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CHINA COME RIDE NEW ENERGY GROUP LIMITED

中國來騎哦新能源集團有限公司

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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8039)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

The board (the “**Board**”) of directors (the “**Directors**”) of China Come Ride New Energy Group Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (together, the “**Group**”) for the six months ended 30 September 2022. This announcement, containing the full text of the Interim Report 2022 of the Company, complies with the relevant requirements of the GEM Listing Rules in relation to information to accompany preliminary announcements of interim results.

By order of the Board
China Come Ride New Energy Group Limited
Zhou Renchao
Chairman

Hong Kong, 11 November 2022

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

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 “Latest Listed Company Information” page of the Stock Exchange website at www.hkexnews.hk for a minimum period of 7 days from the date of its publication and on the Company’s website at www.8039.com.hk

CHARACTERISTICS OF 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.

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

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The board of Directors (the “Board”) announces the unaudited condensed consolidated results of the Group for the six months ended 30 September 2022 (“Period”) together with the comparative unaudited figures for the corresponding period in 2021.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2022

	Note	Three months ended 30 September		Six months ended 30 September	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Revenue	5	7,726	12,342	23,515	20,372
Cost of services		(8,149)	(7,112)	(22,692)	(13,340)
Gross (loss)/profit		(423)	5,230	823	7,032
Other income		571	-	644	-
Administrative expenses		(3,175)	(2,399)	(4,776)	(4,468)
Finance costs		(8)	(207)	(19)	(396)
(Loss)/profit before tax		(3,035)	2,624	(3,328)	2,168
Income tax expenses	6	-	(45)	-	(45)
(Loss)/profit and total comprehensive (loss)/income for the period attributable to owners of the Company		(3,035)	2,579	(3,328)	2,123
(Loss)/profit per share					
Basic (HK cents)	8	(0.62)	0.57	(0.68)	0.49

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	Note	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	78	78
Right-of-use assets	9	518	864
Equity investment at fair value through other comprehensive income	10	4,424	4,424
		5,020	5,366
CURRENT ASSETS			
Trade and other receivables	11	7,154	8,236
Tax recoverable		31	31
Bank balances and cash		5,631	3,085
		12,816	11,352
CURRENT LIABILITIES			
Trade and other payables	12	6,621	1,830
Other borrowings	13	5,500	5,500
Lease liabilities		535	700
		12,656	8,030
NET CURRENT ASSETS			
		160	3,322
TOTAL ASSETS LESS CURRENT LIABILITIES			
		5,180	8,688
NON-CURRENT LIABILITIES			
Lease liabilities		-	180
NET ASSETS			
		5,180	8,508
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	14	4,930	4,930
Reserves		250	3,578
TOTAL EQUITY			
		5,180	8,508

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

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

For the six months period ended 30 September 2021

	Attributable to owners of the Company					Total HK\$'000
	Issued capital HK\$'000	Share premium HK\$'000	Other reserves HK\$'000	Fair value reserve (non- recycling) HK\$'000	Accumulated losses HK\$'000	
At 1 April 2021 (audited)	4,180	33,785	5,000	-	(45,128)	(2,163)
Profit and total comprehensive income for the period	-	-	-	-	2,123	2,123
Issue of shares by placing	750	9,525	-	-	-	10,275
Share issue expenses	-	(229)	-	-	-	(229)
At 30 September 2021 (unaudited)	4,930	43,081	5,000	-	(43,005)	10,006

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	Six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Net cash generated from operating activities	2,910	1,158
Net cash used in investing activities	–	(67)
Net cash (used in)/generated from financing activities	(364)	1,386
Net increase in cash and cash equivalents	2,546	2,477
Cash and cash equivalents as at the beginning of the period	3,085	2,577
Cash and cash equivalents as at the end of the period	5,631	5,054

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

1. GENERAL INFORMATION

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

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

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

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

Other than additional accounting policies resulting from the application of new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 September 2022 are the same as those presented in the Group's annual financial statements for the year ended 31 March 2022.

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

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

3. ESTIMATES

The preparation of unaudited condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of the Group as at and for the year ended 31 March 2022.

4. SEGMENT REPORTING

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

Information about geographical areas

All of the activities of the Group are carried out in Hong Kong and all of the Group's revenue for the six months period ended 30 September 2022 and 2021 were derived from Hong Kong. Accordingly, no analysis of geographical information is presented.

5. REVENUE

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

6. INCOME TAX EXPENSES

	For the three months ended 30 September		For the six months ended 30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current tax – Hong Kong Profits Tax				
Provision for the period	–	45	–	45

The provision for Hong Kong Profits tax for 2022 is calculated at 8.25% for the first HK\$2,000,000 and 16.5% on the remaining balance (2021: 8.25% for the first HK\$2,000,000 and 16.5% on the remaining balance) of estimated assessable profits for the period. Since there was no estimated assessable profits for the six months ended 30 September 2022, no provision was made.

7. DIVIDEND

The Directors do not recommend the payment of any dividend for the six months ended 30 September 2022 (2021: HK\$ nil).

8. (LOSS)/PROFIT PER SHARE

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

For the three months ended 30 September		For the six months ended 30 September	
2022	2021	2022	2021
HK\$'000	HK\$'000	HK\$'000	HK\$'000
(unaudited)	(unaudited)	(unaudited)	(unaudited)

(Loss)/profit:

(Loss)/profit for the
purposes of basic
and diluted earnings
per share:

(Loss)/profit
attributable to
owners of the
Company

(3,035)	2,579	(3,328)	2,123
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Number of shares:

Weighted average
number of ordinary
shares ('000)

493,000	452,000	493,000	435,000
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Diluted (loss)/profit per share is the same as basic (loss)/profit per share as there were no potential ordinary shares during the six months ended 30 September 2022 and 2021.

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

During the six months ended 30 September 2022, apart from addition of items of property, plant and equipment with aggregate cost of approximately HK\$nil (2021: HK\$67,000), there was no addition to nor disposal of items of property, plant and equipment.

Right-of-use assets

The Group leases an office premises for its daily operations. During the six months ended 30 September 2022, no new lease agreement entered.

10. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

		30 September 2022	31 March 2022
	<i>Note</i>	HK\$'000	HK\$'000
		(unaudited)	(audited)
Equity securities designated at FVOCI (non-recycling)			
– Unlisted securities	(i) (ii)	4,424	4,424

Notes:

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

11. TRADE AND OTHER RECEIVABLES

		30 September 2022	31 March 2022
		HK\$'000	HK\$'000
		(unaudited)	(audited)
Trade receivables			
Trade receivables from third parties	11a	4,047	7,051
Contract assets	11b	2,626	626
		6,673	7,677
Other receivables			
Deposits, prepayments and others		321	387
Amount due from an investee company		160	160
Amount due from ultimate holding company		–	12
		481	559
		7,154	8,236

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

11a) Trade receivable

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

	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
Within 30 days	569	2,538
31–60 days	667	1,509
61–90 days	644	828
91–180 days	89	607
Over 180 days	2,078	1,569
	4,047	7,051

11b) Contract assets

	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
At the beginning of the period	626	–
Addition	2,000	626
At the end of the reporting period	2,626	626

At 30 September 2022, the contract assets are expected to be recovered within 1 year.

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

12. TRADE AND OTHER PAYABLES

	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
Trade payables		
Trade payable – third parties	569	569
Contract liabilities	2,400	–
	2,969	569
Other payables		
Accrued charges and other creditors	3,050	1,261
Amount due to ultimate holding company	602	–
	3,652	1,261
	6,621	1,830

13. OTHER BORROWINGS

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

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

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

13. OTHER BORROWINGS (CONTINUED)

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

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

14. SHARE CAPITAL

	Number of Shares '000	HK\$'000
Authorised:		
At 1 April 2021, 31 March 2022, and 30 September 2022 ordinary shares of HK\$0.01 each	2,000,000	20,000
Issued and fully paid:		
At 1 April 2021 ordinary shares of HK\$0.01 each	418,000	4,180
Issue of shares by placing (<i>Note</i>)	75,000	750
At 31 March 2022 and 30 September 2022	493,000	4,930

Note: On 20 August 2021, 75,000,000 ordinary shares were issued by the Company pursuant to a placing agreement dated 2 August 2021 at a placing price of HK\$0.137 per share, giving gross proceeds of HK\$10,275,000.

15. EVENT AFTER THE REPORTING PERIOD

The change of English name of the Company from “KNK Holdings Limited” to “China Come Ride New Energy Group Limited”, and the change of dual foreign name of the Company in Chinese from “中國卓銀國際控股有限公司” to “中國來騎哦新能源集團有限公司”, and the proposed amendments to the memorandum and articles of association of the Company and the adoption of the amended and restated memorandum and articles of association, were passed by special resolutions at the AGM held on 30 September 2022, and take effect on 3 October 2022.

For details, please refer to the circular of the Company dated 31 August 2022, and the announcements of the Company dated 30 September 2022 and 26 October 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged in the provision of comprehensive architectural and structural engineering consultancy service. During the six months ended 30 September 2022, the Group continued to focus on developing business opportunities with existing customers as well as working on those referrals from them; at the same time, the Group plans to expand the types of architectural-related services.

The revenue of the Group was approximately HK\$23.5 million for the six months ended 30 September 2022 (2021: approximately HK\$20.4 million, which represented approximately 15.2% increase compared to the corresponding period in 2021). The loss for the six months ended 30 September 2022 was approximately HK\$3.3 million whereas there was a profit of HK\$2.1 million for the six months ended 30 September 2021. The reasons of such changes can be found under the Financial Review section below.

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

In view of the current economic environment, in particular the impact of COVID-19 is still uncertain, the Group will seek to minimise risk exposure by bargaining better terms from sub-contractors, minimising expenses, securing projects and closely monitoring recoverability of the receivables to keep the operations of the Group as usual.

FINANCIAL REVIEW

Revenue

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

The total revenue for the Period was approximately HK\$23.5 million (2021: approximately HK\$20.4 million) which represented approximately HK\$3.1 million or 15.2% increase as compared to the corresponding period in 2021. Such change was mainly attributable to the revenue contribution from projects with a relatively large contract sum.

The gross profit margin dropped from approximately 34.5% for the six months ended 30 September 2021 to approximately 3.5% in the Period, with a gross loss for the three months end 30 September 2022. Such decrease was mainly due to the revenue contribution from projects with lower profit margin under current economic environments, in particular revenue contribution from projects with large contract sum but thin profit margin and increase in material and labour costs during the six months ended 30 September 2022 compared to the corresponding period in 2021.

Administrative expenses

The total administrative expenses for the Period was approximately HK\$4.8 million (2021: approximately HK\$4.5 million) and there was an increase of approximately HK\$0.3 million or 6.7%. Such increase was mainly due to increase in listing compliance fees on handling various compliance issues.

Income tax expenses

The income tax expenses for the Period was HK\$nil (2021: HK\$45,000) at the rate of 8.25% for the first HK\$2,000,000 and 16.5% on the remaining balance of estimated assessable profits for the Period.

(Loss)/profit for the period

The Group recorded a net loss attributable to owners of the Company of approximately HK\$3.3 million for the Period (2021: net profit of approximately HK\$2.1 million). Such turnaround in the operating results from profit to loss was mainly due to the drop of profit margin and resulted gross profits such that it could not cover administrative expenses incurred.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the Period, the Group financed its operations by cash flow from operating activities. As at 30 September 2022, the Group had net current assets of approximately HK\$0.2 million (31 March 2022: HK\$3.3 million), including bank and cash balances of approximately HK\$5.6 million (31 March 2022: HK\$3.1 million). The current ratio, being the ratio of current assets to current liabilities, was approximately 1.0 times as at 30 September 2022 (31 March 2022: 1.4 times). Such decrease was mainly due to the increase of trade and other payables.

The capital of the Group comprises only ordinary shares. Total equity attributable to owners of the Company amounted to approximately HK\$5.2 million as at 30 September 2022 (31 March 2022: approximately HK\$8.5 million).

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2022, the Group had 24 (2021: 26) employees. Total staff and directors' remuneration for the Period was approximately HK\$9.6 million (2021: HK\$9.0 million). The Group's remuneration policies are formulated on the basis of performance, qualifications and experience of individual employee and with reference to the prevailing market conditions. The Group's remuneration packages comprise monthly fixed salaries and discretionary year-end bonuses based on individual performance, which are paid to employees as recognition of, and reward for, their contributions.

CHARGES ON THE GROUP'S ASSETS

The Group did not have any charge arranged with any financial institution in Hong Kong as at 30 September 2022 (2021: nil).

FOREIGN EXCHANGE EXPOSURE

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

CONTINGENT LIABILITIES

No material contingent liability had come to the attention of the Directors in the six months ended 30 September 2022 and up to the date hereof.

EVENT AFTER THE REPORTING PERIOD

The change of English name of the Company from “KNK Holdings Limited” to “China Come Ride New Energy Group Limited”, and the change of dual foreign name of the Company in Chinese from “中國卓銀國際控股有限公司” to “中國來騎哦新能源集團有限公司”, and the proposed amendments to the memorandum and articles of association of the Company and the adoption of the amended and restated memorandum and articles of association, were passed by special resolutions at the AGM held on 30 September 2022, and take effect on 3 October 2022.

For details, please refer to the circular of the Company dated 31 August 2022, and the announcements of the Company dated 30 September 2022 and 26 October 2022.

LITIGATIONS

References are made to the announcements of the Company dated 13 July 2020, 21 July 2020, 31 August 2020 and 8 October 2020 in relation to, amongst others, the Alleged Bond and the Alleged Debt. The Company received the statement of claim in relation to the Writ on 8 December 2020 in which the Plaintiff claimed against the Company, *inter alia*, HK\$5,830,000 being the principal and interest of the Alleged Debt. The Company’s lawyer is contesting the claim in the legal proceedings for the time being.

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

FUND RAISING ACTIVITIES AND USE OF PROCEEDS

There was no fund raising activity during the Period.

OTHER INFORMATION

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

Long position in the Shares

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

Note:

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

Save as disclosed above, as at 30 September 2022, none of the Directors and chief executives of the Company (the "Chief Executives") had any interest or short positions in the ordinary shares of HK\$0.01 each in the Company ("Shares"), underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuer set out in rules 5.48 to 5.67 of the GEM Listing Rules (the "Model Code").

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

So far as is known to the Directors and the Chief Executives, as at 30 September 2022, the interests and short positions of the persons or corporations (other than the Directors and the Chief Executives) in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO were as follows:

Long position in the Shares

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

Note:

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

Save as disclosed above, as at 30 September 2022, there was no person or corporation (other than the Directors and the Chief Executives) who had any interest or short position in the Shares or underlying Shares as recorded in the register of interests required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

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

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

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

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

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

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

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

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

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

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

COMPETING INTERESTS

As at 30 September 2022, none of the Directors and their respective associates (as defined in the GEM Listing Rules) had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

COMPLIANCE WITH THE CORPORATE GOVERNANCE

Corporate Governance Code

The Company is committed to achieving high standards of corporate governance to safeguard the interests of the shareholders and enhance its corporate value. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code under Appendix 15 of the GEM Listing Rules (the "CG Code").

The Company had complied throughout the six months ended 30 September 2022 with all the code provisions as set out in the CG Code except for the followings:

- (a) There is deviation from code provision A.2.1 which requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual. No chairman nor chief executive are appointed by the Company until 31 August 2022. The executive Director, being Mr. Chung Yuk Lun, provides the Board with strong and consistent leadership to ensure that the Board works effectively and acts in the interest of the Company. At the same time, he is responsible for formulation of corporate strategy and business development. The daily operation and management of the Company is monitored by the executive Director as well as the senior management. All Directors (including the independent non-executive Directors), being experienced individuals, are encouraged to make active contributions to the Board's affairs and promoting a culture of openness and debate. Based on the above, the Board is of the view that although no chairman nor chief executive are appointed until 31 August 2022, the balance of power and authority of the Board is ensured and believes the current structure (with proper delegation authorities to the management and effective supervision by the Board and its committees) functions effectively and that no change to current structure is required.

The Company has complied with code provision A.2.1 after the appointment of Mr. Zhou as an executive Director and Chairman on 1 September 2022.

- (b) There is deviation from rule 5.05(1) and rule 5.28 of the GEM Listing Rules after the resignation of Ms. Chan Yuk Chun and Ms. Mabel Lee as independent non-executive Director on 19 September 2022. The Company fails to meet the requirements of (i) having at least three independent non-executive Directors on the Board under rule 5.05(1) of the GEM Listing Rules; and (ii) having a minimum of three non-executive directors in the Audit Committee of the Company ("Audit Committee") under rule 5.28 of the GEM Listing Rules.

The Company has complied with rule 5.05(1) and rule 5.28 of the GEM Listing Rules after the appointment of Mr. Leung Tsun Yip and Ms. Lam Yuen Man Maria as independent non-executive Director and a member of Audit Committee on 1 October 2022.

- (c) There is deviation from rule 18.49 and 18.48A of the GEM Listing Rules which requires the Company to publish audited results on or before 30 June 2022.

The Company has complied with rule 18.49 and 18.48A of the GEM Listing Rules after the publication of the audited results, the annual report, the first quarterly results and the first quarterly report on 19 August 2022.

Model Code for Securities Transactions by Directors

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

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

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

CHANGES IN INFORMATION OF DIRECTORS

The changes in Directors' information since the date of the 2022 Annual Report of the Company, which are required to be disclosed pursuant to rule 17.50A(1) of the GEM Listing Rules are set out below:

Change of Directors and positions held with board committees of the Company

Name/Positions	Appointment Date	Resignation Date
Ms. Chan Yuk Chun		
– Independent Non-executive Director	–	19 September 2022
– Chairman of Nomination Committee	–	19 September 2022
– Member of Audit Committee	–	19 September 2022
– Member of Remuneration Committee	–	19 September 2022
Ms. Mabel Lee		
– Independent Non-executive Director	–	19 September 2022
– Chairman of Remuneration Committee	–	19 September 2022
– Member of Audit Committee	–	19 September 2022
– Member of Nomination Committee	–	19 September 2022

Name/Positions	Appointment Date	Resignation Date
Mr. Zhou Renchao		
– Executive Director and Chairman	1 September 2022	–
Mr. Leung Tsun Ip		
– Independent Non-executive Director	1 October 2022	–
– Chairman of Nomination Committee	1 October 2022	–
– Member of Audit Committee	1 October 2022	–
– Member of Remuneration Committee	1 October 2022	–
Ms. Lam Yuen Man Maria		
– Independent Non-executive Director	1 October 2022	–
– Chairman of Remuneration Committee	1 October 2022	–
– Member of Audit Committee	1 October 2022	–
– Member of Nomination Committee	1 October 2022	–

REVIEW OF UNAUDITED INTERIM RESULTS

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

By order of the Board
China Come Ride New Energy Group Limited
Zhou Renchao
Chairman

Hong Kong, 11 November 2022

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