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APPLIED DEVELOPMENT HOLDINGS LIMITED

實力建業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 519)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

The board (the “Board”) of directors (the “Directors”) of Applied Development Holdings Limited (the “Company”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 31 December 2021 together with the comparative figures as follows:

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME**

For the six months ended 31 December 2021

| | | Six months ended 31 December | |
|---|--------------|---|--------------------|
| | | 2021 | 2020 |
| | <i>Notes</i> | HK\$'000 | HK\$'000 |
| | | (Unaudited) | (Unaudited) |
| Revenue | 2 | 5,205 | 196,374 |
| Cost of sales | | (1,204) | (188,767) |
| Gross profit | | 4,001 | 7,607 |
| Other revenue | 2 | 1,126 | 1,290 |
| Other income | | 505 | 897 |
| Net gain on disposal of financial assets at fair value through profit or loss (“FVPL”) | | 999 | 220 |
| Net (decrease) increase in fair value of financial assets at FVPL | | (13,282) | 6,052 |
| Net decrease in fair value of investment properties | | (15,500) | (34,700) |
| Reversal of impairment loss on loans and interest receivables | 11(b) | 2,000 | 9,685 |
| Provision of impairment loss on other receivables | 11(b) | (563) | – |
| Selling expenses | | (3,280) | (2,525) |
| Administrative expenses | | (12,199) | (9,446) |
| Finance costs | 4 | (2,807) | (3,076) |

| | | Six months ended | |
|--|--------------|-------------------------------|------------------------|
| | | 31 December | |
| | | 2021 | 2020 |
| | <i>Notes</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | | (Unaudited) | (Unaudited) |
| Loss before taxation | 5 | (39,000) | (23,996) |
| Taxation | 6 | <u>(707)</u> | <u>549</u> |
| Loss for the period, attributable to equity holders of the Company | | (39,707) | (23,447) |
| Other comprehensive (loss) income | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | |
| – Exchange differences arising on translation of foreign operations, net | | <u>(692)</u> | <u>29,174</u> |
| Total other comprehensive (loss) income for the period, net of tax | | <u>(692)</u> | <u>29,174</u> |
| Total comprehensive (loss) income for the period, attributable to equity holders of the Company | | <u>(40,399)</u> | <u>5,727</u> |
| Loss per share | 7 | | |
| Basic | | <u>(1.59) HK cents</u> | <u>(0.94) HK cents</u> |
| Diluted | | <u>(1.59) HK cents</u> | <u>(0.94) HK cents</u> |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

| | | 31 December 2021 <i>HK\$'000</i> (Unaudited) | 30 June 2021 <i>HK\$'000</i> (Audited) |
|--|----|---|---|
| Non-current assets | | | |
| Investment properties | 8 | 301,200 | 316,700 |
| Property, plant and equipment | | 71,486 | 70,759 |
| Right-of-use assets | | – | 285 |
| Financial assets designated at fair value through other comprehensive income | | 197 | 197 |
| | | 372,883 | 387,941 |
| Current assets | | | |
| Properties under development | 9 | 644,233 | 599,599 |
| Properties held for sale | 9 | 127,411 | 128,711 |
| Financial assets at FVPL | 10 | 365,126 | 425,889 |
| Other receivables | 11 | 9,813 | 20,825 |
| Tax recoverable | | 1,530 | – |
| Restricted bank deposits | | 18,189 | 19,234 |
| Cash and cash equivalents | | 94,484 | 72,022 |
| | | 1,260,786 | 1,266,280 |
| Current liabilities | | | |
| Accounts and other payables | 12 | 241,125 | 208,740 |
| Interest-bearing borrowings | | 279,347 | 292,956 |
| Tax payables | | 3,331 | 1,963 |
| Lease liabilities | | – | 297 |
| | | 523,803 | 503,956 |
| Net current assets | | 736,983 | 762,324 |
| Total assets less current liabilities | | 1,109,866 | 1,150,265 |
| Non-current liabilities | | | |
| Deferred tax liabilities | | 101,517 | 101,517 |
| | | 101,517 | 101,517 |
| Net assets | | 1,008,349 | 1,048,748 |
| Capital and reserves | | | |
| Share capital | 13 | 25,051 | 25,051 |
| Reserves | | 983,298 | 1,023,697 |
| Total equity | | 1,008,349 | 1,048,748 |

NOTES

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial statements of the Group for the six months ended 31 December 2021 (the “Interim Financial Statements”) are unaudited, but have been reviewed by the Audit Committee of the Company. These unaudited Interim Financial Statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and Hong Kong Accounting Standard No. 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants.

The Interim Financial Statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments which are measured at fair values.

The Interim Financial Statements should be read in conjunction with the Group’s consolidated financial statements for the year ended 30 June 2021 (“2021 Annual Financial Statements”). The accounting policies adopted in the Interim Financial Statements are consistent with those applied in the preparation of 2021 Annual Financial Statements, except for the adoption of the new/revised Hong Kong Financial Reporting Standards (“HKFRSs”), which are relevant to the Group’s operation and are effective for the Group’s financial year beginning on 1 July 2021 as described below.

Amendments to HKAS 39,
HKFRSs 4, 7 and 16

Interest Rate Benchmark Reform – Phase 2

The adoption of those new/revised HKFRSs has no material impact on the Group’s results and financial position for the current or prior periods and does not result in any significant change in accounting policies of the Group.

2. REVENUE

| | Six months ended | |
|--|---------------------|-----------------------|
| | 31 December | |
| | 2021 | 2020 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (Unaudited) | (Unaudited) |
| Revenue | | |
| <i>Revenue from contracts with customers within HKFRS 15:</i> | | |
| Sale of properties in the People's Republic of China (the "PRC") | | |
| – at a point in time | <u>1,271</u> | <u>192,525</u> |
| <i>Revenue from other sources:</i> | | |
| Gross rental income from investment properties | 2,196 | 3,164 |
| Interest income from financial assets at FVPL | 1,178 | 685 |
| Dividend income from financial assets at FVPL | <u>560</u> | <u>–</u> |
| | <u>3,934</u> | <u>3,849</u> |
| | <u>5,205</u> | <u>196,374</u> |
| Other revenue | | |
| Bank interest income | 46 | 74 |
| Loan interest income | 1,080 | 1,215 |
| Other | <u>–</u> | <u>1</u> |
| | <u>1,126</u> | <u>1,290</u> |
| Total revenue | <u><u>6,331</u></u> | <u><u>197,664</u></u> |

3. SEGMENT INFORMATION

Management identifies operating segments based on internal reports that are regularly reviewed by the chief operating decision maker, who are the executive directors of the Company, for the purposes of allocating resources to segments and assessing their performance. The executive directors of the Company consider resort and property development, property investment and investment holding are the Group's major operating segments.

The resort and property development segment includes properties under development and properties held for sales during the period/year. The property investment segment includes mainly commercial properties that are held for capital appreciation or earning rental income. The investment holding segment includes holding of investment funds, equity securities, debt instruments and other assets. No operating segments have been aggregated.

Segment revenue and results for the six months ended 31 December 2021 are presented below:

| | Resort and property development | Property investment | Investment holding | Total |
|--------------------------------|--|--------------------------------|-------------------------------|------------------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Revenue | 1,271 | 2,196 | 1,738 | 5,205 |
| Other revenue and income | <u>56</u> | <u>310</u> | <u>39</u> | <u>405</u> |
| | <u>1,327</u> | <u>2,506</u> | <u>1,777</u> | <u>5,610</u> |
| Results | | | | |
| Segment results | <u>(6,827)</u> | <u>(14,952)</u> | <u>(11,345)</u> | (33,124) |
| Unallocated corporate income | | | | 3,226 |
| Unallocated corporate expenses | | | | (6,295) |
| Finance costs | | | | <u>(2,807)</u> |
| Loss before taxation | | | | (39,000) |
| Taxation | | | | <u>(707)</u> |
| Loss for the period | | | | <u>(39,707)</u> |

Segment assets and liabilities as at 31 December 2021 are presented below:

| | Resort and property development <i>HK\$'000</i> (Unaudited) | Property investment <i>HK\$'000</i> (Unaudited) | Investment holding <i>HK\$'000</i> (Unaudited) | Segment total <i>HK\$'000</i> (Unaudited) | Unallocated <i>HK\$'000</i> (Unaudited) | Total <i>HK\$'000</i> (Unaudited) |
|-------------|---|--|---|--|---|---|
| Assets | <u>808,506</u> | <u>301,792</u> | <u>435,939</u> | <u>1,546,237</u> | <u>87,432</u> | <u>1,633,669</u> |
| Liabilities | <u>(348,892)</u> | <u>(276,110)</u> | <u>-</u> | <u>(625,002)</u> | <u>(318)</u> | <u>(625,320)</u> |

Other segment information for the six months ended 31 December 2021 are presented below:

| | Resort and property development <i>HK\$'000</i> (Unaudited) | Property investment <i>HK\$'000</i> (Unaudited) | Investment holding <i>HK\$'000</i> (Unaudited) | Segment total <i>HK\$'000</i> (Unaudited) | Unallocated <i>HK\$'000</i> (Unaudited) | Total <i>HK\$'000</i> (Unaudited) |
|--|---|--|---|--|---|---|
| Other segment information: | | | | | | |
| Additions to property, plant and equipment | 67 | - | 47 | 114 | 1,966 | 2,080 |
| Net decrease in fair value of investment properties | - | (15,500) | - | (15,500) | - | (15,500) |
| Depreciation | | | | | | |
| - property, plant and equipment | (16) | - | (45) | (61) | (998) | (1,059) |
| - right-of-use assets | - | - | - | - | (285) | (285) |
| Net decrease in fair value of financial assets at FVPL | - | - | (13,282) | (13,282) | - | (13,282) |
| Net gain on disposal of financial assets at FVPL | - | - | 999 | 999 | - | 999 |
| Reversal of impairment loss of loans and interest receivables | - | - | - | - | 2,000 | 2,000 |
| Impairment loss of other receivables | <u>(563)</u> | <u>-</u> | <u>-</u> | <u>(563)</u> | <u>-</u> | <u>(563)</u> |

Segment revenue and results for the six months ended 31 December 2020 are presented below:

| | Resort and property development <i>HK\$'000</i> (Unaudited) | Property investment <i>HK\$'000</i> (Unaudited) | Investment holding <i>HK\$'000</i> (Unaudited) | Total <i>HK\$'000</i> (Unaudited) |
|--------------------------------|---|--|---|---|
| Revenue | 192,525 | 3,164 | 685 | 196,374 |
| Other revenue and income | <u>84</u> | <u>357</u> | <u>273</u> | <u>714</u> |
| | <u>192,609</u> | <u>3,521</u> | <u>958</u> | <u>197,088</u> |
| Results | | | | |
| Segment results | <u>(1,559)</u> | <u>(32,013)</u> | <u>7,188</u> | (26,384) |
| Unallocated corporate income | | | | 11,158 |
| Unallocated corporate expenses | | | | (5,694) |
| Finance costs | | | | <u>(3,076)</u> |
| Loss before taxation | | | | (23,996) |
| Taxation | | | | <u>549</u> |
| Loss for the period | | | | <u>(23,447)</u> |

Segment assets and liabilities as at 30 June 2021 are presented below:

| | Resort and property development <i>HK\$'000</i> (Audited) | Property investment <i>HK\$'000</i> (Audited) | Investment holding <i>HK\$'000</i> (Audited) | Segment total <i>HK\$'000</i> (Audited) | Unallocated <i>HK\$'000</i> (Audited) | Total <i>HK\$'000</i> (Audited) |
|--------------------|---|--|---|--|---|---------------------------------------|
| Assets | <u>763,203</u> | <u>325,477</u> | <u>463,971</u> | <u>1,552,651</u> | <u>101,570</u> | <u>1,654,221</u> |
| Liabilities | <u>(318,145)</u> | <u>(276,500)</u> | <u>(189)</u> | <u>(594,834)</u> | <u>(10,639)</u> | <u>(605,473)</u> |

Other segment information for the six months ended 31 December 2020 are presented below:

| | Resort and property development <i>HK\$'000</i> (Unaudited) | Property investment <i>HK\$'000</i> (Unaudited) | Investment holding <i>HK\$'000</i> (Unaudited) | Segment total <i>HK\$'000</i> (Unaudited) | Unallocated <i>HK\$'000</i> (Unaudited) | Total <i>HK\$'000</i> (Unaudited) |
|--|---|--|---|--|---|---|
| Other segment information: | | | | | | |
| Additions to property, plant and equipment | 2 | - | - | 2 | - | 2 |
| Net decrease in fair value of investment properties | - | (34,700) | - | (34,700) | - | (34,700) |
| Depreciation | | | | | | |
| - property, plant and equipment | (24) | - | (59) | (83) | - | (83) |
| - right-of-use assets | - | - | - | - | (392) | (392) |
| Net increase in fair value of financial assets at FVPL | - | - | 6,052 | 6,052 | - | 6,052 |
| Net gain on disposal of financial assets at FVPL | - | - | 220 | 220 | - | 220 |
| Reversal of impairment loss of loans and interest receivables | - | - | - | - | 9,685 | 9,685 |

There was no revenue generated from inter-segment transactions for both periods. Revenue from resort and property development segment reported above represents sales of properties in the PRC to external customers. Revenue from the property investment segment reported above represents rental income earned from external customers. Segment results represent profit or loss attributable to each segment without allocation of corporate income, central administration expenses, finance costs and income tax expenses/credit. Total assets and liabilities represent all assets and liabilities under each segment together with unallocated corporate assets and liabilities other than those that have been eliminated on consolidation.

Geographical information

The Group's operations are principally located in Hong Kong and the PRC.

The following table provides an analysis of the Group's revenue from external customers by geographical market. For interest income and dividend income from financial assets at FVPL, the analysis are based on the location of the markets of the respective instruments:

| | Revenue by geographical market | |
|-----------|---|--------------------|
| | Six months ended | |
| | 31 December | |
| | 2021 | 2020 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Hong Kong | 3,735 | 3,790 |
| The PRC | 1,357 | 192,525 |
| Others | 113 | 59 |
| | 5,205 | 196,374 |

The following is an analysis of the carrying amounts of non-current assets by geographical area in which the assets are located:

| | Carrying amounts of non-current assets | |
|-----------|---|------------------|
| | 31 December | 30 June |
| | 2021 | 2021 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Audited) |
| Hong Kong | 372,567 | 387,641 |
| The PRC | 119 | 103 |
| | 372,686 | 387,744 |

Non-current assets presented above exclude financial assets. The Group does not have deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

4. FINANCE COSTS

| | Six months ended | |
|--|---------------------|---------------------|
| | 31 December | |
| | 2021 | 2020 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (Unaudited) | (Unaudited) |
| Interest expenses on bank and other borrowings | 2,805 | 6,356 |
| Interest expenses on lease liabilities | <u>2</u> | <u>14</u> |
| | 2,807 | 6,370 |
| Less: Interest capitalised into properties under development | <u>-</u> | <u>(3,294)</u> |
| | <u><u>2,807</u></u> | <u><u>3,076</u></u> |

5. LOSS BEFORE TAXATION

| | Six months ended | |
|--|---------------------|---------------------|
| | 31 December | |
| | 2021 | 2020 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (Unaudited) | (Unaudited) |
| Loss for the period is stated after charging: | | |
| Staff costs, including directors' emoluments | | |
| Salaries and other benefits | 4,031 | 4,236 |
| Retirement benefit scheme contribution | <u>279</u> | <u>165</u> |
| Total staff costs | <u><u>4,310</u></u> | <u><u>4,401</u></u> |
| Other items | | |
| Cost of inventories | 1,204 | 188,767 |
| Depreciation | | |
| – property, plant and equipment | 1,059 | 83 |
| – right-of-use assets | 285 | 392 |
| Direct operating expenses relating to investment properties that did not generate rental income | 579 | 564 |
| Short-term lease expenses | <u><u>25</u></u> | <u><u>56</u></u> |

6. TAXATION

| | Six months ended | |
|--|-------------------------|---------------------|
| | 31 December | |
| | 2021 | 2020 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Current tax | | |
| PRC Enterprise Income Tax | 707 | 6,728 |
| PRC Land Appreciation Tax | — | 4,057 |
| | <u>707</u> | <u>10,785</u> |
| Deferred tax | | |
| Reversal of temporary differences | — | (11,334) |
| | <u>—</u> | <u>(11,334)</u> |
| Total income tax expense (credit) | <u>707</u> | <u>(549)</u> |

Hong Kong Profits Tax has not been provided as the Group incurred a loss for taxation purposes for the six months ended 31 December 2021 and 2020.

The PRC Enterprise Income Tax (“EIT”) in respect of operations in the PRC is calculated at a rate 25% (*six months ended 31 December 2020: 25%*) on the estimated assessable profits for the period based on existing legislation, interpretations and practices in respect thereof.

PRC Land Appreciation Tax (“LAT”) is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including land costs, borrowing costs, business tax and all property development expenditures. The Group has estimated, made and included in the income tax a provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. Prior to the actual cash settlement of the LAT liabilities, the LAT provision is subject to the final review/approval by the tax authorities.

7. LOSS PER SHARE

The calculation of the basic loss per share for the six months ended 31 December 2021 is based on the loss attributable to equity holders of the Company of approximately HK\$39,707,000 (*six months ended 31 December 2020: HK\$23,447,000*) and on the weighted average of 2,505,105,739 (*six months ended 31 December 2020: 2,505,105,739*) ordinary shares of the Company in issue during the period.

The diluted loss per share is the same as the basic loss per share for the six months ended 31 December 2021 and 2020. The Company did not have any dilutive potential ordinary shares during the six months ended 31 December 2021 and 2020.

8. INVESTMENT PROPERTIES

| | 31 December 2021 <i>HK\$'000</i> (Unaudited) | 30 June 2021 <i>HK\$'000</i> (Audited) |
|--------------------------------------|---|---|
| Investment properties, at fair value | <u>301,200</u> | <u>316,700</u> |

9. PROPERTIES UNDER DEVELOPMENT AND PROPERTIES HELD FOR SALE

| | 31 December 2021 <i>HK\$'000</i> (Unaudited) | 30 June 2021 <i>HK\$'000</i> (Audited) |
|--------------------------------------|---|---|
| Properties under development ("PUD") | 644,233 | 599,599 |
| Properties held for sale ("PHS") | <u>127,411</u> | <u>128,711</u> |
| | <u>771,644</u> | <u>728,310</u> |

The PUD and PHS are located in the PRC held under lease term of 40 years from 2014 to 2053. The development of the properties as at 31 December 2021 is expected to be completed within one year (*30 June 2021: within one year*).

10. FINANCIAL ASSETS AT FVPL

| | | 31 December | 30 June |
|---------------------------|--------------|------------------------|------------------------|
| | | 2021 | 2021 |
| | <i>Notes</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | | (Unaudited) | (Audited) |
| Unlisted investment funds | <i>(a)</i> | 237,026 | 231,079 |
| Listed equity securities | | | |
| – Hong Kong | <i>(b)</i> | 115,686 | 149,359 |
| – the PRC | <i>(b)</i> | 6,672 | 12,884 |
| – Overseas | <i>(b)</i> | 928 | 3,400 |
| Listed debt instruments | | | |
| – Hong Kong | <i>(c)</i> | 2,741 | 26,339 |
| – Overseas | <i>(c)</i> | 2,073 | 2,828 |
| | | <u>365,126</u> | <u>425,889</u> |

Notes:

(a) The unlisted investment funds mainly comprise of:

- (i) As at 31 December 2021, included in the unlisted investment funds were 100% Class A participating, redeemable, non-voting shares of Green Asia Restructure SP and 100% Class A participating, redeemable, non-voting shares of Green Asia Restructure SP II with carrying amount of approximately HK\$103,676,000 and HK\$50,866,000 (*30 June 2021: HK\$104,986,000 and HK\$51,229,000*) respectively. Green Asia Restructure SP and Green Asia Restructure SP II are segregated portfolios (the “Segregated Portfolios”) held by a third party of the Group, Green Asia Restructure Fund SPC, an exempted company incorporated in the Cayman Islands with limited liability (the “Green Asia Fund”), which is managed by a third party of the Group, Long Asia Asset Management Limited, a company incorporated in the Cayman Islands with limited liability.

The Green Asia Fund is registered as segregated portfolio company in the Cayman Islands. The investment objective of the Green Asia Fund is capital appreciation by investing in the business of originating, underwriting, acquiring and trading, debt securities and loans in listed and unlisted corporate, which may be publicly traded or privately placed.

As at 31 December 2021, the fair value of the Group’s investments in the Green Asia Fund was established by reference to the prices quoted by the fund administrators (*30 June 2021: a professional external valuer*) based on its net assets value.

- (ii) As at 31 December 2021, included in the unlisted investment funds were 5,000,000 participating and non-voting shares, representing 16.67% (30 June 2021: 16.67%) shareholding of Jinshan Portfolio (the “Jinshan Portfolios”) under Huangpu River Capital SPC (the “Huangpu River Fund”).

The Huangpu River Fund is an exempted company incorporated with limited liability and registered as segregated portfolio company in the Cayman Islands. The investment objective of the Huangpu River Fund is capital appreciation by investing in the series C preferred stock of Horizon Robotics, which is principally engaged in the business of the development and manufacturing of intelligent processors based on artificial intelligence algorithms, the development of relevant software and hardware, and the provision of cloud services.

As at 31 December 2021, the fair value of the Group’s investments in the Huangpu River Fund amounted to approximately HK\$50,466,000 (30 June 2021: HK\$39,000,000), which was based on the trending analysis method evaluated by a professional external valuer, AVISTA Valuation Advisory Limited.

- (b) The fair value of listed equity securities are based on quoted market prices in active market.

As at 31 December 2021, financial assets at FVPL with carrying amount of approximately HK\$58,594,000 (30 June 2021: HK\$164,533,000) are pledged as collateral to the margin loan facilities granted to the Group with corporate guarantee provided by the Company. No margin loan facilities had been utilised and outstanding as at 31 December 2021 and 30 June 2021.

- (c) As at 31 December 2021, the Group had debt instruments listed in Hong Kong and overseas amounting to approximately HK\$2,741,000 (30 June 2021: HK\$26,339,000) and HK\$2,073,000 (30 June 2021: HK\$2,828,000), which bear fixed annual interest rate ranging from 7.25% to 12% (30 June 2021: 7.25% to 12%) and 7.25% (30 June 2021: 7.25%) respectively. The fair value of these debt instruments at the end of the reporting period was determined on the basis of quoted market price.

The above financial instruments were designated at fair value upon initial recognition as they are managed and evaluated on a fair value basis.

11. OTHER RECEIVABLES

| | | 31 December | 30 June |
|---|--------------|---------------------|------------------|
| | | 2021 | 2021 |
| | <i>Notes</i> | HK\$'000 | HK\$'000 |
| | | (Unaudited) | (Audited) |
| Loans and interest receivables | <i>(a)</i> | 44,775 | 53,462 |
| Loss allowances | <i>(b)</i> | (44,462) | (46,462) |
| | | <u>313</u> | <u>7,000</u> |
| Other receivables | | 6,061 | 6,185 |
| Loss allowances | <i>(c)</i> | (5,991) | (5,413) |
| | | <u>70</u> | <u>772</u> |
| Deposits, prepayments and other debtors | | 9,430 | 11,301 |
| Dividend receivables | | <u>–</u> | <u>1,752</u> |
| | | <u>9,430</u> | <u>13,053</u> |
| | | <u>9,813</u> | <u>20,825</u> |

Notes:

- (a) As at 31 December 2021, a loan with principal amount of HK\$15,500,000 (*30 June 2021: HK\$15,500,000*) granted to a third party borrower was unsecured, bearing fixed interest rates at 4% (*30 June 2021: 4%*) per annum and overdue more than 12 months (*30 June 2021: more than 12 months*). The remaining loans with principal amount of HK\$28,744,000 (*30 June 2021: HK\$37,744,000*) granted to another third-party borrower, in which the spouse of a Company's then director, Mr. Yuen Chi Ping, has 20% equity interest and had been a director until she resigned on 14 December 2019, were unsecured, bearing fixed interest rates of 4% (*30 June 2021: 4%*) per annum. Pursuant to repayment and extension arrangement dated 8 September 2021, the Group has agreed to further extend the repayment date in following manner: (i) HK\$3,000,000 on or before 31 January 2022; and (ii) the remaining balance on or before 30 September 2022.

As at the date of this announcement, HK\$2,000,000 has been settled during the period and HK\$1,000,000 has been subsequently settled.

- (b) The movement in the loss allowances for the loans and interest receivables during the period/year is summarised below.

| | 31 December | 30 June |
|---|------------------------|-----------------|
| | 2021 | 2021 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (Unaudited) | (Audited) |
| Loss allowances for loans and interest receivables: | | |
| At the beginning of the period/year | 46,462 | 63,824 |
| Decrease in allowances | <u>(2,000)</u> | <u>(17,362)</u> |
| At the end of the period/year | <u>44,462</u> | <u>46,462</u> |

- (c) The movement in the loss allowances for other receivables during the period/year is summarised below.

| | 31 December | 30 June |
|--|------------------------|-----------------|
| | 2021 | 2021 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (Unaudited) | (Audited) |
| Loss allowances for other receivables: | | |
| At the beginning of the period/year | 5,413 | 4,905 |
| Increase in allowances | 563 | – |
| Exchange realignment | <u>15</u> | <u>508</u> |
| At the end of the period/year | <u>5,991</u> | <u>5,413</u> |

12. ACCOUNTS AND OTHER PAYABLES

| | | 31 December | 30 June |
|-------------------------------------|--------------|------------------------|------------------------|
| | | 2021 | 2021 |
| | <i>Notes</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | | (Unaudited) | (Audited) |
| Accounts payables | | | |
| To third parties | <i>(a)</i> | <u>113,474</u> | <u>89,788</u> |
| Other payables | | | |
| Accrued charges and other creditors | | 16,682 | 13,400 |
| Deposits received | | 123 | 3,337 |
| Contract liabilities | <i>(b)</i> | 87,989 | 79,358 |
| Provision for land transfer fees | | <u>22,857</u> | <u>22,857</u> |
| | | <u>127,651</u> | <u>118,952</u> |
| | | <u>241,125</u> | <u>208,740</u> |

Notes:

- (a) The ageing analysis of accounts payables of the Group is presented based on recognition date at the end of the reporting period as follows:

| | 31 December | 30 June |
|---------------|------------------------|------------------------|
| | 2021 | 2021 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (Unaudited) | (Audited) |
| 0-180 days | 33,700 | 13,410 |
| 181-365 days | 32,738 | 28,791 |
| Over 365 days | <u>47,036</u> | <u>47,587</u> |
| | <u>113,474</u> | <u>89,788</u> |

- (b) Contract liabilities represent sale proceeds received from customers in connection with the Group's pre-sale of properties. The deposit will be transferred to profit or loss when the Group's revenue recognition criteria are met.

13. SHARE CAPITAL

| | 31 December 2021 (Unaudited) | | 30 June 2021 (Audited) | |
|---|---------------------------------|---------------|---------------------------------|---------------|
| | Number of ordinary shares | HK\$'000 | Number of ordinary shares | HK\$'000 |
| Authorised: | | | | |
| At 31 December 2021/30 June 2021, ordinary shares of HK\$0.01 each | <u>6,000,000,000</u> | <u>60,000</u> | <u>6,000,000,000</u> | <u>60,000</u> |
| Issued: | | | | |
| At 31 December 2021/30 June 2021, ordinary shares of HK\$0.01 each | <u>2,505,105,739</u> | <u>25,051</u> | <u>2,505,105,739</u> | <u>25,051</u> |

14. INTERIM DIVIDEND

The directors do not recommend payment of an interim dividend for the six months ended 31 December 2021 (*six months ended 31 December 2020: Nil*).

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 31 December 2021 (2020: *nil*).

RESULTS

The Company recorded a loss of HK\$39,707,000 for the six months ended 31 December 2021 as compared to the loss of HK\$23,447,000 for the six months ended 31 December 2020. The loss for the six months ended 31 December 2021 was mainly attributable to, among others, the net decrease in fair value of investment properties and financial assets at fair value through profit or loss (“FVPL”) of HK\$15,500,000 and HK\$13,282,000 respectively. Increase in loss was mainly due to, among others, net impact of (i) a change in fair value of financial assets at FVPL from a net fair value gain of HK\$6,052,000 for the six months ended 31 December 2020 to a net fair value loss of HK\$13,282,000 for the six months ended 31 December 2021; (ii) a decrease in reversal of impairment loss on loans and interest receivables from HK\$9,685,000 for the six months ended 31 December 2020 to HK\$2,000,000 for the six months ended 31 December 2021; and (iii) a decrease in the fair value loss of the Group’s investment properties from HK\$34,700,000 for the six months ended 31 December 2020 to HK\$15,500,000 for the six months ended 31 December 2021. The Board wishes to emphasize that the above-mentioned factors (i) and (iii) are non-cash in nature.

BUSINESS REVIEW

The Group’s principal business is resort and property development, property investment and investment holding.

Resort and Property Development

The Group has acquired Wuxi Shengye Haigang Joint Stock Company Limited* (無錫盛業海港股份有限公司) (“Wuxi Shengye”) in June 2017, the pre-sale of the properties under development commenced in October 2017, the construction of the first and second phase of the apartment portion were completed in the third quarter of 2019 and third quarter of 2020 respectively. The completion of the whole project (“Wuxi Property Project”) is expected to take place in the first quarter of 2022. Most of the apartment portion of first and second phase have been delivered to customers as at 30 June 2021. During the six months ended 31 December 2021, only several apartments were delivered to customers and recognised a revenue of HK\$1,271,000 with overall gross profit margin of 5% after reversing the revaluation consolidated adjustment. As at 31 December 2021, the contracted sales with the contracts signed but properties not yet delivered were HK\$127,894,000. Although the impact of COVID-19 in the PRC has been controlled in months after the outbreak in 2020, the new coronavirus variants are still bringing unpredictable challenges to the property market and global economy.

Property Investment

The Group commenced sub-division of the property of the whole 24th floor, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong (the “Sub-division Properties”) in October 2018 and the sub-division was completed in February 2019. After the completion of sub-division, four units of the Sub-division Properties were sold in 2019.

As at 31 December 2020, three units of the Sub-division Properties with fair value of HK\$71,300,000 were transferred from investment properties to owner’s occupation as properties, plant and equipment. The fair value of the Group’s investment properties as at 31 December 2021 was HK\$301,200,000 (*30 June 2021: HK\$316,700,000*). The economy and properties market of Hong Kong are being hit by the coronavirus variants. The fair value of the Group’s investment properties decreased by HK\$15,500,000 for the six months ended 31 December 2021 (*2020: HK\$34,700,000*). It is emphasised that the fair value loss was non-cash in nature.

The Group’s investment properties contributed rental income of HK\$2,196,000 in total for the six months ended 31 December 2021 (*2020: HK\$3,164,000*). The Sub-division Properties have contributed stable returns to the Group in both periods.

Investment Holding

The Group's investment strategy for its investment holding business is mainly to diversify its investments in unlisted investment funds, listed equity securities and listed debt instruments. For the six months ended 31 December 2021, the Group recorded interest and dividend income from financial assets at FVPL of HK\$1,738,000 (2020: HK\$685,000), net gain on disposal of financial assets at FVPL of HK\$999,000 (2020: HK\$220,000) and a decrease in fair value of financial assets at FVPL of HK\$13,282,000 (2020: an increase of fair value of HK\$6,052,000). Details of the significant investments held by the Group for the six months ended 31 December 2021 are set out as follows:

1. Green Asia Restructure SP and Green Asia Restructure SP II

Since 2017, the Group invested in Green Asia Restructure SP and Green Asia Restructure SP II, both of which are segregated portfolios managed by Green Asia Restructure Fund SPC (the "Green Asia Fund"). The investment objective of the Green Asia Fund is capital appreciation by engaging in the business of originating, underwriting, acquiring and trading debt securities and loans in listed and unlisted corporate, which may be publicly traded or privately placed.

The investment cost of the Green Asia Fund held by the Group as at 31 December 2021 was HK\$167,538,000. As at 31 December 2021, the fair value of the Group's investments in Green Asia Restructure SP and Green Asia Restructure SP II was HK\$103,676,000 and HK\$50,866,000 respectively. The fair value of the Group's investments in the Green Asia Fund accounted for 9.5% of the Group's total assets as at 31 December 2021. During the six months ended 31 December 2021, the fair value of the Group's investment in the Green Asia Fund increased by HK\$3,939,000. The Group made a partial redemption of such investments of HK\$5,657,000 and realised a gain on disposal of HK\$45,000 during the six months ended 31 December 2021.

2. Zall Smart Commerce Group Limited (“Zall Smart”)

As at 31 December 2021, the Group held 145,823,000 ordinary shares of Zall Smart, representing approximately 1.2% of the total issued share capital of Zall Smart. The shares of Zall Smart are listed on Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (stock code: 2098). Zall Smart and its subsidiaries are principally engaged in developing and operating of large-scale consumer product-focused wholesale shopping malls, and providing supply chain management and trading business, e-commerce services, financial services, warehousing and logistics services for the online and offline customers in the PRC. The acquisition cost of Zall Smart shares held by the Group as at 31 December 2021 was HK\$1.28 per share. As at 31 December 2021, the fair value of investment in Zall Smart was approximately HK\$67,079,000, which amounted for 4.1% of the Group’s total assets. During the six months ended 31 December 2021, the Group disposed of 2,460,000 shares of Zall Smart and recognised a loss of disposal of HK\$127,000 and the fair value of the Group’s investment in Zall Smart decreased by HK\$10,208,000. Besides that, the Group had not received and recognised any dividend or other investment income from its holding of Zall Smart’s shares.

The remaining investments held by the Group mainly included unlisted investment funds, listed equity securities and listed debt instruments, each of which represented less than 5% of the Group’s total assets as at 31 December 2021.

PROSPECTS

In 2021, the COVID-19 epidemic continued to spread globally. Although the epidemic has been under effective control in China through the efforts of the Central Government of China, the global spread of the coronavirus variants still has a certain impact on normal business activities. Besides, the Group has actively proceeded with the Wuxi Property Project while dealing with legacy issues. During the six months ended 31 December 2021, the Group's head office was relocated to Lippo Centre in Hong Kong, allowing for better management of the leasing and sale of the Group's assets therein. The second half of 2021 was challenging, with the global economic recovery under strain and the international environment becoming increasingly unclear. Against this backdrop, the Group will seek opportunities and pursue development with the priority of stability in the coming 2022. Meanwhile, the Group will strengthen the development of internal control and risk control mechanism system, with the aim of achieving its quality growth.

FINANCIAL REVIEW

Revenue, cost of sales and gross profit margin

The revenue of the Group decreased by HK\$191,169,000, or 97%, from HK\$196,374,000 for the six months ended 31 December 2020 to HK\$5,205,000 for the six months ended 31 December 2021. Most of revenue generated for the six months ended 31 December 2020 was derived from resort and property development segment, the properties of Wuxi Shengye were delivered to customers and bringing in revenue. The revenue generated from resort and property development segment for the six months ended 31 December 2021 was HK\$1,271,000 (2020: HK\$192,525,000) and gross profit margin was 5% (2020: 2%). There was a decrease in revenue because the properties were delivered to customers in bulk for the six months ended 31 December 2020, while no bulk delivery was arranged for the six months ended 31 December 2021.

Net gain on disposal of financial assets at FVPL

The Group recognised a net gain on disposal of financial assets at FVPL of HK\$220,000 for the six months ended 31 December 2020 and HK\$999,000 for the six months ended 31 December 2021. No material disposal was noted for both periods.

Net (decrease) increase in fair value of financial assets at FVPL

There was a change in fair value of financial assets at FVPL of the Group from a net increase in fair value of financial assets at FVPL of HK\$6,052,000 for the six months ended 31 December 2020 to a net decrease in fair value of financial assets at FVPL of HK\$13,282,000 for the six months ended 31 December 2021. For the six months ended 31 December 2021, although the fair value of funds increased for HK\$11,559,000, the fair value of listed shares decreased by HK\$24,474,000, among others, the fair value of Zall Smart's shares held by the Group decreased by HK\$10,208,000 (2020: no change). The financial performance of the financial assets at FVPL held by the Group for the six months ended 31 December 2020 was relatively stable.

Net decrease in fair value of investment properties

The net fair value loss of investment properties of the Group reduced from HK\$34,700,000 for the six months ended 31 December 2020 to HK\$15,500,000 for the six months ended 31 December 2021. The fair value of investment properties of the Group was determined with reference to the valuation conducted by an independent professional valuer, AVISTA Valuation Advisory Limited. The valuer has adopted the direct comparison method for the valuation by comparing recent market evidence of similar properties located in the neighborhood area. The fair value of investment properties was affected by the economy and properties market of Hong Kong. The outbreak of the coronavirus variants continuously hit the overall trading volume and price of grade-A offices in Hong Kong.

Reversal of impairment loss on loans and interest receivables

The Group recognised a reversal of impairment loss on loans and interest receivables of HK\$9,685,000 for the six months ended 31 December 2020 and HK\$2,000,000 for the six months ended 31 December 2021, which was due to the partial repayments received from a debtor in the corresponding periods. Besides the partial repayments, there were no significant changes in the principle assumptions and key inputs adopted by the Group for the assessment of impairment loss for the six months ended 31 December 2021 as compared with that of the year ended 30 June 2021. For details of the valuation method, principle assumptions and key inputs relating to the reversal/provision of impairment loss on loans and interest receivables, please refer to pages 6 to 8 of the annual report of the Company for the year ended 30 June 2021.

Selling expenses

Selling expenses of the Group increased by HK\$755,000, or 30%, from HK\$2,525,000 for the six months ended 31 December 2020 to HK\$3,280,000 for the six months ended 31 December 2021. The selling expenses for the six months ended 31 December 2021 mainly comprised of sales commission, sales service and consulting fees. The increase in selling expenses was mainly due to more consulting service incurred to improve overall sales strategy and planning for the six months ended 31 December 2021.

Administrative expenses

Administrative expenses of the Group increased by HK\$2,753,000, or 29%, from HK\$9,446,000 for the six months ended 31 December 2020 to HK\$12,199,000 for the six months ended 31 December 2021. The administrative expenses for the six months ended 31 December 2021 mainly comprised of staff costs, legal and professional fees and depreciation. The increase in administrative expenses was mainly due to (i) additional depreciation accounted for the self-used land and buildings since 31 December 2020; and (ii) the fund management fees incurred with respect to the newly invested fund for the six months ended 31 December 2021 while no such fee incurred for the six months ended 31 December 2020.

Finance cost

Finance cost of the Group decreased by HK\$269,000, or 9%, from HK\$3,076,000 for the six months ended 31 December 2020 to HK\$2,807,000 for the six months ended 31 December 2021. The decrease in finance costs was because the effective interest rate reduced.

Loss for the period

Loss for the period of the Group increased by HK\$16,260,000, or 69%, from HK\$23,447,000 for the six months ended 31 December 2020 to HK\$39,707,000 for the six months ended 31 December 2021. The loss for the six months ended 31 December 2021 mainly due to (i) the net decrease in fair value of investment properties of HK\$15,500,000; and (ii) the net decrease in fair value of financial assets at FVPL of HK\$13,282,000. The increase in loss was mainly contributed to, among others, the net decrease in fair value of financial assets at FVPL from a net fair value gain of HK\$6,052,000 for the six months ended 31 December 2020 to a net fair value loss of HK\$13,282,000 for the six months ended 31 December 2021.

Liquidity, financial resources and capital structure

As at 31 December 2021, the Group had current assets of HK\$1,260,786,000 (*30 June 2021: HK\$1,266,280,000*) and current liabilities of HK\$523,803,000 (*30 June 2021: HK\$503,956,000*), representing a current ratio of about 2.4 times (*30 June 2021: 2.5 times*). The Group's total equity and the total bank and other borrowings as at 31 December 2021 amounted to HK\$1,008,349,000 (*30 June 2021: HK\$1,048,748,000*) and HK\$279,347,000 (*30 June 2021: HK\$292,956,000*) respectively. All of the bank and other borrowings of the Group are repayable within one year. The gearing ratio of the Group as at 31 December 2021, calculated as a ratio of the total bank and other borrowings to total equity, was approximately 28% (*30 June 2021: 28%*).

OPERATING SEGMENT INFORMATION

Details of the operating segment information of the Group for the six months ended 31 December 2021 are set out in note 3 to the condensed consolidated financial statements of this announcement.

CAPITAL COMMITMENTS

The Group had no material capital commitments as at 31 December 2021 (*30 June 2021: Nil*).

PLEDGE OF ASSETS

As at 31 December 2021, the Group had provided the following securities for banking facilities granted to the Group:

- (i) pledge of leasehold land and buildings under investment properties and properties, plant and equipment of the Group with carrying amount of HK\$301,200,000 and HK\$69,432,000 respectively (*30 June 2021: HK\$316,700,000 and HK\$70,366,000 respectively*);
- (ii) assignment agreements in respect of rental income of the Group's investment properties duly executed by the Group in favour of the bank; and
- (iii) assignment agreements in respect of insurance compensation of the Group's investment properties and leasehold land and buildings duly executed by the Group in favour of the bank.

As at 31 December 2021, the fair value of the financial assets at FVPL of HK\$58,594,000 (*30 June 2021: HK\$164,533,000*) was pledged as collateral to margin loan facilities granted to the Group with a corporate guarantee provided by the Company. No margin loan facilities was utilised as at 31 December 2021 (*30 June 2021: Nil*).

LITIGATION

As at 31 December 2021, there was a legal proceeding against a subsidiary of the Group for an alleged debt of RMB30,000,000, which was subsequently withdrawn. For details of the legal proceeding, please refer to the announcements of the Company dated 2 December 2021 and 14 January 2022. Save as the above, the Group has no other material litigation against it which had to be disclosed.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 31 December 2021, the Group employed a total of 36 (*30 June 2021: 28*) employees and executive Directors. The Group's total staff costs including Directors' emoluments amounted to HK\$4,310,000 for the six months ended 31 December 2021 (*2020: HK\$4,401,000*). The remuneration packages for Directors and employees are normally reviewed annually and are structured by reference to market terms and individual competence, performance and experience. The Group also provides medical insurance coverage and operates a provident fund scheme or relevant fund scheme for its employees in Hong Kong and the PRC.

SUBSEQUENT EVENTS

The Group has no material events subsequent to 31 December 2021 which were required to be disclosed at the date of this announcement.

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

Following the retirement of Mr. Lau Chi Keung as an Independent Non-executive Director with effect from 7 December 2021, the Company fails to meet the requirements of having at least three Independent Non-executive Directors on the Board as required under Rule 3.10(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). As disclosed in the Company's announcement dated 7 December 2021, the Company is making its best endeavor to identify suitable candidate for the position of Independent Non-executive Director to fill the casual vacancy on the Board within three months from the retirement date of Mr. Lau Chi Keung, pursuant to Rule 3.11 of the Listing Rules. Further announcement(s) will be made by the Company as and when appropriate.

Save as disclosed above, there is no other change in the Directors' information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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

During the six months ended 31 December 2021, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

CORPORATE GOVERNANCE

The Board is committed to maintaining high standard of corporate governance practices at all times. The Board believes that good corporate governance helps the Company to safeguard the interests of the shareholders of the Company (the “Shareholders”) and to enhance the performance of the Group. The Company has adopted the Corporate Governance Code (the “CG Code”) set out in Appendix 14 of the Listing Rules as its own code of corporate governance.

The Company complied with all the applicable code provisions (the “Code Provisions”) of the CG Code as set out in Appendix 14 of the Listing Rules throughout the six months ended 31 December 2021, save for Code Provisions A.4.2 and A.2.1 (as in force during the period). Details of the deviation with reasons are set out in the paragraphs below:

Under Code Provision A.4.2 of the CG Code, all directors who are appointed to fill casual vacancies are subject to re-election at the first general meeting after their appointments by the board, and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. The Bye-laws deviate from this Code Provision in the following aspects:

- (a) Under Bye-law 86(2) of the Bye-laws, amongst other things, the Directors have the power to appoint any person as a Director, either to fill a casual vacancy on the Board, or, subject to authorisation by the Shareholders in general meeting, as an addition to the existing Board. Any Director so appointed by the Board shall hold office until the next following annual general meeting of the Company.

The reason for retaining this Bye-law is for the purpose of compliance with paragraph 4(2) of Appendix 3 of the Listing Rules. The requirement for Directors appointed to fill casual vacancies or as additional members of the Board to retire only at the next annual general meeting, rather than at the next general meeting also allows the Shareholders to consider re-election of such new Directors at the same time as the re-election of the Directors who are subject to retirement by rotation, at the same general meeting.

- (b) Under Bye-law 87(1) of the Bye-laws, at the annual general meetings of the Company, one third of the Directors for the time being (or where the number is not a multiple of three, the number nearest to, but not greater than one third), including the Independent Non-executive Directors, shall retire from office by rotation provided that the Chairman of the Board and/or the managing Director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year. Notwithstanding the provision of Bye-law 87(1), in practice, the Chairman of the Board, Mr. Wu Zhanming will voluntarily submit himself for re-election by the Shareholders at the annual general meeting at least once every three years. Accordingly in practice, all Directors (including the Independent Non-Executive Directors) are subject to retirement by rotation at least once every three years. All Independent Non-executive Directors are appointed for a term of three years, and are subject to retirement by rotation in accordance with the Bye-laws.

Under Code Provision A.2.1 of the CG Code, the roles of Chairman and Chief Executive Officer (the “CEO”) should be separate and performed by different individuals. During the six months ended 31 December 2021, Mr. Wu Zhanming was the Chairman and Acting CEO of the Company. The Board believes that the holding of both positions of Chairman and CEO by the same individual will not impair the balance of power and authority between the Board and the management of the Group. The Board is taking steps to identify suitable candidates to act as the CEO.

AUDIT COMMITTEE

The unaudited condensed consolidated financial statements of the Company for the six months ended 31 December 2021 have been reviewed by the Audit Committee and have been duly approved by the Board under the recommendation of the Audit Committee.

MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiries with the Directors, all the Directors have confirmed that they had complied with the required standards set out in the Model Code during the six months ended 31 December 2021.

PUBLICATION OF INFORMATION ON WEBSITES

This results announcement is available for viewing on the website of the Stock Exchange at <http://www.hkex.com.hk> and on the website of the Company at <http://www.applieddev.com>.

By Order of the Board
Applied Development Holdings Limited
Wu Zhanming
Chairman, Acting CEO and Executive Director

Hong Kong, 25 February 2022

As at the date of this announcement, the Executive Director is Mr. Wu Zhanming (Chairman and Acting CEO); the Non-executive Directors are Mr. Wu Tao and Mr. Yao Wei Rong; and the Independent Non-executive Directors are Mr. Yu Tat Chi, Michael and Mr. Chiu Kit Man, Calvin.

* *For identification purpose only*

In the event of inconsistency, the English text of this announcement shall prevail over the Chinese text thereof.