2019, as follows:

## **INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*For the three months and six months ended 30 September 2020*

		Three months ended		Six months ended	
		30 September		30 September	
		2020	2019	2020	2019
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	4	<b>13,226</b>	41,238	<b>30,131</b>	81,232
Cost of sales		<b>(7,387)</b>	(25,870)	<b>(18,999)</b>	(52,183)
Gross profit		<b>5,839</b>	15,368	<b>11,132</b>	29,049
Other income	4	<b>2,146</b>	2,605	<b>2,423</b>	2,736
Selling and distribution expenses		<b>(703)</b>	(4,782)	<b>(2,709)</b>	(7,352)
Administrative expenses		<b>(16,447)</b>	(6,437)	<b>(28,230)</b>	(19,800)
Research expenses		<b>(2,913)</b>	(3,217)	<b>(3,752)</b>	(3,217)
Other operating income/(expenses), net		<b>132</b>	(147)	<b>132</b>	(243)
Impairment to loan receivable					
under expected credit loss (“ECL”)		<b>(796)</b>	(748)	<b>(796)</b>	(748)
Fair value loss on investment property		<b>(2,000)</b>	(17,300)	<b>(2,000)</b>	(17,300)
Fair value gain/(loss) on financial assets					
at fair value through profit or loss		<b>4,563</b>	(1,265)	<b>6,304</b>	(3,694)
Share of profit/(loss) from an associate		<b>294</b>	(706)	<b>343</b>	(669)
Finance costs		<b>(6,788)</b>	(5,837)	<b>(14,277)</b>	(8,981)
Loss before income tax credit	5	<b>(16,673)</b>	(22,466)	<b>(31,430)</b>	(30,219)
Income tax credit	6	<b>2,792</b>	1,336	<b>2,871</b>	1,528
Loss for the period		<b>(13,881)</b>	(21,130)	<b>(28,559)</b>	(28,691)

	Three months ended		Six months ended	
	30 September		30 September	
	2020	2019	2020	2019
Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Other comprehensive expense</b>				
<b>that may be reclassified</b>				
<b>subsequently to profit or loss</b>				
Exchange differences arising on translation of financial statements of foreign operations	2,263	(3,627)	2,442	(4,586)
Total comprehensive expenses for the period	<u>(11,618)</u>	<u>(24,757)</u>	<u>(26,117)</u>	<u>(33,277)</u>
Loss for the period attributable to:				
Owners of the Company	<u>(13,881)</u>	<u>(21,130)</u>	<u>(28,559)</u>	<u>(28,691)</u>
Total comprehensive expenses for the period attributable to:				
Owners of the Company	<u>(11,618)</u>	<u>(24,757)</u>	<u>(26,117)</u>	<u>(33,277)</u>
		(Restated)		(Restated)
Loss per share (HK Cents)				
– Basic and diluted	7 <u>(4.80)</u>	<u>(7.31)</u>	<u>(9.88)</u>	<u>(9.92)</u>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*At 30 September 2020*

		30 September 2020	31 March 2020
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		<b>(unaudited)</b>	<b>(audited)</b>
<b>Non-current assets</b>			
Property, plant and equipment		21,789	12,696
Investment properties		246,000	248,000
Goodwill		192,500	192,500
Intangible assets		161,069	173,962
Interest in an associates		10,928	10,585
Right-of-use assets		72,711	75,180
		<hr/>	<hr/>
Total non-current assets		704,997	712,923
		<hr/>	<hr/>
<b>Current assets</b>			
Inventories		56,015	40,536
Financial assets at fair value through profit or loss	<i>10</i>	19,240	6,826
Trade and other receivables	<i>9</i>	115,154	133,723
Loan receivables		15,917	14,568
Pledged deposits		1,480	1,442
Cash and cash equivalents		6,749	5,198
		<hr/>	<hr/>
Total current assets		214,555	202,293
		<hr/>	<hr/>
Total assets		919,552	915,216
		<hr/>	<hr/>
<b>Current liabilities</b>			
Trade and other payables	<i>11</i>	69,769	60,881
Bank and other borrowings	<i>12</i>	35,536	14,255
Tax payables		18,123	15,260
Bank overdraft		20,181	19,459
Convertible bonds		212,000	210,522
Lease liabilities		9,640	10,243
		<hr/>	<hr/>
Total current liabilities		365,249	330,620
		<hr/>	<hr/>

		<b>30 September</b>	31 March
		<b>2020</b>	2020
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
		<b>(unaudited)</b>	(audited)
<b>Net current liabilities</b>		<b>(150,694)</b>	(128,327)
<b>Total assets less current liabilities</b>		<b>554,303</b>	584,596
<b>Non-current liabilities</b>			
Bank borrowings	<i>12</i>	–	2,329
Deferred tax liabilities		<b>46,053</b>	49,276
Lease liabilities		<b>61,498</b>	61,720
Promissory note		<b>79,495</b>	77,897
<b>Total non-current liabilities</b>		<b>187,046</b>	191,222
<b>Total liabilities</b>		<b>552,295</b>	521,842
<b>NET ASSETS</b>		<b>367,257</b>	393,374
<b>Capital and Reserve</b>			
Share capital	<i>13</i>	<b>72,300</b>	72,300
Reserves		<b>294,957</b>	321,074
<b>TOTAL EQUITY</b>		<b>367,257</b>	393,374

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the six months ended 30 September 2020*

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Convertible bonds reserves <i>HK\$'000</i>	Share options reserves <i>HK\$'000</i>	Translation reserves <i>HK\$'000</i>	Retained earnings/ (Accumulated losses) <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
<b>At 1 April 2020</b>	72,300	172,613	293,092	2,844	(3,628)	(143,847)	393,374
Loss for the period	-	-	-	-	-	(28,559)	(28,559)
Other comprehensive expense:							
Exchange differences arising on translation of financial statement of foreign operation	-	-	-	-	2,442	-	2,442
Total comprehensive expense for the period	-	-	-	-	2,442	(28,559)	(26,117)
Lapsed of convertible bonds	-	-	(293,092)	-	-	293,092	-
<b>At 30 September 2020 (unaudited)</b>	<b>72,300</b>	<b>172,613</b>	<b>-</b>	<b>2,844</b>	<b>(1,186)</b>	<b>120,686</b>	<b>367,257</b>
<b>At 1 April 2019</b>	72,300	172,613	293,092	2,844	(528)	(227,231)	313,090
Loss for the period	-	-	-	-	-	(28,691)	(28,691)
Other comprehensive expense:							
Exchange differences arising on translation of financial statement of foreign operation	-	-	-	-	(4,586)	-	(4,586)
Total comprehensive expense for the period	-	-	-	-	(4,586)	(28,691)	(33,277)
<b>At 30 September 2019 (unaudited)</b>	<b>72,300</b>	<b>172,613</b>	<b>293,092</b>	<b>2,844</b>	<b>(5,114)</b>	<b>(255,922)</b>	<b>279,813</b>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2020

	Six months ended	
	30 September	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Net cash (used in)/generated from operating activities	<b>(3,952)</b>	18,267
Net cash used in investing activities	<b>(1,478)</b>	(332)
Net cash generated from/(used in) financing activities	<b>6,238</b>	(43,625)
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	<b>808</b>	(25,690)
Cash and cash equivalents at beginning of period	<b>(14,261)</b>	19,573
Effect of foreign exchange rates, net	<b>21</b>	(73)
	<hr/>	<hr/>
Cash and cash equivalents at end of period	<b>(13,432)</b>	(6,190)
	<hr/> <hr/>	<hr/> <hr/>
Analysis of balance of cash and cash equivalents		
Cash and bank balance	<b>6,749</b>	12,945
Bank overdraft	<b>(20,181)</b>	(19,135)
	<hr/>	<hr/>
	<b>(13,432)</b>	(6,190)
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# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2020*

## 1. GENERAL INFORMATION

EJE (Hong Kong) Holdings Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 26 July 2012. The Company’s shares have been listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 15 October 2013.

The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company and its subsidiaries (the “**Group**”) is located at Room 01, 23rd Floor, China Insurance Group Building, 141 Des Voeux Central, 61-65 Gilman Street and 73 Connaught Road Central, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of the Group are (i) manufacture of custom-made furniture in the PRC; (ii) securities investment in Hong Kong; (iii) property investment in Hong Kong; and (iv) money lending in Hong Kong.

The financial statements for the six months ended 30 September 2020 were approved by the board of directors on 11 November 2020.

## 2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

### 2.1 Statement of compliance

This unaudited condensed consolidated financial information for the three months and six months ended 30 September 2020 (“**Interim Financial Information**”) has been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure provisions of the Rules Governing the Listing Securities on the GEM of the Stock Exchange (“**GEM Listing Rules**”).

The Interim Financial Information does not include all of the information and disclosures required in annual financial statements in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which comprises all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the HKICPA, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2020.



## 2.2 Going concern

In preparing the Interim Financial Information, the directors considered the operations of the Group as a going concern notwithstanding that:

- The Group incurred a loss of approximately HK\$13,881,000 and HK\$28,559,000 for the three months and six months ended 30 September 2020; and
- The Group has net current liabilities of approximately HK\$150,694,000 as at 30 September 2020.

These conditions indicate the existence of material uncertainties which may cast significant doubt over the Group's ability to continue as a going concern.

Notwithstanding the aforesaid conditions, the Interim Financial Information have been prepared on a going concern basis on the assumption that the Group will be able to operate as a going concern for the foreseeable future. In the opinion of the directors of the Company, the Group can meet its financial obligations as and when they fall due within twelve months from the date of approval of these Interim Financial Information, after taking into consideration that the convertible bond's holder undertake with the Company that forgo their right to request the Company to redeem the convertible bond of principal amount of HK\$212,000,000 on or before 30 September 2021. If any outstanding principal amount remains unconverted upon maturity and there is no agreement achieved with the Company to extend such maturity date, the convertible bonds holder will not demand payment from the Company within the next twelve months from the date of the approval of the consolidated financial statements.

Based on the above arrangement, the directors are therefore of the opinion that it is appropriate to prepare the Interim Financial Information on a going concern basis. Should the Group not be able to continue as a going concern, adjustments would have to be made to the Interim Financial Information to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and liabilities as current assets and liabilities. The effect of these adjustments has not been reflected in the Interim Financial Information.

### 2.3 Changes in accounting policies

Except as described below, the accounting policies applied to prepare these Interim Financial Information are consistent with the audited consolidated financial statement of the Group for the year ended 31 March 2021 (the “**2020 Financial Statements**”).

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 16	Covid-19-Related Rent Concessions

The Group will adopt these new standards and amendments to existing standards in the period of initial application. It is not expected to have a significant impact on the Group’s results of operations and its financial position and did not require retrospective adjustments. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 3. SEGMENT INFORMATION

#### (a) Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The Group principally operates in four business segments, which are (i) manufacture of custom-made furniture; (ii) securities investment; (iii) property investment; and (iv) money lending.

The segment information provided to the chief operating decision-maker for reportable segments and reconciliation of the segments total to the amounts reported by the Group in the unaudited condensed consolidated financial statements are as follows:

#### *For the six months ended 30 September 2020*

	Manufacture of custom-made furniture <i>HK\$'000</i> (unaudited)	Securities investment <i>HK\$'000</i> (unaudited)	Property investment <i>HK\$'000</i> (unaudited)	Money lending <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
Revenue from external customers	26,326	—	2,768	1,037	30,131
Reportable segment profit/(loss)	(18,826)	5,268	1,336	(26)	(12,248)
Share of profit from an associate					343
Fair value loss on investment property					(2,000)
Unallocated corporate expense					(14,654)
Loss for the period					<u>(28,559)</u>
Segment assets	613,470	24,237	209,468	23,533	870,708
Unallocated cash and cash equivalents					27
Interest in associates					10,928
Unallocated corporate assets					37,889
Total assets					<u>919,552</u>

*For the six months ended 30 September 2020*

	Manufacture of custom-made furniture <i>HK\$'000</i> (unaudited)	Securities investment <i>HK\$'000</i> (unaudited)	Property investment <i>HK\$'000</i> (unaudited)	Money lending <i>HK\$'000</i> (unaudited)	Unallocated <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
Segment liabilities	181,949	2,890	8,813	699	-	194,351
Borrowings						35,536
Convertible bonds						212,000
Unallocated corporate liabilities						110,408
Total liabilities						<u>552,295</u>
Other segment information						
Interest expense	(2,772)	-	-	-	(1,594)	(4,366)
Amortisation of intangible assets	(12,893)	-	-	-	-	(12,893)
Depreciation of right-of-use assets	(4,341)	-	-	-	-	(4,341)
Depreciation of property, plant and equipment	(451)	(645)	-	-	-	(1,096)
Fair value gain on financial assets at fair value through profit or loss	-	6,304	-	-	-	6,304
Income tax (expense)/credit	3,209	-	(192)	(146)	-	2,871
Research expenses	(3,752)	-	-	-	-	(3,752)
Additions to non-current assets	-	-	-	(1,478)	-	(1,478)

***For the six months ended 30 September 2019***

	Manufacture of custom-made furniture <i>HK\$'000</i> (unaudited)	Mattress and soft bed products <i>HK\$'000</i> (unaudited)	Securities investment <i>HK\$'000</i> (unaudited)	Property investment <i>HK\$'000</i> (unaudited)	Money lending <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
Revenue from external customers	75,522	1,929	–	3,138	643	81,232
Reportable segment profit/(loss)	1,527	98	(5,542)	2,086	(477)	(2,308)
Share of loss from an associate						(669)
Fair value loss on investment property						(17,300)
Unallocated corporate expenses*						(8,414)
Loss for the period						<u>(28,691)</u>
Segment assets	654,980	2,447	14,552	259,734	10,595	942,308
Unallocated cash and cash equivalents						372
Interest in associates						9,616
Unallocated corporate assets						31,604
Total assets						<u>983,900</u>
Segment liabilities	221,135	10,614	22,025	2,657	236	256,667
Borrowing						3,294
Convertible bonds						208,326
Unallocated corporate liabilities						235,800
Total liabilities						<u>704,087</u>
Other segment information						
Interest income	1	–	36	–	–	37
Interest expense	(1,869)	(210)	(279)	–	–	(2,358)
Amortisation of intangible assets	(12,968)	–	–	–	–	(12,968)
Depreciation of property, plant and equipment	(981)	–	–	(333)	–	(1,314)
Fair value loss on financial assets at fair value through profit or loss	–	–	–	(3,694)	–	(3,694)
Income tax (expense)/credit	1,906	–	–	(324)	(54)	1,528
Research expenses	(3,217)	–	–	–	–	(3,217)
Additions to non-current assets	(424)	–	–	–	–	(424)

**(b) Geographic information**

The following table provides an analysis of the Group's revenue from external customers:

	Three months ended		Six months ended	
	30 September		30 September	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Revenue from external customers</b>				
PRC	11,469	39,256	26,326	77,416
Other countries	1,757	1,982	3,805	3,816
	<u>13,226</u>	<u>41,238</u>	<u>30,131</u>	<u>81,232</u>

**(c) Information about major customers**

The Group's customer base is diversified and includes only the following customers with whom transactions have exceeded 10% of the Group's revenue:

	Three months ended		Six months ended	
	30 September		30 September	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Customer A ( <i>Note</i> )	4,188	N/A	9,118	N/A
Customer B ( <i>Note</i> )	N/A	11,508	N/A	11,508
Customer C ( <i>Note</i> )	N/A	2,179	N/A	9,062
	<u>4,188</u>	<u>13,687</u>	<u>9,118</u>	<u>20,570</u>

*Note:* The corresponding revenue did not contribute over 10% of the Group's revenue from continuing operations.

Except as disclosed above, no other customers contributed 10% or more of the Group's revenue from continuing operations for both years.

#### 4. REVENUE AND OTHER INCOME

Revenue from the Group's principal activities, which is also the Group's turnover, represented the net invoiced value of goods sold and services provided, net of allowances for returns, trade discounts and value-added tax. An analysis of the Group's revenue and other income is as follows:

	Three months ended		Six months ended	
	30 September		30 September	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Revenue</b>				
Sales of goods	11,469	39,291	26,326	77,451
Rental income	1,303	1,621	2,768	3,138
Loan interest income	454	326	1,037	643
	<u>13,226</u>	<u>41,238</u>	<u>30,131</u>	<u>81,232</u>
<b>Other income</b>				
Interest income	–	38	–	38
Government grant	55	1,918	125	1,918
Sundry income	2,091	649	2,298	780
	<u>2,146</u>	<u>2,605</u>	<u>2,423</u>	<u>2,736</u>

## 5. LOSS BEFORE INCOME TAX CREDIT

Loss before income tax credit is arrived at after charging:

	Three months ended		Six months ended	
	30 September		30 September	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Cost of inventories recognised as expense	4,553	22,790	15,683	46,582
Depreciation of property, plant and equipment	357	805	1,096	1,314
Depreciation of right of use assets	2,197	1,774	4,341	2,987
Amortisation of intangible assets	10,461	7,173	12,893	12,968
Operating lease charges on rented premises	–	–	–	18
Staff costs (including directors' remuneration):				
– Wages, salaries and bonus	4,151	9,001	5,623	11,950
– Contribution to defined contribution plans	112	1,102	368	1,806
	<u>4,553</u>	<u>22,790</u>	<u>15,683</u>	<u>46,582</u>

## 6. INCOME TAX CREDIT

	Three months ended		Six months ended	
	30 September		30 September	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current tax – PRC	(21)	175	14	1,281
Current tax – Hong Kong	122	254	338	378
Deferred tax	(2,893)	(1,765)	(3,223)	(3,187)
	<u>(2,792)</u>	<u>(1,336)</u>	<u>(2,871)</u>	<u>(1,528)</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.

Accordingly, Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2 million of the assessable profits and at 16.5% on the assessable profits above HK\$2 million.



The Group's PRC subsidiaries are subject to the PRC Enterprise Income Tax at 25% for both years, except for the tax rate of 廣州歌譽家居用品有限公司 (transliterated into 'Guangzhou Geyu Household Products Co., Limited') ("**Guangzhou Geyu**") and 廣州雅品家具科技有限公司 (transliterated into 'Guangzhou Yapin Furniture Technology Co., Limited') ("**Guangzhou Yapin**"). Guangzhou Geyu and Guangzhou Yapin are qualified as High and New Technology Enterprises and are entitled to preferential tax rate of 15% from 2018 to 2020 and from 2019 to 2021 respectively.

## **7. LOSS PER SHARE**

The calculation of basic loss per share is based on the loss for the period attributable to owners of the Company of approximately HK\$13,881,000 and approximately HK\$28,559,000 (three months and six months ended 30 September 2019: HK\$21,130,000 and HK\$28,691,000) for the three months and six months ended 30 September 2020 and weighted average number of ordinary shares of 289,200,000 and 289,200,000 (three months and six months ended 30 September 2019: 289,200,000 (restated) and 289,200,000 (restated)) in issue during the three months and six months ended 30 September 2020.

Pursuant to an ordinary resolution passed in the extraordinary general meeting of the Company held on 28 August 2020, every ten ordinary shares of HK\$0.025 each in the issued and unissued share capital of the Company were consolidated into one consolidated ordinary share of HK\$0.25 each in the issued and unissued share capital of the Company. As a result of the share consolidation, the weighted average number of ordinary shares adopted in the calculation of the basic loss per share for the three months and six months ended 30 September 2020 have been adjusted retrospectively.

For the comparative figures have been restated with the effective of share consolidation as presented in Note 13.

The calculation of diluted earnings per share for the three months and six months ended 30 September 2020 and 30 September 2019 did not assume the exercise of the outstanding share options as the options were anti-diluted.

## **8. DIVIDEND**

The Board does not recommend the payment of any dividend for the six months ended 30 September 2020 (2019: Nil).

## 9. TRADE AND OTHER RECEIVABLES

	<b>30 September 2020 <i>HK\$'000</i> (unaudited)</b>	31 March 2020 <i>HK\$'000</i> (audited)
Prepayment	599	2,996
Trade receivables	92,550	115,786
Less: impairment allowance under ECL	<u>(5,371)</u>	<u>(9,412)</u>
	<b>87,179</b>	106,374
Other receivables	<u>27,376</u>	<u>24,353</u>
Current Portion of trade and other receivables	<u><b>115,154</b></u>	<u>133,723</u>

The Group did not hold any collateral as security or other credit enhancements over the trade receivables. The credit period on sales of goods for recurring customers is 30 to 90 days from invoice date.

The ageing analysis of trade receivables, net of allowance for ECL, based on the invoice date (or date of revenue recognition if earlier) as of the end of reporting period, is as follows:

	<b>30 September 2020 <i>HK\$'000</i> (unaudited)</b>	31 March 2020 <i>HK\$'000</i> (audited)
Within 3 months	3,727	34,472
3 to 6 months	1,815	35,290
6 to 12 months	<u>81,637</u>	<u>36,612</u>
	<u><b>87,179</b></u>	<u>106,374</u>

## 10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30 September 2020 <i>HK\$'000</i> (unaudited)</b>	31 March 2020 <i>HK\$'000</i> (audited)
Listed equity securities in Hong Kong, at market value	<b>19,240</b>	6,826

As at 30 September 2020 and 31 March 2020, the financial assets at fair value through profit or loss were grouped in fair value hierarchy of level 1 as the fair values of the listed equity securities have been determined by reference to their quoted bid prices at the reporting date in an active market.

## 11. TRADE AND OTHER PAYABLES

	<b>30 September 2020 <i>HK\$'000</i> (unaudited)</b>	31 March 2020 <i>HK\$'000</i> (audited)
<b>Current liabilities</b>		
Trade payables	<b>28,940</b>	41,954
Other payables and accruals	<b>36,871</b>	16,609
Contract liabilities	<b>3,958</b>	2,318
	<b>69,769</b>	60,881

The ageing analysis of the trade payables of the Group based on the invoice date as of the end of reporting period is as follows:

	<b>30 September 2020 <i>HK\$'000</i> (unaudited)</b>	31 March 2020 <i>HK\$'000</i> (audited)
0 – 90 days	<b>6,539</b>	6,318
91 – 180 days	<b>4,276</b>	21,522
Over 180 days	<b>18,125</b>	14,114
	<b>28,940</b>	41,954

## 12. BANK AND OTHER BORROWINGS

	<b>30 September 2020 <i>HK\$'000</i> (unaudited)</b>	31 March 2020 <i>HK\$'000</i> (audited)
Secured borrowings:		
– Bank	<b>24,536</b>	16,584
– Financial institution	<b>11,000</b>	–
	<hr/> <b>35,536</b> <hr/>	<hr/> 16,584 <hr/>
Carrying amount repayable:		
Within one year	<b>35,536</b>	14,255
Within two to five years	–	2,329
	<hr/> <b>35,536</b> <hr/>	<hr/> 16,584 <hr/>

### 13. SHARE CAPITAL

	<i>Note</i>	<b>Number of ordinary shares '000</b>	<b>Amount HK\$'000</b>
<b>Authorised:</b>			
At 1 April 2019, 30 September 2019 and 31 March 2020			
Ordinary shares of HK\$0.025 each		10,000,000	250,000
Share consolidation	<i>1</i>	(9,000,000)	–
		<hr/>	<hr/>
At 30 September 2020			
Ordinary shares of HK\$0.25 each		1,000,000	250,000
		<hr/>	<hr/>
<b>Issued and fully paid:</b>			
At 1 April 2019, 30 September 2019 and 31 March 2020			
Ordinary shares of HK\$0.025 each		2,892,000	72,300
Share consolidation	<i>1</i>	(2,602,800)	–
		<hr/>	<hr/>
At 30 September 2020			
<b>Ordinary shares of HK\$0.25 each</b>		<b>289,200</b>	<b>72,300</b>
		<hr/> <hr/>	<hr/> <hr/>

*Note:*

- (1) Pursuant to an ordinary resolution passed in the extraordinary general meeting of the Company on 28 August 2020, every ten issued and unissued shares of the Company of HK\$0.025 each were consolidated into one consolidated share of the Company of HK\$0.25 each with effective on 1 September 2020.

### 14. CAPITAL COMMITMENTS

The Group did not have any significant capital commitments as at 30 September 2020 (31 March 2020: Nil).

## 15. OPERATING LEASE COMMITMENTS

### As lessor

The Group had future aggregate minimum rental receivables under non-cancellable operating leases as follows:

	<b>30 September</b>	31 March
	<b>2020</b>	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(unaudited)</b>	(audited)
Within one year	<b>5,349</b>	3,557
Within two to five years	<b>345</b>	835
	<hr/>	<hr/>
	<b>5,694</b>	4,392
	<hr/> <hr/>	<hr/> <hr/>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **INTERIM DIVIDENDS**

The Board does not recommend the payment of any dividend for the six months ended 30 September 2020 (2019: Nil).

### **FINANCIAL REVIEW**

During the period, the turnover of the Group for the six months ended 30 September 2020 was approximately HK\$30.1 million (2019: approximately HK\$81.2 million), representing a decrease of approximately 62.9% compared to the same period of year.

For the custom-made furniture business, the turnover for the period ended 30 September 2020 was approximately HK\$26.3 million, which was about 65.1% decreased from approximately HK\$75.5 million for the same period of last year. Such decrease was mainly attributable to the undesirable impact from COVID-19. Even though Mainland China has shown proven achievement of containing the pandemic and its economic recovery is among the fastest in the world, the demand for furniture products in China under the 6 months review period was still suffering a great deal from the impact of COVID-19.

Following the acquisition of Green Step on 8 May 2019 last year, the Group has committed certain capital investment on machinery and factory premises. Unfortunately, the results of the Group was overshadowed by the double jeopardy of trade war between China and United States of America together with COVID-19. On the other hand, the net loss of the Group during the period was approximately HK\$28.6 million, which was maintaining at similar level compared to last year's net loss of approximately HK\$28.7 million. However, there are following changes worth to mention specifically. First of all, there was approximately HK\$17.3 million of fair value loss for investment properties recorded in 2019 compared to the fair value loss of only HK\$2 million for the current period. On the contrary, the custom-made furniture business segment recorded a huge loss of approximately HK\$18.8 million for the current 6 months period under review (2019: profit of approximately HK\$1.5 million. The gross profit of the segment also decreased approximately 71.0% from last year 25.2 million to This year approximately HK\$7.3 million. In addition to such a drastic decrease in gross profit, there were also amortization of intangible assets of approximately HK\$12.9 million (2019: approximately HK\$13.0 million) and promissory note interest of approximately HK\$9.5 million (2019: approximately HK\$4.4 million).

For the mattress and soft bed sales segment, the segment was officially being discontinued after the deregistration of related subsidiaries in March 2020.

The Group recorded fair value gain on financial assets at fair value through profit or loss approximately HK\$6.3 million for the six months ended 30 September 2020 which has included realised and unrealized gain of approximately HK\$4.0 million and HK\$2.3 million respectively. The unrealized fair value gain was mainly attributable to the shape recovery of both the global and Hong Kong securities markets from the devastating impact of COVID-19.

### Significant Investments

As at 30 September 2020, the Group held approximately HK\$19.2 million equity investments at fair value through profit or loss. Details of the significant investments are as follows:

	Fair value Gain/(loss) <i>HK\$'000</i>	Market Values <i>HK\$'000</i>	Approximate percentage of equity investments at fair value through profit and loss %	Approximate percentage to the net assets %
Individual investment less than 5% of net assets the Group	2,303	19,240	100	5.3

As at 30 September 2020, the Group disposed some of the investments on market and the sales proceeds generated from the investments in marketable securities amounted to approximately HK\$15.85 million and gain recognised for the period of approximately HK\$4.0 million.

Details of the transactions are as follows:

	Sales proceeds <i>HK\$'000</i>	Realised gain/(loss) <i>HK\$'000</i>
C-Link Squared Limited	3,814	1,004
Hong Kong Education (Int'l) Investments Limited	5,501	1,175
Fire Rock Holdings Limited	3,929	1,619
Investment with individual realised gain/(loss) less than HK\$1,000,000	2,610	203



## **BUSINESS REVIEW AND PROSPECT**

During the six months period under review, the performance of the Group's custom-made furniture business continue overshadowed by the pervasive adverse impact of COVID-19. And, such adverse impact was reflected in the financial results. Even though the market sentiment already shown signs of improvement over last few months, but the actual results of the Group for the 6 months ended 30 September 2020 was still tumbling through low market demand, idle production capacity, prolonged account receivable cycle and slow moving stock problem. And, these were common difficulties facing all manufacturing businesses alike. Despite the outbreak of the COVID-19 has been contained by various effective measures implemented by the PRC government, and factories were resuming operation gradually and a steady recovery of demand is very much anticipated, the Group had experienced a rather difficult time of the past six months. Nevertheless, the management believes that business will resume and recovery back to the level before the pandemic and it is just the matter of time.

Since the Group had completed the acquisition of Green Step in May 2019, the economic growth of China was hindered by trade war with United States of America, and it was further overshadowed by the outbreak of COVID-19 toward the end of 2019. It was certainly a difficult time for the Group just initiated an expansion plan back then and being caught in the middle of such awkward economic environment. Despite of the adversity that the Group was facing, the management responded quickly with various strategies to promote online offline sales initiatives to boost sales and have switched from retails business focus to more reliance on project sales. The management has also restructured the production flow to achieve significant cost saving.

The overall revenue of the Group decreased approximately 62.9% from the same period of last year. The custom-made furniture business in China had experienced temporary disruption from COVID-19. Even though it was believed that the recovery is on its way, certain long term impact on society and market demand for custom-made furniture products are still inevitable. Therefore, the Group will continue to seek ways to cope with changes and yet remain positive and well prepared for the sharp recovery that could happen anytime in near future. Except for the custom-made furniture business which was seriously affected by the COVID-19 outbreak, all other segments of the Group performed reasonable consistent during the period with a pleasant exception from securities investment segment. Nevertheless, such good performance of the securities investment segment was mainly due to market factors that the Group has little control over.

The securities investment segment has recorded net profit of approximately HK\$5.3 million for the period under review, which has improved greatly from last year segment loss of approximately HK\$5.5 million.

There were four investment properties held by the Group as of 30 September 2020 with fair value of approximately HK\$246 million. Which has slightly decreased from this year annual results comparative of approximately HK\$248 million. The revenue of the segment for the six months period under review was approximately HK\$2.8 million, which has decreased slightly from last year approximately HK\$3.1 million. The net profit of the segment has also decreased from approximately HK\$2.1 million to approximately HK\$1.3 million of the current period. The decrease in net profit was due to certain expected loss from rental receivable.

Regarding to money lending business, there was approximately HK\$15.9 million outstanding loan receivable as of 30 September 2020. The interest charged to borrowers was range from 10% to 12% per annum. The total interest income generated from the business was approximately HK\$1.0 million (2019: approximately HK\$643,000). And, the net loss of this segment was approximately HK\$26,000 (2019: approximately HK\$477,000). The improvement was mainly attributable to less expected credit loss provision was made for the current period. The company has applied certain effective measures to ensure the recoverability of loan receivable. Going forward, the Group is intended to maintain the loan receivable scale to no more than HK\$30 million level, and the loan interest rate will be ranging from 8% to 15% per annum.

The administrative expenses of the Group primarily comprised of expenses incurred for the professional fee, amortization of intangible assets, staff costs and social insurance cost. For the 6 months period ended 30 September 2020, the Group's administrative expenses increased to approximately HK\$28.2 million compared to approximately HK\$19.8 million for the corresponding period of last year, representing an increase of approximately 61.5%. The increase was mainly attributable to approximately HK\$6 million of other income being recognized during the process of preparing deregistration for the mattress and soft bed products sales business in 2019.

Selling and distribution expenses for period ended 30 September 2020 was approximately HK\$2.7 million comparing to approximately HK\$7.4 million in 2019, representing a decrease of approximately 63.2%. Such improvement was in accordance with the decrease in revenue. In addition, there were portrait right of approximately HK\$3.9 million incurred to endorse and promote the corporate brand name of Yijia Yipin in 2019, while only approximately HK\$1.7 million was incurred for the current period.

Finance cost for the period ended 30 September 2020 was approximately HK\$14.3 million comparing to approximately HK\$9.0 million in 2019, representing a significant increase of approximately HK\$5.3 million. Finance cost's increase mainly attributable to the promissory note interest of approximately HK\$9.5 million incurred in relation to the promissory note with original face value of HK\$280 million being issued for the acquisition of Green Step. Since the acquisition was only completed on 8 May 2019, there was only less than 5 months interest incurred approximately HK\$4.4 million in the corresponding period. Other finance cost also includes convertible bond interest of approximately HK\$1.5 million in relation to the convertible bond issued for the acquisition of Pioneer One in 2017.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

#### Directors', chief executives' interests in shares and short positions in the shares of the Company (the "Share(s)")

As at 30 September 2020, save as disclosed below, none of the Directors and chief executive has any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part V of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or (b) to be entered into the register required to be kept therein, pursuant to section 352 of the SFO, or (c) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules relating to securities transactions by directors or listed issuers.

#### Long positions in Shares

Name of Directors	Nature of interested	Number of shares	Number of underlying shares	Percentage of shareholding %
Mr. Hung Cho Sing	Beneficial owner	2,313,600*	(Note 1)	0.80%
Mr. Qin Yuquan	Interest of a Controlled Corporation	192,727,272*	(Note 2)	66.64%

*Note 1:* The interests in underlying shares represented interests in share options granted to the Director, further details of which are set out in the section headed "Share Option Scheme" below.

*Note 2:* Legendary Idea Limited is beneficially owned as to 50% by Corsello Investments Limited and 50% by Tian Cheng Ventures Limited. In return, Tian Cheng Ventures Limited is wholly owned by Mr. Qin Yuquan. Accordingly, Mr. Qin Yuquan are deemed to be interested in the 192,727,272\* shares of the Company held by Tian Cheng Ventures Limited under the SFO.

\* Pursuant to an ordinary resolution passed in the extraordinary general meeting of the Company on 28 August 2020, every ten issued and unissued shares of the Company of HK\$0.025 each were consolidated into one consolidated share of the Company of HK\$0.25 each with effective on 1 September 2020.

## SUBSTANTIAL SHAREHOLDERS

Name of shareholders	Capacity	Number of shares interested	Percentage of shareholdings
Legendary Idea Limited	Beneficial owner ( <i>Note 1</i> )	192,727,272*	66.64%
Corsello Investments Limited	Interest of a controlled corporation ( <i>Note 1</i> )	192,727,272*	66.64%
Tian Cheng Ventures Limited	Interest of a controlled corporation ( <i>Note 1</i> )	192,727,272*	66.64%
Chang Tin Duk, Victor	Interest of a controlled corporation ( <i>Note 1</i> )	192,727,272*	66.64%
Qin Yuquan	Interest of a controlled corporation ( <i>Note 1</i> )	192,727,272*	66.64%
Lai Yongmei	Interest of spouse ( <i>Note 2</i> )	192,727,272*	66.64%
Tong Shing Ann, Sharon	Interest of spouse ( <i>Note 3</i> )	192,727,272*	66.64%

*Note:*

1. Legendary Idea Limited is beneficially owned as to 50% by Corsello Investments Limited and 50% by Tian Cheng Ventures Limited. In return, Corsello Investments Limited is wholly owned by Mr. Chang Tin Duk, Victor. And, Tian Cheng Ventures Limited is wholly owned by Mr. Qin Yuquan. Accordingly, Mr. Chang Tin Duk, Victor and Mr. Qin Yuquan are deemed to be interested in the 192,727,272 shares of the Company held by Corsello Investments Limited and Tian Cheng Ventures Limited respectively under the SFO.
2. Ms. Lai Yongmei, the spouse of Mr. Qin Yuquan, is deemed, or taken to be, interested in the 192,727,272 shares of the Company in which Mr. Qin Yuquan is interested for the purpose of the SFO.

3. Ms. Tong Shing Ann, Sharoi, the spouse of Mr. Chang Tin Duk, Victor, is deemed, or taken to be, interested in the 192,727,272 shares of the Company in which Mr. Chang Tin Duk, Victor is interested for the purpose of the SFO.

\* Pursuant to an ordinary resolution passed in the extraordinary general meeting of the Company on 28 August 2020, every ten issued and unissued shares of the Company of HK\$0.025 each were consolidated into one consolidated share of the Company of HK\$0.25 each with effective on 1 September 2020.

Save as disclosed above, as at 30 September 2020, the Directors are not aware of any other person (other than the Directors) who has an interest or short position in the shares or underlying shares (including interest in options, if any) of the Company as recorded in the register required to be kept under section 336 of the SFO.

### **SHARE OPTION SCHEME**

On 22 August 2014, a share option scheme (the “**Share Option Scheme**”) was approved by shareholders of the Company and adopted by the Company. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted.

Concerning the Share Option Scheme, the maximum number of shares which may be allotted and issued upon the exercise of all options which initially shall not in aggregate exceed 10% of the shares in issue as at the date of adoption of the Share Option Scheme. The aggregate number of shares of the Company 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 schemes of the Company at any time shall not exceed 30% of the shares of the Company in issue from time to time. No options shall be granted under any schemes of the Company or any of its subsidiaries if this will result in the 30% limit being exceeded.

The total number of shares of the Company issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company to each eligible participant in any 12-month period up to the date of grant shall not exceed 1% of the shares of the Company in issue as at the date of grant.

Any grant of share options to a Director, chief executive or substantial shareholder of the Company, or to any of their respective associates, is required to be approved by the independent non-executive Directors. In addition, any share options granted to a substantial shareholder or any independent non-executive Director of the Company, or to any of their respective associates, such that within any 12-month period, in aggregate in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares at the date of each offer) in excess of HK\$5 million, are subject to shareholders' approval in a general meeting.

An offer of a grant of options may be accepted within such time as may be specified in the offer (which shall not be later than 21 days from the offer date).

The exercise period of the share options granted is determinable by the Directors, and commences after a certain vesting period and ends on a date which is not later than ten years from the date of the offer of the share options.

The subscription price for Shares under the Share Option Scheme shall be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the shares on the offer date, which must be a business day; (ii) the average closing price of shares as stated in the Stock Exchange's daily quotations sheets for trade in one or more board lots of the shares for the five business days immediately preceding the offer date; and (iii) the nominal value of a share. A nominal consideration of HK\$1.00 is payable on acceptance of the grant of an option.

Grantee	Date granted and vested	Exercisable period (Both dates inclusive)	Exercise price	At 1 April 2020	Granted during the period	Lapsed during the period	Adjusted during the effective of open offer	Outstanding at 30 September 2020
Director – Mr. Hung	8 September 2016	8 September 2016 to 7 September 2021	0.87	2,313,600*	-	-	-	2,313,600*
An employee A	8 September 2016	8 September 2016 to 7 September 2021	0.87	313,600*	-	-	-	313,600*
An employee B	8 September 2016	8 September 2016 to 7 September 2021	0.87	2,313,600*	-	-	-	2,313,600*
Consultant	8 September 2016	8 September 2016 to 7 September 2021	0.87	2,313,600*	-	-	-	2,313,600*
				7,254,400*	-	-	-	7,254,400*
				7,254,400*	-	-	-	7,254,400*

- \* Pursuant to an ordinary resolution passed in the extraordinary general meeting of the Company on 28 August 2020, every ten issued and unissued shares of the Company of HK\$0.025 each were consolidated into one consolidated share of the Company of HK\$0.25 each with effective on 1 September 2020.

## **DIRECTORS' INTERESTS IN CONTRACTS**

No contracts of significance in relation to the Group's business to which the Group was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the three months ended 30 September 2020 or at any time during such period.

## **COMPETING INTERESTS**

During the period under review, none of the Directors or the controlling shareholders of the Company or their respective associates (as defined under the GEM Listing Rules) had any business or interest in a business which competes or may compete with the business of the Groups or had any other conflict or potential conflict of interest with the Group.

## **AUDIT COMMITTEE**

The Company established the Audit Committee on 26 September 2013 with written terms of reference in compliance with paragraph C3.3 of the CG Code. The full terms of reference setting out details of duties of the Audit Committee is available on the websites of the Stock Exchange and the Company.

The Audit Committee comprises three independent non-executive Directors, namely Mr. Tang Kin Chor, Mr. Chan Chun Wing and Mr. Yiu Shung Kit. Mr. Chan Chun Wing is the chairman of the Audit Committee.

The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Company, nominate and monitor external auditors, review quarterly report of the compliance department's findings, meet with external auditor regularly and provide advices and comments to the Directors.

The Audit Committee has reviewed the Group's consolidated financial statements for the period ended 30 September 2020.

The Audit Committee also reviewed the non-compliance report of the Group for the year ended 30 September 2020 and no material non-compliance issue has been identified.



## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 15 of the GEM Listing Rules of the Stock Exchange.

## **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company had adopted Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding securities transactions by the Directors. The Company has confirmed, having made specific enquiry of the Directors, that all the Directors have complied with the required standards of dealings throughout the period under review.

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

During the period under review, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

By order of the Board  
**EJE (Hong Kong) Holdings Limited**  
**CHAU TSZ KONG ALAN**  
*Executive Director*

Hong Kong, 11 November 2020

*As at the date of this announcement, the executive directors of the Company are Mr. Qin Yuquan, Mr. Hung Cho Sing and Mr. Chau Tsz Kong Alan; and the independent non-executive Directors are Mr. Tang Kin Chor, Mr. Chan Chun Wing and Mr. Yiu Shung Kit.*

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

*This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least seven days from the date of its posting and the Company’s website at <http://www.ejeliving.com>.*