



PHOENITRON

PHOENITRON HOLDINGS LIMITED

品創控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8066)

FIRST QUARTERLY REPORT FOR THE THREE MONTHS ENDED 31 MARCH 2023

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 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 Phoenix Holdings Limited (the “Company”) 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.

HIGHLIGHTS

- Unaudited revenue for the three months ended 31 March 2023 amounted to approximately HK\$19,564,000, representing an increase of 32.6% as compared to the corresponding period in 2022 of approximately HK\$14,760,000.
- The Group recorded an unaudited profit attributable to owners of the Company of approximately HK\$1,243,000 for the three months ended 31 March 2023 (2022: unaudited loss of approximately HK\$2,628,000).
- The Board does not recommend any payment of an interim dividend for the three months ended 31 March 2023 (2022: nil).

UNAUDITED FIRST QUARTERLY RESULTS

The board of Directors (the “Board”) announces the unaudited consolidated results of the Company and its subsidiaries (together, the “Group”) for the three months ended 31 March 2023 together with the comparative figures for the corresponding period in 2022 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2023

		Unaudited	
		Three months ended	
		31 March	
		2023	2022
	<i>Notes</i>	<i>HK\$</i>	<i>HK\$</i>
Revenue	2	19,564,408	14,759,659
Cost of sales		<u>(12,737,201)</u>	<u>(10,964,399)</u>
Gross profit		6,827,207	3,795,260
Other income	3	179,792	4,690
Other gains/(losses), net	4	55,191	(262,565)
Selling and distribution costs		(554,946)	(535,344)
Administrative expenses		(5,211,982)	(5,544,771)
Finance costs		<u>(52,345)</u>	<u>(85,075)</u>
Profit/(loss) before income tax		1,242,917	(2,627,805)
Income tax expense	5	<u>—</u>	<u>—</u>
Profit/(loss) for the period		<u>1,242,917</u>	<u>(2,627,805)</u>
Other comprehensive (loss)/income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations		<u>(66,323)</u>	173,988
Other comprehensive (loss)/income for the period		<u>(66,323)</u>	173,988
Total comprehensive income/(loss) for the period		<u>1,176,594</u>	<u>(2,453,817)</u>

	Unaudited	
	Three months ended	
	31 March	
	2023	2022
<i>Notes</i>	<i>HK\$</i>	<i>HK\$</i>
Profit/(loss) for the period attributable to:		
Owners of the Company	1,242,917	(2,627,805)
Non-controlling interests	<u>–</u>	<u>–</u>
	<u>1,242,917</u>	<u>(2,627,805)</u>
Total comprehensive income/(loss) for		
the period attributable to:		
Owners of the Company	1,176,594	(2,453,817)
Non-controlling interests	<u>–</u>	<u>–</u>
	<u>1,176,594</u>	<u>(2,453,817)</u>
	<i>HK Cents</i>	<i>HK Cents</i>
Earnings/(loss) per share attributable to		
owners of the Company		
7		
Basic and diluted	<u>0.237</u>	<u>(0.500)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2023

	Attributable to owners of the Company							Total	Non-controlling interests	Total Equity
	Share capital	Share premium	Contributed surplus	Share option reserve	Other reserves	Translation reserve	Accumulated losses			
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>			
Balance at 1 January 2022 (audited)	105,069,500	363,340,792	13,985,669	3,339,000	7	11,597,920	(452,084,957)	45,247,931	230,720	45,478,651
Loss for the period	-	-	-	-	-	-	(2,627,805)	(2,627,805)	-	(2,627,805)
Other comprehensive income										
– Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	173,988	-	173,988	-	173,988
Total comprehensive income/(loss) for the period	-	-	-	-	-	173,988	(2,627,805)	(2,453,817)	-	(2,453,817)
Balance at 31 March 2022 (unaudited)	<u>105,069,500</u>	<u>363,340,792</u>	<u>13,985,669</u>	<u>3,339,000</u>	<u>7</u>	<u>11,771,908</u>	<u>(454,712,762)</u>	<u>42,794,114</u>	<u>230,720</u>	<u>43,024,834</u>
Balance at 1 January 2023 (audited)	<u>105,069,500</u>	<u>363,340,792</u>	<u>13,985,669</u>	<u>3,339,000</u>	<u>7</u>	<u>10,543,317</u>	<u>(459,820,362)</u>	<u>36,457,923</u>	<u>230,595</u>	<u>36,688,518</u>
Profit for the period	-	-	-	-	-	-	1,242,917	1,242,917	-	1,242,917
Other comprehensive loss										
– Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	(66,323)	-	(66,323)	-	(66,323)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(66,323)	1,242,917	1,176,594	-	1,176,594
Lapse of share options	-	-	-	(39,930)	-	-	39,930	-	-	-
Balance at 31 March 2023 (unaudited)	<u>105,069,500</u>	<u>363,340,792</u>	<u>13,985,669</u>	<u>3,299,070</u>	<u>7</u>	<u>10,476,994</u>	<u>(458,537,515)</u>	<u>37,634,517</u>	<u>230,595</u>	<u>37,865,112</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 31 March 2023

1. BASIS OF PREPARATION

This unaudited condensed consolidated financial information for the three months ended 31 March 2023 has been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collectively includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the accounting principles generally accepted in Hong Kong. The unaudited condensed consolidated financial information also complies with the applicable disclosure requirements of the GEM Listing Rules. The unaudited condensed consolidated financial information should be read in conjunction with the audited annual financial statements of the Group for the year ended 31 December 2022.

The unaudited condensed consolidated financial information is presented in Hong Kong dollar (“HK\$”), which is also the functional currency of the Company.

Except as for the adoption of new and revised HKFRSs issued by the HKICPA, which are effective for the Group’s financial year beginning 1 January 2023, the significant accounting policies that have been used in the preparation of this unaudited condensed consolidated financial information are consistent with those of the audited annual financial statements of the Group for the year ended 31 December 2022, as described in those audited annual financial statements. The Directors anticipate that the application of these new and revised HKFRSs will have no material impact on the unaudited condensed consolidated financial information of the Group.

The Group has not early applied the new and revised HKFRSs that have been issued by the HKICPA but are not yet effective.

The unaudited condensed consolidated financial information has been prepared on the historical cost basis, except for investment in TV programmes, which is measured at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the unaudited condensed consolidated financial information. Although these estimates and assumptions are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates and assumptions.

In preparing this unaudited condensed consolidated financial information, the significant judgments 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 audited annual consolidated financial statements of the Group for the year ended 31 December 2022.

2. REVENUE

The Group’s revenue for goods transferred at a point in time from external customers is as follows:

	Unaudited Three months ended 31 March	
	2023	2022
	HK\$	HK\$
Sales of smart cards	19,564,408	14,751,109
Sales of smart card application systems	–	8,550
	<u>19,564,408</u>	<u>14,759,659</u>

3. OTHER INCOME

	Unaudited	
	Three months ended 31 March	
	2023	2022
	HK\$	HK\$
Bank interest income	814	1,229
Government subsidies	172,414	–
Sundry income	6,564	3,461
	<u>179,792</u>	<u>4,690</u>

4. OTHER GAINS/(LOSSES), NET

	Unaudited	
	Three months ended 31 March	
	2023	2022
	HK\$	HK\$
Exchange gains/(losses), net	<u>55,191</u>	<u>(262,565)</u>

5. INCOME TAX EXPENSE

	Unaudited	
	Three months ended 31 March	
	2023	2022
	HK\$	HK\$
Income tax expense	<u>–</u>	<u>–</u>

Notes:

(a) Hong Kong

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2,000,000 of profits of qualifying group entity will be taxed at 8.25%, and the profits above HK\$2,000,000 will be taxed at 16.5%. The profits of entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. No Hong Kong Profits Tax has been provided for the three months ended 31 March 2023 and 2022 as the Group has sufficient tax losses brought forward to set off against assessable profits in Hong Kong during the three months ended 31 March 2023 and 2022.

(b) PRC

The PRC Enterprise Income Tax has been calculated at 25% (2022: 25%) on the estimated assessable profits for the period based on the existing legislation, interpretations and practices in respect thereof. No PRC Enterprise Income Tax has been provided for the three months ended 31 March 2023 as the Group has sufficient tax losses brought forward to set off against assessable profits in the PRC during the three months ended 31 March 2023 (2022: did not generate any assessable profits in the PRC during the period).

(c) Other jurisdictions

Pursuant to the rules and regulations of the Cayman Islands, the British Virgin Islands (the “BVI”) and Taiwan, the Group is not subject to any income tax or did not generate any assessable profits in the Cayman Islands, the BVI and Taiwan (2022: nil).

6. DIVIDENDS

The Board does not recommend any payment of an interim dividend for the three months ended 31 March 2023 (2022: nil).

7. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period, calculated as follows:

	Unaudited	
	Three months ended 31 March	
	2023	2022
Profit/(loss) attributable to owners of the Company (<i>HK\$</i>)	1,242,917	(2,627,805)
Weighted average number of ordinary shares in issue	525,347,500	525,347,500
Basic earnings/(loss) per share (<i>expressed in HK cents per share</i>)	0.237	(0.500)

(b) Diluted earnings/(loss) per share

As the Company's outstanding share options had an anti-dilutive effect to the basic earnings/(loss) per share calculation for the three months ended 31 March 2023 and 2022, the exercise of the potential ordinary shares is not assumed in the computation of diluted earnings/(loss) per share. Therefore, the diluted earnings/(loss) per share attributable to owners of the Company for the three months ended 31 March 2023 and 2022 is the same as the basic earnings/(loss) per share for the respective periods.

MANAGEMENT DISCUSSION AND ANALYSIS

Operations and Financial Review

Revenue

During the Reporting Period, the Group's financial result was principally derived from the contract manufacturing and sales of smart cards.

During the Reporting Period, the Group's revenue generated from the SIM card manufacturing business amounted to approximately HK\$19.5 million, representing an increase of approximately HK\$4.8 million, or 32.6%, as compared to the corresponding period in 2022 of approximately HK\$14.7 million. The increase was mainly due to the supply of chips become relatively stable during the period, hence enabling our SZ plant to clear the backlog.

Cost of Sales ("COS") and Gross Profit

During the Reporting Period, the cost of sales incurred for the SIM card manufacturing business amounted to approximately HK\$12.7 million, an increase of approximately HK\$1.8 million or 16.2% as compared to the corresponding period in 2022 of approximately HK\$10.9 million. The increase in COS was in line with the increase in revenue year-on-year.

Due to the above-mentioned, gross profit of the Group rose by approximately HK\$3.0 million or 79.9%, from the corresponding period in 2022 of approximately HK\$3.8 million, to approximately HK\$6.8 million.

Other Income

Other income of HK\$179,792 consisted of PRC government subsidy of HK\$172,414, bank interest income of HK\$814 and sundry income of HK\$6,564 (three months ended 31 March 2022: bank interest income of HK\$1,229 and sundry income of HK\$3,461).

Other gains/(losses), net

During the Reporting Period, other gains amounted to approximately HK\$0.06 million (three months ended 31 March 2022: other losses of approximately HK\$0.26 million), which was attributable to the exchange gains arising from foreign currency-based transactions.

Selling and Distribution Costs

During the Reporting Period, selling and distribution costs amounted to approximately HK\$0.56 million, representing an increase of approximately HK\$0.02 million, or 3.7%, as compared to the corresponding period in 2022 of approximately HK\$0.54 million. The increase was mainly due to the increase in freight charges due to increase in revenue and increase in overseas travelling expenses.

Administrative Expenses

Administrative expenses recorded a slight decline of approximately HK\$0.33 million, or 6.0% during the Reporting Period, from approximately HK\$5.54 million for the corresponding period in 2022, to approximately HK\$5.21 million.

Finance Costs

During the Reporting Period, the Group's finance costs comprised of interest charges on lease liabilities and amounted to approximately HK\$0.10 million (three months ended 31 March 2022: approximately HK\$0.10 million).

Income Tax Expense

There was no income tax expense incurred during the Reporting Period (three months ended 31 March 2022: nil).

As a result of the foregoing, profit attributable to owners of the Company for the Reporting Period amounted to approximately HK\$1.24 million (three months ended 31 March 2022: loss of approximately HK\$2.63 million).

LIQUIDITY AND FINANCIAL RESOURCES/CAPITAL STRUCTURE

During the period under review, the Group financed its business operations and investments with cash, revenue generated from operating activities and other borrowings. As at 31 March 2023, the Group had cash and bank balances of approximately HK\$2.3 million (31 December 2022: approximately HK\$6.2 million) and no outstanding other borrowing (31 December 2022: approximately HK\$1.3 million).

As at 31 March 2023, the Group had current assets of approximately HK\$27.4 million (31 December 2022: approximately HK\$23.9 million) and current liabilities of approximately HK\$29.0 million (31 December 2022: approximately HK\$27.7 million). The current ratio, expressed as current assets over current liabilities, was 0.9 (31 December 2022: 0.9).

GEARING RATIO

The gearing ratio of the Group, expressed as a percentage of total borrowings including lease liabilities to total assets of the Group, was 6.5% as at 31 March 2023 (31 December 2022: 9.9%).

DIRECTORS' INTERESTS AND CHIEF EXECUTIVES' INTERESTS IN SHARE CAPITAL AND OPTIONS

As at 31 March 2023, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") which would have to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which would be required pursuant to section 352 of the SFO or to be entered in the register as referred to therein, or otherwise required to be notified to the Company and the Stock Exchange pursuant to Model Code, were as follows:

Name of Directors	Nature of interest	Long/short position	Number of shares of the Company	Number of underlying shares of the Company	Approximate percentage of interest in the Company's issued share capital
<i>Executive Directors</i>					
Ms. Lily Wu (Note 1)	Beneficial owner	Long	100,000	4,500,000	0.88
Mr. Chang Wei Wen (Note 1)	Beneficial owner	Long	525,000	4,500,000	0.96
Mr. Yang Meng Hsiu (Note 1)	Beneficial owner	Long	4,300,000	4,500,000	1.68
<i>Independent non-executive Directors</i>					
Mr. Chan Siu Wing, Raymond (Note 2)	Beneficial owner	Long	–	450,000	0.09
Ms. Wong Ka Wai, Jeanne (Note 2)	Beneficial owner	Long	–	450,000	0.09

Notes:

1. These include 4,500,000 share options conferring rights to subscribe for 4,500,000 shares.
2. These include 450,000 share options conferring rights to subscribe for 450,000 shares.

Save as disclosed above, as at 31 March 2023, none of the Directors nor chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which was required to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which was required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2023, as far as is known to the Directors, the persons (other than Directors or chief executive of the Company) or corporations who had interest or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Name of shareholders	Type of interests	Long/short position	Number of shares of the Company	Approximate percentage of interests
Golden Dice Co., Ltd. <i>(Note 1)</i>	Beneficial	Long	63,142,512	12.02
Best Heaven Limited <i>(Note 1)</i>	Beneficial	Long	31,586,500	6.01
Mr. Tsai Chi Yuan <i>(Note 1)</i>	Interests in controlled company	Long	94,729,012	18.03

Note:

1. Mr. Tsai Chi Yuan is deemed to be a substantial shareholder of the Company by virtue of his 100% beneficial interest in Golden Dice Co., Ltd. and Best Heaven Limited.

Save as disclosed above, as at 31 March 2023, the Directors and the chief executive of the Company were not aware of any other person or corporation having an interest or short position in the shares and underlying shares of the Company which would require to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

SHARE OPTIONS

Pursuant to the resolution passed by the shareholders of the Company at the extraordinary general meeting of the Company dated 8 January 2008, a share option scheme (the “Share Option Scheme”) was approved and adopted. The share options are fully vested at the date of grant. Summary of the share options outstanding during the three months ended 31 March 2023 are as follows:

Name of participants	At 1 January 2023	Lapsed during the period	At 31 March 2023	Date of grant	Exercisable period	Exercise price HK\$
<i>Executive Directors</i>						
Ms. Lily Wu (Note 1)	4,500,000	–	4,500,000	3 January 2018	3 January 2018 to 2 January 2028	0.20
Mr. Chang Wei Wen (Note 1)	4,500,000	–	4,500,000	3 January 2018	3 January 2018 to 2 January 2028	0.20
Mr. Yang Meng Hsiu (Note 1)	4,500,000	–	4,500,000	3 January 2018	3 January 2018 to 2 January 2028	0.20
<i>Independent non-executive Directors</i>						
Mr. Chan Siu Wing, Raymond (Note 1)	450,000	–	450,000	3 January 2018	3 January 2018 to 2 January 2028	0.20
Mr. Leung Ka Kui, Johnny (Note 2)	450,000	(450,000)	–	3 January 2018	3 January 2018 to 2 January 2028	0.20
Ms. Wong Ka Wai, Jeanne (Note 1)	450,000	–	450,000	3 January 2018	3 January 2018 to 2 January 2028	0.20
	14,850,000	(450,000)	14,400,000			
<i>Other employees</i>						
In aggregate (Note 1)	22,779,250	–	22,779,250	3 January 2018	3 January 2018 to 2 January 2028	0.20
	<u>37,629,250</u>	<u>(450,000)</u>	<u>37,179,250</u>			

Notes:

1. As at 31 March 2023, the remaining life was about 4.76 years.
2. Mr. Leung Ka Kui, Johnny resigned as independent non-executive Director with effect from 15 December 2022. His share options were lapsed on 14 March 2023, being three months following the date of his resignation, according to the Share Option Scheme.

AUDIT COMMITTEE

The audit committee currently comprises three independent non-executive Directors and is chaired by Ms. Wong Ka Wai, Jeanne. The rest of members are Mr. Chan Siu Wing, Raymond and Mr. Yeung Man Chit, Daniel. At the discretion of the audit committee, executive Directors and/or senior management personnel, overseeing the Group's finance and internal control functions, may be invited to attend meeting. The primary role and function of the audit committee are to review the Company's financial controls, internal control and risk management systems; to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standard; to review the Company's financial statements, annual reports, interim reports and quarterly reports, and to provide advice and comment thereon to the Board.

The Group's unaudited results for the three months ended 31 March 2023 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Board believes that good corporate governance practices are essential for effective management and enhancement of shareholder value and investor confidence. The Company has taken a proactive approach in strengthening corporate governance practices, increasing transparency and sustaining accountability to shareholders through effective internal controls, under the leadership of its experienced and committed Board.

The Company has applied the principles set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 15 to the GEM Listing Rules. In the opinion of the Board, the Company has complied with all the code provisions set out in the CG Code throughout the three months ended 31 March 2023 with the exception of the code provision C.2.1 which requires that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Details relating to the foregoing deviation are summarised below.

Code provision C.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separated and should not be performed by the same individual. The division of responsibilities between the Chairman and Chief Executive Officer should be clearly established and set out in writing. Ms. Lily Wu (“Ms. Wu”) serves as the Chairman of the Board since 1 April 2006 and was further appointed as the Chief Executive Officer on 23 March 2009. The reasons for not splitting the roles of chairman and chief executive officer are (i) the size of the Group is still relatively small and thus not justified in separating the roles of chairman and chief executive officer; and (ii) the Group has in place an internal control system to perform the check and balance function. Ms. Wu is primarily responsible for leadership of the Group and the Board, setting strategic direction, ensuring the effectiveness of management in execution of the strategy approved by the Board. Execution responsibilities lie with another executive Director and senior management of the Company.

The Board considers that the current structure of vesting the roles of Chairman and Chief Executive Officer in the same person will not impair the balance of power and authority between the Board and the management of the Company.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and the required standard of dealings and its code of conduct regarding securities transactions by the Directors throughout the three months ended 31 March 2023.

COMPETING INTERESTS

As at 31 March 2023, none of the directors or the management shareholders or any of their respective associates (as defined under the GEM Listing Rules) of the Company had any interest in a business that competed or might compete with the business of the Group directly or indirectly.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities during the three months ended 31 March 2023.

By order of the Board

Lily Wu

Chairman

Hong Kong, 11 May 2023