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太和控股有限公司
TAI UNITED HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 718)

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

The board of directors ("**Board**" or "**Directors**") of Tai United Holdings Limited ("**Company**") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, "**Group**") for the six months ended 30 June 2021 ("**Reporting Period**") as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021

		Six months ended 30 June	
		2021	2020
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	3		
Contracts with customers		**14,290**	6,412
Leases		**4,080**	47
Net investment gains (losses)		**936**	(1,174)
Total		**19,306**	5,285
Other income		**22,258**	39,180
Other gains and losses	5	**3,334**	(12,815)
Impairment losses reversed (recognised) under expected credit loss model, net		**24,981**	(13,657)
Impairment losses on mining rights		**(42,588)**	(52,876)
Purchases and changes in inventories		**(5,401)**	(4,640)
Employee benefits expenses		**(17,672)**	(12,033)
Other operating expenses		**(28,123)**	(12,243)
Finance costs	6	**(22,980)**	(4,765)

	Notes	Six months ended 30 June **2021** ***HK$'000*** **(unaudited)**	 2020 *HK$'000* (unaudited)
Loss before tax		**(46,885)**	(68,564)
Income tax (expenses) credit	7	**(9,301)**	13,219
Loss for the period	8	**(56,186)**	(55,345)
Other comprehensive income (expense):			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**22,056**	(43,269)
Other comprehensive income (expense) for the period		**22,056**	(43,269)
Total comprehensive expense for the period		**(34,130)**	(98,614)
Loss for the period attributable to:			
Owners of the Company		**(56,105)**	(55,118)
Non-controlling interests		**(81)**	(227)
		(56,186)	(55,345)
Total comprehensive (expense) income for the period attributable to:			
Owners of the Company		**(34,179)**	(98,718)
Non-controlling interests		**49**	104
		(34,130)	(98,614)
Loss per share	10		
– Basic (HK cents)		**(1.07)**	(1.05)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021

	Notes	**30 June 2021 HK$'000 (unaudited)**	31 December 2020 HK$'000 (audited)
Non-current assets			
Property, plant and equipment		**1,507**	2,797
Right-of-use assets		**6,171**	6,189
Investment properties	11	**3,988,718**	792,245
Intangible assets		**99,172**	4,155
Mining rights	12	**39,203**	81,791
Financial assets at fair value through profit or loss		**616**	609
Deferred tax assets		**–**	5,600
Deposit for acquisition of subsidiaries and other non-current deposits		**1,009**	118,765
Other non-current assets		**6,000**	6,000
		4,142,396	1,018,151
Current assets			
Inventories		**1,534**	1,955
Financial assets at fair value through profit or loss		**8,607**	7,887
Accounts receivable	13	**7,023**	3,701
Other receivables, deposits and prepayments		**276,584**	965,140
Bank balances and cash		**746,119**	496,862
		1,039,867	1,475,545
Current liabilities			
Accrued liabilities and other payables		**578,076**	17,550
Borrowings	14	**1,882,889**	235,626
Lease liabilities		**4,166**	2,383
Tax payables		**136,386**	127,452
		2,601,517	383,011
Net current (liabilities) assets		**(1,561,650)**	1,092,534
Total assets less current liabilities		**2,580,746**	2,110,685

	Note	**30 June 2021** **_HK$'000_** **(unaudited)**	31 December 2020 *HK$'000* (audited)
Non-current liabilities			
Deferred tax liabilities		**505,865**	–
Lease liabilities		**2,262**	3,936
		508,127	3,936
Net assets		**2,072,619**	2,106,749
Capital and reserves			
Share capital	15	**262,501**	262,501
Reserves		**1,807,446**	1,841,625
Equity attributable to owners of the Company		**2,069,947**	2,104,126
Non-controlling interests		**2,672**	2,623
Total equity		**2,072,619**	2,106,749

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

1. BASIS OF PREPARATION

The condensed consolidated financial statements of Tai United Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Going concern assessment

In preparing the condensed consolidated financial statements, the Directors have given consideration to the future liquidity of the Group in light of the Group incurred a net loss of approximately HK$56,186,000 for the six months ended 30 June 2021 and, as of that date, the Group had net current liabilities of approximately HK$1,561,650,000 as at 30 June 2021.

These conditions indicate the existence of material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The condensed consolidated financial statements have been prepared on a going concern basis as the Directors are satisfied that the liquidity of the Group can be maintained in the coming year taking into consideration of the following matter:

In March 2021, the Group had entered into an undertaking arrangement with Dai Yongge ("**Mr. Dai**"), the ultimate controlling party of the seller of the acquisition of subsidiaries as disclosed in note 16, that if the bank loan borrowed by Guangzhou Rongzhi (as defined in note 16(b)) has not been successfully renewed subsequent to the completion of the acquisition and being enforceable for repayment, Mr. Dai will irrevocably fulfil his personal obligations under this undertaking arrangement to repay all amounts of the bank loan due with interest accrued to the bank. In case of such event happened, the Group has agreed to repay Mr. Dai's settlement amount within 13 months from his settlement date or when financing on Guangzhou Rongzhi is available to the Group for repayment, whenever earlier.

Taking into account of the internally available funds, non-current assets held by the Group and the undertaking obtained from Mr. Dai, the Directors are confident that the Group will be able to meet its financial obligations when they fall due in the foreseeable future. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for future liabilities which might arise and to reclassify non-current assets and non-current liabilities to current respectively. The effect of these adjustments has not been reflected in the condensed consolidated financial statements. The preparation of condensed consolidated financial statements in conformity with Hong Kong Financial Reporting Standards ("**HKFRSs**") requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to HKFRSs, and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2020.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the Group's condensed consolidated financial statements:

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

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

2.1 Accounting policy newly applied by the Group

The Group has applied the following policy which becomes relevant to the Group in the current interim period.

Intangible assets acquired separately with finite useful life

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period with the effect of any changes in estimate being accounted for on a prospective basis.

3. REVENUE

Disaggregation of revenue for contracts with customers:

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Types of goods and services		
Sales of medical equipment	**7,952**	6,412
Revenue from property management and related services	**6,338**	–
	14,290	6,412
Geographical markets		
The People's Republic of China (the "**PRC**")	**14,290**	6,412
Timing of revenue recognition		
At a point in time	**7,952**	6,412
Over time	**6,338**	–
	14,290	6,412

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Revenue from contracts with customers	**14,290**	6,412
Leases	**4,080**	47
Total	**18,370**	6,459

4. SEGMENT INFORMATION

Information reported to the Chief Executive Officer of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or rendered.

Specifically, the Group's reportable segments under HKFRS 8 *operating segments* are as follows:

(i) Property investment segment – property investment, leasing of properties and property management;

(ii) Medical equipment trading segment – trading of medical equipment;

(iii) Mining and exploitation of natural resources segment – mining and production of tungsten resources activities in the Republic of Mongolia; and

(iv) Financial services and asset management segment by aggregating different operating segments including trading equity securities and derivatives and managing of assets arising from acquisition of distressed debts assets.

The following is an analysis of the Group's revenue and results by operating and reportable segments:

Six months ended 30 June 2021 (unaudited)

	Property investment *HK$'000*	**Medical equipment trading** *HK$'000*	**Mining and exploitation of natural resources** *HK$'000*	**Financial services and asset management** *HK$'000*	**Total** *HK$'000*
Segment revenue	**10,418**	**7,952**	**–**	**–**	**18,370**
Segment net investment gains	**–**	**–**	**–**	**936**	**936**
Total	**10,418**	**7,952**	**–**	**936**	**19,306**
Segment results	**(26,321)**	**(323)**	**(43,253)**	**(4,664)**	**(74,561)**
Net foreign exchange gains					**1,496**
Impairment losses reversed on					
– disposal receivable of Hangzhou Tai Rong Asset Management Co., Ltd* 杭州太榮資產管理有限公司 ("**Hangzhou Tai Rong**")					**21,831**
– interest receivable from disposal receivable of Hangzhou Tai Rong					**751**
Interest income from disposal receivable of Hangzhou Tai Rong					**12,302**
Bargain purchase gain on acquisition of subsidiaries *(Note 16(a))*					**2,312**
Impairment on goodwill *(Note 16(b))*					**(474)**
Unallocated finance costs					**(54)**
Unallocated interest income					**8,553**
Central administration costs					**(19,041)**
Loss before tax					**(46,885)**

* The English name is for identification purpose only.

Six months ended 30 June 2020 (unaudited)

	Property investment *HK$'000*	Medical equipment trading *HK$'000*	Mining and exploitation of natural resources *HK$'000*	Financial services and asset management *HK$'000*	Total *HK$'000*
Segment revenue	47	6,412	–	–	6,459
Segment net investment losses	–	–	–	(1,174)	(1,174)
Total	47	6,412	–	(1,174)	5,285
Segment results	(6,716)	(960)	(53,989)	(3,878)	(65,543)
Net foreign exchange losses					(13,762)
Impairment losses recognised on					
– disposal receivable of Hangzhou Tai Rong					(11,274)
– interest receivable from disposal receivable of Hangzhou Tai Rong					(2,383)
Interest income from disposal receivable of Hangzhou Tai Rong					34,849
Changes in fair value of structured deposits					947
Unallocated finance costs					(36)
Unallocated interest income					3,802
Central administration costs					(15,164)
Loss before tax					(68,564)

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

	30 June 2021 ***HK$'000*** **(unaudited)**	31 December 2020 *HK$'000* (audited)
Segment assets		
Property investment	**4,134,296**	807,010
Medical equipment trading	**12,174**	13,232
Mining and exploitation of natural resources	**39,541**	82,583
Financial services and asset management	**979,314**	493,346
Total segment assets	**5,165,325**	1,396,171
Consideration receivable from disposal of Hangzhou Tai Rong	**–**	928,969
Interest receivable from consideration receivable	**–**	31,976
Deposit paid for acquisition of subsidiaries	**–**	118,075
Unallocated right-of-use assets	**4,604**	4,237
Unallocated financial assets at fair value through profit or loss	**616**	609
Unallocated property, plant and equipment	**145**	1,791
Unallocated intangible assets	**4,155**	4,155
Other unallocated corporate assets	**7,418**	7,713
Consolidated assets	**5,182,263**	2,493,696

	30 June 2021 HK$'000 (unaudited)	31 December 2020 HK$'000 (audited)
Segment liabilities		
Property investment	**2,997,926**	273,213
Medical equipment trading	**4,572**	5,400
Mining and exploitation of natural resources	**523**	523
Financial services and asset management	**6,251**	1,177
Total segment liabilities	**3,009,272**	280,313
Unallocated lease liabilities	**4,760**	4,280
Unallocated tax payables	**93,050**	92,112
Other unallocated corporate liabilities	**2,562**	10,242
Consolidated liabilities	**3,109,644**	386,947

5. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Net foreign exchange gains (losses)	**1,496**	(13,762)
Bargain purchase gain on acquisition of subsidiaries *(Note 16(a))*	**2,312**	–
Impairment on goodwill *(Note 16(b))*	**(474)**	–
Changes in fair value of structured deposits	**–**	947
	3,334	(12,815)

6. FINANCE COSTS

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest expenses on		
– bank borrowings	**22,857**	4,679
– lease liabilities	**123**	86
	22,980	4,765

7. INCOME TAX EXPENSES (CREDIT)

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
PRC Enterprise Income tax:		
Current tax	**3,701**	–
Deferred tax	**5,600**	(13,219)
	9,301	(13,219)

8. LOSS FOR THE PERIOD

Loss for the period has been arrived after charging:

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Cost of inventories recognised as an expense	**5,401**	4,640
Depreciation of property, plant and equipment	**2,021**	2,595
Depreciation of right-of-use assets	**1,841**	1,476
Amortisation of intangible assets	**455**	–
Expenses relating to short-term leases	**122**	730

9. DIVIDEND

The Directors have determined that no dividend will be paid in respect of the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

10. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss		
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	**(56,105)**	(55,118)

	Six months ended 30 June	
	2021	2020
	'000	*'000*
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculation of basic loss per share	**5,250,020**	5,250,020

No diluted loss per share for both periods were presented as there were no potential ordinary shares in issue for both periods.

11. INVESTMENT PROPERTIES

	HK$'000
FAIR VALUE	
At 1 January 2020 (audited)	806,985
Changes in fair value recognised in profit or loss	(40,353)
Exchange realignment	25,613
At 31 December 2020 (audited)	**792,245**
Acquisition of subsidiaries *(Note 16)*	**3,167,282**
Exchange realignment	**29,191**
At 30 June 2021 (unaudited)	**3,988,718**

The fair values of the Group's investment properties located in United Kingdom at 30 June 2021 have been valued by the Directors based on market comparable approach with reference to market unit rate, taking into account the recent transaction prices for similar properties adjusted for nature, location and conditions of the properties, while the fair value of the Group's investment properties located in the PRC have been valued based on income capitalisation approach with reference to capitalisation rate and monthly market rent taking to account the nature of property, income potential, location and individual factor of the properties.

There has been no change from the valuation technique used in prior years. In estimating the fair values of the investment properties for disclosure purpose, the highest and the best use of the investment properties is their current use.

The Group's investment properties are under Level 3 fair value hierarchy as at 30 June 2021 and 31 December 2020 and there were no transfer out of level 3 during the six months ended 30 June 2021 and 2020.

12. MINING RIGHTS

	HK$'000
COST	
At 1 January 2020, 31 December 2020 (audited) and 30 June 2021 (unaudited)	1,003,034
IMPAIRMENT	
At 1 January 2020	829,018
Impairment losses recognised	92,225
At 31 December 2020 (audited)	**921,243**
Impairment losses recognised (unaudited)	**42,588**
At 30 June 2021 (unaudited)	**963,831**
CARRYING VALUES	
At 30 June 2021 (unaudited)	**39,203**
At 31 December 2020 (audited)	81,791

During the current interim period, as a result of the changes in the current environment, the Group is experiencing increase in mining and delivering cost that indicate that the mining rights may be impaired. Based on the valuation of the four mining rights in Ulaan Uul, Tsunkheg and Khovd Gol performed by Norton Appraisals Holdings Limited (31 December 2020: Norton Appraisals Limited), an independent qualified professional valuer with reference to the available resource estimation technical reports and the latest feasibility study report previously issued, together with the recent market tungsten price, the Group recognised impairment loss of approximately HK$42,588,000 (six months ended 30 June 2020: HK$52,876,000) related to mining rights during the current interim period as the recoverable amount of the mining cash generating unit was lower than its carrying amount. There has been no change from the valuation technique used compared to prior years.

13. ACCOUNTS RECEIVABLE

	30 June 2021	31 December 2020
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Accounts receivable	**8,464**	5,142
Less: Allowance for credit losses	**(1,441)**	(1,441)
	7,023	3,701

The Group allows a credit period of 30 to 120 days (31 December 2020: 30 to 120 days) to its customers in relation to sales of medical equipment depending on the type of products sold. Trade receivable arising from sale of operating rights are due for settlement in accordence with terms of the relevant agreements.

The following is an aged analysis of accounts receivable, net of allowance of credit losses, presented based on the invoice dates which approximated the respective revenue recognition dates:

	30 June 2021 *HK$'000* **(unaudited)**	31 December 2020 *HK$'000* (audited)
Within 30 days	**554**	1,098
31 – 90 days	**1,897**	148
91 – 120 days	**1,296**	535
Over 120 days	**3,276**	1,920
	7,023	3,701

14. BORROWINGS

	30 June 2021 *HK$'000* **(unaudited)**	31 December 2020 *HK$'000* (audited)
Secured variable-rate bank borrowings	**1,880,835**	232,005
Unsecured fixed-rate bank borrowings	**2,054**	3,621
	1,882,889	235,626

The secured bank borrowings were secured by the investment properties located in United Kingdom and equity interest of a subsidiary as at 30 June 2021 (2020: investment properties in United Kingdom).

15. SHARE CAPITAL

	Number of shares	**Share capital** *HK$'000*
Authorised ordinary shares at HK$0.05 per share		
At 1 January 2020, 31 December 2020 and 30 June 2021	34,566,666,668	1,728,333
Issued and fully paid ordinary shares at HK$0.05 per share		
At 1 January 2020, 31 December 2020 (audited) and 30 June 2021 (unaudited)	5,250,019,852	262,501

16. ACQUISITION OF SUBSIDIARIES

(a) Acquisition of Sky Build Limited and its subsidiaries

On 24 December 2020, a wholly-owned subsidiary of the Company entered into a share purchase agreement with an independent third party for the acquisition of 100% equity interest of Sky Build Limited ("**Sky Build**"), a company incorporated in the British Virgin Islands (the "**BVI**") at a cash consideration of RMB 554,000,000 (equivalent to approximately HK$660,847,000). Sky Build indirectly holds the entire equity interest in Jinzhou Jiachi Public Facilities Management Co., Ltd* 錦州嘉馳公共設施管理有限公司 ("**Jinzhou Jiachi**"), which holds the operating rights of Jinzhou First Tunnel Shopping Mall* 錦州地一大道購物中心 located in Jinzhou, the PRC. After the transaction was completed on 23 April 2021, it becomes a subsidiary of the Group.

Assets acquired and liabilities recognised at the date of completion were as follows:

	HK$'000
Property, plant and equipment	113
Investment properties	821,988
Other receivables, deposits and prepayment	10,495
Bank balances and cash	801
Accrued liabilities and other payables	(41,489)
Amount due to fellow subsidiaries	(74,149)
Deferred tax liabilities	(54,600)
Total identifiable net assets at fair value	663,159

The fair value of other receivables, deposits and prepayment at the date of completion amounted to approximately HK$10,495,000. The gross contractual amounts of those other receivable, deposits and prepayment acquired amounted to approximately HK$10,495,000 at the date of completion. The best estimate of the contractual cash flows not expected to be collected at the date of completion date amounted to nil.

* *The English name is for identification only*

Bargain purchase gain arising from the acquisition

	HK$'000
Cash consideration	660,847
Less: total identifiable net assets at fair value	(663,159)
Bargain purchase gain on acquisition	(2,312)

Net cash outflow on acquisition

	HK$'000
Cash consideration	660,847
Less: bank balances and cash acquired	(801)
Less: deposit paid in prior year	(118,075)
Net cash outflow on acquisition	541,971

Had the acquisition been completed on 1 January 2021, total group revenue for the period would have been approximately HK$26,933,000, and loss after tax for the period would have been approximately HK$59,216,000. The pro forma information is illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2021, nor is it intended to be a projection of future results.

(b) Acquisition of Superb Power Enterprises Limited and its subsidiaries

On 24 December 2020, a wholly-owned subsidiary of the Company entered into a share purchase agreement with an independent third party for the acquisition of 100% equity interest of Superb Power Enterprises Limited ("**Superb Power**"), a company incorporated in BVI. Superb Power indirectly holds the entire equity interest in Guangzhou Rongzhi Public Facilities Investment Co., Ltd.* 廣州融智公共設施投資有限公司 ("**Guangzhou Rongzhi**"), which holds the operating rights of Guangzhou First Tunnel Shopping Mall, Phases 1 and 2* 廣州地一大道購物中心，一期及二期 located in Guangzhou, the PRC.

The Guangzhou Rongzhi has advance owned to former shareholder before completion of acquisition. Included in the advance amounting to RMB1,437,000,000 (equivalent to approximately HK$1,717,400,000) was novated to the Company upon completion of the acquisition as consideration for the acquisition. After the completion of the acquisition on 23 April 2021, it becomes a subsidiary of the Group.

* *The English name is for identification only*

Assets acquired and liabilities recognised at the date of completion were as follows:

	HK$'000
Property, plant and equipment	568
Investment properties	2,345,294
Intangible asset	95,472
Inventories	72
Other receivables, deposits and prepayment	24,099
Amount due from fellow subsidiary	1,845,312
Bank balances and cash	3,323
Accrued liabilities and other payables	(510,955)
Borrowings	(1,636,807)
Deferred tax liabilities	(449,452)
Total identifiable net assets at fair value	1,716,926

The fair value of other receivables, deposits and prepayment at the date of completion amounted to approximately HK$24,099,000. The gross contractual amounts of those other receivable, deposits and prepayment acquired amounted to approximately HK$24,099,000 at the date of completion. The best estimate of the contractual cash flows not expected to be collected at the date of completion date amounted to nil.

Goodwill arising from the acquisition

	HK$'000
Consideration	1,717,400
Less: total identifiable net assets at fair value	(1,716,926)
Goodwill on acquisition	474

Net cash inflow on acquisition

	HK$'000
Cash consideration	–
Less: bank balance and cash acquired	(3,323)
Net cash inflow on acquisition	(3,323)

Had the acquisition been completed on 1 January 2021, total group revenue for the period would have been approximately HK$21,984,000, and loss after tax for the period would have been approximately HK$113,404,000. The pro forma information is illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2021, nor is it intended to be a projection of future results.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

The revenue of the Group for the Reporting Period was approximately HK$18.4 million, representing a significant increase of 183.1% as compared to approximately HK$6.5 million for the six month ended 30 June 2020 ("**1H2020 Period**"), such increase was mainly contributed by the rental income and property management and related services income generated from the newly acquired shopping mall businesses in the People's Republic of China ("**China**" or "**PRC**"), and the increase in revenue in the medical equipment trading segment. In addition, net investment income on securities investment had also turned loss into profit with an improved net investment income of approximately HK$0.9 million during the Reporting Period, a turnaround from a net investment loss of approximately HK$1.2 million in the first half of last year, reflecting the value appreciation of the Group's investment portfolio of Hong Kong listed securities under the containment of COVID-19 pandemic and the recovery of the global economy.

In the context of the increase in revenue and the continuous cost saving plan of the Company, the Group recorded a loss before tax of approximately HK$ 46.9 million during the Reporting Period, down by 31.6% as compared with the loss of HK$68.6 million in 1H2020 Period, with the combined effect of:

(i) a decrease in other income from approximately HK$39.2 million in the 1H2020 Period to approximately HK$22.3 million during the Reporting Period, which was mainly due to the decrease in interest income from disposal receivable of a subsidiary, which held an investment property in Hangzhou, the PRC ("**Hangzhou Receivable**") because the Hangzhou Receivable has been collected in full during the Reporting Period;

(ii) a reversal in impairment losses under the expected credit loss model of approximately HK$25.0 million was recorded this Reporting Period due to the improvement in the receipt of other receivables, whereas the recognised impairment loss of 1H2020 Period was approximately HK$13.7 million;

(iii) a change in other gains and losses from losses of approximately HK$12.8 million in 1H2020 Period to gains of approximately HK$3.3 million during the Reporting Period, which was mainly attributable to the recognition of gains on bargain purchase in the business combinations (1H2020 Period: nil) and the net foreign exchange gains arising from the appreciation of Renminbi ("**RMB**");

(iv) a decrease in impairment losses on mining rights to approximately HK$42.6 million (1H2020 Period: approximately HK$52.9 million);

(v) an increase in employment benefits expenses and other operating expenses to approximately HK$17.7 million and HK$28.1 million, respectively (1H2020 Period: approximately HK$12.1 million and HK$12.2 million, respectively) as a result of the completion of acquisition of the Shopping Mall Businesses in the PRC (as defined below) during the Reporting Period; and

(vi) an increase in finance costs from approximately HK$4.8 million for the 1H2020 Period to approximately HK$23.0 million during the Reporting Period, which was due to the addition bank loan of approximately RMB1,370.0 million in connection to the acquisition of Guangdong Shopping Mall (as defined below).

Income tax expenses for the Reporting Period was approximately HK$9.3 million, which was comprised of the income tax of interest income from Hangzhou Receivable, and the reversal of deferred tax arising from the reversal of impairment losses under expected credit loss model, as compared to income tax credit of approximately HK$13.2 million for 1H2020 Period.

Taking into account of the income tax expenses mentioned above and netting of non-controlling interests, the Group recorded the loss attributable to owners of the Company increased from approximately HK$55.1 million for the 1H2020 Period to approximately HK$56.1 million for the Reporting Period.

BUSINESS REVIEW

The Group is principally engaged in the businesses of property investment, medical equipment trading, mining and exploitation of natural resources, and financial services and asset management.

(1) Property Investment

Shopping Mall Businesses in the PRC

On 24 December 2020, a wholly-owned subsidiary of the Company entered into two conditional share purchase agreements with Stone Wealth Limited ("**Vendor**") for the acquisitions of (i) the entire issued share capital of Sky Build Limited ("**Sky Build**"), which indirectly holds the 100% equity interests in Jinzhou Jiachi Public Facilities Management Co., Ltd. (together with Sky Build and its wholly-owned subsidiaries, "**Jinzhou Target Group**")) at a cash consideration of RMB554 million. Jinzhou Jiachi Public Facilities Management Co., Ltd* (錦州嘉馳公共設施管理有限公司), which holds a single-storey underground mall ("**Jinzhou Shopping Mall**") located in Jingzhou, Liaoning Province, the PRC, is engaged in the shopping mall business ("**Jinzhou Shopping Mall Business**"); and (ii) the entire issued share capital of Superb Power Enterprises Limited ("**Superb Power**"), which indirectly holds the 100% equity interests in Guangzhou Rongzhi Public Facilities Investment Co., Ltd.* (廣州融智公共設施投資有限公司) ("**Guangzhou Rongzhi**", together with Superb Power and its wholly-owned subsidiaries, "**Guangzhou Target Group**")), and the settlement was by way of the novation to the Company of the repayment obligations of the current account balances of Guangzhou Rongzhi due from a group of related companies/parties (which are controlled by the ultimate beneficial owner of the Vendor) in the amount of RMB1,437 million as at 30 September 2020. Guangzhou Rongzhi, which holds a two-storey underground mall ("**Guangzhou Shopping Mall**") located in Guangzhou, Guangdong Province, the PRC, is engaged in the shopping mall business ("**Guangzhou Shopping Mall Business**", and together with Jinzhou Shopping Mall Business, the "**Shopping Mall Businesses in the PRC**").

Subsequently, the completion of the two aforementioned acquisitions (collectively, "**Acquisitions**") took place on 23 April 2021 ("**Completion Date of Acquisitions** "). Upon the completion of the Acquisitions, Jinzhou Target Group and Guangzhou Target Group became the wholly-owned subsidiaries of the Company and their financial performances were consolidated into the accounts of the Group, and Jinzhou Shopping Mall and Guangzhou Shopping Mall were accounted for as investment properties held by the Group, details of which were set out in the announcements of the Company dated 24 December 2020, 8 February 2021 and 23 April 2021 and the circular of the Company dated 26 March 2021, respectively.

* *The English names are for identification purpose only*

The Group experienced diminishing revenue and deteriorated operations across various business segments as a result of reduced demand for products and services in various business segments and regions due to lockdown restrictions caused by COVID-19 outbreak. Against the pandemic and its impact on the economies, the Directors consider that a diversified business strategy is the key in remedying the low level of operations of the Group and turning around its financial performance. In addition, the Directors consider that the Acquisitions will provide stable operating profit and cash flow and is an imminent remedy for the enhancement of the operation level of the Group, and the Group is expected to benefit from the advantages of integrating the Jinzhou Shopping Mall and Guangzhou Shopping Mall.

The Shopping Mall Businesses in the PRC primarily involve the leasing and management of operations of Jinzhou Shopping Mall and Guangzhou Shopping Mall. As of 30 June 2021, details of the two shopping malls are set out as follows:

Shopping Mall	**Gross Floor Area** *(approximately sq.m.)*	**Leasable Floor Area** *(approximately sq.m.)*	**Leased Floor Area** *(approximately sq.m.)*
Jinzhou Shopping Mall			
Jinzhou First Tunnel Shopping Mall in the PRC (中國錦州地一大道購物中心)	40,765	38,809	20,934
Guangzhou Shopping Mall			
Guangzhou First Tunnel Shopping Mall in the PRC, Phases 1 and 2 (中國廣州地一大道購物中心，一期及二期)	89,415	37,561	25,790

For the period from the Completion Date of Acquisitions to 30 June 2021, the revenue generated from the Shopping Mall Businesses in the PRC was the rental income and property management and related services income from shops and venue spaces tenants of approximately HK$10.4 million. Revenue generated from this business reduced as a result of the offering of rental and property management fee relief and concessions to tenants of these two shopping malls in 2020 and 2021 due to the impact of the COVID-19 pandemic on the retail and consumer sector. As at 30 June 2021, the fair values of investment properties of Jinzhou Shopping Mall and Guangzhou Shopping Mall amounted to approximately HK$826.0 million and approximately HK$2,356.8 million, respectively.

Real estate in the UK

The Group holds luxury real estate in premium location in central London within close proximity to the Buckingham Palace ("**UK Investment Properties**"). As at 30 June 2021, the UK Investment Properties of the Group carried at fair value were approximately HK$805.9 million.

The revenue generated from the UK Investment Properties for the Reporting Period was approximately HK$53,000, representing an increase of 12.8% as compared to approximately HK$47,000 over 1H2020 Period. Such increase in rental income was mainly attributable to the gradual lifting of the lockdown in central London during the COVID-19 outbreak. However, the decline in tourism sector and short-term tenants caused by several prolonged lockdown restrictions could not be fully recovered in the short term, thus the revenue was still at a very low level.

As such, the overall segment results were therefore a loss of approximately HK$26.3 million, represented an increase of approximately 292.5% as compared to the loss of approximately HK$6.7 million in 1H2020 Period, which was mainly due to the finance cost of the additional bank borrowing arising from the acquisition of the Guangzhou Shopping Mall.

(2) Medical Equipment Trading

The Group carries out medical equipment trading business in China for which the majority customers are hospitals. As the selling products are mostly general medical equipment consumable goods and optical medical devices and the related parts ("**Medical Products**"), the Group operates in a highly competitive market.

Sales of many of the non-pandemic related optical medical devices were suspended during the lockdown period amid COVID-19 pandemic in the first half of 2020. The lockdown measures were gradually lifted from the end of 2020 to the early of 2021 when the COVID-19 pandemic was contained. As backlog orders have been delivered after markets reopening and the demand for Medical Products steadily increased along with ageing population, the revenue for the Reporting Period increased to approximately HK$8.0 million, represented an increase of 25.0% as compared with approximately HK$6.4 million of 1H2020 Period.

Due to the increase in revenue, the segment loss for the Reporting Period decreased by 66.3% to approximately HK$0.3 million, as compared to a loss of approximately HK$1.0 million for 1H2020 Period.

(3) Mining and Exploitation of Natural Resources

Currently, the Group holds four mining right licences ("**Mining Rights**") of three tungsten projects in Mongolia. The segment of mining and exploitation of natural resources business recorded no revenue during the Reporting Period as numerous investors who we approached have suspended their negotiations with us due to the COVID-19 pandemic and the subsequent lockdown measures. Some potential mining partners/investors lost their investment interests due to lower market demand caused by some factories closure due to the occurrence of virus mutations and repeated resurgence of COVID-19 pandemic in the region, or production lines suspension.

The valuation of the Mining Rights for the Reporting Period was mainly affected by the market price of tungsten and the operating costs of mining. Although the price of tungsten rose in the first half of 2021 in anticipation of the global economic recovery, however, many uncertain factors, including the development of pandemic around the world, the discovery of mutated viruses, and the effects of economic stimulus policies in various countries, may pose pressure on the price of tungsten. Various anti-COVID-19 measures have caused difficulties in logistics and significant increase in mining and delivery costs, coupled with the uncertainty of natural content and the prolonged period from mining to sales, which have negatively affected the valuation of the Mining Rights. The forecasted revenue/cost margin of the tungsten mining projects has therefore decreased, lowering the commercial viability for the Group to perform mining operations and productions on its own. With reference to the valuation of the Mining Rights under the existing forecast model and the information available to the Group up to the date of this interim results announcement, the Directors were of the view that the impairment losses of the Mining Rights amounting to approximately HK$42.6 million for the Reporting Period need to be recognised for the cash-generating unit that holds the Mining Rights in the condensed consolidated statement of profit or loss and other comprehensive income as the recoverable amount of the cash-generating unit was lower than its carrying amount. For 1H2020 Period, the impairment losses of the Mining Rights were approximately HK$52.9 million.

Despite the aforementioned uncertainties, the Directors remained prudent and positive on the gradual recovery of global economies as well as the long-term demand for Tungsten. Meanwhile, the Group is still continuously identifying potential investors to negotiate the sales of the Mining Rights.

(4) Financial Services and Asset Management

No segment revenue was recorded as the prospect and market condition were yet to be certain, especially in light of the economic recovery affected by repeated resurgence of COVID-19 pandemic and the elevated China-US tension. The Group has adopted a prudent approach in financial investments during the Reporting Period. The status of each of businesses in this segment is further discussed as below.

Financial services

The Group has obtained a money lenders licence under the Money Lenders Ordinance, Chapters 163 of the Laws of Hong Kong through a wholly-owned subsidiary in August 2020, and the relevant operation procedures and other preparation works have been completed. Given that the acquisitions of the Shopping Mall Businesses in the PRC were completed in April this year and are expected to retain funds to develop other new property-related businesses, the commencement of money lending business will be postponed until the new business has showed signs of stabilisation and the resources of the Group continue to grow and accumulate. The Directors will closely monitor the development of our various business segments and strategically allocate corporate resources with an aim to maximise the Company’s shareholders returns.

Distressed debt assets management

The Group recorded no net investment gain or loss in its distressed debt assets management business for the six months ended 30 June 2020 and 2021 due to no transaction of acquisition or disposal of distressed debt assets has been conducted under increasing risk of economic downturn amid COVID-19 pandemic. The price of distressed debt assets including non-performing loans fell to a relatively low level in 2020, and is expected to remain low in the foreseeable future, due to abundant supply in the market. According to the data released by the China Banking and Insurance Regulatory Commission at a press conference of the State Council Information Office in July this year, the disposal of distressed assets in the banking industry reached RMB3.02 trillion in 2020, and the disposal of distressed assets amounted to RMB4,827 billion in the first quarter of this year, which had exceeded the level over the corresponding period of last year, and is expected to be higher than the level over the corresponding period of last year in the first half year. After careful assessment of various risks in the distressed debt assets market, the Directors were of the view that acquisitions of these distressed debt assets may not be considered as appropriate for the time being, due to the increased associated risks yet lowered returns for uncertain recovering period. As a result, the business incurred a loss of approximately HK$5.6 million for the Reporting Period, mainly representing the overhead costs of the business operation, whereas the loss of 1H2020 Period was approximately HK$1.2 million. The Directors will continue to assess whether the Group should continue to engage in distressed assets investment and if so, the timing for such investment.

Securities investment

Benefiting from the strategic geographical location of Hong Kong and the development of the PRC investment market, the Group carried out securities investment business in the secondary market with its internal funds. With listed shares of large-scale and quality companies as primary investment targets, the Group aims to pursue capital appreciation and stable dividend income.

As at 30 June 2021, the carrying value of the investment portfolio (accounted for as financial assets at fair value through profit or loss in the condensed consolidated statement of financial position) was approximately HK$8.6 million, up by approximately 8.9% than of approximately HK$7.9 million as at 31 December 2020. The holding of such listed securities investments has remained unchanged and they were all listed equity securities in Hong Kong, none of which was with a carrying value of 5% or more of the total assets of the Group. The Directors believe that the holding of such investment portfolio is in line with the Directors' prudent investment strategy in view of the prevailing investment environment in the region.

The stock market had strong performance in anticipation of the pandemic under control and the implementation of easing monetary policies by central banks around the world. As a result, the value of the Hong Kong-listed securities investment portfolio of the Group increased. A net investment income on the fair value amounting to approximately HK$0.9 million was recorded for the Reporting Period, as compared to a net investment loss of approximately HK$1.2 million in 1H2020 Period. The Directors currently do not anticipate any disposal or addition of the Group's investment portfolio in the foreseeable future as the securities' market is still yet to be certain. Timely assessment will be made by the Directors to review their investment decisions.

FINANCIAL REVIEW

Capital structure

As at 30 June 2021, the consolidated net asset of the Group was approximately HK$2,072.6 million, representing a decrease of approximately HK$34.1 million as compared to that of approximately HK$2,106.7 million as at 31 December 2020. There is no shares movement since the end of the last year. As at 30 June 2021, the Company has 5,250,019,852 shares of HK$0.05 each in issue and the total equity attributable to owners of the Company was approximately HK$2,069.9 million (as at 31 December 2020: approximately HK$2,104.1 million).

Liquidity and financial resources

As at 30 June 2021, the Group's bank balances and cash were approximately HK$746.1 million (as at 31 December 2020: approximately HK$496.9 million), current assets of approximately HK$1,039.9 million (as at 31 December 2020: approximately HK$1,475.5 million), current liabilities of approximately HK$2,601.5 million (as at 31 December 2020: approximately HK$383.0 million). The current ratio was 0.4 times *(Note 1)* (as at 31 December 2020: 3.85 times). As at the end of the Reporting Period, the net current liabilities of the Group were approximately HK$1,561.7 million (as at 31 December 2020: the net current assets of approximately HK$1,092.5 million).

As at 30 June 2021, the total debt financing of the Group was approximately HK$1,882.9 million (as at 31 December 2020: approximately HK$235.6 million), and there was no non-current debt financing for the Reporting Period (as at 31 December 2020: nil).

The net debt *(Note 2)* of the Group was approximately HK$1,136.8 million (as at 31 December 2020: negative net debt of approximately HK$261.2 million) and the total equity was approximately HK$2,072.6 million (as at 31 December 2020: approximately HK$2,106.7 million). Therefore, the gearing ratio *(Note 3)* as at the end of the Reporting Period was 0.91 (as at 31 December 2020: 0.11).

Note 1: Current ratio = Current assets/Current liabilities

Note 2: Net debt = Borrowings – Bank balances and cash

Note 3: Gearing ratio = Total interest-bearing borrowings/Total equity

The objective of the Group's funding and treasury management activities is to ensure a sufficient liquidity to meet operational needs and various investment plans.

Capital commitments

As at 30 June 2021, the Group has no material capital commitments and was not engaged in any future plans concerning major investment or acquisition of capital assets (as at 31 December 2020: nil).

Charges on group assets

As at 30 June 2021, the Group's bank borrowings of approximately HK$1,880.8 million were secured by certain assets of the Group, including investment properties and the equity interest of a wholly-owned subsidiary (as at 31 December 2020: approximately HK$232.0 million).

Contingent liabilities

As at 30 June 2021, the Group had no material contingent liabilities (as at 31 December 2020: nil).

Foreign exchange exposure

The Group's financial statements are denominated in Hong Kong dollars ("**HKD**"), while the Group is conducting business mainly in HKD, United States Dollar ("**USD**"), Great British Pound ("**GBP**") and RMB. Since exchange rates of HKD is pegged to USD, there is no material exchange risk in respect of USD assets and transactions. However, the assets, liabilities and transactions of the UK and the PRC subsidiaries of the Group are mainly denominated in GBP and RMB respectively, there were exchange risks during financial settlement at the end of Reporting Period in this regard.

The Group has implemented policies and guidelines in relation to foreign exchange risk management. Meanwhile, the subsidiaries in the PRC are able to generate sufficient income to deal with their local currency expenses; therefore, the management of the Company considered that the Group's exposure to the potential foreign currency risk was relatively limited.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2021, the Group had 193 (as at 31 December 2020: 36) employees, of whom approximately 15.0% (as at 31 December 2020: 66.7%) were located in Hong Kong and the rest were located in the PRC and overseas.

The Group recognises the employees as the key element that contributes to the Group's success. The Group's remuneration policies are formulated based on the individual performance and the salaries trends in various regions, which will be reviewed annually.

Apart from mandatory provident fund and medical insurance, the Company has adopted a share option scheme under which share options may also award to the Directors and eligible employees as an incentive with reference to the assessment of individual performance. The Board believes that the Group maintains an admirable relationship with the employees.

DIVIDENDS

The Board does not recommend the payment of an interim dividend for the Reporting Period (1H2020 Period: nil).

PROSPECTS

Looking into the future, research institutions and market participants generally expect that global economic recovery will be on a bumpy recovery road. According to the World Economic Outlook issued by the International Monetary Fund in April 2021, global economic growth is projected at 6% in July 2021, and the economic recovery for various regions is generally stronger than expected. While in anticipation of a strong economic rebound, global prospects remain highly uncertain, including (among others) whether the vaccine is effective against new virus strains, whether the pandemic will prolong due to new virus mutations; whether policy actions to reduce economic losses (long-term trauma effects) are effective; changes in financing environment and commodity prices; and economic adjustment capabilities. Therefore, the Directors consider that the it is necessary for the Company to adjust its overall development strategy to capture the opportunities of economic recovery while managing potential risks in an appropriate manner.

In response to such global recovery situation, where both crises and opportunities coexist, the Directors are considering to adopt diversified growth strategy with the property investment of shopping malls in the PRC and their related businesses as the strategic development mainstay of the Group, so as to compensate the decrease in the level of business activities brought by the prudent investment approach adopted in the existing business segments in the last two years.

Upon the completion of the Acquisitions of the Shopping Mall Businesses in the PRC, the Group intends to promote vertical business expansion into other property-related business segments (such as supply of construction and decoration materials), and integrate the upstream industry chain to supplement the business operations of shopping malls (including property management, upgrading, renovation and maintenance of stores and public areas), so as to form an internal supply-demand relationship and reduce operating costs, such as ensuring a stable supply of goods and reasonable prices. In the second half of 2021, the Group will establish a wholly-owned subsidiary to engage in the flooring trading business ("**Flooring Trading Business**"). The designated operation team is in the process of preparing relevant business processes and plans to launch related Flooring Trading Business in the second half of year. At the initial operating stage, it will focus on foreign exports, and use the US market as a pilot project to accommodate the trillion-dollar infrastructure scheme of the US government. Going forward, the Floor Trading Business segment will take the expansion of domestic sales as the medium and long-term development goal. It is expected to supply ready-made floors, ceilings or other construction and decoration materials for Jinzhou Shopping Mall and Guangzhou Shopping Mall to create potential synergies and capitalize on the advantages of the shopping mall customer network.

China is one of the main driving forces of the world's economic recovery. According to the World Bank's latest *Global Economic Outlook* forecast, the economic growth of Mainland China's economy is 8.1 percent this year, which is much higher than the global average. The National Bureau of Statistics also predicts that China's economy is expected to maintain a sustained and stable recovery in the second half year. The contribution rate of domestic demand to economic growth in the first half year reached 80.9%; and the development paradigm featuring dual circulation under the "14th Five-Year Plan Outline" will further facilitate the growth of trade and consumption in Mainland China, and provide more business opportunities for shopping malls with leisure consumption as the mainstay. On the other hand, in conjunction with our several matured and deep-rooted businesses such as residential property investment, medical equipment trading, and financial securities, diversification strategy was adopted to effectively mitigate, or avoid, market, liquidity, credit and other investments risks, and moderately mitigate the risks which the Group faced as a whole in the highly uncertain international environment. In addition, the Flooring Trading Business will develop to effectively leverage existing investment expertise, financial resources and customer networks, while lower development costs and potential synergies can be achieved through reallocating corporate resources from other segments with lower business activity level. The Directors will also identify suitable acquisition targets to expand our business footprint and bring stable cash flow to the Group, with a view to benefit from capital appreciation. If relevant acquisition targets are identified, the Board will make further announcements in due course as and when necessary.

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

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to maintaining statutory and regulatory standards and adhering to the principles of corporate governance with emphasis on transparency, independence, accountability and responsibility. For the Reporting Period, the Company has complied with all code provisions of the Corporate Governance Code ("**CG Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**"), except for certain deviations disclosed herein.

Under code provision A.1.3 of the CG Code, notice of at least fourteen days should be given of a regular board meeting to give all directors an opportunity to attend. For the Reporting Period, certain Board meetings were convened with less than fourteen days' notice to enable the Board members to react timely and make expeditious decisions in respect of urgent corporate transaction and general business update which was significant in nature. As a result, such Board meetings were held with a shorter notice period than required with the consent of the Directors. The Board will do its best endeavour to meet the requirement of code provision A.1.3 of the CG Code in the future.

Code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term subject to re-election. Independent non-executive Directors and non-executive Director are not appointed for a specific term. However, all Directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company.

According to code provision A.6.7 of the CG Code, all independent non-executive directors and non-executive directors should attend general meetings of listed issuers. Dr. Gao Bin and Ms. Liu Yan, the independent non-executive Directors, were unable to attend the special general meeting and 2021 annual general meeting held on 21 April 2021 and 29 June 2021 respectively, due to their other business engagements. Mr. Xiao Yiqun, the non-executive Director, was unable to attend the 2021 annual general meeting held on 29 June 2021, due to his other business engagement.

REVIEW OF THE INTERIM RESULTS

The unaudited condensed consolidated financial statements of the Group for the Reporting Period has been reviewed by the audit committee of the Company ("**Audit Committee**") and the members of Audit Committee are of opinion that such statements comply the applicable accounting standards and that adequate disclosures have been made.

PUBLICATION OF INTERIM RESULTS AND DESPATCH OF INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.irasia.com/listco/hk/taiunited/index.htm. The interim report of the Company for the Reporting Period will be despatched to the shareholders of the Company and published on the aforesaid websites in due course.

By Order of the Board
Tai United Holdings Limited
Wang Hongfang
Chairman

Hong Kong, 27 August 2021

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:
Mr. Wang Hongfang *(Chairman)*
Mr. Kwong Kai Sing Benny *(Chief Executive Officer)*
Mr. Chen Weisong
Mr. Chow Chi Wah Vincent
Mr. Zheng Yuchun

Non-executive Director:
Mr. Xiao Yiqun

Independent non-executive Directors:
Dr. Gao Bin
Ms. Liu Yan
Mr. Tang King Shing