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MACROLINK CAPITAL HOLDINGS LIMITED

新華聯資本有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 758)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

The board of directors (the “Board”) of Macrolink Capital Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2021 together with the comparative figures for corresponding period in 2020, which have been reviewed by the Company’s audit committee (the “Audit Committee”).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2021

		Six months ended 30 June	
		2021	2020
		(Unaudited)	(Unaudited and restated)
	<i>Note</i>	HK\$’000	HK\$’000
Continuing operations			
Revenue	4	215,826	121,276
Cost of sales and services		(204,844)	(123,442)
Gross profit/(loss)		10,982	(2,166)
Other income and gains	4	1,157	1,670
Administrative expenses		(32,413)	(23,493)
Other operating income/(expenses) – net		638	(1,261)
Fair value loss on investment properties		(3,683)	(4,074)
Operating loss from continuing operations	5	(23,319)	(29,324)
Finance costs	6	(1,740)	(1,831)
Loss before tax		(25,059)	(31,155)
Income tax credit	7	2,003	2,133

		Six months ended 30 June	
		2021	2020
		(Unaudited and restated)	
	<i>Note</i>	(Unaudited) HK\$'000	HK\$'000
Loss for the period from continuing operations		(23,056)	(29,022)
Discontinued operations			
Gain/(loss) for the period from a discontinued operation	8	<u>8,673</u>	<u>(4,375)</u>
Loss for the period		<u>(14,383)</u>	<u>(33,397)</u>
Attributable to:			
<i>Owners of the Company</i>			
Loss for the period from continuing operations		(23,056)	(29,022)
Gain/(loss) for the period from a discontinued operation		<u>13,253</u>	<u>(2,499)</u>
		<u>(9,803)</u>	<u>(31,521)</u>
<i>Non-controlling interests</i>			
Loss for the period from continuing operations		–	–
Loss for the period from a discontinued operation		<u>(4,580)</u>	<u>(1,876)</u>
		<u>(4,580)</u>	<u>(1,876)</u>
		<u>(14,383)</u>	<u>(33,397)</u>
Loss per share attributable to owners of the Company from continuing and discontinued operations			
Basic and diluted	9	<u>HK(0.81)cents</u>	<u>HK(2.61)cents</u>
Loss per share attributable to owners of the Company from continuing operations			
Basic and diluted	9	<u>HK(1.91)cents</u>	<u>HK(2.41)cents</u>
Earnings/(loss) per share attributable to owners of the Company from a discontinued operation			
Basic and diluted	9	<u>HK1.10 cents</u>	<u>HK(0.20)cents</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss for the period	(14,383)	(33,397)
Other comprehensive income/(expense), net of tax		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	13,192	4,784
Reclassification of exchange fluctuation reserve to profit or loss upon deemed disposal of a subsidiary	<u>(5,746)</u>	<u>—</u>
Total comprehensive expenses for the period	<u>(6,937)</u>	<u>(28,613)</u>
Attributable to:		
Owners of the Company	(2,392)	(26,328)
Non-controlling interests	<u>(4,545)</u>	<u>(2,285)</u>
	<u>(6,937)</u>	<u>(28,613)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021

		30 June 2021 (Unaudited) <i>HK\$'000</i>	31 December 2020 (Audited) <i>HK\$'000</i>
	<i>Note</i>		
Non-current assets			
Property, plant and equipment		41,321	82,816
Investment properties		74,284	77,921
Right-of-use assets		1,681	19,234
Other intangible assets		6,278	6,849
Equity investments at fair value through profit or loss		28,200	–
Deposits for acquisition of a subsidiary		50,000	–
		201,764	186,820
Current assets			
Inventories		2,282	28,264
Accounts receivable	11	469	932
Prepayments, deposits and other receivables		22,339	15,948
Amounts due from related companies		1,210	14,019
Amount due from an investee company		18,313	–
Financial instruments at fair value through profit or loss		15,259	15,706
Cash and bank balances		39,758	6,893
		99,630	81,762
Current liabilities			
Accounts payable	12	3,827	4,801
Other payables and accruals		37,206	52,113
Interest-bearing other borrowings		27,989	28,980
Amounts due to related companies		94,107	27,955
Lease liabilities		866	973
Tax payable		144	24
		164,139	114,846
Net current liabilities		(64,509)	(33,084)
Total assets less current liabilities		137,255	153,736

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Continued)

At 30 June 2021

	30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
Non-current liabilities		
Lease liabilities	817	331
Deferred tax liabilities	32,283	34,403
	33,100	34,734
Net assets	104,155	119,002
Equity		
Equity attributable to owners of the Company		
Share capital	120,625	120,625
Reserves	(16,470)	(14,078)
	104,155	106,547
Non-controlling interests	–	12,455
Total equity	104,155	119,002

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and with Hong Kong Accounting Standard (“HKAS”) 34, *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants.

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2020.

The Group recorded a net loss of approximately Hong Kong dollars (“HK\$”) 14,383,000 during the six months ended 30 June 2021 and it had net current liabilities of approximately HK\$64,509,000 as at 30 June 2021. These conditions indicate the existence of material uncertainties which may cast doubt about the Group’s ability to continue as going concerns.

The directors of the Company have taken the following measures to mitigate the liquidity pressure:

- (a) Continuing implementing comprehensive policies to monitor cash flows through cutting costs and capital expenditure;
- (b) Soliciting for further financing arrangements which include funding from related companies of the Group;
- (c) Obtaining financial support from related companies to which the Group was indebted in a total amount of approximately HK\$79,945,000 as at 30 June 2021. The related companies have undertaken not to request for repayment of the amount for twelve months from the date of this announcement;
- (d) Exploring the possibility of disposing assets of the Group and equity interests of the Company’s subsidiaries to enhance its liquidity position; and
- (e) Re-exploring the property management and agency services business segment by entering into entrusted property operation and management contracts with related companies of the Group, as well as by developing into service-based operation of rental serviced apartments, thereby generating stable income and operating cash flows to the Group.

Taking into account of the above measures, as well as unutilised banking and other facilities of approximately HK\$9,582,000 as at 30 June 2021 available for drawdown, the directors of the Company consider the Group would be able to finance its operations and to meet its financial obligations as and when they fall due. Accordingly, the unaudited condensed consolidated financial statements have been prepared on a going concern basis.

Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying value of the Group’s assets to their recoverable amounts, to provide for any future liabilities that may arise and to re-classify non-current assets and liabilities as current assets and liabilities. The effects of these adjustments have not been reflected in the unaudited condensed consolidated financial statements.

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed financial statements have been prepared under the historical cost convention, except for investment properties and equity investments which have been measured at fair value. The financial statements are presented in HK\$ and all values are rounded to the nearest thousand except when otherwise indicated.

Certain comparative figures of prior period have been re-presented to conform with the current period's presentation.

The accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2020, except for the adoption of the amendments effective as of 1 January 2021 below.

The Group has adopted the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") for the first time in the unaudited condensed consolidated financial statements:

Amendments to HKFRS 9, *Interest Rate Benchmark Reform-Phase 2*
HKAS 39, HKFRS 7,
HKFRS 4 and HKFRS 16

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

3. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has seven reportable operating segments as follows:

- (a) the property investment and development segment engages in leasing and sale of properties;
- (b) the property management and agency services segment provides property management and agency services;
- (c) the securities investments segment engages in investing in listed securities;
- (d) the trading of mineral concentrates segment engages in the trading of mineral concentrates;
- (e) the coal mining segment engages in the exploration and development of coal mine concessions and mining for sale of coal;
- (f) the others segment engages in the sale of parts of mining equipment; and
- (g) the manufacture and sale of construction materials segment engages in the manufacture and sale of slag powder, which became a discontinued operation during the current period ended 30 June 2021.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's loss before tax except that bank interest income and other unallocated income and gains, finance costs and other unallocated head office and corporate expenses are excluded from such measurement.

Segment assets exclude deposits for acquisition of a subsidiary, non-current equity investments at fair value through profit or loss, cash and cash equivalents, amounts due from related companies and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing other borrowings, amount due to related companies, lease liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

3. SEGMENT INFORMATION (CONTINUED)

Segment results

An analysis of the Group's segment results by reportable segment is as follows:

For the six months ended 30 June 2021

	Continuing operations						Discontinued operation	Total (Unaudited) HK\$'000
	Property investment and development (Unaudited) HK\$'000	Property management and agency services (Unaudited) HK\$'000	Securities investments (Unaudited) HK\$'000	Trading of mineral concentrates (Unaudited) HK\$'000	Coal mining (Unaudited) HK\$'000	Others (Unaudited) HK\$'000	Manufacture and sale of construction materials (Unaudited) HK\$'000	
Segment revenue:								
Sales to/revenue from external customers	2,015	7,165	-	205,731	-	27	-	214,938
Investment income	-	-	888	-	-	-	-	888
Total revenue and investment income	<u>2,015</u>	<u>7,165</u>	<u>888</u>	<u>205,731</u>	<u>-</u>	<u>27</u>	<u>-</u>	<u>215,826</u>
Segment results	<u>(3,435)</u>	<u>6,971</u>	<u>888</u>	<u>59</u>	<u>(5,968)</u>	<u>(1,524)</u>	<u>8,673</u>	<u>5,664</u>
Bank interest income and other unallocated income and gains								1,157
Corporate and other unallocated expenses								(21,467)
Unallocated finance costs								(1,740)
Income tax credit								<u>2,003</u>
Loss for the period								<u>(14,383)</u>

3. SEGMENT INFORMATION (CONTINUED)

Segment results (Continued)

For the six months ended 30 June 2020

	Continuing operations					Discontinued operation	Total (Unaudited) HK\$'000
	Property investment and development (Unaudited) HK\$'000	Securities investments (Unaudited) HK\$'000	Trading of mineral concentrates (Unaudited) HK\$'000	Coal mining (Unaudited) HK\$'000	Others (Unaudited) HK\$'000	Manufacture and sale of construction materials (Unaudited) HK\$'000	
Segment revenue:							
Sales to/revenue from external customers	1,985	-	121,216	120	1,328	-	124,649
Investment income	-	(3,373)	-	-	-	-	(3,373)
Total revenue and investment income	<u>1,985</u>	<u>(3,373)</u>	<u>121,216</u>	<u>120</u>	<u>1,328</u>	<u>-</u>	<u>121,276</u>
Segment results	<u>(4,349)</u>	<u>(3,393)</u>	<u>(2,262)</u>	<u>(3,997)</u>	<u>(2,819)</u>	<u>(4,375)</u>	<u>(21,195)</u>
Bank interest income and other unallocated income and gains							1,670
Corporate and other unallocated expenses							(14,174)
Unallocated finance costs							(1,831)
Income tax credit							2,133
Loss for the period							<u>(33,397)</u>

3. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

An analysis of the Group's segment assets and liabilities by reportable segment is as follows:

As at 30 June 2021

	Continuing operations					Total (Unaudited) HK\$'000
	Property investment and development (Unaudited) HK\$'000	Securities investments (Unaudited) HK\$'000	Trading of mineral concentrates (Unaudited) HK\$'000	Coal mining (Unaudited) HK\$'000	Others (Unaudited) HK\$'000	
Assets and liabilities:						
Segment assets	<u>82,382</u>	<u>15,259</u>	<u>5,198</u>	<u>9,923</u>	<u>3,047</u>	115,809
Corporate and other unallocated assets						<u>185,585</u>
Total assets						<u>301,394</u>
Segment liabilities	<u>40,875</u>	<u>-</u>	<u>78</u>	<u>429</u>	<u>5,633</u>	47,015
Corporate and other unallocated liabilities						<u>150,224</u>
Total liabilities						<u>197,239</u>

3. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (Continued)

As at 31 December 2020

	Continuing operations					Discontinued operation	Total (Audited) HK\$'000
	Property investment and development (Audited) HK\$'000	Securities investments (Audited) HK\$'000	Trading of mineral concentrates (Audited) HK\$'000	Coal mining (Audited) HK\$'000	Others (Audited) HK\$'000	Manufacture and sale of construction materials (Audited) HK\$'000	
Assets and liabilities:							
Segment assets	<u>86,587</u>	<u>15,706</u>	<u>29,765</u>	<u>10,770</u>	<u>2,725</u>	<u>54,397</u>	199,950
Corporate and other unallocated assets							<u>68,632</u>
Total assets							<u>268,582</u>
Segment liabilities	<u>43,675</u>	<u>–</u>	<u>493</u>	<u>559</u>	<u>4,924</u>	<u>15,251</u>	64,902
Corporate and other unallocated liabilities							<u>84,678</u>
Total liabilities							<u>149,580</u>

3. SEGMENT INFORMATION (CONTINUED)

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Continuing operations		
The People's Republic of China (the "PRC")	214,911	123,201
Peru	27	1,448
Hong Kong	888	(3,373)
	<u>215,826</u>	<u>121,276</u>

The revenue information above is based on the location of the customers.

(b) Non-current assets

	30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited and restated) HK\$'000
	Continuing operations	
The PRC	102,714	78,162
Peru	47,356	53,133
Hong Kong	51,694	1,336
	<u>201,764</u>	<u>132,631</u>

The non-current assets information above is based on the location of assets.

Information about major customer

Revenue from customers of corresponding period contributing over 10% of total revenue of the Group is as follows:

	Six months ended 30 June	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Continuing operations		
Customer A (attributable to trading of mineral concentrates segment)	27,733	–
Customer B (attributable to trading of mineral concentrates segment)	27,645	–
Customer C (attributable to trading of mineral concentrates segment)	28,914	–
Customer D (attributable to trading of mineral concentrates segment)	–	59,845
Customer E (attributable to trading of mineral concentrates segment)	–	18,777
Customer F (attributable to trading of mineral concentrates segment)	–	20,056
Customer G (attributable to trading of mineral concentrates segment)	–	17,180
	<u>–</u>	<u>117,858</u>

4. REVENUE AND OTHER INCOME AND GAINS

An analysis of the Group's revenue and other income and gains is as follows:

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Continuing operations		
Revenue		
Revenue from contracts with customers		
Sale of mineral concentrates	205,731	121,216
Sale of parts of mining equipment	27	1,328
Sale of coal	–	120
Revenue from other sources		
Gross rental income	2,015	1,985
Property management income	6,790	–
Property agency commission income	375	–
Fair value losses:		
Equity investments at fair value through profit or loss (“FVTPL”)		
– held for trading	(447)	(4,622)
Dividend income	1,335	1,249
	<u>215,826</u>	<u>121,276</u>
Continuing operations		
Other income and gains		
Bank interest income	161	146
Management fee income	856	1,274
Gain arising on change in financial instruments at FVTPL	139	–
Gain on disposal of property, plant and equipment	–	127
Government subsidy	–	88
Others	1	35
	<u>1,157</u>	<u>1,670</u>

5. OPERATING LOSS FROM CONTINUING OPERATIONS

The Group's operating loss is arrived at after charging/(crediting):

		Six months ended 30 June	
		2021	2020
		(Unaudited)	(Unaudited and restated)
	<i>Note</i>	HK\$'000	HK\$'000
Employee benefits expense (including directors' remuneration)			
Salaries, wages and other benefits in kind		6,743	8,279
Contributions to retirement benefits schemes		471	968
		<u>7,214</u>	<u>9,247</u>
Reversal of impairment loss on prepayments, deposits and other receivables	<i>(i)</i>	–	(434)
(Reversal)/provision for impairment loss on accounts receivable	<i>(i)</i>	(638)	1,695
Cost of inventories recognised as an expense		204,789	123,331
Depreciation of property, plant and equipment		1,466	1,650
Depreciation of right-of-use assets		483	162
Net foreign exchange losses		19,069	7,498
Leases payments relating to short-term leases in respect of land and buildings		16	135
		<u>16</u>	<u>135</u>
Gross rental income from investment properties		(2,015)	(1,985)
<i>Less:</i>			
Direct operating expenses incurred for investment properties that generated rental income during the period		55	27
		<u>55</u>	<u>27</u>
		<u>(1,960)</u>	<u>(1,958)</u>

Note:

- (i) Amounts were included in "Other operating (income)/expenses - net" in the condensed consolidated statement of profit or loss.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on other borrowings wholly repayable within five years	1,262	1,242
Loan arrangement fee for other loan	460	575
Financial charges on lease liabilities	18	14
	<u>1,740</u>	<u>1,831</u>

7. INCOME TAX CREDIT

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2020: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current – Elsewhere		
Charge for the period	–	12
Over-provision in prior period	(2)	(46)
Deferred tax credit	(2,135)	(2,224)
Withholding tax charge		
– PRC	134	125
	<u>134</u>	<u>125</u>
Total tax credit for the period	<u>(2,003)</u>	<u>(2,133)</u>

8. DISCONTINUED OPERATION AND DEEMED DISPOSAL OF A SUBSIDIARY

Reference was made to a civil ruling dated 26 January 2021 issued by the Intermediate People's Court of Loudi City, Hunan Province, the PRC ("Loudi Intermediate Court"), pursuant to which Loudi Intermediate Court ruled that the mandatory dissolution order (the "Mandatory Dissolution Ruling") was made against the Company's indirectly 60% owned subsidiary, Hunan Taiji Construction Material Co., Ltd. ("Hunan Taiji"), and requested Hunan Taiji should proceed to a mandatory dissolution to be implemented by Loudi Intermediate Court from 26 January 2021.

On 15 April 2021, Loudi Intermediate Court reiterated its ruling and issued a civil judgement (民事決定書), pursuant to which Loudi Intermediate Court implemented the Mandatory Dissolution Ruling, including, inter alia, the formation of a dissolution team which was ordered to proceed with the mandatory dissolution of Hunan Taiji. As a result, the directors of the Company have concluded that the Group lost its control over Hunan Taiji on 15 April 2021.

Hunan Taiji, which was engaged in the manufacture and sale of construction materials, was classified as a discontinued operation of the Group during the six months period ended 30 June 2021 upon the deemed disposal of Hunan Taiji on 15 April 2021. Accordingly, the Group classified the investment in Hunan Taiji as equity investments at FVTPL with effect from the same date.

The results from the discontinued operation, the gain on deemed disposal of a subsidiary and the related cash flow information are analysed and presented as follows:

(a) The results

	Period from 1 January to 15 April 2021 (Unaudited) HK\$'000	Six months ended 30 June 2020 (Unaudited) HK\$'000
Discontinued operation		
Revenue	–	–
Cost of sales and services	–	–
Gross profit	–	–
Other income and gains	–	1
Administrative expenses	(2,649)	(3,444)
Other operating expenses, net	(348)	(932)
Provision for dissolution costs for discontinued operation	(8,396)	–
Gain on deemed disposal of Hunan Taiji (<i>note 8(b)</i>)	20,066	–
Gain/(loss) from a discontinued operation	8,673	(4,375)
Gain/(loss) for the period attributable to:		
Owners of the Company	13,253	(2,499)
Non-controlling interests	(4,580)	(1,876)
	8,673	(4,375)

**8. DISCONTINUED OPERATION AND DEEMED DISPOSAL OF A SUBSIDIARY
(CONTINUED)**

(b) The gain on deemed disposal of a subsidiary

The net assets of Hunan Taiji as at the date of deemed disposal are as follows:

	<i>HK\$'000</i>
Properly, plant and equipment	35,540
Right-of-use assets	17,818
Prepayments, deposits and other receivables	49
Amounts due from related companies	12,974
Cash and bank balances	6
Accounts payable	(854)
Accruals and other payables	(42,996)
Amounts due to related companies	(747)
	<hr/>
Net assets disposed of	21,790
	<hr/>
Gain on deemed disposal:	
Net assets disposed of	(21,790)
Non-controlling interests	7,910
Reclassification of exchange fluctuation reserve to profit or loss	5,746
Fair value of the equity interests in Hunan Taiji	28,200
	<hr/>
	20,066
	<hr/> <hr/>
Net cash outflow arising on deemed disposal:	
Cash and cash equivalents disposed of	(6)
	<hr/> <hr/>

(c) The net cash flows

	Period from 1 January to 15 April 2021 (Unaudited) HK\$'000	Six months ended 30 June 2020 (Unaudited) HK\$'000
Net cash outflow from operating activities and net decrease in cash and cash equivalents	<hr/> <hr/> (50)	<hr/> <hr/> (644)

9. EARNINGS/(LOSS) PER SHARE

(a) Continuing and discontinued operations

The calculation of basic and diluted loss per share from continuing and discontinued operations are based on the following data:

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company (HK\$'000)	<u><u>(9,803)</u></u>	<u><u>(31,521)</u></u>
Number of shares		
Weighted average number of shares for the purpose of basic and diluted loss per share	<u><u>1,206,249,251</u></u>	<u><u>1,206,249,251</u></u>

(b) Continuing operations

The calculation of basic and diluted loss per share from continuing operations attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
Loss for the period from continuing operations (HK\$'000)	<u><u>(23,056)</u></u>	<u><u>(29,022)</u></u>

The denominators used are the same as those detailed above for both basic and diluted loss per share from continuing and discontinued operations.

(c) Discontinued operation

The calculation of basic and diluted, earnings/(loss) per share from the discontinued operation attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
Earnings/(loss) for the period from a discontinued operation (HK\$'000)	<u><u>13,253</u></u>	<u><u>(2,499)</u></u>

The denominators used are the same as those detailed above for both basic and diluted loss per share from continuing and discontinued operations.

The Company had no potential ordinary shares in issue as at 30 June 2021 and 2020.

10. DIVIDENDS

The directors do not recommend the payment of an interim dividend in respect of the six months ended 30 June 2021 (six months ended 30 June 2020: nil).

11. ACCOUNTS RECEIVABLE

	30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
Accounts receivable	1,091	3,249
Impairment	(622)	(2,317)
	<u>469</u>	<u>932</u>

Accounts receivable are usually due immediately from the date of billing. Payment in advance is normally required except the credit period is generally 1 month extending up to 2 months for certain customers from coal mining business and sales of parts of mining equipment business of the Group. The Group seeks to maintain strict control over its outstanding receivables and overdue balances which are reviewed regularly by senior management to minimise credit risk. Accounts receivable are non-interest-bearing and mainly denominated in Renminbi (“RMB”) and Peruvian Soles (“Soles”).

An aged analysis of the Group’s accounts receivable as at the end of the reporting period, based on invoice date and net of provisions, is as follows:

	30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
Within 1 month	–	113
1 to 3 months	–	582
Over 3 months	469	237
	<u>469</u>	<u>932</u>

12. ACCOUNTS PAYABLE

The following is an aged analysis of the Group’s accounts payable as at the end of the reporting period, based on invoice date:

	30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
Within 1 month	–	5
1 to 3 months	26	32
Over 3 months	3,801	4,764
	<u>3,827</u>	<u>4,801</u>

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

During the six months period ended 30 June 2021 (the “Relevant Period”), the Group recorded revenue of approximately HK\$215,826,000, representing a significant increase of 77.96% over HK\$121,276,000 of the corresponding period last year. The increase in revenue was mainly attributable to the expansion in business scale of the trading of mineral concentrates business relating to nickel cathodes with increased trading volume and amount during the Relevant Period. The Group’s gross profit during the Relevant Period was approximately HK\$10,982,000 (six months ended 30 June 2020: gross loss of approximately HK\$2,166,000), thanks to the contribution from the trading of mineral concentrates business segment and the property management and agency services business segment. However, as the Group’s administrative expenses increased to approximately HK\$32,413,000 from approximately HK\$23,493,000, which was mainly attributable to the substantial increase in the net foreign exchange loss recorded by the Group during the Relevant Period (i.e increasing from approximately HK\$7,498,000 to approximately HK\$19,069,000), the Group was only able to mitigate the loss for the Relevant Period from continuing operations to approximately HK\$23,056,000, compared to an amount of approximately HK\$29,022,000 for the corresponding period last year. Coupled with the net gain on a discontinued operation of approximately HK\$8,673,000 (six months ended 30 June 2020: (restated) loss of approximately HK\$4,375,000), the Group recognised a loss of approximately HK\$14,383,000 (six months ended 30 June 2020: HK\$33,397,000). Basic and diluted loss per share from continuing and discontinued operations attributable to shareholders of the Company was HK cents 0.81 (six months ended 30 June 2020: HK cents 2.61).

OPERATION REVIEW

Trading of mineral concentrates business

During the Relevant Period, the trading of mineral concentrates business segment principally operates in two main aspects: (1) Overseas Nickel Trading-sourcing mineral concentrates (branded electrolytic nickel cathodes) from Russia and exporting them to the trading intermediates and end customers in the PRC and (2) Onshore Nickel Trading-sourcing nickel concentrates in the PRC and selling them to the end customers in the PRC. In view of the uncertainty surrounding the business environment in Peru, the trading business in Peru has been temporarily terminated during the Relevant Period.

During the Relevant Period, with regard to the Overseas Nickel Trading, with limited availability of product supply, the Group was only able to trade an aggregate volume of approximately more than 933 tons (six months ended 30 June 2020: 1,180 tons) of nickel, with a revenue of approximately HK\$125,656,000 (six months ended 30 June 2020: HK\$115,858,000) being recognised by the Group. However, this product stream continued to enable the Group to strengthen its revenue base in this business segment.

During the Relevant Period, as a result of the strong domestic demand for nickel product, as regards the Onshore Nickel Trading, the Group engaged to commence sourcing of nickel products in the domestic market of the PRC and to sell to end customers in the PRC thanks to a strong customer base the Group has been capturing. The Group has been able to trade an aggregate volume of more than 592 tonnes of nickel products during the current period under review (six months ended 30 June 2020: nil), with a revenue of approximately HK\$80,075,000 being recognised by the Group.

Based on the foregoing, during the Relevant Period, the business of trading of mineral concentrates recorded a segment profit of approximately HK\$59,000 (six months ended 30 June 2020: loss of HK\$2,262,000).

Securities investments

As the securities markets in Hong Kong and the PRC since early 2020 have been vulnerable to a high level of uncertainty and volatility, there emerged limited opportunities for securities investment. During the Relevant Period, the Group did not make any alteration to its investment portfolio and continued to invest in 4,970,000 shares of a Hong Kong listed company engaged in financial services. As at 30 June 2021, the Group recognised relevant fair value loss on equity investments at FVTPL – held for trading of approximately HK\$447,000 (six months ended 30 June 2020: HK\$4,622,000), the negative impact of which has been eliminated with a dividend income related to the investment of approximately HK\$1,335,000 (six months ended 30 June 2020: HK\$1,249,000).

Construction material business

Hunan Taiji has been in suspension of production since August 2016 after the suspension in supply of granulated steel slag for production in March 2016 by the sole supplier. During the Relevant Period, the Group received a civil ruling dated 26 January 2021 issued by Loudi Intermediate Court, pursuant to which Hunan Taiji was requested to proceed to the Mandatory Dissolution Ruling. On 15 April 2021, Loudi Intermediate Court reiterated its ruling with the formation of a dissolution team to proceed with the Mandatory Dissolution Ruling. Therefore, it was concluded that since 15 April 2021, the Group has lost control over Hunan Taiji, which was classified as a discontinued operation of the Group during the Relevant Period. Accordingly, the Group classified the investment in Hunan Taiji as equity investments at FVTPL with effect from the same date.

During the Relevant Period, the Group has recognised a net gain of approximately HK\$8,673,000 (six months ended 30 June 2020: loss of HK\$4,375,000) from the discontinued operation, which was made up by operating loss of approximately HK\$11,393,000 (six months ended 30 June 2020: HK\$4,375,000), and a gain on deemed disposal of Hunan Taiji of approximately HK\$20,066,000 (six months ended 30 June 2020: nil).

Coal mining business

As the estimated revenue is unable to support its operating costs and the production costs, the production of the two mines under the coal mining business have been suspended since March 2019. Meanwhile, Peru was adversely affected under the COVID-19 coronavirus outbreak (the “Epidemic Outbreak”) and the relevant government has imposed certain restrictions throughout the country since March 2020. Hence, the Group’s coal mines operations in Peru have been greatly disrupted since March 2020.

During the Relevant Period, this business segment recorded revenue of nil (six months ended 30 June 2020: HK\$120,000) and a segment loss of approximately HK\$5,968,000 (six months ended 30 June 2020: HK\$3,997,000).

Since the Group expects the production will continue to incur loss and given the Epidemic Outbreak, the Group expects that the two mines will not resume production until the economic recovery from the Epidemic Outbreak emerges.

Property investment and development

During the Relevant Period, the segment of property investment and development recorded a segment loss of approximately HK\$3,435,000 (six months ended 30 June 2020: HK\$4,349,000).

Investment properties in Beijing

During the Relevant Period, the rental income from property leasing in Beijing, the PRC was approximately HK\$2,015,000 (six months ended 30 June 2020: HK\$1,985,000). These investment properties in Beijing recorded fair value loss of approximately HK\$3,683,000 (six months ended 30 June 2020: HK\$4,074,000) in respect of the revaluation, which mainly accounted for the loss in this business segment. Notwithstanding these, the Group expects these investment properties in Beijing currently held on hand will keep generating a stable rental income stream and capture potential appreciation in future.

Property management and agency services

Starting from August 2020, the Group commenced to provide property agency and industry consultancy services in connection with all property sales businesses of Huizhou Macrolink Jia Ye Property Development Co., Ltd. During the Relevant Period, the Group was able to recognise a commission income of approximately HK\$375,000 (six months ended 30 June 2020: nil). In addition, on 8 February 2021, the Group entered into an agreement with Macrolink Development and Investment Limited (“Macrolink Development and Investment”) to provide property operation and management, solicitation of business and tenants and other related services in relation to certain owned and entrusted properties. The Group achieved to recognise a property management income of approximately HK\$6,790,000 during the Relevant Period (six months ended 30 June 2020: nil).

Based on the above, the Group was able to recognise a profit of approximately HK\$6,971,000 (six months ended 30 June 2020: nil) in this business segment.

OUTLOOK

Since early 2020, the Epidemic Outbreak has spread across the PRC and other countries and it has affected the business of the Group to some extent. In the face of the economic recession and uncertainties, the Group will pay close attention to the development of the COVID-19 and continue to evaluate its impact on the financial position and operating results of the Group. At the same time, we will closely monitor how China’s macroeconomy and policies and changes in the global economy, political landscapes, market environment and competition will affect the Company, and continue to optimize its operations to maintain the sustainable long-term growth of the Group.

On the premise of capital adequacy, the Group will continue to cautiously and comprehensively identify investment and business development opportunities for efficient and stable business development. The Group will also actively seek opportunities and make effective use of the resources at our disposal and viable business opportunities for development and optimization of its asset allocation. The Group will continue to expand the scale of the property investment business segment and property management and agency services business segment and introduce more profitable businesses in due course with an aim to improving its profitability, increasing shareholder returns, and laying a solid foundation for its future development.

Looking into the future, the management of the Group believes that, leveraging on the experience and resources of the Group's controlling shareholders and adhering to the principle of investing in value, the Group will strive to consolidate and develop its existing businesses, while cautiously and carefully focusing on and develop the Group's investments and business development opportunities at home and abroad, consistently exercising cost and risk control, strengthening its financial position, and striving to reduce the adverse impact of COVID-19 and the downturn in global economy on its business operations. Leveraging on the experience and support of the Group's controlling shareholders, the management is committed to grasping and creating business opportunities with a view to bringing long-term and substantial returns to shareholders and the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2021, the Group's total equity amounted to approximately HK\$104,155,000 (31 December 2020: HK\$119,002,000), representing a decrease of 12.48% compared with that as at 31 December 2020. The Group's current ratio as at 30 June 2021 was 0.61 (31 December 2020: 0.71). The Group's gearing ratio, expressed as a ratio of total interest-bearing bank and other borrowings to total assets as at 30 June 2021, was 0.09 (31 December 2020: 0.11).

The Group had no particular seasonal pattern of borrowing. As at 30 June 2021, the Group had secured other loan and unsecured other loan amounting to HK\$22,000,000 (31 December 2020: HK\$23,000,000) and HK\$5,989,000 (31 December 2020: HK\$5,980,000), respectively. The secured other loan is denominated in HK\$, interest-bearing at 8% per annum and its repayment is in January 2022. The unsecured other loan is denominated in RMB and interest-bearing at 9.5% per annum and repayable on demand.

As at 30 June 2021, the Group's cash and cash equivalents totaled approximately HK\$39,695,000 (31 December 2020: HK\$6,830,000), which were mainly denominated in HK\$, United States dollars ("US\$"), RMB and Soles.

As at 30 June 2021, the Group had aggregate banking and other facilities of approximately HK\$31,582,000 (31 December 2020: HK\$32,568,000) and had unutilised banking and other facilities of approximately HK\$9,582,000 (31 December 2020: HK\$9,568,000) available for drawdown.

The Group recorded a net loss of approximately HK\$14,383,000 during the six months ended 30 June 2021 and it had net current liabilities of approximately HK\$64,509,000 as at 30 June 2021. These conditions indicate the existence of material uncertainties which may cast doubt about the Group's ability to continue as going concerns.

The directors of the Company have taken the following measures to mitigate the liquidity pressure:

- (a) Continuing implementing comprehensive policies to monitor cash flows through cutting costs and capital expenditure;
- (b) Soliciting for further financing arrangements which include funding from related companies of the Group;
- (c) Obtaining financial support from related companies to which the Group was indebted in a total amount of approximately HK\$79,945,000 as at 30 June 2021. The related companies have undertaken not to request for repayment of the amount for twelve months from the date of this announcement;
- (d) Exploring the possibility of disposing assets of the Group and equity interests of the Company's subsidiaries to enhance its liquidity position; and
- (e) Re-exploring the property management and agency services business segment by entering into entrusted property operation and management contracts with related companies of the Group, as well as by developing into service-based operation of rental serviced apartments, thereby generating stable income and operating cash flows to the Group.

Taking into account of the above measures, as well as available unutilised banking and other facilities as at 30 June 2021, the directors of the Company consider the Group would be able to finance its operations and to meet its financial obligations as and when they fall due or will be falling due in coming twelve months. Accordingly, the unaudited condensed consolidated financial statements have been prepared on a going concern basis.

CAPITAL STRUCTURE

During the Relevant Period, there have been no change in the issued share capital of the Company. As at 30 June 2021, the Company's number of issued ordinary shares was 1,206,249,251.

GROUP STRUCTURE

Apart from four wholly-owned subsidiaries of the Company being deregistered, there has been no change in the structure of the Group during the Relevant Period.

MATERIAL ACQUISITIONS AND CAPITAL COMMITMENTS

As at 30 June 2021, the Group had no significant capital commitments (31 December 2020: nil).

On 5 March 2021, the Company entered into a conditional sale and purchase agreement (the “Sale and Purchase Agreement”) with Macrolink Asia Industrial Investment Limited (the “Vendor”), pursuant to which the Company conditionally agreed to purchase, and the Vendor conditionally agreed to sell the entire equity interests of Macrolink Development and Investment at a total consideration of HK\$186,000,000 (the “Acquisition”).

Deposit of HK\$50,000,000 has been paid to the Vendor pursuant to the Sale and Purchase Agreement, with the first instalment of HK\$33,000,000 and the second instalment of HK\$103,000,000 to be paid upon completion of the Acquisition and mortgage release of the certain properties of Macrolink Development and Investment, respectively. Further details of the Acquisition are set out in the announcement of the Company dated 5 March 2021.

Up to the date of this announcement, the Acquisition has not been completed.

SUBSEQUENT EVENTS

- (1) On 5 July 2021, Shenzhen Macrolink Industrial & Trading Development Limited (“Shenzhen Macrolink”), an indirect wholly-owned subsidiary of the Company, entered into a lease agreement (the “Lease Agreement”), pursuant to which the lessor agreed to lease the properties, which comprises 395 guest rooms and ancillary portions with the usable area of 26,058.9 square meters (the “Properties”), to Shenzhen Macrolink for a term commencing from 5 July 2021 and ending on 31 December 2032. The Properties are intended to be operated by the Group as short-term or long-term rental serviced apartments and ancillary business premises. Further details of the Lease Agreement are set out in the announcements of the Company dated 5 and 30 July 2021.
- (2) On 14 July 2021, Shenzhen Macrolink entered into a property entrusted management contract (the “Property Entrusted Management Contract”) with Macrolink Holding Co., Ltd. (“Macrolink Holding”), pursuant to which Shenzhen Macrolink agreed to provide Macrolink Holding with property operation and management, solicitation of business and other related services in relation to the entrusted properties for a period of three years from 15 July 2021 to 14 July 2024. Further details of the Property Entrusted Management Contract are set out in the announcement of the Company dated 14 July 2021.
- (3) The Company has received a letter dated 13 August 2021 from the Stock Exchange notifying the Company of its decision that the Company has failed to maintain a sufficient level of operations and assets of sufficient value to support its operations under Rule 13.24 of the Listing Rules to warrant the continued listing of its shares, and that the trading of the Company’s shares will be suspended under Rule 6.01(3) of the Listing Rules (the “Decision”).

Under Rule 2B.06(1) and Rule 2B.08(1) of the Listing Rules, the Company has the right to request for the Decision to be reviewed by the Listing Committee. On 23 August 2021, the Company has lodged a request for the Decision to be referred to the Listing Committee for review.

TREASURY POLICIES AND FOREIGN EXCHANGE RISK

The Group continued to adopt a conservative approach with respect to treasure and funding policies, with a focus on risk management and transactions that are directly related to the underlying business of the Group. During the period under review, the business activities of the Group were mainly denominated in HK\$, US\$, RMB and Soles. The Group has not adopted any currency hedging policy and entered into any currency derivative products. However, the Board and the management will continue to monitor the foreign currency exchange exposure and will consider adopting certain hedging measures against currency risk when necessary.

CHARGE OF ASSETS

As at 30 June 2021, certain of the Group's investment properties with carrying amount of approximately HK\$70,044,000 (31 December 2020: HK\$73,544,000) have been pledged to other lender to secure loan facilities.

As at 30 June 2021, the carrying amount of the pledged investment properties included an amount of RMB25,710,000 (equivalent to approximately HK\$30,794,000) (31 December 2020: RMB26,680,000 (approximately HK\$31,910,000)) relating to security for the repayment obligations of a connected person of the Company in the partial loan principal amount of RMB8,000,000 and the related interest thereon, which has been fully indemnified by the connected person.

STAFF AND REMUNERATION

The Group had 34 employees in total as at 30 June 2021 (excluding those headcounts attributable to the discontinued operation) (31 December 2020: 116) mainly in Hong Kong, the PRC and Peru. The number of workers employed by the Group varies from time to time depending on the industry need and they are remunerated under the employment terms which are based on industry practice. The Group implemented its remuneration policy and discretionary bonus based on the performance of the Group and its employees. The Group provides benefits such as social and medical insurance and pensions to ensure its competitiveness.

OUTSTANDING LITIGATIONS

- (1) On 22 February 2019, Junefield (Building Material) Limited ("Junefield Building Material"), an indirect wholly-owned subsidiary of the Company, was informed by Hunan Taiji, the Group's 60%-owned subsidiary, that a notice of response to action (應訴通知書) dated 12 February 2019 from Loudi Intermediate Court was received, pursuant to which 漣源鋼鐵集團有限公司 ("Lianyuan Steel"), the minority shareholder of Hunan Taiji as plaintiff, had in September 2018 requested a court judgement to dissolve Hunan Taiji prior to the termination of Hunan Taiji's joint venture agreement due to the prolonged shareholders' disputes.

The court hearing of this case was held on 25 September 2019 and the ruling was given on 19 January 2020, pursuant to which the request for a court judgement to dissolve Hunan Taiji prior to the termination of Hunan Taiji's joint venture agreement due to the prolonged shareholders' disputes was rebutted. Lianyuan Steel has filed an appeal dated 23 January 2020 to the Higher People's Court of Hunan Province ("the Higher Court") to request immediate dissolution of Hunan Taiji.

Junefield Building Material received a civil ruling dated 14 October 2020 issued by the Higher Court, pursuant to which the Higher Court ruled that the civil ruling dated 19 January 2020 issued by Loudi Intermediate Court was withdrawn and Hunan Taiji should be dissolved from the effective date of the ruling (the "Dissolution Ruling"). The Dissolution Ruling is final and took effect on 21 October 2020. Subsequently on 31 October 2020, Junefield Building Material received a letter from Lianyuan Steel requesting for proceed with the dissolution of Hunan Taiji.

In December 2020, the Group lodged an application with the Supreme People's Court of the PRC for requesting a retrial to withdraw the Dissolution Ruling and rebut the request made by Lianyuan Steel for court judgement to dissolve Hunan Taiji prior to the termination of Hunan Taiji's joint venture agreement (the "Retrial Request"). On 12 March 2021, notice of acceptance was received from the Supreme People's Court of the PRC. On 31 May 2021, a civil ruling was received, pursuant to which the Retrial Request was rejected by the Supreme People's Court of the PRC.

On 1 February 2021, Junefield Building Material received a civil ruling dated 26 January 2021 issued by Loudi Intermediate Court, pursuant to which Loudi Intermediate Court ruled that Hunan Taiji failed to proceed with the dissolution within 15 days pursuant to the Dissolution Ruling and it accepted the request from Lianyuan Steel for implementing a mandatory dissolution by the court, hence Hunan Taiji should proceed with the Mandatory Dissolution Ruling from the effective date of this ruling. Based on the legal opinion of the Group's PRC legal advisors, the Mandatory Dissolution Ruling is final and took effect on 26 January 2021.

On 15 April 2021, Loudi Intermediate Court reiterated its ruling and issued a civil judgement (民事決定書), pursuant to which Loudi Intermediate Court implemented the Mandatory Dissolution Ruling, including, inter alia, the formation of a dissolution team which was ordered to proceed with the mandatory dissolution of Hunan Taiji.

Meanwhile, Junefield Building Material also considers to lodge the application for arbitration proceedings at China International Economics and Trade Arbitration Commission for claiming against Lianyuan Steel on the decrease of the profits due to the shortage of supply of granulated steel slag for production for the period from 1 September 2016 onwards for compensations on, inter alia, failing to procure the requested quantity of granulated steel slag for production under the Hunan Taiji's joint venture agreement.

- (2) There were two ongoing claims outstanding against the Group totalling approximately Soles 2,653,000 (31 December 2020: Soles 2,614,000) regarding the fatal accidents occurred in a mining site operated by the Group in Peru. There was no settlement agreement being reached between the parties during the six months ended 30 June 2021. Further hearings were scheduled to be held in December 2021 and January 2022 for the two cases respectively. The accidents were covered by insurance policy. Up to the date of this announcement, there is no further update on the two claims. As the claims are being handled by the lawyer, the directors have taken the view that no additional compensation should be borne by the Group based on legal opinion and no provision for contingent liabilities in respect of the claims is necessary.

AUDIT COMMITTEE

The Audit Committee, which comprises three independent non-executive directors of the Company, discussed with the management of the Company on the accounting principles and practices adopted by the Group, internal controls, risk management and financial reporting matters on 27 August 2021. The Audit Committee has also reviewed and discussed with the management of the Company about the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2021.

CORPORATE GOVERNANCE CODE

In the opinion of the directors, the Company had complied with the code provisions set out in the Corporate Governance Code (“CG Code”) as contained in Appendix 14 to the Listing Rules during the six months ended 30 June 2021, save as the deviation from code provisions, E.1.2 and A.6.7 which is explained as follows:

- Under code provision E.1.2 of the CG Code, the Chairman of the Board should attend the annual general meeting. The Chairman of the Board and the chairman of the Nomination Committee did not attend the annual general meeting of the Company held on 15 June 2021 (“AGM”) due to other business engagement. The chairman of the Audit Committee, the chairman of the Remuneration Committee and certain members of the Nomination Committee were present at the AGM to answer the shareholders’ questions.

- Under code provision A.6.7 of the CG Code, independent non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. During the current period, not all the independent non-executive directors attended the AGM due to other business engagement. The Company will finalize and inform the dates of the general meetings as earliest as possible to make sure that the independent non-executive directors can attend the general meetings in future.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding the directors' securities transactions. The Company has made specific enquiry of all directors whether they have complied with the Model Code and all directors confirmed that they have complied with the required standard set out in the Model Code for the six months ended 30 June 2021.

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

During the period under review, the Company has not redeemed any of its shares and neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

DISCLOSURE OF INFORMATION ON WEBSITES

This announcement will be published on the websites of the Stock Exchange and the Company (<http://macrolinkcapital.etnet.com.hk>). The interim report of the Company for the six months ended 30 June 2021 will be dispatched to shareholders of the Company and published on the same websites in due course.

By Order of the Board
Fu Kwan
Chairman

Hong Kong, 27 August 2021

As at the date of this announcement, the executive directors are Mr. Fu Kwan (Chairman), Mr. Zhang Jian, Mr. Zhang Bishu, Ms. Liu Jing, Mr. Chan Yeuk and Mr. Zhou Jianren; and the independent non-executive directors are Mr. Lam Man Sum, Albert, Mr. Fung Chuen Kin and Mr. Cheung Ka Wai.