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华科资本
WEALTHKING INVESTMENTS

WEALTHKING INVESTMENTS LIMITED

華科資本有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1140)

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

The board of directors (the “**Board**” or the “**Directors**”) of Wealthking Investments Limited (the “**Company**”) is pleased to announce the unaudited condensed results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 September 2021 (the “**Period**”) with comparative figures for the corresponding period in 2020 and selected explanatory notes as follows.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2021

		Six months ended 30 September	
	<i>Notes</i>	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Turnover	3	225,467	434,964
Revenue	3	48,952	48,271
Other income		970	—
Net change in unrealised (loss)/gain on investments at fair value through profit or loss arising from			
— listed investments		(40,959)	141,064
— unlisted investments		(97,220)	317,154
		(138,179)	458,218
Net realised gain/(loss) on disposal and distribution of investments arising from			
— listed investments		5,303	(41,314)
— unlisted investments		(20,861)	(77,305)
		(15,558)	(118,619)

		Six months ended 30 September	
	<i>Notes</i>	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Net change in unrealised gain on financial liabilities at fair value through profit or loss		953	4,142
Realised loss on financial liabilities at fair value through profit or loss		–	(20,930)
Exchange differences		4,062	11,145
Reversal of provision for expected credit losses		340,008	52,932
Operating and administrative expenses		(35,915)	(44,967)
Operating profit		205,293	390,192
Finance costs		(10,968)	(9,673)
Share of (losses)/profits of associates and joint venture		(1,644)	82,254
Profit before tax		192,681	462,773
Income tax credit/(expense)	5	4,113	(37,360)
Profit for the period attributable to owners of the Company	6	196,794	425,413
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		10,374	23,598
Share of associates' — Exchange differences on translating foreign operations		3,279	1,341
Other comprehensive income for the period, net of income tax		13,653	24,939
Total comprehensive income for the period attributable to owners of the Company		210,447	450,352
Earnings per share	7		
— Basic		HK\$0.07	HK\$0.15
— Diluted		HK\$0.07	HK\$0.15

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

		30 September 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
	Notes		
ASSETS			
Non-current assets			
Equipment		8,248	10,043
Right-of-use assets		42,126	46,880
Intangible assets		5,000	–
Investments in associates and joint ventures		712,678	705,023
Investments at fair value through profit or loss		1,197,755	1,335,687
Debt investments		332,661	292,473
Prepaid consideration		93,378	–
		<u>2,391,846</u>	<u>2,390,106</u>
Current assets			
Investments at fair value through profit or loss		2,200,666	2,342,097
Debt investments		526,961	256,900
Accounts and loans receivables	8	244,622	269,778
Interest receivables		100,291	24,696
Prepayments, deposits and other receivables		15,394	18,104
Pledged bank deposits		20,000	–
Bank and cash balances		127,285	66,607
		<u>3,235,219</u>	<u>2,978,182</u>
TOTAL ASSETS		<u><u>5,627,065</u></u>	<u><u>5,368,288</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		348,113	290,094
Reserves		4,772,889	4,237,085
Total equity		<u>5,121,002</u>	<u>4,527,179</u>

		30 September 2021	31 March 2021
	<i>Notes</i>	HK\$'000 (unaudited)	HK\$'000 (audited)
Liabilities			
Current liabilities			
Accounts payables	9	57	210,632
Other payables		23,813	26,287
Financial liabilities at fair value through profit or loss		4,632	6,331
Borrowings		417,098	528,603
Lease liabilities		31,975	29,635
Current tax liabilities		14,678	14,678
		<u>492,253</u>	<u>816,166</u>
Non-current liabilities			
Financial liabilities at fair value through profit or loss		997	917
Lease liabilities		12,813	19,913
Deferred tax liabilities		–	4,113
		<u>13,810</u>	<u>24,943</u>
Total liabilities		<u>506,063</u>	<u>841,109</u>
TOTAL EQUITY AND LIABILITIES		<u>5,627,065</u>	<u>5,368,288</u>
NET ASSETS		<u>5,121,002</u>	<u>4,527,179</u>
Net asset value per share	10	<u>HK\$1.47</u>	<u>HK\$1.56</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

1. BASIS OF PREPARATION

These 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 (the “HKICPA”) and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rule”).

These condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2021. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2021.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2021. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

3. TURNOVER AND REVENUE

Turnover represents the aggregate of dividend income, interest revenue, and gross sales proceeds from disposal of investments.

Turnover and revenue recognised during the periods are analysed as follows:

	Six months ended 30 September	
	2021	2020
	HK\$’000	HK\$’000
	(unaudited)	(unaudited)
Dividend income	2,629	551
Interest revenue	46,323	47,720
	<hr/>	<hr/>
Total revenue	48,952	48,271
Gross sales proceeds from disposal of investments	176,515	386,693
	<hr/>	<hr/>
Turnover	225,467	434,964
	<hr/>	<hr/>

4. SEGMENT INFORMATION

The chief operating decision maker has been identified as the executive director, subject to requirements of the Listing Rules. The executive director assesses the operating segments using a measure of operating profit. The Group's measurement policies for segment reporting under HKFRS 8 are the same as those used in its HKFRS financial statements.

On adopting of HKFRS 8, based on the internal financial information reported to the executive director for decisions about resources allocation to the Group's business components and review of these components' performance, the Group has identified only one operating segment, being investment holding. Accordingly, segment disclosures are not presented.

Geographical information

	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Revenue		
— Hong Kong	19,547	14,436
— Mainland China	14,935	553
— United States of America	14,470	33,282
	48,952	48,271

In presenting the geographical information, revenue in relation to equity investments is based on the location of the investments and the revenue in relation to debt investments is based on location of provision of credit.

Non-current assets other than financial instruments

	30 September	31 March
	2021	2021
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Hong Kong	160,793	169,477
Mainland China	607,259	592,469

Revenue from major debt investments and loan

Revenue of the Group which individually accounted for 10% or more of the Group's total revenue is shown below:

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Debt investment A	16,019	6,578
Debt investment B	12,721	10,600
Debt investment C	–	11,947
Debt investment D	–	9,180
Borrower E	6,214	–

5. INCOME TAX CREDIT/(EXPENSE)

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Deferred tax	4,113	(37,360)

No provision for Hong Kong Profits Tax has been made for the six months ended 30 September 2021 and 2020 as the Group did not generate any assessable profits arising in Hong Kong during those periods.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

6. PROFIT FOR THE PERIOD

The Group's profit for the period is stated after charging/(crediting) the following:

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Depreciation of equipment	3,281	3,420
Depreciation of right-of-use assets	15,458	14,959
Loss on disposal of equipment	156	–
Reversal of provision for expected credit losses (“ECL”) of		
— debt investments	(298,437)	(45,232)
— accounts, loans, interest and other receivables	(41,571)	(7,700)
	(340,008)	(52,932)
Staff costs including Directors' emoluments	8,065	13,479

7. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of the basic earnings per share is based on the following:

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Earnings		
Earnings for the purpose of calculating basic earnings per share	<u>196,794</u>	<u>425,413</u>

	Six months ended 30 September	
	2021	2020
	'000	'000
	(unaudited)	(unaudited)
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>2,989,712</u>	<u>2,900,940</u>

(b) Diluted earnings per share

No diluted earnings per share are presented as the Company did not have any dilutive potential ordinary sharing during the six months ended 30 September 2021 and 2020.

8. ACCOUNTS AND LOANS RECEIVABLES

		30 September 2021	31 March 2021
	Notes	HK\$'000	HK\$'000
		(unaudited)	(audited)
Unsecured loans	(a)	217,775	216,991
Accounts receivables	(b)	1,089	1,089
Amounts due from associates and joint ventures	(c)	25,758	25,745
Dividend receivables	(d)	–	25,953
		<u>244,622</u>	<u>269,778</u>

Notes:

(a)		30 September 2021	31 March 2021
		HK\$'000	HK\$'000
		(unaudited)	(audited)
Unsecured loan to a potential investee	(i)	72,123	70,989
Unsecured loans to other third parties	(ii)	236,150	235,300
Provision for ECL		<u>(90,498)</u>	<u>(89,298)</u>
		<u>217,775</u>	<u>216,991</u>

- (i) Unsecured loan of RMB60,000,000, equivalent to HK\$72,123,000 (31 March 2021: HK\$70,989,000), is provided to a potential investee established in the People's Republic of China ("PRC"). The Group assesses the feasibility of the potential investment from time to time. ECL of RMB60,000,000, equivalent to HK\$72,123,000 (31 March 2021: HK\$70,989,000) is recognised against the unsecured loan as at 30 September 2021 based on estimated recoverable amount determined by reference to an analysis of the counterparty's current operation.
- (ii) Unsecured loans of RMB196,456,000 (31 March 2021: RMB198,876,000), equivalent to HK\$236,150,000 (31 March 2021: HK\$235,300,000), are provided to 2 third parties established in the PRC with interest rate of 8% per annum. ECL of RMB15,286,000 (31 March 2021: RMB15,475,000), equivalent to HK\$18,375,000 (31 March 2021: HK\$18,309,000) is recognised against the unsecured loans as at 30 September 2021 based on estimated recoverable amount determined by reference to an analysis of the counterparty's current operation.

The Group does not hold any collateral or other credit enhancements over the balances.

- (b) The Group does not hold any collateral or other credit enhancements over the accounts receivables from co-investment partners. The ageing analysis of accounts receivables, based on invoice date of accounts receivables, and net of allowance, is as follows:

	30 September 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
Unbilled	<u>1,089</u>	<u>1,089</u>

- (c) Amounts due from associates and joint ventures mainly arise from advance money provided for potential investment project and administrative expenses paid by the Group on behalf of its associates and joint ventures. The amounts are unsecured, interest-free and repayable on demand.
- (d) Dividend receivables represents dividend declared by CSOP as at 31 March 2021.

9. ACCOUNTS PAYABLES

The ageing analysis of accounts payables, based on the recognition date of accounts payables, is as follows:

	30 September 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
Within 1 year (<i>note</i>)	–	210,632
Over 1 year	<u>57</u>	<u>–</u>
	<u>57</u>	<u>210,632</u>

Note:

Pursuant to “股份轉讓交易協議” dated 18 June 2019 and “股份轉讓交易協議之補充協議” dated 28 June 2019, signed between the Group, through one of its subsidiaries, and the seller, the Group determined to purchase a total of 63,202,590 shares, or 19.9% of total capital of Dagang Holding Group Co., Limited (stock code: 300103.SZ). The total consideration of RMB695,228,490, or RMB11 per share, is agreed to be paid in instalments based on certain contractual terms. The shares have been successfully transferred and registered under the Group as disclosed in the Company’s announcement on 23 October 2020. As at 31 March 2021, the accounts payables mainly include RMB177,979,000 (equivalent to HK\$210,575,000) payable to the seller. As at 30 September 2021, the accounts payables to the seller has been fully settled.

10. NET ASSET VALUE PER SHARE

The net asset value per share is calculated by dividing the net asset value of the Group as at 30 September 2021 of HK\$5,121,002,000 (31 March 2021: HK\$4,527,179,000) by the number of ordinary shares in issue at that date, being 3,481,128,000 (31 March 2021: 2,900,940,000).

11. DIVIDEND

No dividends was paid or proposed for ordinary shareholders of the Company during the six months ended 30 September 2021, nor has any dividend been proposed at the end of the reporting period (six months ended 30 September 2020: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

WEALTHKING INVESTMENTS OVERVIEW

Wealthking Investments is a cross-border investor with a focus on China's fast-growing industries and the best investment opportunities. We believe that a long-term investment perspective is a critical enabler of value creation. The integration of industry, technology and financial capital has become an irresistible trend, which is propelling new industrial revolutions. Our mission is to identify great companies and enhance their performance through providing patient capital and strong support to the excellent management teams.

We leverage our capital strength to invest in targeted companies. Our investment strategy is comprised of three pillars, namely core-holding-centered private equity, portfolio management and trading and others, with returns generated from interests, dividends and capital appreciation.

INVESTMENT REVIEW

Investment Activities

During the Period (the six months ended 30 September 2021, same as below), we continued to adopt a tri-engine driving investment strategy, which is core-holding-centered private equity, portfolio management and trading and others, respectively, where long-term core holding remains to be our strategic focus. During the Period, we continued to optimize asset allocation and actively explored investment opportunities in cutting-edge technology fields such as metaverse, blockchain, intelligent manufacturing, new energy, and fintech. Global economic activities were still constrained by COVID-19 pandemic during the Period, we exercised extra prudence on new equity investments and strove for the maximum value of our capital and the financing capability as a public company.

Our investment and divestment decisions are made based on comprehensive considerations and assessments of return, risk and opportunity cost. We invested HK\$420.37 million during the Period, mainly through private equity, debt investments as well as listed securities, and our divestment amounted to HK\$559.08 million, mainly derived from some debt instruments, listed securities and private equity investments.

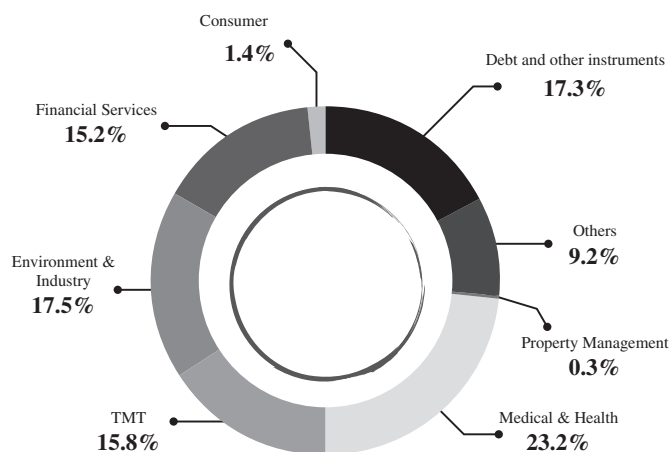
Portfolio Breakdown

To quickly adapt to the changes and seize the opportunities, in the FY2020/2021, we underwent a business transformation and strategic upgrade. During the Period, our investment strategy is comprised of three pillars, namely core-holding-centered private equity, portfolio management as well as trading and others.

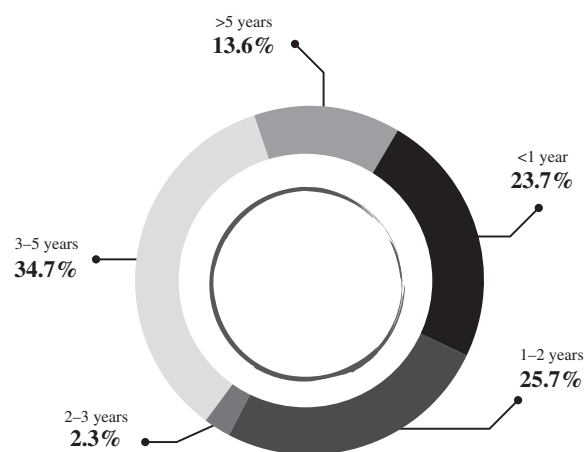
Private equity strategy aims to leverage our capital to directly invest in and empower great companies, and long-term core holding is our primary focus. We identify and invest in companies with high growth potential and hold them as core-holding portfolio supporting their long-term development with patient capital. Portfolio management strategy represents our mid- to long-term investment in the secondary market, debt investment and others which are expected to contribute mid-term returns to the Group. The strategy of trading and others stress to balance liquidity and rate of return of the asset by capturing short-term investment opportunities and other opportunistic transactions in the secondary market in and outside China.

As of 30 September 2021, the top four sectors of our existing portfolio were Medical and Health, Environment and Industrials, Technology, Media and Telecom (“TMT”) and Debt and Other Instruments, which represented 73.8% of our total investments holdings. Our leading position in the Medical and Health sector in terms of valuation was the investment in iCarbonX Group Limited (“iCarbonX”), while in the Environment and Industrials sector, Dagang Holding Group Co., Ltd. (“Dagang Holding”) was the largest holding. Our major investment in the TMT sector included Jiedaibao Limited (“Jiedaibao”).

By Sector



By Holding Period



MAJOR INVESTMENT PORTFOLIO

Private Equity

Private equity represents equity investment in private companies through our own capital to support its long-term development. We mainly divide private equity into two categories, namely long-term core holding and other private equity. As of 30 September 2021, Wealthking Investments' holdings in private equity category amounted to HK\$3,114.25 million.

Long-Term Core Holding

As of 30 September 2021, three companies were categorized as our long-term core holding portfolio, namely iCarbonX, CSOP Asset Management Limited (“**CSOP**”) and OPIM Holdings Limited (“**OPIM**”). iCarbonX primarily focuses on digital health management, CSOP is the largest Qualified Foreign Institutional Investor (“**RQFII**”) manager globally, and OPIM is Asia's leading hedge fund platform. Wealthking Investments' holdings in the core holding companies amounted to HK\$1,174.57 million as at 30 September 2021. Given the growth potential of the core holding companies, Wealthking Investments will continue to hold them and support their development in the long run while pursuing long-term investment return correspondingly.

iCarbonX Group Limited

Date of initial investment: 2018
Type of deal: Core Holding
Equity ownership: 7.73%
Cost: HK\$1,098.79 million
Carrying value: HK\$1,022.49 million
Location: China
Industry: Medical & Health

In 2018, Wealthking Investments invested in iCarbonX as one of its core holding companies and established a joint venture with iCarbonX named iCarbonX OP Investment Limited to capture potential investment opportunities within the healthcare industry. As at 30 September 2021, the Group owned 7.73% of equity interests in iCarbonX and the carrying value of the position stood at HK\$1,022.49 million.

iCarbonX is a global pioneer in artificial intelligence (“**AI**”) and precision health management and aims to build an ecosystem of digital life based on a combination of individuals' life data, the internet and AI. Its main founding team comprises the world's top biologists with extensive experience in multi-omics technology, medical service, biological data analysis, AI and data mining.

iCarbonX established the Digital Life Alliance (the “**Alliance**”) with a number of cutting-edge health-tech companies in 2016 and has been actively carrying out cross-border collaborations in order to maximize synergy and promote mutual growth within the Alliance. In March 2021, iCarbonX announced its strategic partnership with Olink Proteomics, a NASDAQ-listed company dedicated to accelerating proteomics, to jointly introduce its Olink platform to China market, which would provide quantifiable results with high-throughput, exceptional sensitivity and specificity using minimal sample volume.

In addition, iCarbonX has been deeply concerned with the outbreak of COVID-19 since January 2020 and its COVID-19 neutralizing antibody test kit has received the CE Mark certification as at the end of 2020. In Mainland, iCarbonX’s newly established Shenzhen Weiban Medical Test Lab (深圳微伴醫學檢驗實驗室) has been approved by local government for conducting COVID-19 test for people who need a testing results report to travel or work.

iCarbonX is also committed to improving research and development capabilities. The new generation of high-density polypeptide chip research and development base has been completed and officially settled in Hengqin. The entire research and development base has a construction area of 3,100 square meters and the first phase of equipment investment is about RMB65 million. The chip equipment is currently in the stage of installation and debugging, and is expected to be put into production in the middle of 2022.

We believe iCarbonX's expertise in life science and AI equips the Group with unparalleled competitive advantages, particularly in an era of post-COVID-19, when AI-enabled healthcare research & development (R&D) is given significant prominence and people's awareness of health management improves. Going forward, the Group will continue to take an active role in bridging opportunities between iCarbonX and industry leaders to foster its development within the healthcare industry and attain capital appreciation. The investment in iCarbonX is believed to benefit Wealthking Investments over the long run, therefore iCarbonX is held as a long-term core holding company within Wealthking Investments' portfolio.

CSOP Asset Management Limited

Date of initial investment: 2008
Type of deal: Core Holding
Equity ownership: 22.5%
Cost: HK\$60 million
Carrying value: HK\$107.28 million
Location: Hong Kong
Industry: Financial Services

CSOP was jointly established by Wealthking Investments and China Southern Asset Management Co., Ltd. in 2008. As at 30 September 2021, Wealthking Investments owned 22.5% of the issued capital of CSOP, of which the carrying value stood at HK\$107.28 million, increasing 3.32%, or by HK\$3.45 million as compared to HK\$103.83 million as at 31 March 2021 due to share of profits contributed by CSOP, which was driven by its robust business performance during the Period.

CSOP is a well-known asset management company based in Hong Kong, which manages private and public funds, and provides investment advisory services to Asian and global investors with a dedicated focus on China investing. As a leading cross-border asset management expert in respect of Asset Under Management (AUM), CSOP once held the world's largest RMB RQFII quota of RMB46.1 billion.

In the fast-changing market, CSOP never stops being innovative in capturing opportunities, CSOP have launched a number of new products including leverage/reverse ETFs, world's first Hang Seng TECH Index ETF as well as Chinese Government Bond Index ETF etc. Thanks to its excellent product design and strong performance, CSOP has won many awards in total from various parties at both corporate and product levels during the Period, including but not limited to the Best Passive Fund Manager on 5 May 2021 by AsianInvestor and the Best ETF Provider in Hong Kong by The Asset.

China has been accelerating the reforms and opening-up of its financial market in recent years and it is one of the most attractive investment destinations for international investors. CSOP will continue to bridge investment opportunities in China for overseas investors with its innovative fund products and expertise, achieving decent returns for investors and at the same time enhancing its leading position in the RQFII product management sector. Wealthking Investments believes that CSOP will continue to bring solid returns and therefore will hold it as a long-term core holding company.

OPIM Holdings Limited

Date of initial investment: 2008
 Type of deal: Core Holding
 Equity ownership: 30%
 Cost: HK\$59.47 million
 Carrying value: HK\$44.8 million
 Location: Hong Kong
 Industry: Financial Services

As at 30 September 2021, Wealthking Investments owned 30% of the issued ordinary shares and 100% of the non-voting preference shares of OPIM following a reorganization completed in December 2019 to streamline its organizational structure where the Group's position remained unchanged. As at 30 September 2021, the Group's position in OPIM stood at HK\$44.8 million. OPIM managed over 40 funds as at the end of 2020 benefiting from the rebound of the capital markets.

OPIM is a leading hedge fund platform in Asia serving both global and Asia based managers to develop funds across diversified strategies for institutional and professional investors. It has built a whole ecosystem linking up fund managers, service providers and capital allocators, which enables the managers to launch offshore funds with efficient and affordable structures. With the ecosystem, managers are able to focus on fund performance and build a proven track record for future expansion. During the Period, in addition to successfully launching several funds under various strategies across China onshore and offshore markets, OPIM has also built strategic partnerships in Singapore, Europe and Mainland China to continue to increase its customer base and expanded the scope of its service offerings to customers.

With the increasing scale of China's private funds in the overseas market, OPIM is expected to maintain the momentum of steady growth in terms of both the number of funds and the overall asset scale. At the same time, China has been accelerating the opening-up of its financial markets, which improves foreign managers' access to the Chinese market and as a result, OPIM is expected to benefit from it. Wealthking Investments believes that OPIM has great potential to continue to grow its business, and therefore will hold it as a long-term core holding company.

Other Private Equity

Apart from long-term core holding, Wealthking Investments' holdings in the other Private Equity category amounted to HK\$1,939.68 million as at 30 September 2021. The Group added new investments of HK\$6 million and exited from a few investments amounting to HK\$134.56 million in total in this category during the Period. In making decisions on either to maintain the holdings for future divestment to benefit from growth of business, or to exit and harvest returns for potential new investments, the Group based on prudent and extensive analysis of market condition and investment projects' prospect. The major investments are listed as below:

Jiedaibao Limited (“Jiedaibao”)

Date of initial investment: 2020
Type of deal: Private Equity
Equity ownership: 1.97%
Cost: HK\$700 million
Carrying value: HK\$741.12 million
Location: China
Industry: TMT

In 2020, Wealthking Investments entered into a share purchase agreement (the “**Purchase Agreement**”) with an existing shareholder (the “**Seller**”) of Jiedaibao to purchase 1.97% of the shares issued by Jiedaibao at a consideration of HK\$700 million. Upon completion of the Purchase Agreement, all interests and obligations undertaken by the Seller in accordance with articles of association of Jiedaibao are transferred to the Group. As at 30 September 2021, the Group’s position in Jiedaibao stood at HK\$741.12 million.

Founded in 2014, Jiedaibao is an internet fintech company providing services of contract signing, registration and post-loan management for borrowing and lending money between individual users and supply chain finance of corporate users, aiming to solve the financing difficulty problem for individuals as well as micro-, small and medium-sized enterprises (“**SME**”). Jiedaibao strives to be the largest service platform for individual borrowings and corporate supply chain finance in China. The mobile App 借貸寶 (“**借貸寶**”), which is operated by Jiedaibao, mainly provides registration tools for online I Owe You (“**IOU**”) issuance and supplementing and relevant value-added services. Adopting AI visual technology, a sound cloud storage system and online payment system, Jiedaibao empowers online borrowing and lending transactions and micro-SME’s supply chain finance with sources of revenue mainly coming from transaction fee, collection service fee, advertising fee, payment fee and software development fee. By right of the universality of its function and the business model, 借貸寶 has gained significant market share in Mainland China since its launch 5 years ago with accumulative registered individual and corporate users of 130 million and 30,000 respectively and transaction amount of over RMB200 billion.

With licenses of online payment, commercial banking and internet microloans, Jiedaibao is building a complete Fintech ecosystem. Wealthking Investments expects the continuously growing business of Jiedaibao would generate considerable medium-term return for the Group.

Treasure Up Ventures Limited (Beijing International Trust Co., Ltd., “BITIC”)

Date of initial investment: 2016
Type of deal: Private Equity
Equity ownership: 25%
Cost: HK\$351.67 million
Carrying value: HK\$435.14 million
Location: China
Industry: Financial Services

Wealthking Investments acquired 25% equity interest in Treasure Up Ventures Limited (“**Treasure Up**”), which in turn participates in a minority economic interest in BITIC. As at 30 September 2021, the Group’s position in BITIC stood at HK\$435.14 million. For 2020, despite the challenges posed by COVID-19, the parent company of BITIC recorded a net income of RMB990 million with a year-over year increase of 13.7%.

BITIC is a China-based large-scale non-banking financial institution, which primarily engages in trusts, investment funds, financial services, brokerage and advisory business. The trust industry has been playing an irreplaceable role in China’s economic development and financial resource allocation. In recent years, the rapid development of wealth management business driven by the accumulation of private wealth has brought the industry with historic opportunities. Quickly adapting to the changes in the market and national policy environment, BITIC formulated its twin-engine strategy in 2019, which is asset management and wealth management respectively, and has adjusted its service offering focusing on quality rather than quantity since 2018. Wealthking Investments believes that BITIC will benefit from the continuous opening-up and improvement of China’s financial system and the upgrading of the trust industry, as a result of which BITIC is expected to deliver a decent return on investment for the Group.

華建實業投資有限公司 (“華建實業”)

Date of initial investment: 2020
Type of deal: Private Equity
Equity ownership: 12.5%
Cost: HK\$370 million
Carrying value: HK\$378.72 million
Location: China
Industry: Others

Wealthking Investments entered into agreements to acquire 100% of the equity of Wall King Industry Investment Limited, which in turn to purchase 12.5% of equity interest issued by 華建實業 with a total consideration of HK\$370 million. As at 30 September 2021, the Group’s position in 華建實業 stood at HK\$378.72 million.

With the double-engine strategy of industrial operations complemented by equity investment, 華建實業 currently controls or holds minority interest in more than 14 projects, mainly in the promising sectors, including but not limited to high-end equipment manufacturing, culture and arts, internet and real estate.

China's economic development has entered into a new stage where technology is a key driver and domestic consumption is playing an increasingly important role. As a result, there are plenty of opportunities in the emerging industries into which the Chinese government has been guiding the factors of production to flow through supply-side structural reform. 華建實業 primarily focuses on the emerging industries and holds a number of prime investment projects with great growth prospects, and therefore, it is expected to bring medium-term investment returns to the Group.

Portfolio Management

As at 30 September 2021, Wealthking Investments' holdings in the portfolio management category amounted to HK\$1,852.95 million. Wealthking Investments' holdings in listed securities that fell into this category amounted to HK\$931.63 million, while the holdings in debt investments amounted to HK\$879.02 million, and the holdings in others amounted to HK\$42.3 million. The Group added an investment of HK\$405.38 million and exited from debt investments, listed securities and others amounting to HK\$400.95 million in total in this category during the Period. At the same time, our portfolio of debt instruments recorded provision for expected credit losses under HKFRS 9, while some listed securities recorded market price change for the Period.

The Group invests in debt instruments with the consideration of return, risk and liquidity. For the Period, the interest rate we charged for the debt instruments, of which the borrowers were mainly investment companies, ranged from 6% to 10% as compared to 6% to 11.5% for the same period last year. The total interest income generated from debt instruments was HK\$36.71 million with loan tenures ranging from 1 year to 5 years, while the corresponding amount and range for the same period last year were HK\$47.56 million and 18 months to 3 years, respectively.

Wealthking Investments maintains regular communication with debt issuers and loan borrowers. As at the end of the Period, management have assessed the repayment ability of the issuers/borrowers for the determination of expected loss provisions.

The major investment is listed as below:

Dagang Holding Group CO., LTD. (stock code: 300103.SZ)

Date of initial investment: 2019
Type of deal: Securities
Equity ownership: 19.9%
Cost: HK\$822.56 million
Carrying value: HK\$799.99 million
Location: China
Industry: Environment & Industrials

In June 2019, the Company via its wholly-owned subsidiary, 英奇投資(杭州)有限公司, entered into a share transfer agreement with the seller to acquire 19.9% shareholding or 63,202,590 shares of Dagang Holding, which have been registered under the name of 英奇投資(杭州)有限公司 with China Securities Depository and Clearing Corporation Limited as at 23 October 2020. As at 30 September 2021, the Group's position in Dagang Holding stood at HK\$799.99 million. As at 31 December 2020, the net profit of Dagang Holding increased 29.51% as compared to the net profit as at 31 December 2019.

Founded in May 2002, Dagang Holding has developed into a comprehensive high-tech group over the past 19 years with three major business segments currently, which are “high-end road equipment R&D and manufacturing, urban road smart operation and maintenance, and comprehensive recycling of hazardous waste and solid waste”. Dagang Holding's products and services have been widely used for road construction, urban infrastructure management, environmental protection and metallurgy etc. Being listed on the SME Board of Shenzhen Stock Exchange in August 2010, Dagang Holding has been trading under stock code of 300103.

Benefiting from its established market leadership in the high-end road equipment sector and the growth momentum of urban road smart operation and maintenance as well as comprehensive recycling of hazardous waste and solid waste sector, Dagang Holding is expected to bring medium-term return to the Group.

Trading and Others

As at 30 September 2021, Wealthking Investments' holdings in the trading and others category amounted to HK\$3.53 million. Wealthking Investments' holdings in listed securities that fell into this category amounted to HK\$1.1 million, while the holdings in the other equity investment amounted to HK\$2.43 million. During the Period, Wealthking Investments made new investments in and divestments from some listed securities and an equity investment to enhance the capital liquidity and generated returns from capital gains.

FINANCIAL REVIEW

Financial position

Net asset value: As at 30 September 2021, the Group's net asset value was HK\$5,121 million, or HK\$1.47 per share, as compared to HK\$4,527.18 million and HK\$1.56 per share respectively as at 31 March 2021.

Gearing: The gearing ratio, which was calculated on the basis of total liabilities over total equity as at 30 September 2021, was 0.1 (31 March 2021: 0.19).

Investments in associates and joint ventures: It represents our interest in companies accounted for using equity method such as core holding company CSOP and BITIC etc. Assets value stood at HK\$712.68 million as at 30 September 2021, representing an increase of 1.09% as compared to HK\$705.02 million as at 31 March 2021, mainly due to the increase in share of results of CSOP and 東英騰華融資租賃(深圳)有限公司 (“東英騰華”) and new investment of 深圳市君匯鑫亦諮詢合夥企業(有限合夥), partially offset with valuation decrease of BITIC due to the impact by the unfavourable market environment during the Period.

Investments at fair value through profit and loss: It stood at HK\$3,398.42 million as at 30 September 2021, representing a decrease of 7.6% as compared to HK\$3,677.78 million as at 31 March 2021, mainly attributable to the disposal of Xiaojia Kuaizhi Inc.'s interests and the decrease in the valuation of iCarbonX.

Debt investments: It represents the investments in debt instruments as at 30 September 2021, which amounted to HK\$859.62 million. The increase of 56.47% as compared to HK\$549.37 million as at 31 March 2021 was primarily because the Group invests into two debt investments, exited from some debt investments and associated ECL change of certain debt investments.

Bank and cash balances: As at 30 September 2021, the Group's bank and cash balances stood at HK\$127.29 million (31 March 2021: HK\$66.61 million). We manage our bank and cash balances principally on the basis of making good use of capital to achieve returns for shareholders and ensuring sufficient liquidity for our working capital requirements.

RESULTS

Entering 2021, the global economy has gradually recovered from the impact of the COVID-19, which recovery had positively impacted on the valuation of our portfolio for the Period and our business that was interrupted by the pandemic has been restarted progressively. The Group recorded a total revenue of HK\$48.95 million during the Period, representing an increase of 1.41% as compared to HK\$48.27 million same period of last year. The Group recorded profit for the Period of HK\$196.79 million as compared to HK\$425.41 million for the same period last year. The change was primarily driven by HK\$340.01 million of reversal of provision for expected credit loss, partially offset with HK\$138.18 million in net change in unrealised loss on investment at fair value through profit or loss, HK\$15.56 million of net realised loss on disposal and distribution of investments.

Condensed consolidated statement of profit or loss and other comprehensive income

Revenue represents the income received and receivable on investments during the Period as follows:

	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Dividend income ⁽¹⁾	2,629	551
Interest revenue ⁽²⁾	46,323	47,720
	48,952	48,271

⁽¹⁾ Dividends received and receivable from listed securities during the Period.

⁽²⁾ Interest revenue were primarily generated from the Group's debt instruments as well as term deposit in banks.

Net change in unrealized loss on investments at fair value through profit or loss: The net change in unrealized loss of HK\$138.18 million (1H FY2020/2021: gain of HK\$458.22 million) mainly represents the net result of (i) the unrealised loss of HK\$40.96 million on listed securities, (ii) the unrealised loss of HK\$14.69 million on investment funds, (iii) the unrealised loss of HK\$126.89 million on iCarbonX, (iv) the unrealised loss of HK\$14.42 million on Wall King, partially offset by, (v) the unrealised gain of HK\$20.76 million on Xiaoju Kuaizhi Inc.'s interests and (vi) the unrealised gain of HK\$41.12 million on Jiedaibao.

Net change in unrealized gain on financial liabilities at fair value through profit or loss: The net change in unrealized gain of HK\$0.95 million (1H FY2020/2021: gain of HK\$4.14 million) mainly represents the share of unrealised loss on co-investments by our co-investment partners.

Net realized loss on disposal and distribution of investments: The realized loss of HK\$15.56 million (1H FY2020/2021: loss of HK\$118.62 million) during the Period mainly represents the realised loss of HK\$20.75 million on disposal of Xiaoju Kuaizhi Inc.'s interests partially offset with the realised gain of HK\$5.3 million on disposal of listed securities.

Reversal of provision for ECL: The reversal of provision for ECL of HK\$340.01 million for the Period (1H FY2020/2021: HK\$52.93 million) mainly represents the reversal of provision of ECL of HK\$372.01 million on debt instruments and interest receivable, partially offset by the provision for ECL on a few other debt instruments and interest receivable.

Operating and administrative expenses: The total amount of HK\$35.92 million operating and administrative expenses (1H FY2020/2021: HK\$44.97 million) was mainly the result of staff costs, asset management fee, depreciation, service fee expenses as well as legal professional fee. The decrease in operating and administrative expenses was primarily driven by a decrease of HK\$5.41 million in staff cost and HK\$6.94 million in asset management fee.

Share of losses/profits of associates and joint venture: a net loss of approximately HK\$1.64 million (1H FY2020/2021: net profit of HK\$82.25 million) mainly accounted for share of results of 東英騰華, CSOP and BITIC.

Other comprehensive income: Changes in the Group's NAV, which are not accounted for in "profit for the Period", are recorded under "other comprehensive income". The net gain of HK\$13.65 million (1H FY2020/2021: gain of HK\$24.94 million) represented the exchange differences. Including the "profit for the Period", the total comprehensive income for the Period was a gain of HK\$210.45 million.

DIVIDEND POLICY AND PROPOSED FINAL DIVIDEND

The Board has resolved not to pay any interim dividend in respect of the Period (1H FY2020/2021: nil).

LIQUIDITY AND FINANCIAL RESOURCES

The Group's major sources of revenue currently are dividend income from investments held, interest revenue from bank deposits and financial instruments held.

As at 30 September 2021, the Group had cash and bank balances of HK\$127.29 million (31 March 2021: HK\$66.61 million). The Group had an aggregate of HK\$417.1 million loans primarily comprised of bank loan from one of our principal bankers, loan from a securities company, unsecured other interest-bearing borrowings and interest-free borrowings from one of the associates for a PRC potential investment as at 30 September 2021 (31 March 2021: HK\$528.6 million). The debt-to-equity ratio (interest-bearing external borrowings divided by shareholders' equity) stood at 6.71% (31 March 2021: 10.1%) while the current ratio (current assets divided by current liabilities) was 6.57 times (31 March 2021: 3.65 times). For further analysis of the Group's cash position, current assets and gearing, please refer to paragraphs under subsections headed "Financial Position" above.

The Board believes that our operations and borrowing resources are sufficient to provide funding to satisfy our ongoing investment and working capital requirements for the foreseeable future.

CAPITAL STRUCTURE

As at 30 September 2021, Shareholders' Equity and the total number of shares in issue of the Company stood at HK\$5.12 billion (31 March 2021: HK\$4.53 billion) and 3,481,128,000 (31 March 2021: 2,900,940,000), respectively.

On 3 September 2021, the Company issued and allotted an aggregate of 580,188,000 ordinary new shares at the subscription price of HK\$0.66 per share to the subscribers. The detailed disclosures relating to the Company's issue and allotment of new shares are set out in the section headed "USE OF PROCEEDS FROM ISSUE OF EQUITY SECURITIES".

MATERIAL ACQUISITIONS AND DISPOSALS OF INVESTMENTS

The Group had the following material acquisitions as well as disposals of investments during the Period.

	New/ Additional Investment (HK\$ million) (unaudited)	Divestment/ Disposal (HK\$ million) (unaudited)
Private Equity	6 ⁽¹⁾	134.56 ⁽²⁾
Portfolio Management		
— Listed security	23.25 ⁽³⁾	17.5 ⁽⁴⁾
— Debt instrument	382.13	383.35
— Others	—	0.1
Trading and others	8.99	23.57
Total	420.37	559.08

(1) The HK\$6 million represents the Group's investment in 深圳市君匯鑫亦諮詢合夥企業(有限合夥) during the Period.

(2) The HK\$134.56 million represents the Group's divestment from Xiaoju Kuaizhi Inc. during the Period.

(3) The HK\$23.25 million represents the Group's investment in Yuexiu Services Group Limited during the Period.

(4) The HK\$17.5 million represents the Group's divestment from 3 listed securities during the Period.

SEGMENT INFORMATION

Segment information of the Group is set out in note 4 on pages 6 to 7 of this announcement.

EMPLOYEES

As of 30 September 2021, the Group had 17 employees (31 March 2021: 21), inclusive of all Directors of the Group and its subsidiaries. Total staff costs including equity-settled share-based payments for the Period amounted to HK\$8.07 million (1H FY2020/21: HK\$13.48 million). The Group's remuneration policies are in line with market practices and are determined on the basis of the performance and experience of individual employees.

SHARE OPTION SCHEME

During the Period, the Board did not grant any share option under the Company's share option scheme to any Directors or eligible employees of the Group and there were no granted share options exercised (1H FY2020/21: nil). As at 30 September 2021, there were 16,000,000 (31 March 2021: 65,700,000) share options that remained outstanding under the share option scheme.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

As at 30 September 2021, the Group was exposed to foreign exchange risk arising from financial instruments that are monetary items including investments at fair value through profit or loss, prepaid consideration for equity investment, interest receivables, loan and other receivables, bank balances, borrowings and lease liabilities and other payables (31 March 2021: investments at fair value through profit or loss, loan and other receivables, bank balances and other payables). These assets were denominated in RMB and the maximum exposure to foreign exchange risk was RMB955,465,000, equivalent to HK\$1,148,516,000 (31 March 2021: RMB499,936,000, equivalent to HK\$591,500,000).

As at 30 September 2021, the Group held certain financial assets which were denominated in USD. The Board is of the opinion that the Group's exposure to USD foreign exchange risk is minimal as HKD is pegged to USD based on the Linked Exchange Rate System in Hong Kong.

CHARGES ON THE GROUP'S ASSETS AND CONTINGENT LIABILITIES

As at 30 September 2021, certain listed securities of the Group is being used to secure the Group's margin securities trading. In addition, certain assets of the Group with carrying values of HK\$127.28 million have been pledged to secure the banking facilities granted to the Group.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS AND THEIR EXPECTED SOURCES OF FUNDING

As at 30 September 2021, there were no plans for material investments or capital assets, but the Group may, at any point, be negotiating potential investments. The Company considers new investments as part of its daily business, and therefore management may publically announce these plans as they become necessarily disclosable to shareholders during the course of the financial year.

USE OF PROCEEDS FROM ISSUE OF EQUITY SECURITIES

On 3 September 2021, the Company issued and allotted 580,188,000 ordinary new shares at a subscription price of HK\$0.66 per share for a total cash consideration of approximately HK\$382.9 million pursuant to the subscription agreements entered into with seven subscribers (the “**August 2021 Subscription**”).

The Directors considered that it was in the interests of the Company to raise capital from the equity market in order to maintain the cash flow position of the Group and to enhance the capital and shareholders’ base of the Company for long-term development and further strengthen its financial position. The net proceeds, after deduction of all relevant expenses incidental to the August 2021 Subscription, were approximately HK\$382.8 million. The net proceeds from the August 2021 Subscription were used as the general working capital of the Company and for funding investment projects of the Company.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Group or any of its subsidiaries has not purchased, sold or redeemed any of the Group’s securities during the Period.

EVENTS AFTER THE REPORTING PERIOD

Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company on 15 October 2021, the authorised share capital of the Company was increased from HK\$400,000,000 divided into 4,000,000,000 shares of HK\$0.10 each to HK\$2,000,000,000 divided into 20,000,000,000 shares by the creation of an additional 16,000,000,000 shares.

On 25 November 2021, the Company issued and allotted 580,188,000 ordinary new shares at a subscription price of HK\$0.62 per share for a total cash consideration of HK\$359.71 million pursuant to the subscription agreements entered into with seven subscribers (the “**October 2021 Subscription**”). It has been the investment policy of the Company to invest in companies with high-growth potential in order to create value for shareholders. In a versatile market, it is important that the Group has readily available funds to capture fleeting opportunities for premium investments. The Directors considered that it was in the interests of the Company to raise capital by way of equity financing in order to maintain the cash flow position of the Group for capturing suitable investment opportunities in a timely manner. The October 2021 Subscription will also enhance the capital and shareholders’ base of the Company for long-term development and further strengthen its financial position. The net proceeds, after deduction of all relevant expenses incidental to the October 2021 Subscription, were approximately HK\$359 million. The net proceeds from the October 2021 Subscription will be used for future investment pursuant to the investment objectives of the Company. The Company will disclose the use of proceeds from the October 2021 Subscription in the annual report for the year ending 31 March 2022.

CORPORATE GOVERNANCE CODE

Except otherwise stated herein, none of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not, at any time during the Period, in compliance with the Corporate Governance Code set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Code Provision A.6.7 provided that, the independent non-executive Directors and other non-executive Directors, as equal Board members, should give the Board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and develop a balanced understanding of the views of shareholders. During the Period, Dr. Liu Zhi Wei attended the annual general meeting held on 18 August 2021 (“**AGM**”). Due to the stringent quarantine measures in response to the continuation of COVID-19 pandemic imposed by the Hong Kong government on cross-border travelers, Mr. Wang Xiaojun, Prof. HE Jia, Mr. CHEN Yuming and Dr. FU Weigang did not attend the AGM.

Code Provision C.1.2 provided that the management should provide all members of the board with monthly updates on the issues, performance, position, and prospects, which may include monthly management accounts and materials between projections and actual results. During the Period, although management accounts were not circulated to board members on a monthly basis, regular reports were given by management to the Directors from time to time, which the Directors consider to be sufficient and appropriate in the circumstances in giving a balanced and understandable assessment of the Company’s performance and enable Directors to discharge their duties.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted a “Policy for Director and Employee Dealings in the Company’s Securities” which supplements the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) set out in Appendix 10 of the Listing Rules. Following a specific enquiry by the Company, all Directors have confirmed, that they have fully complied with the Model Code and the aforesaid internal policy regarding directors’ securities transactions throughout the Period.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES AND DEBENTURES

At no time during the Period was the Company or its associated corporation(s) a party to any arrangements to enable the Directors or chief executive of the Company to acquire any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporation(s).

AUDIT COMMITTEE

The Company's audit committee, comprising three independent non-executive Directors, has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing and financial reporting matters including a review of the condensed consolidated interim financial information for the Period before recommending them to the Board for approval.

REVIEW OF INTERIM FINANCIAL INFORMATION

The external auditor has reviewed the interim financial information for the Period in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

FORWARD-LOOKING STATEMENTS

This interim results announcement contains certain statements that are forward-looking or which use certain forward-looking terminologies. These forward-looking statements are based on the current beliefs, assumptions and expectations of the Board of directors of the Company regarding the industry and markets in which it invests. These forward-looking statements are subject to risks, uncertainties and other factors beyond the Company's control which may cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements.

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

The interim results announcement is published on the website of the Stock Exchange and that of the Company (www.wealthking.com.hk). The interim results announcement will be dispatched to the shareholders of the Company and will be available on the websites of the Stock Exchange and that of the Company in due course.

By order of the Board
Wealthking Investments Limited
Liu Zhiwei
Executive Director and Chairman

Hong Kong SAR, 26 November 2021

As at the date of this announcement, the Board comprises one executive Director, namely, Dr. Liu Zhiwei; two non-executive Directors, namely Dr. Fu Weigang and Dr. Wang Shibin; and three independent non-executive Directors, namely, Professor He Jia, Mr. Wang Xiaojun and Mr. Chen Yuming.