

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



長城環亞控股有限公司*

GREAT WALL PAN ASIA HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 583)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021

INTERIM RESULTS

The board of directors (the “**Board**” or “**Directors**”) of Great Wall Pan Asia Holdings Limited (the “**Company**”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2021, together with the comparative unaudited figures for the corresponding period in 2020, as follows:

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2021

(with comparatives as at 31 December 2020)

		(Unaudited) 30 June 2021 HK\$'000	(Audited) 31 December 2020 HK\$'000
	<i>Notes</i>		
ASSETS			
Non-current assets			
Investment properties	4	3,219,500	3,183,500
Investment in associates	5	4,304,907	3,869,478
Property, plant and equipment	3	528,031	531,765
Right-of-use assets	6	14,376	16,913
Deferred tax assets		104	104
		<u>8,066,918</u>	<u>7,601,760</u>

* For identification purpose only

CONDENSED CONSOLIDATED BALANCE SHEET (continued)

AS AT 30 JUNE 2021

(with comparatives as at 31 December 2020)

	<i>Notes</i>	(Unaudited) 30 June 2021 <i>HK\$'000</i>	(Audited) 31 December 2020 <i>HK\$'000</i>
Current assets			
Amount due from an intermediate holding company	7	8,387	–
Amounts due from associates	5	209	161
Prepayments, deposits and other receivables	9	12,013	11,439
Current tax recoverable		1,577	2,340
Accounts receivable	8	4,868	4,360
Restricted cash		–	6,226
Cash and bank balances		229,445	212,537
		<u>256,499</u>	<u>237,063</u>
Total assets		<u>8,323,417</u>	<u>7,838,823</u>
LIABILITIES			
Non-current liabilities			
Loan from an intermediate holding company	10	3,848,434	3,848,434
Lease liabilities	13	10,391	12,994
Deferred income tax liabilities	16	7,091	6,975
Other payables and accrued liabilities	12	451,230	386,149
		<u>4,317,146</u>	<u>4,254,552</u>
Current liabilities			
Amount due to an intermediate holding company		28	–
Bank borrowing	11	–	901,032
Loan from an intermediate holding company	10	901,657	–
Lease liabilities	13	5,103	4,958
Current income tax liabilities		103	540
Other payables and accrued liabilities	12	46,187	37,047
		<u>953,078</u>	<u>943,577</u>
Total liabilities		<u>5,270,224</u>	<u>5,198,129</u>
EQUITY			
Capital and reserves			
Share capital	14	156,775	156,775
Reserves		2,896,418	2,483,919
Total equity		<u>3,053,193</u>	<u>2,640,694</u>
Total equity and liabilities		<u>8,323,417</u>	<u>7,838,823</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2021
(with comparatives for the six months ended 30 June 2020)

		(Unaudited)	
		For the six months	
		ended 30 June	
		2021	2020
	<i>Notes</i>	HK\$'000	HK\$'000
Revenue	2	52,392	67,932
Other income		49	58
Depreciation	3 and 6	(6,089)	(6,289)
Other operating expenses		(30,202)	(28,685)
Fair value gain/(loss) on investment properties	4	<u>35,246</u>	<u>(84,570)</u>
Operating profit/(loss)		51,396	(51,554)
Net finance cost	15	(73,431)	(82,690)
Share of profits/(losses) of associates	5	<u>435,429</u>	<u>(82,448)</u>
Profit/(loss) before income tax		413,394	(216,692)
Income tax expense	16	<u>(1,101)</u>	<u>(3,059)</u>
Profit/(loss) for the period		<u>412,293</u>	<u>(219,751)</u>
Other comprehensive income/(loss)			
Item that may be/has been reclassified subsequently to profit or loss:			
Currency translation difference on consolidation		<u>206</u>	<u>(351)</u>
Other comprehensive income/(loss) for the period, net of tax		<u>206</u>	<u>(351)</u>
Total comprehensive income/(loss) for the period		<u>412,499</u>	<u>(220,102)</u>
Profit/(loss) attributable to:			
Shareholders of the Company		<u>412,293</u>	<u>(219,751)</u>
Total comprehensive income/(loss) attributable to:			
Shareholders of the Company		<u>412,499</u>	<u>(220,102)</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2021

(with comparatives for the six months ended 30 June 2020)

	<i>Notes</i>	(Unaudited) For the six months ended 30 June 2021	2020
Earnings/(loss) per share			
Basic	<i>17</i>	<u>HK26.30 cents</u>	<u>(HK14.02 cents)</u>
Diluted		<u>HK26.30 cents</u>	<u>(HK14.02 cents)</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial information (“**interim financial information**”) of the Group for the six months ended 30 June 2021 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (“**Listing Rules**”).

The interim financial information should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2020, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

Except as described below, the accounting policies and methods of computation used in the preparation of this interim financial information are consistent with those used in the consolidated financial statements of the Group for the year ended 31 December 2020.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Management are required to exercise significant estimates and judgments, which are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, in the selection and application of accounting principles. Please refer to Note 4 for details of the fair value of investment properties.

In preparing this interim financial information, the significant judgements made by management in applying the Group’s accounting policies and the critical accounting estimates and judgements were the same as those that applied to the consolidated financial statements for the year ended 31 December 2020 except for the adoption of amendment to HKFRSs effective for the financial year ending 31 December 2021.

New and amended standards adopted by the Group

There are a number of amendments to accounting standards that become applicable for annual reporting periods commencing on or after 1 January 2021 and current reporting period:

- (a) Interest Rate Benchmark Reform – Phase 2 – amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16

The adoption of these amendments did not have any material financial impact on the Group.

2. REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Chief Executive Officer of the Group, who reviews the Group's internal reporting in order to assess performance and allocate resources. The Company's management has determined the operating segments based on these reports.

The Group has two reportable segments, property investment and financial services segments for the periods ended 30 June 2021 and 2020.

Property investment segment holds various retail, commercial and industrial properties in Hong Kong. It derives revenue through leasing out its properties.

Financial services segment mainly holds licences to carry out Type 1 (dealing in securities) (restricted by certain conditions), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

The chief operating decision-maker assesses the performance of the operating segments based on profit or loss after tax. The Group considers that the measurement principles for profit or loss after tax are most consistent with those used in measuring the corresponding amounts in the Group's financial statements. Hence, profit or loss after tax is used for reporting segment profit or loss.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies in the consolidated financial statements for the year ended 31 December 2020 and Note 1 above.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different marketing strategies. Transactions (if any) between reportable segments are accounted for on arm's length basis.

Revenue for the six months ended 30 June 2021 and the six months ended 30 June 2020 consists of revenue from property investment and financial services segments. The revenue for the six months ended 30 June 2021 and 30 June 2020 were HK\$52,392,000 and HK\$67,932,000 respectively.

The segment information for the six months ended 30 June 2021 and 2020 is as follows:

2. REVENUE AND SEGMENT INFORMATION (continued)

(a) Reportable segment profit or loss

For the six months ended 30 June 2021

	Property investment <i>HK\$'000</i>	(Unaudited) Financial services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	52,392	–	52,392
Reportable segment net profit/(loss)	<u>49,024</u>	<u>(3,005)</u>	<u>46,019</u>

For the six months ended 30 June 2020

	Property investment <i>HK\$'000</i>	(Unaudited) Financial services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	51,132	16,800	67,932
Reportable segment net (loss)/profit	<u>(71,661)</u>	<u>2,661</u>	<u>(69,000)</u>

(b) Reconciliation of reportable segment profit or loss

	(Unaudited) For the six months ended 30 June	
	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Net profit/(loss) for reportable segments	46,019	(69,000)
Reconciling items:		
Share of profits/(losses) of associates under equity method of accounting	435,429	(82,448)
Finance cost for the acquisition of an associate (<i>Note</i>)	(65,081)	(65,440)
Other corporate and treasury activities	<u>(4,074)</u>	<u>(2,863)</u>
Profit/(loss) for the period	<u>412,293</u>	<u>(219,751)</u>

Note: The finance cost for the six months ended 30 June 2021 of HK\$65,081,000 (for the six months ended 30 June 2020: HK\$65,440,000) is not allocated to the above reportable segments as this finance cost was incurred for the acquisition of an associate. Please refer to Notes 5 and 10 for details.

3. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment <i>HK\$'000</i>	Office equipment <i>HK\$'000</i>	Office furniture <i>HK\$'000</i>	(Unaudited) Leasehold Improvement <i>HK\$'000</i>	Buildings <i>HK\$'000</i>	Vehicle <i>HK\$'000</i>	Total <i>HK\$'000</i>
Net book value at 1 January 2021	2	825	548	3,562	526,433	395	531,765
Additions	-	61	-	-	-	-	61
Written-off	-	(208)	(2)	(33)	-	-	(243)
Depreciation	(1)	(85)	(41)	(204)	(3,149)	(72)	(3,552)
Net book value at 30 June 2021	1	593	505	3,325	523,284	323	528,031
At 30 June 2021							
Cost	17	1,316	1,003	5,247	629,750	717	638,050
Accumulated depreciation and impairment losses	(16)	(723)	(498)	(1,922)	(106,466)	(394)	(110,019)
Net book value at 30 June 2021	1	593	505	3,325	523,284	323	528,031
				(Unaudited)			
	Computer equipment <i>HK\$'000</i>	Office equipment <i>HK\$'000</i>	Office furniture <i>HK\$'000</i>	Leasehold Improvement <i>HK\$'000</i>	Buildings <i>HK\$'000</i>	Vehicle <i>HK\$'000</i>	Total <i>HK\$'000</i>
Net book value at 1 January 2020	8	1,132	659	3,918	625,552	538	631,807
Additions	-	-	-	293	-	-	293
Impairment	-	(64)	-	-	-	-	(64)
Depreciation	(2)	(130)	(61)	(339)	(3,149)	(72)	(3,753)
Net book value at 30 June 2020	6	938	598	3,872	622,403	466	628,283
At 30 June 2020							
Cost	2,139	2,398	1,105	8,831	629,750	717	644,940
Accumulated depreciation and impairment losses	(2,133)	(1,460)	(507)	(4,959)	(7,347)	(251)	(16,657)
Net book value at 30 June 2020	6	938	598	3,872	622,403	466	628,283

4. INVESTMENT PROPERTIES

	(Unaudited) 30 June 2021 HK\$'000	(Audited) 31 December 2020 HK\$'000
At 1 January 2021/2020	3,183,500	3,351,200
Capitalised expenses	754	2,876
Fair value gain/(loss) (Note 4(a))	<u>35,246</u>	<u>(170,576)</u>
At 30 June 2021/31 December 2020	<u><u>3,219,500</u></u>	<u><u>3,183,500</u></u>

- (a) The Group's investment properties were valued by an independent professional valuer, Savills Valuation and Professional Services Limited, to determine their fair values as at 30 June 2021 and 31 December 2020. The Group has adopted such valuation and recognised a fair value gain of HK\$35,246,000 for the six months ended 30 June 2021 (for the year ended 31 December 2020: fair value loss of HK\$170,576,000) accordingly. The principal assumptions underlying management's estimation of fair values of the investment properties and the basis of valuation are consistent with those applied in the consolidated financial statements for the year ended 31 December 2020, except for the rental rates and capitalisation rates.

Rental rates are estimated based on recent lettings of HK\$50.0 psf to HK\$56.0 psf for retail shops (31 December 2020: HK\$32.2 psf to HK\$55.0 psf), HK\$3,326.0 per car parking space (31 December 2020: HK\$3,326.0 per car parking space), HK\$50.0 psf to HK\$98.0 psf for office buildings (31 December 2020: HK\$32.2 psf to HK\$98.0 psf), and HK\$10.0 psf to HK\$29.7 psf for industrial properties (31 December 2020: HK\$10.0 psf to HK\$29.7 psf). With other variable(s) held constant, the lower the rents, the lower the fair value.

At 30 June 2021, capitalisation rates of 2.75% to 3.90% (at 31 December 2020: 2.75% to 3.90%) are used in the income capitalisation approach for retail shops, car parking spaces, office buildings and industrial properties. With other variable(s) held constant, the higher the rates, the lower the fair value.

The investment properties have been measured at fair value as at 30 June 2021, by the level 3 (31 December 2020: level 3) in the fair value hierarchy into which the fair value treatment is categorised. There is no transfer between levels of the fair value hierarchy used in measuring the fair value of the investment properties during the period.

5. INVESTMENT IN ASSOCIATES

	(Unaudited) 30 June 2021 <i>HK\$'000</i>	(Audited) 31 December 2020 <i>HK\$'000</i>
At 1 January 2021/2020	3,869,478	3,811,900
Share of profits of associates	<u>435,429</u>	<u>57,578</u>
At 30 June 2021/31 December 2020	<u><u>4,304,907</u></u>	<u><u>3,869,478</u></u>

Summarised financial information for the principal associate

Set out below is the summarised financial information for Everwell City Limited (“Everwell City”) as at 30 June 2021 and 31 December 2020 which is accounted for using the equity method. In the opinion of the Directors, Everwell City is material to the Group.

Summarised balance sheet

	(Unaudited) 30 June 2021 <i>HK\$'000</i>	(Audited) 31 December 2020 <i>HK\$'000</i>
Non-current assets	27,666,022	26,401,304
Current assets	605,904	363,290
Non-current liabilities	(23,967,813)	(23,872,628)
Current liabilities	<u>(326,225)</u>	<u>(370,431)</u>
	<u><u>3,977,888</u></u>	<u><u>2,521,535</u></u>

Summarised statement of comprehensive income

	(Unaudited)	
	For the six months ended 30 June 2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue	520,644	448,005
Profit/(loss) and total comprehensive income/(loss) for the period	<u><u>1,217,074</u></u>	<u><u>(232,820)</u></u>

5. INVESTMENT IN ASSOCIATES (continued)

Reconciliation of summarised financial information

	(Unaudited)	
	30 June 2021 HK\$'000	30 June 2020 HK\$'000
Net profit/(loss) attributable to equity holders	1,217,074	(232,820)
Group's shareholdings (<i>Note (a)</i>)	<u>35.78%</u>	<u>35.78%</u>
Group's share of net profit/(loss) attributable to equity holders (<i>Note (b)</i>)	<u>435,469</u>	<u>(83,303)</u>
	(Unaudited)	(Audited)
	30 June 2021 HK\$'000	31 December 2020 HK\$'000
Amounts due from associates	<u>209</u>	<u>161</u>

The balances represent the amounts due from Dymocks Franchise Systems (China) Limited and its immediate holding Company. They are unsecured and interest-free.

Notes:

(a) *On 12 April 2018, one of the existing shareholders of Everwell City had syndicated a portion of its interests to a new investor. Due to regulatory reasons, the new investor had to directly acquire a stake in each underlying Hong Kong subsidiaries of Everwell City and as such, the Group's interests in such Hong Kong subsidiaries had been diluted. To facilitate the new investor's acquisition, the Group's shareholding percentage in Everwell City had been adjusted accordingly and the Group's interest in Everwell City had been increased to 35.78% so as to maintain the Group's effective economic interests in the relevant Hong Kong subsidiaries and underlying assets at approximately 29.9% following the acquisition. Notwithstanding such adjustment, the proportionate voting rights of the existing shareholders of Everwell City remain the same.*

(b) *The share of profits from Everwell City consisted of:*

- 1. Share of profits of 29.9% from 22 February 2018 to 11 April 2018;*
- 2. Share of profits of 35.78% from 12 April 2018,*

As described in Note (a), the effective share of profits of the Group from each underlying Hong Kong subsidiaries of Everwell City remains at approximately 29.9% notwithstanding such increase in shareholding in Everwell City.

6. RIGHT-OF-USE ASSETS

The following represents the position of the Group's right-of-use assets and the movement during the periods:

	(Unaudited) 30 June 2021 <i>HK\$'000</i>	(Audited) 31 December 2020 <i>HK\$'000</i>
Balance as at 1 January 2021/2020	16,913	21,986
Depreciation	<u>(2,537)</u>	<u>(5,073)</u>
Balance as at 30 June 2021/31 December 2020	<u><u>14,376</u></u>	<u><u>16,913</u></u>

7. AMOUNT DUE FROM AN INTERMEDIATE HOLDING COMPANY

As at 30 June 2021, the amount due from an intermediate holding company of HK\$8,387,000 represents mainly the rental income receivable for the period ended 30 June 2021 from China Great Wall AMC (International) Holdings Company Limited (“**Great Wall International**”), an intermediate holding company.

8. ACCOUNTS RECEIVABLE

An ageing analysis of accounts receivable as at the end of the reporting period is as follows:

	(Unaudited) 30 June 2021		(Audited) 31 December 2020	
	Balance <i>HK\$'000</i>	Percentage %	Balance <i>HK\$'000</i>	Percentage %
Current	727	14.9	2,605	59.7
Less than 30 days past due	3,087	63.4	1,578	36.2
31 to 60 days past due	760	15.6	117	2.7
61 to 90 days past due	114	2.3	1	0.1
Over 90 days past due	<u>180</u>	<u>3.8</u>	<u>59</u>	<u>1.3</u>
Total	<u><u>4,868</u></u>	<u><u>100.0</u></u>	<u><u>4,360</u></u>	<u><u>100.0</u></u>

Accounts receivable past due but not impaired represents balance that the Group considered to be fully recoverable based on past experience.

9. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

As at 30 June 2021, the balance represents mainly utility and management fee deposits of HK\$3,750,000 (31 December 2020: HK\$3,697,000) and rent-free receivable of HK\$5,656,000 (31 December 2020: HK\$5,345,000).

10. LOANS FROM AN INTERMEDIATE HOLDING COMPANY

In 2017, an intermediate holding company, Great Wall International, had agreed to provide loan facilities up to HK\$4,130,000,000 for financing the Group's investment in an associate as described in Note 5. As at 30 June 2021 and 31 December 2020, the Group has drawn down HK\$3,848,434,000. The loan from an intermediate holding company is denominated in HK\$, interest bearing at Hong Kong Interbank Offered Rate plus 1.9% and is repayable by November 2022.

During the period ended 30 June 2021, Great Wall International has also agreed to provide a term loan in the principal amount of HK\$901,657,000 for repaying the Group's outstanding bank borrowing as described in Note 11. During the period, the Group has used HK\$901,657,000 to fully settle the bank borrowing. The loan from an intermediate holding company is denominated in HK\$, interest bearing at Hong Kong Interbank Offered Rate plus 1.4% per annum and is repayable by February 2022.

The Directors of the Company consider the loans are on normal commercial terms. The carrying values of the loans approximate their fair values.

11. BANK BORROWING

	(Unaudited) 30 June 2021 HK\$'000	(Audited) 31 December 2020 HK\$'000
Current		
Bank loan (Note (a))	—	901,032
	—	901,032

Notes:

- (a) The loan is denominated in HK\$ and was fully repaid in February 2021. The effective interest rate of the loan for the six months ended 30 June 2021 is 2.01% (for the six months ended 30 June 2020: 3.50%). As at 30 June 2021, the Group has undrawn bank facility of approximately HK\$936,657,000 (31 December 2020: HK\$35,000,000). As at 31 December 2020, the Group has pledged an investment property of fair value of HK\$1,840,000,000 and a restricted cash of HK\$6,226,000 to the lender, as a collateral of bank loan.
- (b) In addition to the undrawn bank facility mentioned in (a), as at 30 June 2021, the Group had an undrawn bank facility of principal amount of HK\$100,000,000 (31 December 2020: HK\$450,000,000).

11. BANK BORROWING (continued)

The carrying amount of bank borrowing approximates the fair value, and is denominated in the following currency:

	(Unaudited) 30 June 2021 <i>HK\$'000</i>	(Audited) 31 December 2020 <i>HK\$'000</i>
HK\$	—	901,032
	<u>—</u>	<u>901,032</u>

12. OTHER PAYABLES AND ACCRUED LIABILITIES

	(Unaudited) 30 June 2021 <i>HK\$'000</i>	(Audited) 31 December 2020 <i>HK\$'000</i>
Interest payable	451,230	386,938
Deposits received from tenants	26,731	19,042
Other payables and accrued expenses	13,803	12,953
Rental received in advance	4,456	3,106
Others	1,197	1,157
	<u>497,417</u>	<u>423,196</u>
Represented by:		
Non-current portion	451,230	386,149
Current portion	46,187	37,047
	<u>497,417</u>	<u>423,196</u>

13. LEASE LIABILITIES

The following represents the positions of the Group's lease liabilities and the movement during the periods:

	(Unaudited) 30 June 2021 <i>HK\$'000</i>	(Audited) 31 December 2020 <i>HK\$'000</i>
Balance as at 1 January 2021/2020	17,952	22,664
Interest expenses	290	704
Lease payment	<u>(2,748)</u>	<u>(5,416)</u>
Balance as at 30 June 2021/31 December 2020	<u><u>15,494</u></u>	<u><u>17,952</u></u>
Represented by:		
Non-current portion	10,391	12,994
Current portion	<u>5,103</u>	<u>4,958</u>
	<u><u>15,494</u></u>	<u><u>17,952</u></u>

14. SHARE CAPITAL

	(Unaudited) 30 June 2021		(Audited) 31 December 2020	
	Number of shares	Amount <i>HK\$'000</i>	Number of shares	Amount <i>HK\$'000</i>
Authorised:				
Ordinary shares of HK\$0.10 each	<u>5,000,000,000</u>	<u>500,000</u>	<u>5,000,000,000</u>	<u>500,000</u>
Issued and fully paid:				
Opening and ending balance	<u>1,567,745,596</u>	<u>156,775</u>	<u>1,567,745,596</u>	<u>156,775</u>

15. NET FINANCE COST

	(Unaudited)	
	For the six months ended 30 June	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Finance cost/(income)		
– Interest expenses on the loans from an intermediate holding company (<i>Note 10</i>)	69,662	65,440
– Interest expense on bank loan (<i>Note 11</i>)	2,786	15,065
– Interest expenses on lease liabilities	290	373
– Arrangement fee	702	2,091
– Interest income from bank	(9)	(279)
	<u>73,431</u>	<u>82,690</u>

16. INCOME TAX EXPENSE

Hong Kong profits tax has been provided for at a rate of 16.5% (2020: 16.5%) on the estimated assessable profit for the period.

	(Unaudited)	
	For the six months ended 30 June	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current income tax		
Hong Kong profits tax	985	2,993
Deferred income tax		
Deferred tax expense	116	66
	<u>1,101</u>	<u>3,059</u>

The movement on the deferred income tax liabilities is as follow:

	(Unaudited)	(Audited)
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 January	6,975	3,610
Charged to profit for the period/year	116	3,365
	<u>7,091</u>	<u>6,975</u>
At 30 June/31 December	<u>7,091</u>	<u>6,975</u>

17. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share is based on the profit attributable to shareholders for the six months ended 30 June 2021 of HK\$412,293,000 (loss attributable to shareholders for the six months ended 30 June 2020: HK\$219,751,000), and the weighted average of 1,567,745,596 shares in issue (for the six months ended 30 June 2020: 1,567,745,596 shares in issue) during the period.

Diluted earnings/(loss) per share was the same as basic earnings/(loss) per share as there were no potential dilutive ordinary shares outstanding for the six months ended 30 June 2021 (for the six months ended 30 June 2020: Nil).

18. DIVIDENDS

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2021 (for the six months ended 30 June 2020: Nil).

The Board had resolved not to recommend any payment of final dividend for the year ended 31 December 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING RESULTS OF THE GROUP

The Group's consolidated operating results for the six months ended 30 June 2021 and 2020 were as follows:

<i>(HK\$ millions, except percentages and per share amounts)</i>	For the six months ended 30 June		
	2021	2020	% Change
Revenue	52.4	67.9	(22.8%)
Depreciation	(6.1)	(6.3)	(3.2%)
Other operating expenses	(30.1)	(28.6)	5.2%
Adjusted operating profit[^]	16.2	33.0	(50.9%)
Fair value gain/(loss) on investment properties	35.2	(84.6)	**
Operating profit/(loss)	51.4	(51.6)	**
Net finance cost	(73.4)	(82.7)	(11.2%)
Share of profits/(losses) of associates	435.4	(82.4)	**
Profit/(loss) before income tax	413.4	(216.7)	**
Income tax expense	(1.1)	(3.0)	(63.3%)
Profit/(loss) for the period	412.3	(219.7)	**
Profit/(loss) attributable to shareholders	412.3	(219.7)	**
Earnings/(loss) per share (HK cents)	26.3	(14.0)	**

[^] *Adjusted operating profit/(loss) is defined as operating profit/(loss) before other income and fair value gain/(loss) on investment properties.*

** *Represents a change in excess of 100%.*

Profit attributable to shareholders for the six months ended 30 June 2021 amounted to HK\$412.3 million, representing a significant increase of 287.7% as compared with loss attributable to shareholders of HK\$219.7 million for the six months ended 30 June 2020. Earnings per share was HK26.3 cents for the six months ended 30 June 2021, based on weighted average of 1,567,745,596 shares in issue (loss per share for the six months ended 30 June 2020: HK14.0 cents based on 1,567,745,596 shares in issue). Profit for the six months ended 30 June 2021 is mainly attributable to the fair value gain on investment properties and the significant increase in share of profits of associates.

Excluding the revaluation gain of investment properties for the six months ended 30 June 2021 of HK\$35.2 million (revaluation loss of investment properties for the six months ended 30 June 2020: HK\$84.6 million), the profit attributable to shareholders for the six months ended 30 June 2021 was HK\$377.1 million (the loss attributable to shareholders for the six months ended 30 June 2020: HK\$135.1 million), representing a significant increase of 379.1%. The turnaround of the Group's interim results from loss to profit was mainly due to the share of profits of associates of approximately HK\$435.4 million for the six months ended 30 June 2021 (for the six months ended 30 June 2020: share of losses of associates of HK\$82.4 million).

BUSINESS REVIEW

The Group principally engages in the operation of two segments, namely, the property investment segment and the financial services segment.

The positive results of the Group for the six months ended 30 June 2021 are primarily attributable to the contribution by the property investment segment. The Group's investment property portfolio had no significant changes during the period and it has maintained a diversified investment property portfolio in Hong Kong which comprises Kwai Fong Plaza, certain floors of the Bank of America Tower in Central, Yue King Building in Causeway Bay, Ko Fai Industrial Building in Yau Tong and Seaview Estate in North Point. On the other hand, the Group has also participated in the investment in the JV Group (as defined in the paragraph headed "Significant Investment in relation to the Investment in an Associate and Share of Profit/(Loss) of an Associate" on page 23 of this announcement) which holds a diversified portfolio of properties in Hong Kong. Details of the said investment in the JV Group have been set out in the paragraph headed "Significant Investment in relation to the Investment in an Associate and Share of Profit/(Loss) of an Associate" in the section headed "Management Discussion and Analysis".

In the first half of 2021, the Group's investment property business continued to make good progress against an uncertain economic background. In these challenging times, the Group focused on maintaining the stability of its existing investment property portfolio, engaging with its tenants and improving its balance sheet. Through its diversified property portfolio, the Group's investment properties contributed a relatively steady income stream of approximately HK\$52.4 million for the six months ended 30 June 2021, as compared to HK\$51.1 million for the corresponding period last year. For the six months ended 30 June 2021, the Group's revenue decreased by 22.8% to HK\$52.4 million (for the six months ended 30 June 2020: HK\$67.9 million) due to the decrease of revenue from financial services segment and profit attributable to shareholders of HK\$412.3 million was recorded (for the six months ended 30 June 2020: loss attributable to shareholders of HK\$219.7 million).

As a result of the recovery of the Hong Kong property market as the COVID-19 pandemic gradually came under control since the outbreak in early 2020, the Group recorded a significant gain in fair value of the Group's investment properties of HK\$35.2 million for the six months ended 30 June 2021 (for the six months ended 30 June 2020: fair value loss of HK\$84.6 million) and the significant increase in share of profits of the Group's associates of HK\$435.4 million for the six months ended 30 June 2021 (for the six months ended 30 June 2020: share of losses of associates of HK\$82.4 million). At 30 June 2021, capitalisation rates range from 2.75% to 3.90% (at 31 December 2020: range from 2.75% to 3.90%) are used in the income capitalisation approach for the investment properties which are owned by the Group. With other variable(s) held constant, the higher the rates, the lower the fair value. At 30 June 2021, rental rates of HK\$10.0 psf to HK\$98.0 psf and HK\$3,326.0 per car parking space (at 31 December 2020: HK\$10.0 psf to HK\$98.0 psf and HK\$3,326.0 per car parking space) are used for investment properties and car parking space respectively in the income capitalisation approach. With other variable(s) held constant, the lower the rental rates, the lower the fair value. Given the unknown future impact that COVID-19 might have on the real estate market, management will keep the valuation under frequent review.

The Group continues to leverage on the successful strategy in diversifying its portfolio of investment properties as outlined in its previous Annual Reports. This strategy has proven to be successful in the first half of 2021 and we are confident that it will continue to succeed in the future so as to generate sustainable return for our shareholders.

The Group also operates in the financial services segment which comprises provision of asset management and corporate finance services (licensed by the Securities and Futures Commission of Hong Kong (the "SFC") to carry out Types 1, 4, 6 and 9 regulated activities). Although the Group recorded a year-on-year decrease in the revenue generated from the financial services segment for the six months ended 30 June 2021 given the expiration of the asset management agreement entered with an intermediate holding company and the volatile financial market in the first half of 2021, as more particularly discussed in the paragraph headed "Financial Services" below, the Group will continue to explore and seize opportunities to develop its financial services segment as outlined in our 2020 Annual Report.

Revenue

The consolidated revenue for the six months ended 30 June 2021 and 2020 by business segments and for the Group were as follows:

<i>(HK\$ millions, except percentages)</i>	For the six months ended 30 June		
	2021	2020	% Change
Property investment	52.4	51.1	2.5%
Financial services	–	16.8	(100%)
Total revenue	<u>52.4</u>	<u>67.9</u>	<u>(22.8%)</u>

FINANCIAL REVIEW BY OPERATING SEGMENTS

The Group's reportable and operating segments during the six months ended 30 June 2021 are as follows:

- (a) property investment segment which comprises the investments in retail shops, office buildings, industrial buildings and car parking spaces for rental income; and
- (b) financial services segment which comprises provision of asset management and corporate finance services (licensed by the SFC to carry out Types 1, 4, 6 and 9 regulated activities).

Property Investment

<i>(HK\$ millions, except percentages)</i>	For the six months ended 30 June		
	2021	2020	% Change
Revenue	52.4	51.1	2.5%
Adjusted EBITDA[^]	17.8	29.5	(39.7%)
Depreciation	(3.2)	(5.7)	(43.9%)
Adjusted operating profit	14.6	23.8	(38.7%)
Fair value gain/(loss) on investment properties and other income ^{***}	43.6	(76.3)	**
Net finance cost	(8.1)	(17.4)	(53.4%)
Income tax expense	(1.1)	(1.8)	(38.9%)
Profit/(loss) attributable to shareholders#	49.0	(71.7)	**

[^] *Adjusted EBITDA is defined as earnings before interest, tax, depreciation, other income and fair value gain/loss on investment properties.*

[#] *Including fair value gain on investment properties of HK\$35.2 million for six months ended 30 June 2021 and fair value loss on investment properties of HK\$84.6 million for six months ended 30 June 2020.*

^{**} *Represents a change in excess of 100%.*

^{***} *Other income represents rental income earned by the Company's wholly-owned subsidiaries for leasing portions of 20th Floor and 21st Floor of Bank of America Tower to an intermediate holding company.*

Revenue of property investment segment for the first half of 2021 was HK\$52.4 million, compared with HK\$51.1 million in the first half of 2020. The increase is mainly due to the increase in revenue generated from the outdoor billboards at the exterior wall of Yue King Building.

As at the date of this announcement, the Group’s diversified investment property portfolio in Hong Kong comprises Kwai Fong Plaza, certain floors of the Bank of America Tower in Central, Yue King Building in Causeway Bay (including the outdoor billboards at the exterior wall), Ko Fai Industrial Building in Yau Tong and Seaview Estate in North Point. Fair value gain on investment properties for the first half of 2021 was HK\$35.2 million, compared with the fair value loss of HK\$84.6 million in the first half of 2020. The increase in appraised value of the investment properties of the Group was attributable to recovery of the Hong Kong property market as the COVID-19 pandemic gradually came under control since the outbreak in early 2020.

The Group’s investment properties were revalued as at 30 June 2021 by an independent professionally qualified valuer, Savills Valuation and Professional Services Limited (31 December 2020: Savills Valuation and Professional Services Limited), which holds a recognised relevant professional qualification and has recent experience in the locations and segments of the investment properties being valued. For all investment properties, their current use equates to the highest and best use. The revaluation gains or losses are shown as “Fair value gain or loss on investment properties” in the condensed consolidated statement of comprehensive income. Fair values of the office buildings, retail shops, car parking spaces and industrial properties are derived using the income capitalisation approach. There were no changes to the valuation techniques during the period.

Financial Services

<i>(HK\$ millions, except percentages)</i>	For the six months ended 30 June		
	2021	2020	% Change
Revenue	–	16.8	(100%)
Adjusted EBITDA[^]	(3.0)	4.0	**
Depreciation	–	(0.2)	(100%)
Adjusted operating (loss)/profit	(3.0)	3.8	**
Net finance cost	–	0.1	(100%)
Income tax expense	–	(1.2)	(100%)
(Loss)/profit attributable to shareholders	(3.0)	2.7	**

** Represents a change in excess of 100%.

[^] Adjusted EBITDA is defined as earnings before interest, tax, depreciation and other income.

The revenue derived from asset management services and corporate finance services for the first half of 2020 were around HK\$16.6 million and HK\$0.2 million respectively. There was no revenue derived from asset management services and corporate finance services for the first half of 2021, representing a year-on-year decrease of 100%. The decrease of the financial services income was mainly due to the expiration of the asset management agreement entered with an intermediate holding company in October 2020 and the decrease in the number of project under corporate finance services as compared with the first half of 2020.

Significant Investment in relation to the Investment in an Associate and Share of Profit/(Loss) of an Associate

Significant investment in an associate represents the Group's 35.78% equity interests in a joint venture, Everwell City Limited (together with its subsidiaries, collectively the "JV Group"), which owns 16 diversified commercial properties and shopping centres, plazas and carparks across Hong Kong at Cheung Hang Shopping Centre, Kai Yip Commercial Centre, Kam Tai Shopping Centre, Lei Cheng Uk Shopping Centre, On Ting Commercial Complex, Shek Lei Shopping Centre I & II, Tai Wo Hau Commercial Centre, Tsz Ching Shopping Centre, Yau Oi Commercial Centre, Yung Shing Shopping Centre, Kwai Shing East Shopping Centre, Lai Kok Shopping Centre, Lee On Shopping Centre, retail and car park within Shun Tin Estate, Tsing Yi Commercial Complex and Lions Rise Mall. The initial investment was HK\$3,123.4 million in 2018. The fair value of the investment is HK\$4,299.1 million as at 30 June 2021 (as at 30 June 2020: HK\$3,723.6 million) and represents around 51.7% of the total assets of the Group as at 30 June 2021 (as at 30 June 2020: 47.3%). The Group's share of profit of an associate from JV Group was approximately HK\$435.5 million for the first half of 2021 (share of loss for the first half of 2020: HK\$83.3 million). The share of profit of an associate of the Group for the six months ended 30 June 2021 is mainly due to the growth of fair value gains on revaluations of the investment properties of the JV Group (which comprise of commercial properties), which was attributable to the recovery of the Hong Kong property market as the COVID-19 pandemic gradually came under control since the outbreak in early 2020. The Group presently intends to hold the abovementioned equity interests in the JV Group as long-term investment.

LIQUIDITY AND CAPITAL RESOURCES

The Group's main source of liquidity is recurring cash flows from the property investment and financial services businesses. The Group's financial position as at 30 June 2021 and 31 December 2020 were as follows:

<i>(HK\$ millions, except percentages)</i>	30 June 2021	31 December 2020	% Change
Cash and bank balances	229.4	212.5	8.0%
Shareholders' funds	3,053.2	2,640.7	15.6%
Current ratio	0.27	0.25	8.0%
Gearing ratio	59.7%	63.2%	(5.5%)

The Group's cash and bank balances are held predominantly in Hong Kong dollars. The Group has no significant exposure to foreign exchange fluctuations. The Group has maintained a strong cash position and expects its cash and cash equivalents, and cash generated from operations to be adequate to meet its working capital requirements.

As at 30 June 2021, the Group had total cash and bank balances of approximately HK\$229.4 million, as compared to HK\$212.5 million as at 31 December 2020. The Group's gearing ratio as at 30 June 2021 was 59.7% (as at 31 December 2020: 63.2%), being calculated as total debts (which includes the loans from an intermediate holding company and bank borrowing) less cash and bank balances (“**net debt**”), over the Company's total capital employed. Total capital employed is equivalent to the sum of net debt and shareholders' funds. The slight decrease in gearing ratio is mainly due to the increase in shareholders' funds as a result of the fair value gains of the investment properties. As at 30 June 2021, the Group had outstanding principal of unsecured shareholder loans of HK\$4,750.1 million (as at 31 December 2020: HK\$3,848.4 million). As at 30 June 2021, the Group has undrawn bank facility of approximately HK\$1,036.7 million (as at 31 December 2020: HK\$485.0 million), and the Group had no outstanding bank borrowing as at 30 June 2021 (as at 31 December 2020: HK\$901.0 million). The Group actively and regularly reviews and manages its liquidity position and financial resources and makes adjustments in light of changes in economic conditions and business development needs.

For the SFC licensed corporations under the Group, the Group has ensured that each of the licensed corporations maintains a liquidity level adequate to support the level of activities with a sufficient buffer to accommodate increases in liquidity requirements arising from potential increases in the level of business activities. During the six months ended 30 June 2021 and 2020, all the licensed subsidiaries have complied with the liquidity requirements under the Securities and Futures (Financial Resources) Rules.

Charges on Assets

As at 31 December 2020, an investment property of the Group with fair value of approximately HK\$1,840.0 million and restricted cash of HK\$6.2 million were pledged with a bank to secure the mortgage loan granted to the Group. Following the repayment of the mortgage loan in February 2021, there are no charges over the assets of the Group as at 30 June 2021. For details, please refer to Notes 10 and 11 to the condensed consolidated interim financial information of this announcement.

Operating Activities

Net cash generated from operating activities for the six months ended 30 June 2021 was HK\$22.3 million, compared with net cash generated from operating activities of HK\$36.6 million for the six months ended 30 June 2020. The decrease in operating cash flows was mainly due to decrease in revenue in the six months ended 30 June 2021.

Investing Activities

Net cash generated from investing activities for the six months ended 30 June 2021 was HK\$5.4 million, compared with net cash used in HK\$0.9 million for the six months ended 30 June 2020. The net cash generated from investing activities for the six months ended 30 June 2021 of HK\$5.4 million was mainly due to the release of restricted cash of HK\$6.2 million. The net cash used in investing activities for the six months ended 30 June 2020 of HK\$0.9 million was mainly due to the capitalised expenses for investment properties of HK\$0.9 million.

Financing Activities

Net cash used in financing activities for the six months ended 30 June 2021 was HK\$11.0 million compared with net cash used of HK\$18.8 million for the six months ended 30 June 2020. The increase in financing cash flows is mainly due to the decrease of interest paid from HK\$16.1 million during the six months ended 30 June 2020 to HK\$8.2 million paid during the six months ended 30 June 2021.

Employees and Remuneration Policy

As at 30 June 2021, the Group had a total of 18 employees (as at 30 June 2020: 20 employees). As the Group's businesses will continue to grow, its remuneration philosophy is designed to provide its employees with the opportunity to excel and grow, while aligning with our business strategies and values.

The Group's remuneration and benefit policies, which are structured in accordance with market terms and statutory requirements, aim to recognise employees with outstanding performance, motivate and reward employees in order to achieve its business performance targets, retain and attract key talents and ensure alignment with the interests of our businesses, and thereby enhancing shareholder value. In addition, other staff benefits such as medical insurance, medical check-up scheme, mandatory and voluntary provident fund scheme and rental reimbursement scheme are offered to eligible employees.

The Group's employee recruitment and promotion are primarily based on individuals' merits, relevant experiences, development potentials for the positions offered and performance.

Interim Dividend

The Board has resolved not to declare any payment of interim dividend for the six months ended 30 June 2021 (for the six months ended 30 June 2020: Nil).

OUTLOOK

2020 was a challenging year under the outbreak of COVID-19 pandemic. Yet signs of recovery in the global economies have been seen in the first half of 2021. With the rapid development and popularisation of COVID-19 vaccination and the effective control of the pandemic, the adverse effects of the COVID-19 pandemic have eased in many developed countries. Economies around the world, including those of Hong Kong, are showing signs of recovery. The Hong Kong Census and Statistics Department forecast that Hong Kong economy was on the path to recovery with global commercial conditions improving. The rebound in the economy of Hong Kong continued in the second quarter of 2021, with gross domestic product growing 7.5% year-on-year as business activities revived amid a relaxation of rules on social distance.

To cope with such challenges, the Board and management of the Company will fully leverage on the competitive edges of the Group to drive the performance of core businesses at a steady pace and will also actively seize investment opportunities prudently and thoroughly in order to generate favourable returns for our Shareholders while maintaining strong cash position. The Board considers that the overall financial and business positions of the Group remain healthy.

Currently, the Group's investment properties continue to contribute stable stream of revenue. For the period under review, the local economy has stabilized, however, the road to recovery is still unpredictable. Overall, there are positive signs that the economic recovery will maintain its momentum and our management remains confident of the long-term economic prospects of Hong Kong.

Looking ahead, in the complicated and constantly-changing macro-economic environment with fierce competition, the Group will seize the development opportunities arising from the China's Guangdong-Hong Kong-Macao Greater Bay Area strategic plan and further strengthen the synergy effect by leveraging on the substantial resources from China Great Wall Asset Management Co., Ltd. ("GWAMCC"), our controlling shareholder, through the integration of domestic and foreign capital markets, and expanding its domestic business, to ensure the Group can make full use of its role as the sole overseas listed platform of GWAMCC.

CORPORATE GOVERNANCE

The Board and the Company's management are committed to upholding the Group's obligations to shareholders. We regard the promotion and protection of shareholders' interests as one of our priorities and keys to success.

The Board believes that good corporate governance standards are essential to safeguard the interests of shareholders and enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Board is of the view that, throughout the six months ended 30 June 2021, the Company has complied with the applicable principles and code provisions set out in the Corporate Governance Code (the "**Corporate Governance Code**") contained in Appendix 14 to the Listing Rules, save for the deviation from code provision E.1.2 as explained below. The Company also adheres to certain recommended best practices set out in the Corporate Governance Code insofar as they are relevant and practicable.

Code provision E.1.2

Code provision E.1.2 of the Corporate Governance Code provides that, among others, the chairman of the board should invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend the annual general meeting. In their absence, he should invite another member of the committee or failing this his duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting. With the COVID-19 pandemic and in light of the regulations introduced by the government of the Hong Kong Special Administrative Region, the chairlady nor members of the Audit Committee of the Company did not attend the Annual General Meeting of the Company held on 16 June 2021 ("**AGM**"). In order to ensure an effective communication with the shareholders of the Company, other Board members (including executive Directors and chairman of the Nomination Committee) attended the AGM to answer relevant questions from the shareholders present thereat. The then incumbent external auditor of the Company, Messrs. PricewaterhouseCoopers, also attended the AGM.

AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL INFORMATION

The Audit Committee was established in 1998 with its defined written terms of reference (which was revised in August 2018). The Audit Committee currently comprises two independent non-executive Directors, namely Ms. Liu Yan (Chairlady of the Audit Committee) and Dr. Song Ming, and a non-executive Director, Mr. Yu Xianqiang. A majority of the Audit Committee members are independent non-executive Directors, with Ms. Liu Yan and Dr. Song Ming possessing the appropriate professional qualifications and accounting and related financial management expertise.

The unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2021 were reviewed by the Audit Committee, which was of the opinion that the preparation of such interim results complied with the applicable accounting standards and requirements and the Listing Rules, and that adequate disclosures have been made. In addition, the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2021 were also reviewed by the Group's external auditor, BDO Limited, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", whose review report is included in the 2021 Interim Report to be sent to the shareholders of the Company.

REMUNERATION COMMITTEE

The Remuneration Committee was established in 2000 with its defined written terms of reference (which was revised in March 2017). A majority of its members are independent non-executive Directors. The Remuneration Committee currently comprises two independent non-executive Directors, namely Dr. Song Ming (Chairman of the Remuneration Committee) and Dr. Sun Mingchun, and an executive Director, Mr. Xu Yongle.

NOMINATION COMMITTEE

The Nomination Committee was established in 2005 with its defined written terms of reference (which was revised in March 2017). A majority of its members are independent non-executive Directors. The Nomination Committee currently comprises an executive Director, Mr. Wang Hai (Chairman of the Nomination Committee) and two independent non-executive Directors, namely Dr. Song Ming and Dr. Sun Mingchun.

COMPLIANCE WITH THE MODEL CODE AND THE COMPANY'S GUIDELINES

The Board 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 the Company’s code of conduct for securities transactions by its Directors. Having made specific enquiry with all Directors, all Directors have confirmed their compliance with the required standards set out in the Model Code throughout the six months ended 30 June 2021 and up to the date of this announcement.

The Company has adopted written guidelines (the “**Company’s Guidelines**”), which are equally stringent as the Model Code, in respect of securities transactions by relevant employees of the Company who are likely to be in possession of unpublished inside information of the Company pursuant to code provision A.6.4 of the Corporate Governance Code. No incident of non-compliance against the Model Code or the Company’s Guidelines by the Company’s relevant employees has been noted after making reasonable enquiry.

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

During the six months ended 30 June 2021, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

PUBLICATION OF INTERIM RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.gwpaholdings.com). The Interim Report of the Company for the six months ended 30 June 2021 containing the information required by Appendix 16 to the Listing Rules will be despatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
Great Wall Pan Asia Holdings Limited
WANG Hai
Chairman

Hong Kong, 30 August 2021

As at the date of this announcement, the Board consists of Mr. Wang Hai and Mr. Xu Yongle as executive Directors of the Company, Mr. Yu Xianqing as non-executive Director of the Company, and Dr. Song Ming, Dr. Sun Mingchun and Ms. Liu Yan as independent non-executive Directors of the Company.

* *For identification purpose only*