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华科资本
WEALTHKING INVESTMENTS

WEALTHKING INVESTMENTS LIMITED

華科資本有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1140)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2021

RESULTS

The board of directors (the “Board” or the “Directors”) of Wealthking Investments Limited (“Wealthking Investments” or the “Company”) and its subsidiaries (the “Group”) hereby presents the audited consolidated results of the Group for the financial year ended 31 March 2021 (the “Year”) together with comparative figures for the last financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2021

	<i>Notes</i>	2021 HK\$'000	2020 HK\$'000
Turnover	3	624,258	352,164
Revenue	3	110,522	181,816
Other income		1,885	176
Net change in unrealised gain/(loss) on investments at fair value through profit or loss arising from			
— listed investments		242,953	(55,736)
— unlisted investments		562	(265,103)
		243,515	(320,839)
Net realised (loss)/gain on disposal/distribution of investments arising from			
— listed investments		(94,534)	(16,094)
— unlisted investments		(24,159)	4,660
		(118,693)	(11,434)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (CONTINUED)**

For the year ended 31 March 2021

	<i>Notes</i>	2021 HK\$'000	2020 HK\$'000
Net change in unrealised gain on financial liabilities at fair value through profit or loss		3,018	89,974
Realised loss on financial liabilities at fair value through profit or loss		(20,930)	(22,214)
Gain on disposal of an associate		20,546	1,859
Reversal of provision/(provision) for expected credit losses		74,709	(666,945)
Operating and administrative expenses		(62,136)	(156,012)
Operating profit/(loss)		252,436	(903,619)
Finance costs		(25,045)	(18,952)
Share of profits/(losses) of associates and joint venture		149,278	(444,046)
Profit/(loss) before tax		376,669	(1,366,617)
Income tax expense	5	(4,113)	(6,057)
Profit/(loss) for the year attributable to owners of the Company	6	372,556	(1,372,674)
Other comprehensive income/(expense)			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translating foreign operations		36,982	(15,727)
Share of associates'			
— Surplus reserve		(50)	341
— Exchange differences on translating foreign operations		517	55
Other comprehensive income/(expense) for the year, net of income tax		37,449	(15,331)
Total comprehensive income/(expense) for the year attributable to owners of the Company		410,005	(1,388,005)
Earnings/(loss) per share (HK\$)			
— Basic	8	0.13	(0.47)
— Diluted	8	0.13	(0.47)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

	<i>Notes</i>	2021 HK\$'000	2020 HK\$'000
ASSETS			
Non-current assets			
Equipment		10,043	16,862
Right-of-use assets		46,880	78,160
Investments in associates and joint ventures		705,023	637,912
Investments at fair value through profit or loss		1,335,687	1,420,661
Debt investments		292,473	246,673
		2,390,106	2,400,268
Current assets			
Investments at fair value through profit or loss		2,342,097	824,634
Debt investments		256,900	961,626
Accounts and loans receivables	9	269,778	62,775
Interest receivables		24,696	9,737
Prepayments, deposits and other receivables	10	18,104	398,660
Bank and cash balances		66,607	117,388
		2,978,182	2,374,820
TOTAL ASSETS		5,368,288	4,775,088
EQUITY AND LIABILITIES			
Equity			
Share capital		290,094	290,094
Reserves		4,237,085	3,824,351
Total equity		4,527,179	4,114,445

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 March 2021

	<i>Notes</i>	2021 HK\$'000	2020 <i>HK\$'000</i>
Liabilities			
Current liabilities			
Accounts payables	11	210,632	–
Other payables		26,287	26,147
Financial liabilities at fair value through profit or loss		6,331	32,422
Borrowings	12	528,603	506,848
Lease liabilities		29,635	30,069
Current tax liabilities		14,678	14,678
		816,166	610,164
Non-current liabilities			
Financial liabilities at fair value through profit or loss		917	931
Lease liabilities		19,913	49,548
Deferred tax liabilities		4,113	–
		24,943	50,479
Total liabilities		841,109	660,643
TOTAL EQUITY AND LIABILITIES		5,368,288	4,775,088
NET ASSETS		4,527,179	4,114,445
Net asset value per share	13	HK\$1.56	HK\$1.42

NOTES

1. GENERAL INFORMATION

Wealthking Investments Limited (formerly known as OP Financial Limited) (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability. The address of its registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The address of its principal place of business is 41st Floor, One Exchange Square, 8 Connaught Place, Central, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Company and its subsidiaries (collectively referred to as the “Group”) has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 April 2020. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

3. TURNOVER AND REVENUE

Turnover represents the aggregate of dividend income, interest revenue and gross sales proceeds from disposal of equity investments.

Turnover and revenue recognised during the years are analysed as follows:

	2021 <i>HK\$’000</i>	2020 <i>HK\$’000</i>
Dividend income	1,065	3,078
Interest revenue	109,457	178,738
Total revenue	110,522	181,816
Gross sales proceeds from disposal/redemption of investments	513,736	170,348
Turnover	624,258	352,164

4. SEGMENT INFORMATION

The chief operating decision maker has been identified as the executive directors, subject to requirements of the Rules Governing the Listing Securities on the Stock Exchange (“Listing Rules”). The executive directors assess the operating segments using a measure of operating profit. The Group’s measurement policies for segment reporting under HKFRS 8 are the same as those used in its HKFRS financial statements.

On adopting of HKFRS 8, based on the internal financial information reported to the executive directors for decisions about resources allocation to the Group's business components and review of these components' performance, the Group has identified only one operating segment, being investment holding. Accordingly, segment disclosures are not presented.

Geographical information

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue		
Hong Kong	56,375	98,741
Mainland China	8,405	5,316
United States of America	45,742	77,759
	110,522	181,816

In presenting the geographical information, revenue in relation to equity investments is based on the location of the investments and the revenue in relation to debt investments is based on location of provision of credit.

Non-current assets other than financial instruments

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Hong Kong	169,477	197,136
Mainland China	592,469	535,798

Revenue from major debt investments

Revenue derived from debt investments of the Group which individually accounted for 10% or more of the Group's total revenue is shown below:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Debt investment A	26,279	35,319
Debt investment B	21,897	23,879
Debt investment C	21,817	21,650
Debt investment D	11,947	29,046
Debt investment E	#	22,017

The amount of revenue from the debt investment was less than 10% of the total revenue for the relevant year.

5. INCOME TAX EXPENSE

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current tax — Hong Kong Profits Tax		
— Over-provision in prior years	—	(2,177)
Deferred tax	4,113	8,234
	4,113	6,057

No provision for Hong Kong Profits Tax has been made for the years ended 31 March 2021 and 2020 as the Group did not generate any assessable profits arising in Hong Kong during those years.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

The reconciliation between the income tax expense and the product of profit/(loss) before tax multiplied by the weighted average tax rate of the consolidated companies is as follows:

	2021 HK\$'000	2020 HK\$'000
Profit/(loss) before tax	376,669	(1,366,617)
Tax at the weighted average tax rate	33,498	(123,789)
Tax effect of income not taxable for tax purpose	(65,118)	(22,028)
Tax effect of expenses not deductible for tax purpose	6,152	79,909
Tax effect of tax losses not recognised	28,907	64,609
Tax effect of temporary differences not recognised	674	1,299
Tax effect of deferred tax assets not recognised	–	8,234
Over-provision of Hong Kong Profits Tax in prior years	–	(2,177)
Income tax expense	4,113	6,057

6. PROFIT/(LOSS) FOR THE YEAR

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

	2021 HK\$'000	2020 HK\$'000
Depreciation of equipment	6,832	5,949
Depreciation of right-of-use assets	29,550	40,190
Auditor's remuneration		
— Audit services		
— Current	1,350	1,966
— Under-provision in prior year	1,000	395
— Non-audit services	330	411
	2,680	2,772
(Reversal of provision)/provision for expected credit losses ("ECL") of		
— debt investments	(19,816)	478,902
— accounts, loans, interest and other receivables	(54,893)	188,043
	(74,709)	666,945
Directors' emoluments		
— As directors	2,830	14,977
— For management	–	3,749
— Equity-settled share-based payments	1,243	2,390
— Retirement benefits scheme contributions	–	18
	4,073	21,134
Staff costs including Directors' emoluments		
— Salaries and other benefits	22,537	56,344
— Equity-settled share-based payments	2,729	5,430
— Retirement benefits scheme contributions	477	644
	25,743	62,418

7. DIVIDEND

No dividends was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2021, nor has any dividend been proposed at the end of the reporting period (2020: nil).

8. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of the basic earnings/(loss) per share is based on the following:

	2021 HK\$'000	2020 HK\$'000
Earnings/(loss)		
Earnings/(loss) for the purpose of calculating basic earnings/(loss) per share	<u>372,556</u>	<u>(1,372,674)</u>
	2021 '000	2020 '000
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	<u>2,900,940</u>	<u>2,900,940</u>

(b) Diluted earnings/(loss) per share

No diluted earnings/(loss) per share are presented as the Company did not have any dilutive potential ordinary sharing during the years ended 31 March 2021 and 2020.

9. ACCOUNTS AND LOANS RECEIVABLES

	2021 HK\$'000	2020 HK\$'000
	<i>Notes</i>	
Unsecured loans	(a) 216,991	–
Accounts receivables	(b) 1,089	1,401
Amounts due from associates, joint ventures and related companies	(c) 25,745	26,510
Dividend receivables	(d) 25,953	34,864
	<u>269,778</u>	<u>62,775</u>

Notes:

		2021 HK\$'000	2020 HK\$'000
(a)			
Unsecured loan to a potential investee	(i)	70,989	65,430
Unsecured loan to other third parties	(ii)	235,300	–
ECL		(89,298)	(65,430)
		<u>216,991</u>	<u>–</u>

- (i) Unsecured loan of RMB60,000,000, equivalent to HK\$70,989,000 (2020: HK\$65,430,000), is provided to a potential investee established in the People's Republic of China ("PRC"). The Group assesses the feasibility of the potential investment from time to time. ECL of RMB60,000,000, equivalent to HK\$70,989,000 (2020: HK\$65,430,000) is recognised against the unsecured loan at 31 March 2021 based on estimated recoverable amount determined by reference to an analysis of the counterparty's current operation.
- (ii) Unsecured loans of RMB198,876,000, equivalent to HK\$235,300,000, are provided to 2 third parties established in the PRC with interest rate of 8% per annum. ECL of RMB15,475,000, equivalent to HK\$18,309,000 is recognised against the unsecured loans at 31 March 2021 based on estimated recoverable amount determined by reference to an analysis of the counterparty's current operation.

During the year ended 31 March 2021, ECL of RMB15,475,000 (2020: RMB17,300,000), equivalent to HK\$17,748,000 (2020: HK\$19,348,000) by average exchange rate, is recognised in profit or loss.

The Group does not hold any collateral or other credit enhancement over the balance.

- (b) The Group does not hold any collateral or other credit enhancements over the accounts receivables from co-investment partners. The ageing analysis of accounts receivables, based on invoice date of accounts receivables, and net of allowance, is as follows:

	2021 HK\$'000	2020 HK\$'000
Unbilled	<u>1,089</u>	<u>1,401</u>

- (c) Amounts due from associates, joint ventures and related companies arise mainly from advance money provided for potential investment project and administrative expenses paid by the Group on behalf of its associates, joint ventures and related companies. The amounts are unsecured, interest-free and repayable on demand.

For the year ended 31 March 2021, in view of the uncertainty on the recoverability of the amount due from one of the associates, provision for ECL of HK\$850,000 (2020: HK\$1,216,000) was recognised in profit or loss.

- (d) Dividend receivables represents dividend declared by CSOP Asset Management Limited ("CSOP") in both years.

10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	2021 HK\$'000	2020 HK\$'000
Prepaid consideration	(a)	–	378,751
Prepaid service fee	(b)	3,195	6,583
Other prepayments		1,610	1,148
Deposits and other receivables		13,299	12,178
		18,104	398,660

Notes:

- (a) Pursuant to “股份轉讓交易協議” dated 18 June 2019 and “股份轉讓交易協議之補充協議” dated 28 June 2019, signed between the Group, through one of its subsidiaries, and the seller, the Group determined to purchase a total of 63,202,590 shares, or 19.9% of total capital of Dagang Holding Group Co., Limited (“Dagang Holding”) (stock code: 300103.SZ). The total consideration of RMB695,228,490, or RMB11 per share, is agreed to be paid in instalments based on certain contractual terms. As at 31 March 2020, RMB450,000,000 was prepaid according to plan and the acquisition has not been completed. The shares have been successfully transferred and registered under the Group as disclosed in the Company’s announcement on 23 October 2020.

As at 31 March 2021, reversal of provision of RMB102,682,000, equivalent to HK\$117,764,000 (2020: provision of RMB102,682,000, equivalent to HK\$111,974,000) by reporting date exchange rate, is recognised.

- (b) On 29 July 2019, the Company entered into a service agreement with Finance Center for South-South Cooperation Limited (“FCSSCL”) to which FCSSCL provided a series of services to the Company for a term of three years commencing from 30 July 2019 at an initial expansion cost and annual service fee of HK\$2,700,000 and HK\$2,425,000 respectively. The service fee payable will be set off against the principal amount of HK\$9,500,000 and the last interest payment of HK\$475,000, totalling HK\$9,975,000 on the maturity date of FCSSCL promissory note, being 21 June 2019, on one-off basis, and the Company shall have no further obligation to pay any expenses. Prepaid service fee is amortised in proportion to services rendered by FCSSCL during the year.

Due to the social movements in Hong Kong in 2019 and the outbreak of COVID-19 pandemic in 2020, FCSSCL was unable to render certain services under the service agreement during the period from 30 July 2019 to 29 July 2020. On 17 November 2020, the Company and FCSSCL entered into a first supplemental service agreement allowing FCSSCL to delay the delivery of certain services under the service agreement.

On 24 June 2021, the Company and FCSSCL entered into a second supplemental service agreement to amend the scope of services under the service agreement and the fee schedule. The initial expansion cost, service fees for the first, second and third years were revised to HK\$2,600,000, HK\$1,600,000, HK\$3,900,000 and HK\$1,875,000 respectively.

FCSSCL was considered a related company of the Group as at 31 March 2020 as it is owned 50% by one of the ex-directors, Mr. ZHANG Zhi Ping, who resigned as executive director of the Group on 16 December 2020.

11. ACCOUNTS PAYABLES

The ageing analysis of accounts payables, based on the recognition date of accounts payables, is as follows:

	2021 HK\$'000	2020 HK\$'000
Within 1 year (<i>note</i>)	<u>210,632</u>	<u>–</u>

Note:

Pursuant to “股份轉讓交易協議” dated 18 June 2019 and “股份轉讓交易協議之補充協議” dated 28 June 2019, signed between the Group, through one of its subsidiaries, and the seller, the Group determined to purchase a total of 63,202,590 shares, or 19.9% of total capital of Dagang Holding (stock code: 300103.SZ). The total consideration of RMB695,228,490, or RMB11 per share, is agreed to be paid in instalments based on certain contractual terms. The shares have been successfully transferred and registered under the Group as disclosed in the Company's announcement on 23 October 2020. As at 31 March 2021, the accounts payables mainly include RMB177,979,000 (equivalent to HK\$210,575,000) payable to the seller.

12. BORROWINGS

	Notes	2021 HK\$'000	2020 HK\$'000
Securities margin trading borrowing	(a)	223,941	–
Unsecured borrowings from banks	(b)	–	410,000
Unsecured other borrowings			
— Interest bearing	(c)	232,135	30,000
— Non-interest bearing	(d)	<u>72,527</u>	<u>66,848</u>
		<u>528,603</u>	<u>506,848</u>

Notes:

- (a) Securities margin trading borrowing from a securities company secured by certain listed securities of the Group and repayable within 1 year.
- (b) Repayable within 1 year.
- (c) The interest-bearing other borrowings are unsecured, interest bearing from 8% to 18% (2020: at 8%) per annum and repayable within 1 year.
- (d) Non-interest bearing loan represents RMB61,300,000 (equivalent to HK\$72,527,000 (2020: HK\$66,848,000)) loan due to 上海赫奇企業管理諮詢有限公司 for a potential investment opportunity in the PRC. The borrowing is non-interest bearing and repayable on demand.
- (e) The average effective interest rate of bank and other borrowings during the year ended 31 March 2021 was 6.06% (2020: 4.95%) per annum.

13. NET ASSET VALUE PER SHARE

The net asset value per share is calculated by dividing the net asset value of the Group at 31 March 2021 of HK\$4,527,179,000 (2020: HK\$4,114,445,000) by the number of ordinary shares in issue at that date, being 2,900,940,000 (2020: 2,900,940,000).

MANAGEMENT DISCUSSION AND ANALYSIS

WEALTHKING INVESTMENTS OVERVIEW

Wealthking Investments is a cross-border investor with a focus on China's fast-growing industries and the best investment opportunities. We believe that a long term investment perspective is a critical enabler of value creation. The integration of industry, technology and financial capital has become an irresistible trend, which is propelling new industrial revolutions. Our mission is to identify great companies and enhance their performance through providing patient capital and strong support to the excellent management teams.

We leverage our capital strength to invest in targeted companies. Our investment strategy is comprised of three pillars, namely core-holding-centered private equity, portfolio management and trading and others, with returns generated from interests, dividends and capital appreciation.

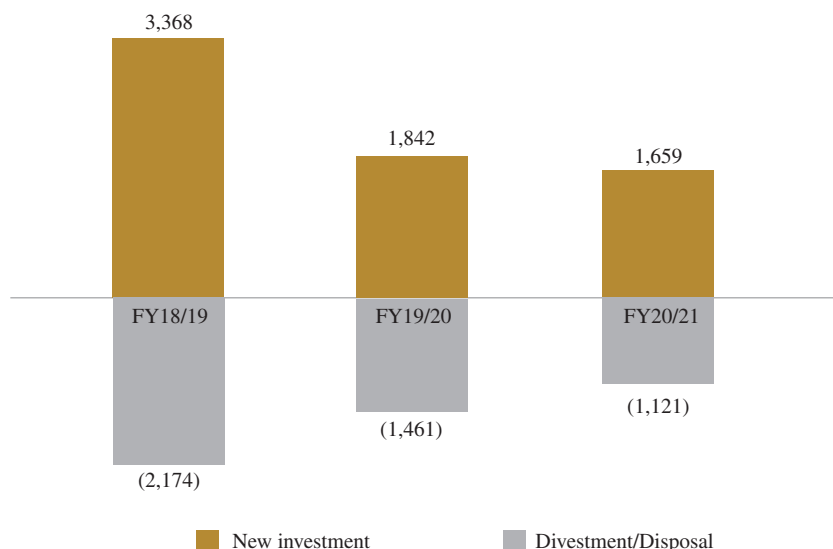
INVESTMENT REVIEW

Investment Activities

The capital markets have been constantly evolving in the past few years, in particular 2020, during which the outbreak of COVID-19 and major economies' central bank's stimulus policies have exerted significant impact on the markets. To quickly adapt to the changes and seize the opportunities, during the Year (the twelve months ended 31 March 2021, same as below), we underwent a business transformation and adopted a tri-engine driving investment strategy, which is core-holding-centered private equity, portfolio management and trading and others, respectively, where long-term core holding remains to be our strategic focus. During the Year, we continued to endeavor to identify market leaders or potential leaders of China's fast-growing industries, including intelligent manufacturing, biotechnology and new energy, as the targets of our long-term core holding portfolio. However, given the high uncertainty and volatility of the global macro economy and capital markets during the Year largely driven by the unprecedented COVID-19 pandemic, we exercised extra prudence on new equity investments and strove for the maximum value of our capital and the financing capability as a public company.

Our investment and divestment decisions are made based on comprehensive considerations and assessments of return, risk and opportunity cost. We invested HK\$1,659.40 million during the Year, mainly through private equity and listed securities, and our divestment amounted to HK\$1,121.07 million, mainly derived from some short-term debt instruments, listed securities and private equity investments.

New investment and Divestment/Disposal over the Latest 3 Years
(HK\$ million)



Portfolio Breakdown

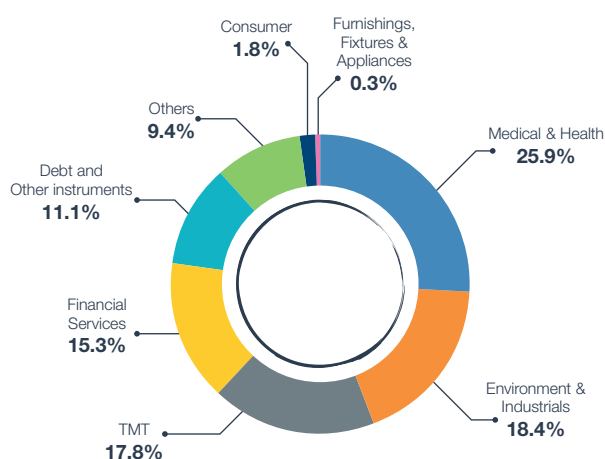
During the Year, our investment strategy was upgraded to core-holding-centered private equity, portfolio management as well as trading and others. However, it was too early to reflect any material results of the new strategy as at 31 March 2021. Hence, the portfolio breakdown as at 31 March 2021 remained depicting our previous strategy, which is long-term core holding, mid-term private equity (“PE”), venture capital (“VC”) and others, and short-term arbitrage and others.

As our primary focus, the core holding strategy fully leverages the long-term investment horizon enabled by our own capital as a public company. We identify and invest in companies with high growth potential and hold them as core holding portfolio supporting their long-term development with patient capital. In addition to long-term core holding, the invested companies held under mid-term PE, VC and others strategy represented various emerging industries in China and are expected to contribute mid-term returns to the Group, while our holdings under the strategy of short-term arbitrage and others were mainly listed securities and other opportunistic deals.

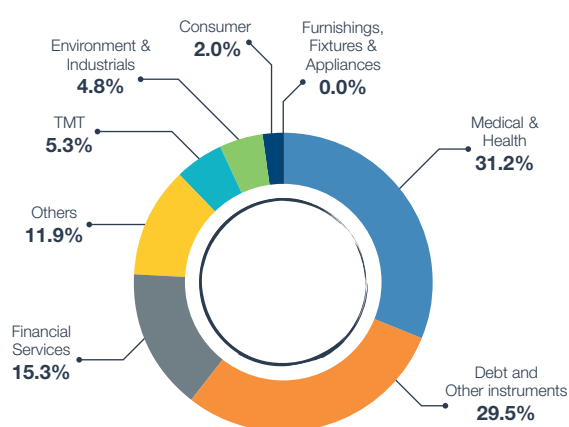
As of 31 March 2021, the top four sectors of our existing portfolio were Medical and Health, Environment and Industrials, Technology, Media and Telecom (“TMT”) and Financial Services, which represented 77.4% of our total investments holdings. Our leading position in the Medical and Health sector in terms of valuation was the investment in iCarbonX Group Limited (“iCarbonX”), while in the Environment and Industrials sector, Dagang Holding was the largest holding. Our major investment in the TMT sector included Jiedaibao Limited (“Jiedaibao”). Our major investments in the Financial Services sector included Treasure UP Venture Limited (Beijing International Trust Co., Ltd.) and CSOP Asset Management Limited (“CSOP”).

To better reflect the adjustment of our focused sectors and the changes in our portfolio, we consolidated the existing sectors of Environment and Energy, Materials and Industry into Environment and Industrials for the reporting year and represented the portfolio classification by sector for FY2019/2020 for an apples-to-apples comparison.

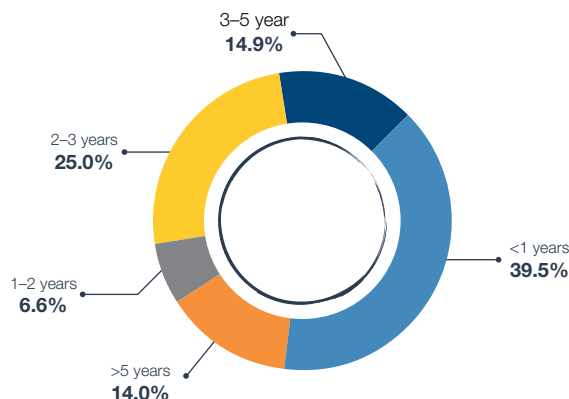
BY SECTOR (FY2020/2021)



BY SECTOR (FY2019/2020)



BY HOLDING PERIOD (FY2020/2021)



MAJOR INVESTMENT PORTFOLIO

Long-Term Core Holding

As of 31 March 2021, three companies were categorized as our long-term core holding portfolio, which were iCarbonX, CSOP and OPIM Holdings Limited (“OPIM”), respectively. iCarbonX primarily focuses on digital health management, CSOP is the largest Qualified Foreign Institutional Investor (“RQFII”) manager globally, and OPIM is Asia’s leading hedge fund platform. Wealthking Investments’ holdings in the core holding companies amounted to HK\$1,309.21 million as at 31 March 2021. Given the growth potential of the core holding companies, Wealthking Investments will continue to hold them and support their development in the long run while pursuing long-term investment return correspondingly.

iCarbonX Group Limited

Date of initial investment: 2018
Type of deal: Core Holding
Equity ownership: 7.73%
Cost: HK\$1,098.79 million
Carrying value: HK\$1,149.38 million
Location: China
Industry: Medical & Health

In 2018, Wealthking Investments invested in iCarbonX as one of its core holding companies and established a joint venture with iCarbonX named iCarbonX OP Investment Limited to capture potential investment opportunities within the healthcare industry. As at 31 March 2021, the Company owned 7.73% of equity interests in iCarbonX and the carrying value of the position stood at HK\$1,149.38 million, increasing 0.28% or by HK\$3.22 million as compared to HK\$1,146.16 million as at 31 March 2020 due to exchange difference on RMB appreciation.

iCarbonX is a global pioneer in artificial intelligence (“AI”) and precision health management and aims to build an ecosystem of digital life based on a combination of individuals’ life data, the internet and AI. Its main founding team comprises the world’s top biologists with extensive experience in multi-omics technology, medical service, biological data analysis, AI and data mining.

iCarbonX established the Digital Life Alliance (the “Alliance”) with a number of cutting-edge health-tech companies in 2016 and has been actively carrying out cross-border collaborations in order to maximize synergy and promote mutual growth within the Alliance. In March 2021, iCarbonX announced its strategic partnership with Olink Proteomics, a NASDAQ-listed company dedicated to accelerating proteomics, to jointly introduce its Olink platform to China market, which would provide quantifiable results with high-throughput, exceptional sensitivity and specificity using minimal sample volume.

In addition, iCarbonX has been deeply concerned with the outbreak of COVID-19 since January 2020 and its COVID-19 neutralizing antibody test kit has received the CE Mark certification as at the end of 2020. In Mainland, iCarbonX's newly established Shenzhen Weiban Medical Test Lab (深圳微伴醫學檢驗實驗室) has been approved by local government for conducting COVID-19 test for people who need a testing results report to travel or work.

Wealthking Investments believes iCarbonX's expertise in life science and AI equips the company with unparalleled competitive advantages, particularly in an era of post-COVID-19, when AI-enabled healthcare research & development (R&D) is given significant prominence and people's awareness of health management improves. Going forward, the Company will continue to take an active role in bridging opportunities between iCarbonX and industry leaders to foster its development within the healthcare industry and attain capital appreciation. The investment in iCarbonX is believed to benefit Wealthking Investments over the long run, therefore iCarbonX is held as a long-term core holding company within Wealthking Investments' portfolio.

CSOP Asset Management Limited

Date of initial investment: 2008
Type of deal: Core Holding
Equity ownership: 22.5%
Cost: HK\$60.00 million
Carrying value: HK\$103.83 million
Location: Hong Kong
Industry: Financial Services

CSOP was jointly established by Wealthking Investments and China Southern Asset Management Co., Ltd. in 2008. As at 31 March 2021, Wealthking Investments owned 22.5% of the issued capital of CSOP, of which the carrying value stood at HK\$103.83 million, increasing 9.27%, or by HK\$8.81 million as compared to HK\$95.02 million as at 31 March 2020 due to the share of profits contributed by CSOP, which was primarily driven by its robust business performance during the Year.

CSOP is a well-known asset management company based in Hong Kong, which manages private and public funds, and provides investment advisory services to Asian and global investors with a dedicated focus on China investing. As a leading cross-border asset management expert in respect of Asset Under Management (AUM), CSOP once held the world's largest RMB RQFII quota of RMB46.10 billion. As at 31 December 2020, almost half of the top 20 actively traded ETFs in Hong Kong were managed by CSOP.

In the fast-changing market, CSOP never stops being innovative in capturing opportunities. During the Year, CSOP launched a number of new products including leverage/reverse ETFs, world's first Hang Seng TECH Index ETF as well as Chinese Government Bond Index ETF etc. Thanks to its excellent product design and strong performance, CSOP has won 22 awards in total from various parties at both corporate and product levels during the Year, including but not limited to the Best Passive Manager by Asian Investor, ETF Manager of the Year by Asia Asset Management and Best China Fund House by Insights and Mandate.

China has been accelerating the reforms and opening-up of its financial market in recent years and it is one of the most attractive investment destinations for international investors. CSOP will continue to bridge investment opportunities in China for overseas investors with its innovative fund products and expertise, achieving decent returns for investors and at the same time enhancing its leading position in the RQFII product management sector. Wealthking Investments believes that CSOP will continue to bring solid returns and therefore will hold it as a long-term core holding company.

OPIM Holdings Limited

Date of initial investment: 2008
Type of deal: Core Holding
Equity ownership: 30%
Cost: HK\$59.47 million
Carrying value: HK\$56.00 million
Location: Hong Kong
Industry: Financial Services

As at 31 March 2021, Wealthking Investments owned 30% of the issued ordinary shares and 100% of the non-voting preference shares of OPIM following a reorganization completed in December 2019 to streamline its organizational structure where the Company's position remained unchanged. As at 31 March 2021, the Company's position in OPIM stood at HK\$56.00 million as compared to HK\$43.12 million as at 31 March 2020. The increase was primarily attributable to the strong growth momentum of OPIM's financial performance driven by the increasing scale of its fund products. OPIM managed over 40 funds as at the end of 2020 benefiting from the rebound of the capital markets.

OPIM is a leading hedge fund platform in Asia serving both global and Asia based managers to develop funds across diversified strategies for institutional and professional investors. It has built a whole ecosystem linking up fund managers, service providers and capital allocators, which enables the managers to launch offshore funds with efficient and affordable structures. With the ecosystem, managers are able to focus on fund performance and build a proven track record for future expansion. During the Year, in addition to successfully launching several funds under various strategies across China onshore and offshore markets, OPIM has also built strategic partnerships in Singapore, Europe and Mainland China to continue to increase its customer base and expanded the scope of its service offerings to customers.

With the increasing scale of China's private funds in the overseas market, OPIM is expected to maintain the momentum of steady growth in terms of both the number of funds and the overall asset scale. At the same time, China has been accelerating the opening-up of its financial markets, which improves foreign managers' access to the Chinese market and as a result, OPIM is expected to benefit from it. Wealthking Investments believes that OPIM has great potential to continue to grow its business, and therefore will hold it as a long-term core holding company.

Mid-Term PE, VC and others

As of 31 March 2021, Wealthking Investments' holdings in the mid-term PE, VC and others category amounted to HK\$3,026.74 million. The Company added new investments of HK\$1,522.56 million and exited from a few investments as well as received fund distributions amounting to HK\$206.47 million in total in this category during the Year. In making decisions on either to maintain the holdings for future divestment to benefit from growth of business, or to exit and harvest returns for potential new investments, the Company based on prudent and extensive analysis of market condition and investment projects' prospect. Apart from certain listed equity investments, the major investments are listed as below:

Dagang Holding Group Co., Ltd. (stock code: 300103.SZ)

Date of initial investment: 2019

Type of deal: Securities

Equity ownership: 19.9%

Cost: HK\$822.56 million

Carrying value: HK\$839.01 million

Location: China

Industry: Environment & Industrials

In June 2019, the Company via its wholly-owned subsidiary, 英奇投資(杭州)有限公司, entered into a share transfer agreement with the seller to acquire 19.9% shareholding or 63,202,590 shares of Dagang Holding, which have been registered under the name of 英奇投資(杭州)有限公司 with China Securities Depository and Clearing Corporation Limited as at 23 October 2020. As at 31 March 2021, the Company's position in Dagang Holding stood at HK\$839.01 million, increasing 2% as compared to HK\$822.56 million as at initial investment. The increase was mainly attributable to stock price rise and robust performance. As at 31 December 2020, the net profit of Dagang Holding increased 29.51% as compared to the net profit as at 31 December 2019.

Founded in May 2002, Dagang Holding has developed into a comprehensive high-tech group over the past 19 years with three major business segments currently, which are "high-end road equipment R&D and manufacturing, urban road smart operation and maintenance, and comprehensive recycling of hazardous waste and solid waste". Dagang Holding's products and services have been widely used for road construction, urban infrastructure management, environmental protection and metallurgy etc. Being listed on the SME Board of Shenzhen Stock Exchange in August 2010, Dagang Holding has been trading under stock code of 300103.

Benefiting from its established market leadership in the high-end road equipment sector and the growth momentum of urban road smart operation and maintenance as well as comprehensive recycling of hazardous waste and solid waste sector, Dagang Holding is expected to bring medium-term return to the Company.

Jiedaibao Limited

Date of initial investment: 2020

Type of deal: Private Equity

Equity ownership: 1.97%

Cost: HK\$700.00 million

Carrying value: HK\$700.00 million

Location: China

Industry: TMT

In 2020, Wealthking Investments entered into a share purchase agreement (the “Purchase Agreement”) with an existing shareholder (the “Seller”) of Jiedaibao to purchase 1.97% of the shares issued by Jiedaibao at a consideration of HK\$700 million. Upon completion of the Purchase Agreement, all interests and obligations undertaken by the Seller in accordance with articles of association of Jiedaibao are transferred to the Company. As at 31 March 2021, the Company’s position in Jiedaibao stood at HK\$700.00 million.

Founded in 2014, Jiedaibao is an internet fintech company providing services of contract signing, registration and post-loan management for borrowing and lending money between individual users and supply chain finance of corporate users, aiming to solve the financing difficulty problem for individuals as well as micro-, small and medium-sized enterprises (“SME”). Jiedaibao strives to be the largest service platform for individual borrowings and corporate supply chain finance in China. The mobile App 借貸寶 (“借貸寶”), which is operated by Jiedaibao, mainly provides registration tools for online I Owe You (“IOU”) issuance and supplementing and relevant value-added services. Adopting AI visual technology, a sound cloud storage system and online payment system, Jiedaibao empowers online borrowing and lending transactions and micro-, SME’s supply chain finance with sources of revenue mainly coming from transaction fee, collection service fee, advertising fee, payment fee and software development fee. By right of the universality of its function and the business model, 借貸寶 has gained significant market share in Mainland China since its launch 5 years ago with accumulative registered individual and corporate users of 130 million and 30,000 respectively and transaction amount of over RMB200 billion.

With licenses of online payment, commercial banking and internet microloans, Jiedaibao is building a complete Fintech ecosystem. Wealthking Investments expects the continuously growing business of Jiedaibao would generate considerable medium-term return for the Company.

Treasure Up Ventures Limited (Beijing International Trust Co., Ltd., “BITIC”)

Date of initial investment: 2016
Type of deal: Private Equity
Equity ownership: 25%
Cost: HK\$351.67 million
Carrying value: HK\$446.76 million
Location: China
Industry: Financial Services

Wealthking Investments acquired 25% equity interest in Treasure Up Ventures Limited (“Treasure Up”), which in turn participates in a minority economic interest in BITIC. As at 31 March 2021, the Company’s position in BITIC stood at HK\$446.76 million as compared to HK\$342.74 million as at 31 March 2020. The increase was primarily attributable to the recovery of global financial markets since March 2020, which resulted in higher valuation of BITIC, and the strong fundamentals of BITIC were also an indispensable supporting factor of the increase. For 2020, despite the challenges posed by COVID-19, the parent company of BITIC recorded a net income of RMB990 million with a year-over-year increase of 13.7%.

BITIC is a China-based large-scale non-banking financial institution, which primarily engages in trusts, investment funds, financial services, brokerage and advisory business. The trust industry has been playing an irreplaceable role in China’s economic development and financial resource allocation. In recent years, the rapid development of wealth management business driven by the accumulation of private wealth has brought the industry with historic opportunities. Quickly adapting to the changes in the market and national policy environment, BITIC formulated its twin-engine strategy in 2019, which is asset management and wealth management respectively, and has adjusted its service offering focusing on quality rather than quantity since 2018. Wealthking Investments believes that BITIC will benefit from the continuous opening-up and improvement of China’s financial system and the upgrading of the trust industry, as a result of which BITIC is expected to deliver a decent return on investment for the Company.

華建實業投資有限公司 (“華建實業”)

Date of initial investment: 2020
Type of deal: Private Equity
Equity ownership: 12.5%
Cost: HK\$370.00 million
Carrying value: HK\$388.38 million
Location: China
Industry: Others

Wealthking Investments entered into agreements to acquire 100% of the equity of Wall King Industry Investment Limited, which in turn to purchase 12.5% of equity interest issued by 華建實業 with a total consideration of HK\$370.00 million. As at 31 March 2021, the Company's position in 華建實業 stood at HK\$388.38 million, slightly increasing 5% as compared to HK\$370.00 million as at 31 March 2020, due to exchange difference on RMB appreciation.

With the double-engine strategy of industrial operations complemented by equity investment, 華建實業 currently controls or holds minority interest in more than 14 projects, mainly in the promising sectors, including but not limited to high-end equipment manufacturing, culture and arts, internet and real estate.

China's economic development has entered into a new stage where technology is a key driver and domestic consumption is playing an increasingly important role. As a result, there are plenty of opportunities in the emerging industries into which the Chinese government has been guiding the factors of production to flow through supply-side structural reform. 華建實業 primarily focuses on the emerging industries and holds a number of prime investment projects with great growth prospects, and therefore, it is expected to bring medium-term investment returns to the Company.

Short-term Arbitrage and Others

As at 31 March 2021, Wealthking Investments' holdings in listed securities that fell into this category amounted to HK\$46.85 million, while the holdings in debt investments amounted to approximately HK\$549.37 million. During the Year, Wealthking Investments made new investments in and divestments from some listed securities and divested from some debt instruments to enhance the capital liquidity and generated returns from interests, dividends and capital gains. At the same time, our portfolio of debt instruments recorded provision for expected credit losses under HKFRS 9, while some listed securities recorded market price change for the Year.

The Company invests in debt instruments with the consideration of return, risk and liquidity. For the Year, the interest rate we charged for the debt instruments, of which the borrowers were mainly investment companies, ranged from 6% to 11.5% as compared to 5% to 20% for last year. The total interest income generated from debt instruments was HK\$101.38 million with loan tenures ranging from 2 years to 5 years, while the corresponding amount and range for last year were HK\$177.84 million and 6 months to 3 years, respectively.

Wealthking Investments maintains regular communication with debt issuers and loan borrowers. As at the end of the Year, management have assessed the repayment ability of the issuers/borrowers for the determination of expected loss provisions.

FINANCIAL REVIEW

Financial position

Net asset value: As at 31 March 2021, the Group's net asset value was HK\$4,527.18 million, or HK\$1.56 per share, as compared to HK\$4,114.44 million and HK\$1.42 per share respectively as at 31 March 2020.

Gearing: The gearing ratio, which was calculated on the basis of total liabilities over total equity as at 31 March 2021, was 0.19 (31 March 2020: 0.16).

Investments in associates and joint ventures: It represents our interest in companies such as Treasure Up and core holding company CSOP etc. Assets value stood at HK\$705.02 million as at 31 March 2021 (31 March 2020: HK\$637.91 million), representing a year-over-year increase of 10.52% mainly due to increase of value of investments on Treasure Up and CSOP.

Investments at fair value through profit or loss: It stood at HK\$3,677.78 million as at 31 March 2021, representing an increase of 63.80 % as compared to HK\$2,245.29 million as at 31 March 2020, mainly attributable to record of Dagang Holding, new investments on Jiedaibao and 華建實業, the increase of fair value on Greater China Select Fund etc, partially offset by divestments of listed securities, disposal of some unlisted investments and decreased fair value of some unlisted investments.

Debt investments: It represents the investments in debt instruments as at 31 March 2021, which amounted to HK\$549.37 million. The decrease of 54.53% as compared to HK\$1,208.30 million as at 31 March 2020 was primarily because the Company exited from a few debt investments during the Year and generating expected credit loss ("ECL") of some investments.

Bank and cash balances: As at 31 March 2021, the Group's bank and cash balance stood at HK\$66.61 million (31 March 2020: HK\$117.39 million). We manage our bank and cash balances principally on the basis of making good use of capital to achieve returns for shareholders and ensuring sufficient liquidity for our working capital requirements.

RESULTS

With the COVID-19 under control in mainland China, the economic environment and stock markets experienced gradually recovery, which had positive impact on the valuation of our portfolio for the Year and our business that was interrupted by the pandemic has been restarted progressively. The Group recorded a total revenue of HK\$110.52 million for the Year, representing a year-over-year decrease of 39.21% as compared to HK\$181.82 million last year primarily attributable to the decrease in interest revenue as we divested some debt instruments. The Group recorded profit for the Year of HK\$372.56 million as compared to a loss of HK\$1,372.67 million for last year. The change from loss to profit was primarily driven by HK\$243.52 million of net change in unrealised gain on investments at fair value through profit or loss, HK\$3.02 million of net change in unrealised gain on financial liabilities at fair value through profit or loss, HK\$74.71 million of reversal of provision for ECL and HK\$149.28 million of share of results of associates, partially offset by the HK\$118.69 million of realised loss on disposal/distribution of investments and the HK\$20.93 million of realised loss on financial liabilities at fair value through profit or loss.

Consolidated statement of profit or loss and other comprehensive income

Revenue mainly represents the income received and receivable on investments during the Year as follows:

	2021 HK\$'000	2020 HK\$'000
Dividend income ⁽¹⁾	1,065	3,078
Interest revenue ⁽²⁾	109,457	178,738
	<u>110,522</u>	<u>181,816</u>

⁽¹⁾ Dividends received and receivable from listed securities during the Year.

⁽²⁾ Interest revenue of HK\$109.46 million were mainly generated from the Group's debt instruments as well as banks deposits.

Net change in unrealised gain/(loss) on investments at fair value through profit or loss: The net change in unrealised gain of HK\$243.52 million (FY2019/20: loss of HK\$320.84 million) mainly represents the net unrealised gain of HK\$242.95 million on listed shares, unrealised gain of HK\$50.64 million on Xiaoju Kuaizhi, partially offset by unrealised loss of HK\$57.22 million on exchangeable bond and unrealised loss of HK\$40.69 million on Central China New Life Limited ("CCNL").

Net change in unrealised gain on financial liabilities at fair value through profit or loss: The net change in unrealised gain of HK\$3.02 million (FY2019/20: gain of HK\$89.97 million) mainly represents the share of unrealised loss by our co-investment partners.

Realised loss on disposal/distribution of investments: The realized loss of HK\$118.69 million (FY2019/20: loss of HK\$11.43 million) during the Year mainly represents realised loss on the disposal of a debt instrument, partially offset by realised gain on disposal of CCNL.

Reversal of provision/(Provision) for ECL: The reversal of provision of HK\$74.71 million (FY2019/20: provision of HK\$666.95 million) for ECL represents the reversal of provision for ECL on Dagang Holding and debt instruments, partially offset by provision for ECL on some debt instruments for the Year.

Operating and administrative expenses: The total amount of HK\$62.14 million operating and administrative expenses (FY2019/20: HK\$156.01 million) was mainly the result of depreciation on right-of-use assets (“ROU”), staff costs, investment management fee, depreciation of equipment, service fee expense as well as legal and professional fees. The year-over-year decrease in operating and administrative expenses was primarily driven by decrease of staff cost, directors remuneration and depreciation on ROU.

Share of profits/(losses) of associates and joint venture: a net gain of approximately HK\$149.28 million (FY2019/20: net loss of HK\$444.05 million) mainly represents our share of gain of Treasure Up and CSOP, which was primarily due to recovery of financial market and robust performance of these two investees.

Other comprehensive income: Changes in the Group’s NAV, which are not accounted for in “profit for the Year”, are recorded under “other comprehensive income”. The net gain of HK\$37,449,000 (FY2019/20: loss of HK\$15,331,000) mainly represented the exchange differences on translating foreign operations. Including the “profit for the Year”, the total comprehensive income for the Year was HK\$410.01 million.

DIVIDEND POLICY AND PROPOSED FINAL DIVIDEND

The Board has resolved not to pay final dividend in respect of the Year (FY2019/20: nil).

LIQUIDITY AND FINANCIAL RESOURCES

The Group’s major sources of revenue currently are dividend income from investments held, interest and other income from bank deposits and financial instruments held.

As at 31 March 2021, the Group had bank and cash balances of HK\$66.61 million (31 March 2020: HK\$117.39 million). The Group had an aggregate of HK\$528.60 million loans mainly comprised of loan from a securities company, unsecured other borrowings and interest-free borrowings from one of the associates for a PRC potential investment as at 31 March 2021 (31 March 2020: HK\$506.85 million). The debt-to-equity ratio (interest-bearing external borrowings divided by shareholders’ equity) stood at 10.1% (31 March 2020: 10.7%) while the current ratio (current assets divided by current liabilities) was 3.65 times (31 March 2020: 3.89 times). For further analysis of the Group’s cash position, current assets and gearing, please refer to paragraphs under subsections headed “Financial Position” above.

The Board believes that our operations and borrowing resources are sufficient to provide funding to satisfy our ongoing investment and working capital requirements for the foreseeable future.

CAPITAL STRUCTURE

As at 31 March 2021, shareholder's equity and the total number of shares in issue of the Company stood at HK\$4.53 billion (31 March 2020: HK\$4.11 billion) and 2,900,940,000 (31 March 2020: 2,900,940,000), respectively.

MATERIAL ACQUISITIONS AND DISPOSALS OF INVESTMENTS

The Group had the following material acquisitions as well as disposals of investments during the Year.

	New/ Additional Investment <i>HK\$ million</i>	Divestment/ Disposal <i>HK\$ million</i>
Mid-term PE, VC and others	1,522.56 ⁽¹⁾	206.47 ⁽²⁾
Short-term arbitrage opportunities		
— Listed securities	136.84 ⁽³⁾	307.27 ⁽⁴⁾
— Debt instruments	—	607.33
Total	<u>1,659.40</u>	<u>1,121.07</u>

(1) The HK\$1,522.56 million represents the Group's investment in Jiedaibao and Dagang Holding during the Year.

(2) Out of HK\$206.47 million, approximately HK\$5.88 million was distribution received from 4 unlisted investment partnership funds, HK\$57.57 million was distribution received by one investment, and the remaining HK\$143.02 million represents sales proceeds from disposal of two investments.

(3) The HK\$136.84 million represents the Group's investment into 9 listed securities during the Year.

(4) The HK\$307.27 million represents the Group's divestment 9 listed securities during the Year.

SEGMENT INFORMATION

Segment information of the Group is set out in note 4 on pages 5 to 6 of this announcement.

EMPLOYEES

As of 31 March 2021, the Group had 21 employees (31 March 2020: 43), inclusive of all Directors of the Company and its subsidiaries. Total staff costs including equity-settled share-based payments for the Year amounted to HK\$25.74 million (FY2019/20: HK\$62.42 million). The Group's remuneration policies are in line with market practices and are determined on the basis of the performance and experience of individual employees.

SHARE OPTION SCHEME

During the Year, the Board did not grant any share option under the Company's share option scheme to any Directors or eligible employees of the Group and there were no granted share options exercised (FY2019/20: nil). As at 31 March 2021, there were 65,700,000 (31 March 2020: 71,700,000) share options that remained outstanding under the share option scheme.

The detailed disclosures relating to the Company's share option scheme and valuation of options are set out in the section headed "Share-based Payments" under Notes to the consolidated financial statements.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

As at 31 March 2021, the Group was exposed to foreign exchange risk arising from financial instruments that are monetary items including investments recognised as investments at fair value through profit or loss, loan and other receivables, bank balances and other payables (31 March 2020: investments at fair value through profit or loss, prepaid consideration for equity investment, loan and other receivables). These assets were denominated in RMB and the maximum exposure to foreign exchange risk was RMB499,936,000, equivalent to HK\$591,500,000 (31 March 2020: RMB452,054,000, equivalent to HK\$492,965,000).

As at 31 March 2021, the Group held certain financial assets which were denominated in USD. The Board is of the opinion that the Group's exposure to USD foreign exchange risk is minimal as HKD is pegged to USD based on the Linked Exchange Rate System in Hong Kong.

CHARGES ON THE GROUP'S ASSETS AND CONTINGENT LIABILITIES

As at 31 March 2021, save as certain listed securities of the Group being used to secure the Group's margin securities trading, there were no charges on Group's assets.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS AND THEIR EXPECTED SOURCES OF FUNDING

As at 31 March 2021, there were no plans for material investments or capital assets, but the Group may, at any point, be negotiating potential investments. The Group considers new investments as part of its daily business, and therefore management may publically announce these plans as they become necessarily disclosable to shareholders during the course of the financial year.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company or any of its subsidiaries has not purchased, sold or redeemed any of the Company's securities during the Year.

EVENTS AFTER THE REPORTING YEAR

Oriental Patron Asia Limited ceased to be the investment manager of the Company on 31 March 2021. Pursuant to an investment management agreement dated 8 April 2021, the Company appointed Venture Partners Asset Management Limited ("VPAM") as its investment manager to provide investment management services for a period commencing 7 April 2021 to 31 March 2024. Under the investment management agreement, the Company will pay VPAM a management fee and performance fee. The management fee will be calculated on a monthly basis. For the first year of the investment management agreement, the management fee will be calculated at 0.012 per cent per annum of the net asset value of the Group as at the immediately preceding last dealing day on the Stock Exchange in each calendar months on the basis of the actual number of days in the relevant calendar month over a year of 360 day. From the second year of the investment management agreement, the management fee will be calculated at such other percentage figure agreed from time to time between VPAM and the Company as at the immediately preceding last dealing day on the Stock Exchange in each calendar months on the basis of the actual number of days in the relevant calendar month over a year of 360 day. The performance fee is calculated by reference to the increase in the net asset value per share as at the last business day of the relevant financial year of the Company.

CORPORATE GOVERNANCE CODE COMPLIANCE

Except otherwise stated herein, none of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not, at any time during the Year, in compliance with the Corporate Governance Code. Code provision A.6.7 provided that, the independent non-executive Directors and other non-executive Directors, as equal Board members, should give the Board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and develop a balanced understanding of the views of shareholders. The attendance of each Director, by name, at the board, committees' and general meetings is set out in the subsection headed "Meetings" under Corporate Governance Report.

Code Provision C.1.2

Under Code Provision C.1.2, management should provide all members of the board with monthly updates on the issues, performance, position, and prospects, which may include monthly management accounts and materials between projections and actual results. During the year, although management accounts were not circulated to board members on a monthly basis, regular verbal reports were given by management to Directors from time to time, which Directors consider to be sufficient and appropriate in the circumstances in giving a balanced and understandable assessment of the Company's performance and enable Directors to discharge their duties.

AUDIT COMMITTEE

The Company established an audit committee in accordance with Rule 3.21 of the Listing Rules. Amongst other duties, the principal duties of the audit committee are to review the interim and annual results and internal control system of the Company.

The Company's audit committee comprised three independent non-executive Directors, namely, Mr. Chen Yuming, Prof. He Jia and Mr. Wang Xiaojun. Mr. Chen Yuming is the chairman of the audit committee.

The audited consolidated financial statements for the Year have been reviewed by the audit committee.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2021 as set out in the preliminary announcement have been agreed by the Group's auditors, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2021. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

FORWARD LOOKING STATEMENTS

This announcement contains certain statements that are forward looking or which use certain forward looking terminologies. These forward looking statements are based on the current beliefs, assumptions and expectations of the Board of Directors of the Company regarding the industry and markets in which it invests. These forward looking statements are subject to risks, uncertainties and other factors beyond the Group's control which may cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements.

PUBLICATION OF FINANCIAL INFORMATION

This results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.wealthking.com.hk). The Group's annual report for the Year will be dispatched to the shareholders of the Company and available on the above websites in due course.

By order of the Board
Wealthking Investments Limited
Liu Zhiwei
Executive Director and Chairman

Hong Kong SAR, 25 June 2021

As at the date of this announcement, the Board comprises one executive Director, namely, Dr. Liu Zhiwei; and four independent non-executive Directors, namely, Professor He Jia, Mr. Wang Xiaojun, Mr. Chen Yuming and Dr. Fu Weigang.