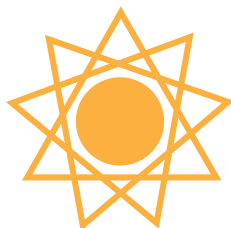


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcements, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance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



China International Development Corporation Limited
中聯發展控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 264)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2021

The Board (the “**Board**”) of Directors (the “**Directors**”) of China International Development Corporation Limited (the “**Company**”) hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2021, together with the comparative figures for 2020, 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
		Unaudited	Unaudited
	<i>Notes</i>	HK\$'000	HK\$'000
Revenue	5	25,440	16,445
Cost of sales		(17,545)	(12,225)
Gross profit		7,895	4,220
Other income and gains		104	815
Selling and distribution costs		(3,460)	(1,723)
Administrative and other operating expenses		(12,304)	(10,106)
Impairment of trade receivables		(22)	—
Finance costs	6	(873)	(172)

		Six months ended 30 June	
		2021	2020
		Unaudited	Unaudited
	<i>Notes</i>	HK\$'000	<i>HK\$'000</i>
Loss before tax	7	(8,660)	(6,966)
Income tax expense	8	—	—
Loss for the period attributable to owners of the Company		(8,660)	(6,966)
Other comprehensive income			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
— Exchange differences arising on translation of operations outside Hong Kong		(473)	(657)
Other comprehensive income for the period		(473)	(657)
Total comprehensive income for the period attributable to owners of the Company		(9,133)	(7,623)
Loss per share attributable to owners of the Company			
— Basic and diluted	10	HK(2.26) cents	HK(1.82) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	<i>Notes</i>	As at 30 June 2021 Unaudited HK\$'000	As at 31 December 2020 Audited HK\$'000
Non-current assets			
Property, plant and equipment	<i>11</i>	4,352	233
Deposits paid		1,698	1,677
Right-of-use assets	<i>12</i>	10,593	1,853
		<hr/>	<hr/>
Total non-current assets		16,643	3,763
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Current assets			
Inventories		8,327	11,265
Trade receivables	<i>13</i>	12,478	9,833
Prepayments, deposits and other receivables		5,411	3,532
Due from former fellow subsidiaries		8	8
Due from a related company		—	543
Tax recoverable		513	438
Pledged time deposit		—	430
Cash and cash equivalents		945	2,280
		<hr/>	<hr/>
Total current assets		27,682	28,329
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>

		As at 30 June 2021 Unaudited HK\$'000	As at 31 December 2020 Audited HK\$'000
	<i>Notes</i>		
Current liabilities			
Trade payables	14	4,089	2,746
Other payables and accruals		10,873	7,561
Due to a related company		1,468	—
Due to former fellow subsidiaries		8,171	8,171
Due to a former intermediate holding company		5,590	5,590
Due to a director		263	263
Loan from a director	15	8,000	8,000
Loan from ultimate controlling shareholder	16	2,226	—
Lease liabilities	12	5,648	5,523
Total current liabilities		46,328	37,854
Net current liabilities		(18,646)	(9,525)
Total assets less current liabilities		(2,003)	(5,762)
Non-current liabilities			
Loan from ultimate controlling shareholder	16	7,282	3,262
Lease liabilities	12	9,727	1,863
Total non-current liabilities		17,009	5,125
Net liabilities		(19,012)	(10,887)
Deficiency in assets attributable to owners of the Company			
Share capital		3,827	3,827
Reserves		(22,839)	(14,714)
Total deficiency in assets		(19,012)	(10,887)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

China International Development Corporation Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) was incorporated in the Cayman Islands on 12 April 2002 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Group is principally engaged in manufacturing and distribution of leather products and retail of fashion apparel, footwear and leather accessories. In June 2020, the Group obtained the relevant permit to plant industrial hemp in the Mainland China (the “**PRC**”) and extended its business into the industrial hemp planting and production of hemp fabric products.

In the opinion of the directors (the “**Directors**”) of the Company, Waterfront Holding Group Co., Ltd. (“**Waterfront**”), a company incorporated in the British Virgin Islands (the “**BVI**”) with limited liability, is the Company’s holding company, which is ultimately controlled by Mr. Zhao Jingfei (“**Mr. Zhao**”), an executive director and chairman of the Company. The registered office of Waterfront is located at Sertus Chambers, PO Box 905, Quastisky Building, Road Town, Tortola, BVI.

The unaudited condensed interim consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of a majority number of operating subsidiaries in the Group and all values are rounded to the nearest thousand except when otherwise indicated. The unaudited condensed interim consolidated financial statements, which have not been audited, have been approved and authorised for issue by the board (the “**Board**”) of Directors on 30 August 2021.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

The preparation of the unaudited condensed interim consolidated financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The unaudited condensed interim consolidated financial statements contain condensed interim consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the consolidated financial statements for the year ended 31 December 2020 (the “**2020 Annual Financial Statements**”). The unaudited condensed interim consolidated financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), and should be read in conjunction with the 2020 Annual Financial Statements.

(b) Basis of measurement

These unaudited condensed interim consolidated financial statements have been prepared on the historical cost basis.

(c) Going concern basis

The Group (i) incurred a loss of approximately HK\$8,660,000 for the six months ended 30 June 2021 and had net current liabilities and deficiency in assets of approximately HK\$18,646,000 and HK\$19,012,000, respectively, as at 30 June 2021; and (ii) had cash and cash equivalents of approximately HK\$945,000 only to meet its financial obligations as at 30 June 2021. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern.

In view of the above circumstances, the Directors have prepared a cash flow forecast of the Group and are satisfied that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for at least 12 months from 30 June 2021 after taking into account of the following measures:

- (i) the Company has obtained a letter of undertaking from Mr. Qin Bohan (“**Mr. Qin**”), an executive director of the Company, that he would not demand for repayment of the amount due to him of HK\$8,000,000 as at 30 June 2021 until the Company is in a position to do so;
- (ii) subsequent to the end of the reporting period, on 28 August 2021, the Company and Mr. Qin entered into another loan agreement, pursuant to which, Mr. Qin granted an unsecured interest-free loan facility up to HK\$30,000,000 to the Company for a term of two years, none of which has been utilised as at the date of approving these unaudited condensed interim consolidated financial statements;
- (iii) the Company and Mr. Zhao entered into a loan facility agreement on 27 May 2020, pursuant to which, Mr. Zhao granted an interest-free and unsecured loan facility up to HK\$20,000,000 to the Company for a term of two years, none of which has been utilised as at the end of the reporting period and the date of approving these unaudited condensed interim consolidated financial statement;

- (iv) the Company has obtained a letter of support from Mr. Zhao confirming that he would not demand for repayment of the loan due to him in aggregate amount of HK\$10,908,000 as at 30 June 2021 until the Company is in a position to do so. Mr. Zhao has also confirmed his willingness to further provide for adequate financial resources as is necessary to enable the Group both to meet its financial obligation as and when they fall due and to carrying on its business for at least 24 months from 30 June 2021.

These unaudited condensed interim consolidated financial statements do not include any adjustments that would result from a failure to obtain such funding and undertaking which indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Should the Group be unable to continue in business as a going concern, adjustments would have been made to restate the value of assets to their recoverable amounts and to provide for further liabilities which might arise.

3. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed interim consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2020 Annual Financial Statements, except for the accounting policy changes that are required to be adopted in the financial statements for the year ending 31 December 2021. Details of these changes in accounting policies are set out below.

3.1 New and amended standards adopted by the Group

The Group has adopted the following new and revised HKFRSs (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA for the first time for these unaudited condensed interim consolidated financial statements.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 (early adopted)

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate (“RFR”). The phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness.

The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. The amendments did not have any significant impact on the financial position and performance of the Group as the Group does not have any interest rate hedging relationships.

- (b) Amendment to HKFRS 16 issued in April 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted.

The Group has early adopted the amendment on 1 January 2021 and applied the practical expedient during the period ended 30 June 2021 to all rent concessions granted by the lessors that affected only payments originally due on or before 30 June 2022 as a direct consequence of the covid-19 pandemic.

The application of the amendments in the current period had no significant impact on these condensed consolidated financial statements. Changes in presentation and disclosures on the application of the amendments, if any, will be reflected on the consolidated financial statements for the year ending 31 December 2021.

3.2 New standards and amendments to standards issued but not yet effective for the accounting period beginning on 1 January 2021 and not early adopted by the Group

		Effective for accounting periods beginning on or after
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current	1 January 2023
HKAS 1 (Amendments)	Disclosure of Accounting Policies	1 January 2023
HKAS 8 (Amendments)	Definition of Accounting Estimates	1 January 2023
HKAS 16 (Amendments)	Property, Plant and Equipment: Proceeds before intended use	1 January 2022
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
HKAS 37 (Amendments)	Onerous Contracts — Cost of Fulfilling a Contract	1 January 2022
HKFRS 3 (Amendments)	Conceptual Framework for Financial Reporting	1 January 2022
Annual Improvements to HKFRSs 2018–2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16 and HKAS 41	1 January 2022
HKFRS 17	Insurance contracts	1 January 2023
HKFRS 17 (Amendments)	Insurance contracts	1 January 2023
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of making an assessment on the impact of these new standards and amendments to standards and preliminary results showed that their applications are not expected to have material impact on the financial performance and the financial position of the Group.

4. ESTIMATES

The preparation of the unaudited condensed interim consolidated financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the carrying amounts of assets and liabilities, income and expense that are not readily apparent from other sources. Actual results may differ from these estimates.

In preparing the unaudited condensed interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2020 Annual Financial Statements.

5. REVENUE AND SEGMENT INFORMATION

The principal activities of the Group consisted of (i) manufacturing and distribution of leather products; and (ii) retail of fashion apparel, footwear and leather accessories. Upon obtaining the relevant permit in June 2020, the Group extended its business into the industrial hemp planting and production of hemp fabric products (the “**Industrial Hemp Planting Business**”). However, the Industrial Hemp Planting Business did not form a separate reportable segment as it was still in a preliminary development stage and had not built its scale.

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker (the “**CODM**”) that are used to make strategic decisions.

The Group has two reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group’s reportable segments:

Manufacturing business	—	Manufacturing and distribution of leather products
Retail business	—	Retail of fashion apparel, footwear and leather accessories

Inter-segment transactions are priced with reference to prices charged to external parties for similar order. Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments’ result that is used by the CODM for assessment of segment performance.

	Manufacturing business		Retail business		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020	2021	2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000
Revenue from external customers	21,327	14,667	4,113	1,778	25,440	16,445
Inter-segment revenue	159	—	—	207	159	207
Reportable segment revenue (Note (i))	<u>21,486</u>	<u>14,667</u>	<u>4,113</u>	<u>1,985</u>	<u>25,599</u>	<u>16,652</u>
Reportable segment loss	<u>(4,163)</u>	<u>(3,631)</u>	<u>(2,170)</u>	<u>(673)</u>	<u>(6,333)</u>	<u>(4,304)</u>
Interest income					1	39
Unallocated corporate expenses (Note (ii))					<u>(2,328)</u>	<u>(2,701)</u>
Loss before tax					<u>(8,660)</u>	<u>(6,966)</u>
Income tax expense					<u>—</u>	<u>—</u>
Loss for the period					<u><u>(8,660)</u></u>	<u><u>(6,966)</u></u>

	Manufacturing business		Retail business		Total	
	As at	As at	As at	As at	As at	As at
	30 June	31 December	30 June	31 December	30 June	31 December
	2021	2020	2021	2020	2021	2020
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment assets	36,725	25,260	6,513	4,551	43,238	29,811
Due from former fellow subsidiaries					8	8
Due from a related company					—	543
Tax recoverable					513	438
Other unallocated corporate assets (Note (iii))					566	1,292
Consolidated total assets					<u>44,325</u>	<u>32,092</u>
Reportable segment liabilities	22,658	9,000	4,603	5,499	27,261	14,499
Due to a related company					1,468	—
Due to former fellow subsidiaries					8,171	8,171
Due to a former intermediate holding company					5,590	5,590
Due to a director					263	263
Loan from a director					8,000	8,000
Loan from ultimate controlling shareholder					9,508	3,262
Unallocated corporate liabilities (Note (iv))					3,076	3,194
Consolidated total liabilities					<u>63,337</u>	<u>42,979</u>

Notes:

- (i) Revenue from manufacturing business and retail business is recognised at a point in time when the control of the products has been passed to customers.
- (ii) The amount represented unallocated corporate expenses that are not allocated to operating segments, including professional fees, directors' emoluments, staff costs, foreign exchange loss and other head office expenses.
- (iii) The amount represented unallocated deposits paid, other receivables and cash and cash equivalents.
- (iv) The amount represented unallocated deposits received, accrued head office professional fees and staff costs and lease liabilities.

6. FINANCE COSTS

	Six months ended 30 June	
	2021	2020
	Unaudited HK\$'000	Unaudited HK\$'000
Interest on lease liabilities	698	172
Imputed interest on loan from ultimate controlling shareholder (note 16)	175	—
	<u>873</u>	<u>172</u>

7. LOSS BEFORE TAX

Loss before tax is arrived at after (crediting)/charging:

	Six months ended 30 June	
	2021	2020
	Unaudited HK\$'000	Unaudited HK\$'000
Cost of inventories recognised as expenses	17,545	12,225
Depreciation of property, plant and equipment (note (i))	60	66
Depreciation of right-of-use assets (note (ii))	2,377	2,007
Foreign exchange (gains)/loss, net	914	(227)
Short term lease expenses	1,349	661
Staff costs (excluding Directors' emoluments) (note (iii))	9,772	8,676
Impairment of trade receivables	22	—
Impairment loss on property, plant and equipment	51	—
Impairment loss on right-of-use assets	819	—
Write-down of inventories, net (included in cost of sales)	690	—
Government subsidies (note (iv))	—	(240)
Interest income	(1)	(39)
	<u>(1)</u>	<u>(39)</u>

Notes:

- (i) Included in depreciation of property, plant and equipment were (i) approximately HK\$10,000 (six months ended 30 June 2020: HK\$24,000) being depreciation included in the cost of inventories; and (ii) approximately HK\$21,000 (six months ended 30 June 2020: Nil) being depreciation included in the selling and distribution costs in the condensed consolidated statement of profit or loss and other comprehensive income.
- (ii) Included in depreciation of right-of-use assets were (i) approximately HK\$1,278,000 (six months ended 30 June 2020: HK\$1,058,000) being depreciation included in the cost of inventories; and (ii) approximately HK\$36,000 (six months ended 30 June 2020: Nil) being depreciation included in the selling and distribution costs in the condensed consolidated statement of profit or loss and other comprehensive income.

- (iii) Included in staff costs were (i) approximately HK\$3,082,000 (six months ended 30 June 2020: HK\$3,049,000) being direct labour costs included in the cost of inventories; and (ii) approximately HK\$772,000 (six months ended 30 June 2020: HK\$844,000) being salaries included in the selling and distribution costs in the condensed consolidated statement of profit or loss and other comprehensive income.
- (iv) The Group received government's subsidies of HK\$240,000 during the six months ended 30 June 2020 (six months ended 30 June 2021: Nil) in respect of COVID-19 pandemic subsidies in Hong Kong. There were no unfulfilled conditions or contingencies attaching to these government grants.

8. INCOME TAX EXPENSE

Hong Kong Profits Tax is taxed at the statutory rate of 16.5%. For subsidiaries operating in the PRC, the Corporate Income Tax ("CIT") is taxed at the statutory rate of 25%.

No provision for Hong Kong Profits Tax or CIT in PRC has been made as the Group did not generate any assessable profits arising in Hong Kong and the PRC or has available tax losses brought forward from prior years to offset the assessable profits generated for both periods.

Additional tax assessments

In February 2018 and March 2019, the Hong Kong Inland Revenue Department (the "IRD") initiated a tax audit on certain subsidiaries (the "Relevant Subsidiaries") of the Company with additional assessments (the "AA2012") of Hong Kong Profits Tax amounting to HK\$648,000 raised for the year of assessment of 2011/12. Objection against these additional assessments were duly lodged and the AA2012 were held over by IRD unconditionally.

In March 2019, IRD issued additional assessments (the "AA2013") of Hong Kong Profits Tax amounting to HK\$485,000 for the year of assessment 2012/13 to the Relevant Subsidiaries. Objection against these additional assessments has been duly lodged and the AA2013 were held over by IRD unconditionally.

In January 2020, IRD issued additional assessments (the "AA2014") of Hong Kong Profits Tax amounting to HK\$465,000 for the year of assessment 2013/14 to the Relevant Subsidiaries. Objection against these additional assessments has been duly lodged by the Relevant Subsidiaries and a tax reserve certificate of HK\$155,000 was purchased by the Group for conditional holdover of the AA2014.

In March 2021, IRD further issued additional assessments (the “**AA2015**”) of Hong Kong Profits Tax amounting to HK\$435,000 for the year of assessment 2014/15 to the Relevant Subsidiaries. Objection against these additional assessments has been duly lodged by the Relevant Subsidiaries and a tax reserve certificate of HK\$72,500 was purchased by the Group for conditional holdover of the AA2015.

The Group has sought assistance and advices from tax specialists in handling the tax audit. Up to the date of approval of these unaudited condensed interim consolidated financial statements, the tax audit initiated by IRD was still at a preliminary stage pending fact-finding and the outcome of which cannot be readily ascertained with reasonable certainty. Nevertheless, the Directors have performed an assessment based on the existing facts and circumstances, and considered that the Relevant Subsidiaries have properly prepared and filed their Hong Kong Profits Tax returns in compliance with the Inland Revenue Ordinance. Accordingly, no additional provision for Hong Kong Profits Tax was considered necessary by the Directors to be made in the unaudited condensed interim consolidated financial statements for the periods ended 30 June 2021 and 2020.

9. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2021 and 30 June 2020.

10. LOSS PER SHARE

The calculation of basic loss per share is based on the Group’s loss for the period of HK\$8,660,000 (six months ended 30 June 2020: HK\$6,966,000) attributable to owners of the Company and the weighted average number of 382,704,000 (six months ended 30 June 2020: 382,704,000) ordinary shares in issue during the six months ended 30 June 2021.

For the six months ended 30 June 2021 and 30 June 2020, diluted loss per share is equal to the basic loss per share for the respective periods as there is no potential dilutive ordinary share in issue for the six months ended 30 June 2021 and 30 June 2020.

11. PROPERTY, PLANT AND EQUIPMENT

Additions to property, plant and equipment amounted to approximately HK\$4,222,000 for the six months ended 30 June 2021 (six months ended 30 June 2020: HK\$3,000), while no disposal of property, plant and equipment was recorded for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

As at 30 June 2021, the Directors considered that there were impairment indicators on certain of the property, plant and equipment (including leasehold improvements) (the “**Retail PPE**”) and right-of-use assets (note 12) (the “**Retail ROA**”) because of the substantial loss incurred by its Leather Retail Business during the six months ended 30 June 2021. Accordingly, an impairment loss on the Retail PPE and the Retail ROA of approximately HK\$51,000 (six months ended 30 June 2020: Nil) and HK\$819,000 (six months ended 30 June 2020: Nil) (note 12), respectively, was recognised in the condensed consolidated statement of profit or loss for the six months ended 30 June 2021.

12. LEASES

During the six months ended 30 June 2021, the Group entered into certain new lease agreements for factory and retail shop premises for terms ranging from 5 months to 5 years (six months ended 30 June 2020: a new lease agreement for office premises for a term of 2 years). The Group applied the short-term lease recognition exemption to leases of retail shops that have a lease term of 12 months or less from the commencement date. Right-of-use assets and lease liabilities amounting to approximately HK\$11,913,000 and HK\$11,874,000, respectively, were initially recognised for the six months ended 30 June 2021 (six months ended 30 June 2020: approximately HK\$1,499,000 respectively).

As detailed in note 11, the Group performed an impairment assessment on the Retail ROA and impairment loss of approximately HK\$819,000 (six months ended 30 June 2020: Nil) was recognised in the condensed consolidated statement of profit or loss for the six months ended 30 June 2021.

13. TRADE RECEIVABLES

	As at 30 June 2021 Unaudited HK\$'000	As at 31 December 2020 Audited HK\$'000
Trade receivables	13,623	10,956
Less: Impairment loss	(1,145)	(1,123)
Net carrying amounts	<u>12,478</u>	<u>9,833</u>

No credit term is granted to customers from the Group's retail business. Customers in the manufacturing segment are generally granted with credit terms of 30 to 90 days from the invoice date. The ageing analysis of trade receivables based on the invoice date (net of impairment loss) at the end of reporting period is as follows:

	As at 30 June 2021 Unaudited HK\$'000	As at 31 December 2020 Audited HK\$'000
Less than 30 days	4,730	5,453
31–60 days	5,194	3,679
61–90 days	2,441	685
91–120 days	—	11
121–365 days	113	1
More than 365 days	—	4
	<u>12,478</u>	<u>9,833</u>

The carrying amounts of trade receivables approximated to their fair values.

14. TRADE PAYABLES

Details of the ageing analysis based on the invoice date at the end of reporting period are as follows:

	As at 30 June 2021 Unaudited HK\$'000	As at 31 December 2020 Audited HK\$'000
Less than 30 days	947	1,185
31–60 days	1,599	349
61–90 days	935	867
91–120 days	251	2
121–365 days	5	2
More than 365 days	352	341
	<u>4,089</u>	<u>2,746</u>

15. LOAN FROM A DIRECTOR

On 28 October 2019, the Company entered into a loan agreement with Mr. Qin, pursuant to which, Mr. Qin granted a loan of HK\$8,000,000 to the Company which is unsecured, interest-free and repayable on demand. Pursuant to a letter of undertaking given by Mr. Qin, Mr. Qin has confirmed to the Company that he will not demand for repayment of the loan until the Company is in a position to do so.

16. LOAN FROM ULTIMATE CONTROLLING SHAREHOLDER

	Six months ended 30 June 2021 Unaudited HK\$'000	Year ended 31 December 2020 Audited HK\$'000
Beginning of the period/year	3,262	—
Loan agreement entered with ultimate controlling shareholder		
Principal amount	7,630	3,374
Notional interest saving arising from the interest-free loan	(1,008)	(389)
	<u>9,884</u>	<u>2,985</u>
Imputed interest charged	175	93
Repayment	(536)	—
Exchange realignment	(15)	184
	<u>9,508</u>	<u>3,262</u>
Balance at end of period/year	9,508	3,262
Less: Current portion	(2,226)	—
	<u>7,282</u>	<u>3,262</u>
Non-current portion	<u>7,282</u>	<u>3,262</u>

On 29 June 2020, the Group entered into a loan agreement with Mr. Zhao, pursuant to which, Mr. Zhao granted an unsecured interest-free loan of RMB3,000,000 (equivalent to approximately HK\$3,374,000) to the Group, which is repayable on or before 30 June 2022. As at the grant date, the loan was revalued to its present value of approximately RMB2,654,000 (equivalent to approximately HK\$2,985,000) and this amount is carried as non-current liabilities at amortised cost, using an effective interest of 6%. During the Period, the loan was partially settled for RMB490,000.

On 13 January 2021, the Group entered into a loan agreement with Mr. Zhao, pursuant to which, Mr. Zhao granted an unsecured interest-free loan of HK\$1,000,000 to the Group, which is repayable on or before 12 January 2022.

On 15 March 2021, the Group entered into a loan agreement with Mr. Zhao, pursuant to which, Mr. Zhao granted an unsecured interest-free loan of RMB1,000,000 (equivalent to approximately HK\$1,201,000) to the Group, which is repayable on or before 15 March 2023. As at the grant date, the loan was revalued to its present value of approximately RMB813,000 (equivalent to approximately HK\$977,000) and this amount is carried as non-current liabilities at amortised cost, using an effective interest of 10%.

On 22 April 2021, the Group entered into a loan agreement with Mr. Zhao, pursuant to which, Mr. Zhao granted an unsecured interest-free loan of RMB500,000 (equivalent to approximately HK\$601,000) to the Group, which is repayable on or before 22 April 2023. As at the grant date, the loan was revalued to its present value of approximately RMB407,000 (equivalent to approximately HK\$489,000) and this amount is carried as non-current liabilities at amortised cost, using an effective interest of 10%.

On 7 May 2021, the Group entered into a loan agreement with Mr. Zhao, pursuant to which, Mr. Zhao granted an unsecured interest-free loan of RMB500,000 (equivalent to approximately HK\$601,000) to the Group, which is repayable on or before 7 May 2023. As at the grant date, the loan was revalued to its present value of approximately RMB407,000 (equivalent to approximately HK\$489,000) and this amount is carried as non-current liabilities at amortised cost, using an effective interest of 10%.

On 3 June 2021, the Group entered into a loan agreement with Mr. Zhao, pursuant to which, Mr. Zhao granted an unsecured interest-free loan of RMB2,500,000 (equivalent to approximately HK\$3,003,000) to the Group, which is repayable on or before 3 June 2023. As at the grant date, the loan was revalued to its present value of approximately RMB2,034,000 (equivalent to approximately HK\$2,442,000) and this amount is carried as non-current liabilities at amortised cost, using an effective interest of 10%.

On 15 June 2021, the Group entered into a loan agreement with Mr. Zhao, pursuant to which, Mr. Zhao granted an unsecured interest-free loan of HK\$100,000 to the Group, which is repayable on or before 14 June 2022.

On 30 June 2021, the Group entered into a loan agreement with Mr. Zhao, pursuant to which, Mr. Zhao granted an unsecured interest-free loan of HK\$1,126,000 to the Group, which is repayable on or before 29 June 2022.

17. CAPITAL COMMITMENTS

Details of the capital commitments at the end of the reporting period are as follows:

	As at 30 June 2021 Unaudited HK\$'000	As at 31 December 2020 Audited HK\$'000
Contracted for but not provided		
— leasehold improvements	1,501	—
— plant and machinery	129	—
	<u>1,630</u>	<u>—</u>

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE REVIEW

For the six months ended 30 June 2021, the Group's revenue increased by approximately 54.7% from approximately HK\$16,445,000 for the six months ended 30 June 2020 to approximately HK\$25,440,000. Gross profit increased by approximately 87.1% from approximately HK\$4,220,000 for the six months ended 30 June 2020 to approximately HK\$7,895,000 for the six months ended 30 June 2021. The gross profit margin of the Group increased from approximately 25.7% for the six months ended 30 June 2020 to approximately 31.0% for the six months ended 30 June 2021. The increase in revenue and gross profit was a result of the improvement of its manufacturing business segment and the retail segment and the recovery of the economic activities in worldwide with the COVID-19 pandemic under better control during the six months ended 30 June 2021.

Other income and gains decreased by 87.2% from approximately HK\$815,000 for the six months ended 30 June 2020 to approximately HK\$104,000 for the six months ended 30 June 2021. The decrease was mainly attributable to the government subsidies in relation to the ongoing COVID-19 pandemic for the six months ended 30 June 2020.

Selling and distribution costs increased by approximately 100.8% from approximately HK\$1,723,000 for the six months ended 30 June 2020 to approximately HK\$3,460,000 for the six months ended 30 June 2021. The significant increase was primarily due to (i) the opening of two more retail shops in the fourth quarter of 2020, which incurred extra expenses of shop rental and human resource and (ii) there was extra costs in selling and distribution for developing the PRC domestic retail business during the six months ended 30 June 2021.

Administrative and other operating expenses increased by approximately 21.7% from approximately HK\$10,106,000 for the six months ended 30 June 2020 to approximately HK\$12,304,000 for the six months ended 30 June 2021. This is mainly due to the increase in the exchange loss and impairment of right-of-use assets in the retail business segment during the six months ended 30 June 2021.

As a result of the above, the Group recorded a net loss attributable to owners of the Company of approximately HK\$8,660,000 for the six months ended 30 June 2021 (six months ended 30 June 2020: approximately HK\$6,966,000). Loss per share for the six months ended 30 June 2021 was HK2.26 cents (six months ended 30 June 2020: HK1.82 cents).

BUSINESS REVIEW

During the six months ended 30 June 2021, the manufacturing and retail business segments accounted for approximately 83.8% (six months ended 30 June 2020: approximately 89.2%) and approximately 16.2% (six months ended 30 June 2020: approximately 10.8%) of the total revenue of the Group, respectively.

Manufacturing Business

For the six months ended 30 June 2021, the Group's revenue from its manufacturing business from external customers increased by 45.4% from approximately HK\$14,667,000 for the six months ended 30 June 2020 to approximately HK\$21,327,000. This was mainly due to the outbreak of COVID-19 pandemic during the six months ended June 2020, which led to the decrease in demand from Hong Kong, the PRC and overseas markets, the temporary closure of the Group's factories in the PRC and the logistics restrictions imposed worldwide. With the widespread vaccination of vaccines, the economy has gradually recovered and the demand for products in overseas markets has also increased during the six months ended 30 June 2021.

Revenue analysis by geographic location:

	Six months ended 30 June			
	2021		2020	
	Unaudited		Unaudited	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
United States	13,160	61.7	7,423	50.6
Europe	3,083	14.4	3,282	22.4
Hong Kong	2,294	10.8	436	3.0
PRC	—	—	40	0.3
Others	2,790	13.1	3,486	23.7
	<u>21,327</u>	<u>100</u>	<u>14,667</u>	<u>100</u>

Revenue analysis by product category:

	Six months ended 30 June			
	2021		2020	
	Unaudited		Unaudited	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
Belts	20,812	97.6	13,948	95.0
Leather goods & other accessories	515	2.4	719	5.0
	<u>21,327</u>	<u>100</u>	<u>14,667</u>	<u>100</u>

The Group's manufacturing business segment recorded an operating loss of approximately HK\$4,163,000 for the six months ended 30 June 2021, representing a light increase of approximately 14.7% from approximately HK\$3,631,000 operating loss for the six months ended 30 June 2020. The Group will continue to streamline human resources and reduce other overheads costs.

Retail Business

The Group's revenue from its retail business increased by approximately 131.3% from approximately HK\$1,778,000 for the six months ended 30 June 2020 to approximately HK\$4,113,000 for the six months ended 30 June 2021. The substantial growth in the Retail Business was mainly due to exploration and expansion of the retail market in PRC during the six months ended 30 June 2021.

Revenue analysis by geographic location:

	Six months ended 30 June			
	2021		2020	
	Unaudited		Unaudited	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
PRC	2,762	64.2	—	—
Hong Kong	1,351	32.8	1,778	100
	<u>4,113</u>	<u>100</u>	<u>1,778</u>	<u>100</u>

The overall shop rental to revenue ratio of approximately 51.5% for the six months ended 30 June 2021 decreased as compared with that of approximately 61.0% for six months ended 30 June 2020. The decrease was due to increase in revenue from the growth of online sales in the PRC retail market for the six months ended 30 June 2021. The staff costs to revenue ratio decreased to approximately 41.6% for the six months ended 30 June 2021 (six months ended 30 June 2020: approximately 63.4%).

During the six months ended 30 June 2021, the Group maintained the number of its retail shop since 31 December 2020. As at 30 June 2021, the Group operated four AREA 0264 stores and one Teepee Leather workshop in Hong Kong (30 June 2020: two AREA 0264 stores and one Teepee Leather workshop).

As a result of the above, the Group's retail business segment recorded an operating loss of approximately HK\$2,170,000 for the six months ended 30 June 2021 (six months ended 30 June 2020: approximately HK\$673,000). The increase was mainly due to (i) the opening of two more retail shops in the fourth quarter of 2020, which incurred the extra expense of shop rental and human resource and (ii) impairment of property, plant and equipment and right-of-use assets in the retail business segment but offset by profit from domestic sales in the PRC.

Prospect

In the first half of 2021, with the gradual relief of the global COVID-19 epidemic, global production gradually approached the pre-epidemic level, consumption accelerated recovery, and consumption in the overseas leatherware market resumed somewhat.

In term of oversea market, with the increase in vaccination rates, the international consumption environment has gradually stabilized. In addition, the spread of the COVID-19 in South and Southeast Asia has adversely affected the manufacturing industries of some countries, therefore, the manufacturing order from oversea have been further increased steady.

Looking forward to the second half of 2021, the Group remains optimistic about the situation of the leatherware industry. With the replenishment demand of oversea brands and the continuous recovery of overseas demand, it is expected that leatherware orders will continue to improve in the second half of the year. However, due to the continuing impact of the epidemic, there are also certain uncertainties.

In addition, the existing retail market and popularity are constantly changing, and consumers with high spending power are gradually becoming younger. However, our existing leatherware products' styles are outdated and lack of attractiveness. In the second half of the year, we will focus on designing and launching a new series of leatherware products that are in the style of our brand named Area0264 without losing trendy elements. It is expected that it will bring a new modern atmosphere to the retail business.

In the meanwhile, with the opening of the new factory in Dongguan in the second half of 2021, the Group will focus on improving the production efficiency within the factory in order to achieve its optimal production level.

Furthermore, as announced on 16 June 2020, the Group has undertaken plans to diversify into the businesses of industrial hemp planting and hemp fabric product production (the “**Business Plan**”). Hemp fabric is made of fibres from industrial hemp, and is a type of textile which is antibacterial, strong and versatile, and fill in as a characteristic environment-adjusting framework that makes it desirable for both summer and winter.

The Group has obtained the relevant permit to plant industrial hemp and rented a parcel of land in Yunnan for the trial cultivation of industrial hemp. The Group has also secured the provision of the industrial hemp seeds of Yunma No. 7* (雲麻7號) from the Institute of Economic Crops of the Yunnan Academy of Agricultural Science* (雲南省農業科學院經濟作物研究所). The Group is still in a preliminary development stage and committed to experimental cultivation of industrial hemp. The Group looks forward to the successful trial planting and the ability to manufacture and produce hemp fabrics in the near future.

The Board considers that the Business Plan, if materialized, could diversify the Group’s product portfolio and income streams, thereby improving its profitability in the long term.

The Group will continue to work with customers, shareholders and business partners for the sustainable development of society, and concurrently review its business strategic directions and operations with a vision to further mitigate loss and to maximize its shareholders’ value.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2021, the Group’s cash and bank deposits were approximately HK\$945,000 as compared to approximately HK\$2,280,000 as at 31 December 2020.

The Group recorded total current assets of approximately HK\$27,682,000 as at 30 June 2021 (31 December 2020: approximately HK\$28,329,000) and total current liabilities of approximately HK\$46,328,000 as at 30 June 2021 (31 December 2020: approximately HK\$37,854,000). The decrease in total current assets was mainly due to the decrease in inventories and cash and bank deposits. The current ratio of the Group, calculated by dividing the total current assets by the total current liabilities, was approximately 0.60 times as at 30 June 2021 (31 December 2020: approximately 0.75 times).

The Group recorded total inventories of approximately HK\$8,327,000 as at 30 June 2021 (31 December 2020: approximately HK\$11,265,000) and the inventory turnover days decreased from 148 days to 86 days in view of the economy has gradually recovered and demand increased from overseas markets.

The Group had trade receivables of approximately HK\$12,478,000 as at 30 June 2021 (31 December 2020: approximately HK\$9,833,000) and the debtor turnover days decreased from 90 days to 89 days.

The Group recorded shareholders' deficiency in assets of approximately HK\$19,012,000 as at 30 June 2021 (31 December 2020: approximately HK\$10,887,000). The increase was mainly attributable to the Group's operational loss during the six months ended 30 June 2021.

As detailed in note 2(c) to the unaudited condensed interim consolidated financial statements for the six months ended 30 June 2021, (i) the Company has obtained a letter of undertaking from Mr. Qin, an executive director of the Company, that he would not demand for repayment of the amount due to him of HK\$8,000,000 as at 30 June 2021 until the Company is in a position to do so; (ii) subsequent to the end of the reporting period, on 28 August 2021, the Company and Mr. Qin entered into another loan agreement, pursuant to which, Mr. Qin granted an unsecured interest-free loan facility up to HK\$30,000,000 for a term of two years, none of which has been utilised as at the date of approving these unaudited condensed interim consolidated financial statements; (iii) the Company and Mr. Zhao entered into a loan facility agreement on 27 May 2020, pursuant to which, Mr. Zhao granted an interest-free and unsecured loan facility up to HK\$20,000,000 to the Company for a term of two years, none of which has been utilised as at the end of the reporting period and the date of approving these unaudited condensed interim consolidated financial statements; (iv) the Company has obtained a letter of support from Mr. Zhao confirming that he would not demand for repayment of the loan due to him in aggregate amount of HK\$10,908,000 as at 30 June 2021 until the Company is in a position to do so. Mr. Zhao has also confirmed his willingness to further provide for adequate financial resources as is necessary to enable the Group both to meet its financial obligation as and when they fall due and to carrying on its business for at least 24 months from 30 June 2021.

The Group did not have any bank borrowings or bank facilities as at 30 June 2021 (31 December 2020: nil)

As at 30 June 2021, the Group had total assets amounting to approximately HK\$44,325,000 (as at 31 December 2020: approximately HK\$32,092,000) and total liabilities of approximately HK\$63,337,000 (as at 31 December 2020: approximately HK\$42,979,000). The gearing ratio of the Group, calculated as total liabilities over total assets, was approximately 142.9% as at 30 June 2021 (as at 31 December 2020: approximately 133.9%).

TREASURY POLICY

The Group generally finances its operation with internally generated resources. Cash and bank deposits of the Group are mainly denominated in HK\$, United States dollars (“USD”) and RMB. Transactions of the Group are mainly denominated in HK\$, USD and RMB. As HK\$ is pegged to USD, the Group does not expect any significant movements in the USD/HK\$ exchange rate. In this regard, the Group is not exposed to significant currency risk arising from USD. The fluctuations in the RMB’s value against other currencies will create foreign currency translation gains or losses and may have an adverse effect on the Group’s business, financial condition and results. Any imposition, variation or removal of foreign exchange controls may adversely affect the value, translated or converted into HK\$ or USD, of our Group’s net assets and earnings. The Group currently does not have any foreign currency hedging policy. However, the management of the Company will continue to monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

CHARGES OF ASSETS

The Group did not have any charges on assets as at 30 June 2021 (31 December 2020: time deposits at a bank of approximately HK\$430,000).

SIGNIFICANT INVESTMENTS

The Group did not have any significant investment during the six months ended 30 June 2021.

MATERIAL ACQUISITION AND DISPOSAL

The Group did not conduct any significant acquisition or disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2021.

COMMITMENTS

Details of capital commitments as at 30 June 2021 are disclosed in note 17 to the unaudited condensed interim consolidated financial statements.

HUMAN RESOURCES

As at 30 June 2021, the Group employed 161 employees (31 December 2020: 169). The salaries of employees largely depend on their job nature, performance and length of service with the Group. The Directors' remuneration is determined with reference to salaries paid by comparable companies, experience, responsibilities and performance of the Group. Discretionary bonuses are also available to the Group's employees depending on the overall performance of the Group. In addition to the basic remuneration, the Group also provides employees with employees benefits, including pension, medical scheme and other applicable social insurance as required by the applicable laws and regulations. Apart from regular on-job training, the Group provides training to new employees including an introduction to relevant regulations and general safety awareness and a workshop specific training to the work area and the role of individual within the workshop.

DIVIDEND

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2021.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, the Directors have confirmed compliance with the required standard set out in the Model Code during the six months ended 30 June 2021.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in note 2(c) to the unaudited condensed interim consolidated financial statements, there are no important events affecting the Group which have occurred after the end of the reporting period and up to the date of this report.

CORPORATE GOVERNANCE

The Company's corporate governance practices are based on the principles and code provisions (the "**Code Provisions**") set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 of the Listing Rules. The Company has complied with the Code Provisions as set out in the CG Code during the six months ended 30 June 2021 except the following deviation.

Under the code provision C.2.5 of the CG Code, the Group should have an internal audit function. The Company did not perform the internal audit function for the six months ended 30 June 2021. The Board is aware of the importance of internal audit function and based on the size and simple operating structure of the Group as well as the existing internal control processes, the Board has decided not to set up an internal audit department for the time being. Instead, the Company will engage an independent third party to carry out internal audit function annually. When necessary, the audit committee of the Company would carry out internal audit function for reviewing the adequacy and effectiveness of the risk management and internal control systems of the Group.

The Company will periodically review its corporate governance practices to ensure its continuous compliance with the CG Code.

NON-COMPLIANCE WITH DISCLOSURE REQUIREMENT OF THE LISTING RULES

The indirect wholly owned subsidiary, Dongguan Sze Cheik Leather Goods Company Limited had entered into a tenancy agreement of 6 January 2021 to lease certain premises in Dongguan as its production factory and staff dormitory for production operation (the "**Lease**"). The Lease regarded as the right-of-use asset under HKFRS 16, constituted a major transaction subject to the reporting, announcement, circular and shareholders' approval requirements under the Listing Rules. Due to inadvertent oversight of the implementation of HKFRS 16 in relation to Lease. The Company was unable to timely comply with the announcement and shareholders' approval requirements for the Lease under Rules 14.34 and 14.40 of the Listing Rules. As such, the Company published announcements in relation to the Lease on 15 March 2021, 8 April 2021, 22 April 2021 and 17 May 2021 and published the circular on 21 May 2021.

To prevent non-compliance on disclosure requirement in the future, the Company will adopt measures to strengthen the relevant internal procedures and continue to provide training for the staff, especially the relevant PRC personnel.

AUDIT COMMITTEE

The Company has established an audit committee of the Company (the “**Audit Committee**”) with written terms of reference in compliance with the requirements as set out in the Listing Rules for the purposes of reviewing and supervising the financial reporting process, internal controls and risk management systems of the Group. As at 30 June 2021, the Audit Committee comprised three independent non-executive Directors, Ms. Han Yu (Chairlady), Ms. Jia Lixin and Mr. Rong Yi. The Audit Committee has reviewed and discussed with management in relation to financial reporting matters, including but not limited to the unaudited condensed interim consolidated financial statements of the Group for the six months ended 30 June 2021.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the websites of the Company (<http://www.irasia.com/listco/hk/cidc/index.htm>) and the Stock Exchange (www.hkex.com.hk). An interim report for the six months ended 30 June 2021 containing all the information required by the Appendix 16 to the Listing Rules will be dispatched to shareholders of the Company and available on the same websites in due course.

By order of the Board
China International Development Corporation Limited
Zhao Jingfei
Chairman and Executive Director

Hong Kong, 30 August 2021

As at the date of this announcement, the executive Directors are Mr. Zhao Jingfei, Mr. Fan Xin and Mr. Qin Bohan; and the independent non-executive Directors are Ms. Han Yu, Ms. Jia Lixin and Mr. Rong Yi.