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Million Hope Industries Holdings Limited

美亨實業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1897)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

INTERIM RESULTS

For the six months ended 30 September 2021, Million Hope Industries Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) recorded unaudited consolidated revenue of HK\$380.5 million, representing a remarkable growth of 60.4% from HK\$237.2 million for the six months ended 30 September 2020. The increase in unaudited consolidated revenue was mainly attributable to revenue generated from various projects, including residential development projects at N.K.I.L. 6565 Kai Tak, N.K.I.L. 6564 Kai Tak, N.K.I.L. 6563 Kai Tak, Wong Chuk Hang Station property development and Lohas Park Package 10.

The unaudited consolidated profit attributable to owners of the Company for the six months ended 30 September 2021 was HK\$21.8 million, representing an increase of 8.7%, as compared to HK\$20.1 million for the last corresponding period. The unaudited consolidated profit of the Group for the current period rose less than the growth in revenue, mainly attributable to (i) the decrease in gross profit margin from 15.5% for the prior period to 10.9% for the current period as projects with revenue recognised during the current period were with lower gross profit margin in general due to intense competition and increased material costs; and (ii) the decrease in other income as a result of the absence of subsidies from the HKSAR Government’s Employment Support Scheme in the aggregate amount of HK\$4.3 million as recorded in the corresponding period last year.

The basic earnings per share for the six months ended 30 September 2021 were HK\$0.05, same as that for the six months ended 30 September 2020. The diluted earnings per share for the six months ended 30 September 2021 were HK\$0.05, while no diluted earnings per share was presented for the corresponding period last year as there was no potential ordinary share for the six months ended 30 September 2020.

DIVIDEND

The board of directors of the Company (the “**Board**”) has resolved to pay a first interim dividend of HK1.6 cents per share for the six months ended 30 September 2021 (for the six months ended 30 September 2020: an interim dividend of HK1.6 cents per share) to the shareholders of the Company (the “**Shareholders**”) whose names appear on the register of members of the Company on 3 December 2021. The dividend is expected to be paid to the Shareholders on 14 December 2021.

CLOSURE OF REGISTER OF MEMBERS FOR DIVIDEND

The register of members of the Company will be closed from 1 December 2021 to 3 December 2021, both dates inclusive, for the purpose of determining the identity of members who are entitled to the first interim dividend for the six months ended 30 September 2021. In order to qualify for the first interim dividend for the six months ended 30 September 2021, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 30 November 2021.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2021

	<i>NOTES</i>	For the six months ended 30 September	
		2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)
Revenue	3	380,544	237,220
Cost of sales		(339,064)	<u>(200,488)</u>
Gross profit		41,480	36,732
Other income		4,791	7,613
Other gains and losses		1,218	(2,092)
Impairment loss under expected credit loss model, net		(3,573)	(914)
Administrative expenses		(17,411)	(16,858)
Finance costs		(977)	<u>(840)</u>
Profit before taxation	4	25,528	23,641
Taxation	5	(3,728)	<u>(3,591)</u>
Profit for the period		21,800	20,050
Other comprehensive income:			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences on translation from functional currency to presentation currency		865	<u>3,271</u>
Total comprehensive income for the period		22,665	<u>23,321</u>
Earnings per share			
basic (HK\$)	7	0.05	<u>0.05</u>
diluted (HK\$)	7	0.05	<u>N/A</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2021

	<i>NOTES</i>	30.9.2021 HK\$'000 (Unaudited)	31.3.2021 <i>HK\$'000</i> (Audited)
Non-current assets			
Investment properties	8	30,400	30,400
Property, plant and equipment	8	127,432	130,220
Right-of-use assets	8	5,390	5,525
Deferred tax assets		1,345	579
		164,567	166,724
Current assets			
Inventories		67,050	41,416
Debtors, deposits and prepayments	9	187,738	148,990
Contract assets		129,911	79,496
Bank balances and cash		164,614	236,019
		549,313	505,921
Current liabilities			
Trade and other payables	10	73,623	51,310
Provisions		12,080	9,404
Contract liabilities		7,737	296
Tax payable		12,548	8,838
Lease liabilities		191	231
Deferred income		35	35
		106,214	70,114
Net current assets		443,099	435,807
Total assets less current liabilities		607,666	602,531

	<i>NOTE</i>	30.9.2021 <i>HK\$'000</i> (Unaudited)	31.3.2021 <i>HK\$'000</i> (Audited)
Non-current liabilities			
Provisions		63,927	56,456
Lease liabilities		23	100
Deferred income		90	109
		<u>64,040</u>	<u>56,665</u>
		<u>543,626</u>	<u>545,866</u>
Capital and reserves			
Share capital	<i>11</i>	42,146	44,266
Reserves		501,480	501,600
		<u>543,626</u>	<u>545,866</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties, which are measured at fair value.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2021 are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2021.

Application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

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

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

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

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from the provision of design, supply and installation of aluminium windows and curtain walls services by the Group to external customers which is recognised over time as the Group's contract work enhances an asset that the external customers control as the Group performs. The Group's revenue is derived from long-term contracts in relation to provision of design, supply and installation of aluminium windows and curtain walls services in Hong Kong and Mainland China during both periods.

Disaggregation of revenue

By contract type

	For the six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Design, supply and installation for curtain walls, aluminium windows, doors and other products for new buildings (notes i and ii)	320,841	223,603
Design, supply and installation for aluminium windows, doors and other products for new buildings (note ii)	55,980	10,044
Design, supply and installation for renovation works for existing buildings	–	1,106
Repairing, maintenance and others (note iii)	3,723	2,467
Total	<u>380,544</u>	<u>237,220</u>

Notes:

- (i) The contract type involves aluminium windows, doors and other products in addition to curtain walls. The curtain walls are the principal products for the contract type and the principal revenue from this contract type is also from curtain walls.
- (ii) Other products represent balustrade, louvre, cladding, window wall, canopy and grille.
- (iii) Others mainly represent mock up and window testing.

Segment information

Information reported to the directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment focuses on revenue analysis by contract type. No other than the Group's results and financial position as a whole. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

Geographical information

Information about the Group's revenue from external customers is presented based on the geographical location of the projects:

	For the six months ended	
	30 September	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Hong Kong	377,723	234,731
Mainland China	2,821	2,489
	<u>380,544</u>	<u>237,220</u>

4. PROFIT BEFORE TAXATION

	For the six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit before taxation has been arrived at after charging (crediting):		
Depreciation of right-of-use assets	222	193
Depreciation of property, plant and equipment	3,951	3,258
Less: Depreciation expenses included in the cost of inventories	<u>(1,110)</u>	<u>(906)</u>
	3,063	2,545
Government grants, included in other income (<i>note</i>)	<u>–</u>	<u>4,324</u>

Note: During the six months ended 30 September 2020, the Group mainly received government grants in form of cash of HK\$6,456,000 in respect of COVID-19-related subsidies of which HK\$6,446,000 relates to Employment Support Scheme provided by the Hong Kong government, and had recognised government grants of HK\$4,297,000 in profit or loss. The government grants of HK\$2,149,000 had been recognised as deferred income and to be credited to profit or loss on a systematic basis over the period in which the Group recognised staff costs for which the grants are intended to compensate.

5. TAXATION

	For the six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
The taxation charge (credit) comprises:		
Current taxation		
Hong Kong Profits Tax	4,462	916
People's Republic of China (the "PRC") Enterprise Income Tax	32	2,864
	<u>4,494</u>	<u>3,780</u>
Deferred taxation	<u>(766)</u>	<u>(189)</u>
	<u><u>3,728</u></u>	<u><u>3,591</u></u>

Hong Kong Profits Tax for both periods is calculated at 16.5% of the estimated assessable profits for the period, except for the group entity which is a qualifying corporation under the two-tiered profits tax rates regime. For this group entity, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of EIT Law, the tax rate of the PRC subsidiary was 25% for both periods.

6. DIVIDENDS

During the six months ended 30 September 2021, a second interim dividend of HK2.6 cents per share totalling HK\$11,030,000 in respect of the year ended 31 March 2021 (six months ended 30 September 2020: a final dividend of HK2.0 cents per share totalling HK\$8,727,000 in respect of the year ended 31 March 2020) was paid to shareholders.

Subsequent to the end of the current interim period, the directors of the Company have determined that a first interim dividend of HK1.6 cents per share amounting to HK\$6,732,000 in aggregate (six months ended 30 September 2020: an interim dividend of HK1.6 cents per share amounting to HK\$6,981,000) will be paid to the owners of the Company whose names appear in the Register of Members on 3 December 2021.

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company for the period is based on the following data:

	For the six months ended	
	30 September	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Earnings:		
Profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	<u>21,800</u>	<u>20,050</u>
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	424,444,920	436,332,630
Effect of dilutive potential ordinary shares:		
Adjustment in relation to share options granted by the Company	<u>3,651,723</u>	<u>N/A</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>428,096,643</u>	<u>N/A</u>

For the six months ended 30 September 2021, the weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share has been taken into account the ordinary shares repurchased from the market during the six months ended 30 September 2021 and subsequently cancelled in October 2021.

No diluted earnings per share is presented as there was no potential ordinary share for the six months ended 30 September 2020.

8. MOVEMENTS IN INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Investment properties

The fair values of the Group's investment properties at 30 September 2021 and 31 March 2021 have been arrived at on the basis of a valuation carried out on that date by Colliers International (Hong Kong) Limited, an independent property valuer not connected with the Group. Colliers International (Hong Kong) Limited has appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

As at 30 September 2021, the valuation of properties amounting to HK\$30,400,000 (31 March 2021: HK\$30,400,000) was arrived at by reference to the income capitalisation method which is based on the capitalisation of the net income potential by adopting an appropriate capitalisation rate, which is derived from analysis of sale transactions and interpretation of prevailing investor requirements or expectations.

Property, plant and equipment

During the six months ended 30 September 2021, the Group acquired property, plant and equipment of HK\$931,000 (six months ended 30 September 2020: HK\$72,000).

Right-of-use assets

During the six months ended 30 September 2020, the Group entered into a new lease agreement for the use of an office for 2 years. The Group recognised a right-of-use asset of HK\$251,000 and a lease liability of HK\$251,000 (six months ended 30 September 2021: nil).

9. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group allows a credit period of 30 to 90 days to its customers.

The following is an aged analysis of the trade debtors presented based on the right to consideration became unconditional/invoice date at the end of the reporting period:

	30.09.2021	31.03.2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Within 30 days	47,434	40,800
31 – 60 days	71,826	44,068
61 – 90 days	28,847	40,558
Over 90 days	20,692	13,757
	168,799	139,183

There is no material change in the basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 September 2021 as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2021.

10. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

	30.09.2021	31.03.2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Within 30 days	20,330	12,527
31 – 60 days	4,678	1,135
61 – 90 days	537	228
Over 90 days	2,297	1,406
	27,842	15,296

11. SHARE CAPITAL

	<i>Notes</i>	Number of shares	Share capital <i>HK\$'000</i>
Ordinary shares of HK\$0.1 each			
Authorised:			
At 1 April 2020, 31 March 2021 and 30 September 2021		<u>5,000,000,000</u>	<u>500,000</u>
Issued and fully paid:			
At 1 April 2020		436,332,630	43,633
Issue of shares upon			
exercise of share options	<i>(i)</i>	9,309,000	931
Repurchased and cancelled	<i>(ii)</i>	<u>(2,984,000)</u>	<u>(298)</u>
At 31 March 2021		442,657,630	44,266
Issue of shares upon			
exercise of share options	<i>(i)</i>	2,512,000	251
Repurchased and cancelled	<i>(ii)</i>	<u>(23,708,000)</u>	<u>(2,371)</u>
At 30 September 2021		<u>421,461,630</u>	<u>42,146</u>

Notes:

- (i) The new shares issues rank pari passu in all respects with the existing shares in issue.
- (ii) The Company repurchased 18,046,000 shares on the market during the six months ended 30 September 2021 (31 March 2021: 8,812,000 shares on the market in March 2021) at price ranged from HK\$0.81 per share to HK\$0.86 per share (31 March 2021: HK\$0.67 per share to HK\$0.86 per share) for an aggregated consideration paid of approximately HK\$15,235,000 (31 March 2021: HK\$7,336,000), in which 17,880,000 and 166,000 shares were cancelled during the six months ended 30 September 2021 and October 2021 (31 March 2021: in which 2,984,000 and 5,828,000 shares were cancelled in March 2021 and April 2021, respectively), respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONS REVIEW

Major Projects Completed During the Six Months Ended 30 September 2021

- (1) Residential development at Site C1 of TKOTL 70 RP, Lohas Park Package 7 – Design, supply and installation of tower curtain wall and podium glass wall
- (2) Residential development at Site I of TKOTL 70 RP, Lohas Park Package 10 – Design, supply and installation of curtain wall system and aluminium window and door

Major Projects Undertaken During the Six Months Ended 30 September 2021

- (1) Residential development at N.K.I.L. 6565, Kai Tak, Kowloon – Design, supply and installation of curtain wall, aluminium window system and facade lighting
- (2) Residential development at N.K.I.L. 6565, Kai Tak, Kowloon – Design, supply and installation of glass balustrade
- (3) Residential development at 294-296A Prince Edward Road, Kowloon – Design, supply and installation of curtain wall, aluminium window and door
- (4) Residential development at N.K.I.L. 6564, Kai Tak, Kowloon – Design, supply and installation of curtain wall
- (5) Residential development at Site A and Estate Road of Wong Chuk Hang Station Property Development, Aberdeen Inland Lot No. 467 – Design, supply and installation of aluminium and glass facade at podium and transfer plate
- (6) Residential development at N.K.I.L. 6563, Kai Tak, Kowloon – Design, supply and installation of curtain wall system, glass and metal works
- (7) Composite development at 34-38 Belcher's Street, Kennedy Town, Hong Kong – Design, supply and installation of curtain wall, sliding door, glass canopy, window wall and glass wall system
- (8) Residential development at TMTL 483, Siu Hong, Tuen Mun, New Territories – Design, supply and installation of curtain wall system

- (9) Residential development at Lot No. 1068 in Survey District, No. 3 Off Anderson Road, Kwun Tong, Kowloon – Design, supply and installation of aluminium window and glass wall
- (10) Residential development at 233-235 Prince Edward Road West, Kowloon – Design, supply and installation of curtain wall and sliding door
- (11) Residential development at TPTL230, Tai Po Road, Tai Po Kau, New Territories – Design, supply and installation of curtain wall, canopies, windows, doors, claddings, louvres and glass balustrades

Major Projects Awarded During the Six Months Ended 30 September 2021

- (1) Residential development at N.K.I.L. 6579, Lung Cheung Road, Kowloon – Design, supply and installation of curtain wall system, aluminium window/louvre, glass and metal works

The total amount of contracts on hand of the Group as at 30 September 2021 was HK\$1,242 million.

OUTLOOK

As global economic conditions improve and the COVID-19 pandemic recedes, Hong Kong's economy is on track for recovery. Real GDP for the third quarter of 2021 grew by 5.4% year-on-year. The unemployment rate from July to September 2021 was 4.5%, which also hit the lowest level since the epidemic. Considering the strong recovering of the local economy and that the Consumption Voucher Scheme has helped to stimulate local consumption sentiment, the HKSAR Government has revised upwards the real GDP growth forecast for 2021 to 5.5%-6.5%.

Furthermore, according to the Chief Executive's 2021 Policy Address, the HKSAR Government will continue to invest in infrastructure as a major counter-cyclic measure in stimulating the economy. In this legislative session, the funding for capital works projects approved by the Finance Committee has reached a record high of HK\$220 billion and the government also expects that the annual capital works expenditure will exceed HK\$100 billion in the coming years. On the other hand, the HKSAR Government is actively searching for land and is determined to further streamline the land development process. It is expected that the land used for the development of public housing or private housing can meet the rigid demand for buildings in the future and the housing development will remain stable, which will also support the Group's business development.

Nevertheless, the volatile global COVID-19 pandemic, the strained Sino-US relations, the upcoming interest rate hike cycle and the slow-down of China's real estate development will all bring uncertainties to the economic outlook. Moreover, as the market competition continues to be fierce, the appreciation of Renminbi and the sharp increase in raw material prices have increased the construction costs, and the commencement of a large number of infrastructure projects have also caused continuous shortage of construction workers, which increased the construction costs and affected the construction quality, the situation is challenging. The Group will carefully operate its existing construction contracts to provide customers with the highest quality products and services and also adopt a prudent approach when submitting tenders for new construction contracts to guard against any crisis that may happen in the future.

The Group currently maintains a net cash position and has sufficient outstanding contracts on hand, which is expected to bring stable revenue to the Group in the next 2 to 3 years. It is believed that as long as the Group carefully operates its construction contracts on hand, the Group will develop steadily and maximize Shareholders' interests.

FINANCIAL REVIEW

Group Liquidity and Financial Resources

The Group is prudent in managing its cash balance and maintains sound cash flow generating capability. The total cash and bank balances of the Group amounted to HK\$164.6 million as at 30 September 2021 (31 March 2021: HK\$236.0 million), which accounted for 30.0% of the current assets (31 March 2021: 46.6%).

The Group mainly financed its operations through internally generated cash flows and utilised the banking facilities for performance bonds for carrying out its projects during the six months ended 30 September 2021. The Group has access to facilities from banks with an aggregate amount of HK\$360.0 million, of which HK\$125.5 million has been utilised for performance bonds as at 30 September 2021. There was no bank loans drawn down by the Group as at 30 September 2021. The performance bonds under these banking facilities bear charges at prevailing market condition.

As at 30 September 2021, the Group was in a net cash position as there was no bank loans outstanding. As at 30 September 2021, the Group's net current assets was HK\$443.1 million (31 March 2021: HK\$435.8 million) and the current ratio (current assets divided by current liabilities) was 5.17 times (31 March 2021: 7.22 times).

With its sufficient cash balances and banking facilities available, the Group's liquidity position will remain healthy in the coming year, with sufficient financial resources to meet its obligations, operation and future development requirements.

Treasury Policy

The Group's treasury policy aims to minimise its exposure to fluctuations in the exchange rate and not to engage in any highly leveraged or speculative derivative products. Foreign currency exposures of the Group arise mainly from the purchase of raw materials using Renminbi in the Mainland China. The Group currently does not have any hedging arrangements to control the risks related to fluctuations in exchange rates, and will determine if any hedging is required, depending upon the size and nature of the exposure, and the prevailing market circumstances.

The Group does not have significant exposure to gains or losses arising from the movement of foreign currency exchange rate against the Hong Kong dollar as most of the income, expenses, assets and liabilities of the Group are denominated in Hong Kong dollar.

Capital Structure

The capital structure of the Group consists of equity, comprising share capital and reserves. Details of the share capital of the Company are set out in note 11 to the condensed consolidated financial statements. The Group had no bank loans as at 30 September 2021 (31 March 2021: nil).

Major Acquisitions and Disposals

There was no significant investment, acquisition and disposals that should be notified to the Shareholders during the six months ended 30 September 2021.

Details of Charges on Assets

As at 30 September 2021, the Group did not pledge any assets to banks or other financial institutions (31 March 2021: nil).

Performance Bonds and Contingent Liabilities

As at 30 September 2021, the Group had outstanding performance bonds in respect of construction contracts amounting to HK\$125.5 million (31 March 2021: HK\$107.2 million).

Capital Commitments

As at 30 September 2021, the Group had no capital commitment (31 March 2021: nil).

CORPORATE GOVERNANCE

The corporate governance principles of the Company emphasise a quality Board and transparency and accountability to all Shareholders.

Throughout the six months ended 30 September 2021, the Company has complied with all the Code Provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Listing Rules, except for the following deviation:

- Code Provision A.6.7 of the CG Code stipulates that independent non-executive directors and other non-executive directors shall attend general meetings and develop a balanced understanding of the views of the Shareholders. Mr. Cha Mou Daid, Johnson, the non-executive director of the Company, was unable to attend the Company’s 2021 annual general meeting due to other important engagement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors’ securities transactions.

Having made specific enquiry to all directors of the Company, all directors confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 September 2021.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 September 2021, the Company repurchased 18,046,000 shares of the Company in aggregate on the market, of which 15,776,000 shares and 2,270,000 shares are repurchased pursuant to the general mandate granted by the then Shareholders at the annual general meetings held on 25 August 2020 and 24 August 2021 respectively. The aggregate consideration paid (excluding transaction costs) for such repurchase was approximately HK\$15,235,000. 17,880,000 shares of these repurchased shares were cancelled during the period and the remaining 166,000 shares were subsequently cancelled in October 2021.

Month of repurchase	Number of ordinary shares repurchased	Purchase price paid per share		Aggregate consideration paid (excluding transaction costs) HK\$
		Highest HK\$	Lowest HK\$	
April 2021	11,832,000	0.86	0.81	10,037,000
May 2021	1,440,000	0.86	0.84	1,231,000
June 2021	606,000	0.86	0.83	514,000
July 2021	1,128,000	0.83	0.82	933,000
August 2021	770,000	0.83	0.82	635,000
September 2021	<u>2,270,000</u>	0.85	0.81	<u>1,885,000</u>
	<u><u>18,046,000</u></u>			<u><u>15,235,000</u></u>

Save as disclosed above, during the six months ended 30 September 2021, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2021, the Group had 266 full time employees (of which 116 employees were in Mainland China). The Group offers competitive remuneration packages, including discretionary bonus, share options and depending on the position, cash allowances, to its employees. The Group also provides retirement schemes, medical benefits, on-the-job training to its employees and sponsors its employees to attend various external training courses.

REVIEW OF INTERIM RESULTS

The Company has engaged Messrs. Deloitte Touche Tohmatsu, the Group's auditor, to assist the audit committee of the Company (the "**Audit Committee**") to review the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2021. The unaudited condensed consolidated financial statements for the six months ended 30 September 2021 has been reviewed by the Audit Committee.

By order of the Board
Million Hope Industries Holdings Limited
Wong Sue Toa, Stewart
Chairman

Hong Kong, 16 November 2021

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

Non-executive Chairman

Mr. Wong Sue Toa, Stewart

Executive Directors

Mr. Chuk Kin Lun (*Joint Managing Director*)

Mr. Lee Cheuk Hung (*Joint Managing Director*)

Non-executive Directors

Mr. Cha Mou Daid, Johnson

Mr. Chung Sam Tin Abraham

Mr. Tai Sai Ho

Independent Non-executive Directors

Mr. Chau On Ta Yuen

Professor Ho Richard Yan Ki

Mr. Poon Kan Young

Mr. Yip Kai Yung

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.