

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



CASH FINANCIAL SERVICES GROUP LIMITED

時富金融服務集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 510)

**INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The unaudited consolidated results of CASH Financial Services Group Limited (“Company” or “CFSG”) and its subsidiaries (“Group”) for the six months ended 30 June 2022 together with the comparative figures for the last corresponding period are as follows:

		Unaudited	
		Six months ended 30 June	
		2022	2021
	Notes	HK\$'000	HK\$'000
Revenue	(3)		
Fee and commission income		27,614	40,753
Interest income		8,092	15,019
Total revenue		35,706	55,772
Other income		1,937	1,171
Other losses		(3,390)	(2,348)
Salaries and related benefits		(25,683)	(29,220)
Commission expenses		(10,662)	(13,354)
Depreciation		(8,123)	(6,904)
Finance costs		(3,016)	(5,044)
Other operating expenses	(5)	(21,773)	(19,102)
Loss before taxation		(35,004)	(19,029)
Income tax expense	(6)	-	-
Loss for the period		(35,004)	(19,029)

	Note	Unaudited	
		2022	2021
		HK\$'000	HK\$'000
Other comprehensive expense for the period		-	-
Total comprehensive expense for the period		(35,004)	(19,029)
Loss attributable to:			
Owners of the Company		(35,004)	(19,029)
Non-controlling interests		-	-
		(35,004)	(19,029)
Total comprehensive expense for the period attributable to:			
Owners of the Company		(35,004)	(19,029)
Non-controlling interests		-	-
		(35,004)	(19,029)
Loss per share	(7)		
- Basic (HK cents)		(13.40)	(7.69)
- Diluted (HK cents)		(13.40)	(7.69)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2022 (Unaudited) HK\$'000	31 December 2021 (Audited) HK\$'000
Non-current assets			
Property and equipment		20,684	22,930
Intangible assets		9,092	9,092
Club debentures		660	660
Other assets		5,368	6,857
Rental and utility deposits		1,051	1,913
Financial assets at fair value through other comprehensive income		27,528	27,679
Loans receivable	(9)	1,516	1,516
Financial assets at fair value through profit or loss		5,784	5,534
		71,683	76,181
Current assets			
Accounts receivable	(8)	171,775	182,150
Contract assets		4,813	4,813
Loans receivable	(9)	11,108	38,681
Prepayments, deposits and other receivables		31,441	28,792
Financial assets at fair value through profit or loss		35,167	99,408
Amounts due from related companies		-	1,001
Bank balances - trust and segregated accounts		607,131	660,971
Bank balances (general accounts) and cash		302,254	203,580
		1,163,689	1,219,396
Current liabilities			
Accounts payable	(10)	650,413	701,088
Accrued liabilities and other payables		31,426	24,932
Taxation payable		3,000	3,000
Lease liabilities		8,748	11,220
Bank borrowings - amount due within one year		70,014	73,026
Provision for restoration		1,035	1,035
Loan from a related party		86,000	-
		850,636	814,301
Net current assets		313,053	405,095
Total assets less current liabilities		384,736	481,276

	30 June 2022 (Unaudited) HK\$'000	31 December 2021 (Audited) HK\$'000
Non-current liabilities		
Loan from a related party	-	60,263
Lease liabilities	5,881	7,838
Provision for restoration	807	807
	6,688	68,908
Net assets	378,048	412,368
Capital and reserves		
Share capital	(11) 104,470	104,470
Reserves	265,040	299,360
Equity attributable to owners of the Company	369,510	403,830
Non-controlling interests	8,538	8,538
Total equity	378,048	412,368

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited
Six months ended 30 June 2022

	Attributable to equity holders of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Contributed surplus HK\$'000	Share-based payment reserve HK\$'000	Investments revaluation reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 January 2022	104,470	609,325	29,209	117,788	990	(11,937)	379	(446,394)	403,830	8,538	412,368
Loss for the period	-	-	-	-	-	-	-	(35,004)	(35,004)	-	(35,004)
Exchanges difference arising on translation of foreign operations	-	-	-	-	-	-	684	-	684	-	684
Other comprehensive expense for the period	-	-	-	-	-	-	684	-	684	-	684
Total comprehensive expense for the period	-	-	-	-	-	-	684	(35,004)	(34,320)	-	(34,320)
At 30 June 2022	104,470	609,325	29,209	117,788	990	(11,937)	1,063	(481,398)	369,510	8,538	378,048

Unaudited
Six months ended 30 June 2021

	Attributable to equity holders of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Contributed surplus HK\$'000	Share-based payment reserve HK\$'000	Investments revaluation reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 January 2021	97,049	604,132	29,209	117,788	4,698	(13,966)	(644)	(392,924)	445,342	8,538	453,880
Loss for the period	-	-	-	-	-	-	-	(19,029)	(19,029)	-	(19,029)
Exchanges difference arising on translation of foreign operations	-	-	-	-	-	-	1,030	-	1,030	-	1,030
Other comprehensive expense for the period	-	-	-	-	-	-	1,030	-	1,030	-	1,030
Total comprehensive expense for the period	-	-	-	-	-	-	1,030	(19,029)	(17,999)	-	(17,999)
Exercise of share options	7,421	5,193	-	-	(3,708)	-	-	-	8,906	-	8,906
At 30 June 2021	104,470	609,325	29,209	117,788	990	(13,966)	386	(411,953)	436,249	8,538	444,787

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Net cash from (used in) operating activities	79,134	(719,773)
Net cash from (used in) investing activities	4,260	(761)
Net cash generated from financing activities	15,280	754,493
Net increase in cash and cash equivalents	98,674	33,959
Cash and cash equivalents at beginning of period	203,580	208,859
Cash and cash equivalents at end of period	302,254	242,818
Bank balances (general accounts) and cash	302,254	242,818

Notes:

(1) Basis of preparation

The unaudited consolidated results of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) and Hong Kong Accounting Standards (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the unaudited consolidated accounts include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) and by the Hong Kong Companies Ordinance.

Apart from (2) below, the accounting policies and judgements applied by the Group in these consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2021.

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company.

(2) Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatory effective for the Group's annual period beginning on 1 January 2022 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKAS 16	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts - Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020

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

(3) Revenue

Fee and commission income

	Unaudited	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Type of services		
Broking services	13,958	25,750
Investment banking services	-	384
Wealth management services	9,931	7,370
Asset management services	929	3,831
Handling and other services	2,796	3,418
Total	27,614	40,753

Interest income

	Unaudited	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Interest income arising from financial assets at amortised cost	8,092	15,019

(4) Segment information

The Group is principally engaged in the following activities:

- provision of online and traditional brokerage of securities, futures and options as well as general and life insurance, mutual funds and mandatory provident fund (“MPF”) products;
- proprietary trading of debt and equity securities and derivatives;
- provision of margin financing and money lending services; and
- provision of asset management services.

Reportable and operating segment

The Chief Executive Officer of the Company, who is also the chief executive, being the chief operating decision maker (“CODM”), regularly reviews the income from financial services (including broking, asset management and wealth management services) and proprietary trading activities for the purposes of resource allocation and performance assessment.

Segment revenue and result

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment loss represents the loss incurred by the segment before change in fair value of investment property and unallocated corporate expenses. This is the measure reported to the CODM for the purposes of resource allocation and assessment of performance.

For the six months ended 30 June 2022

	Financial services HK\$'000	Proprietary trading HK\$'000	Total HK\$'000
Revenue	35,705	1	35,706
RESULT			
Segment loss	(30,414)	(3,864)	(34,278)
Unallocated expenses			(726)
Loss before taxation			(35,004)

For the six months ended 30 June 2021

	Financial services HK\$'000	Proprietary trading HK\$'000	Total HK\$'000
Revenue	55,772	-	55,772
RESULT			
Segment loss	(12,359)	(3,585)	(15,944)
Unallocated expenses			(3,085)
Loss before taxation			(19,029)

All the segment revenue is derived from external customers.

(5) Other operating expenses

	Unaudited	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Handling expenses:		
- dealing in securities	2,012	1,552
- dealing in futures and options	274	351
Advertising and promotions expenses	1,577	1,470
Telecommunications expenses	3,035	5,216
Auditor's remuneration	1,260	1,260
Legal and professional fees	1,672	535
Printing and stationery expenses	777	933
Repair and maintenance expenses	468	509
Travelling and transportation expenses	115	132
Water and electricity expenses	311	304
Office management fee and rates	1,162	1,490
Impairment losses under expected credit loss model, net of reversal	6,628	-
Others	2,482	5,350
	21,773	19,102

(6) Income tax expense

	Unaudited	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Current tax	-	-

Starting from the year ended 31 December 2018, the Hong Kong profits tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the People's Republic of China on Enterprise Income Tax ("EIT Law") and Implementation Regulation of the EIT Law, the tax rate applicable to the PRC subsidiaries is 25% from 1 January 2008 onwards.

(7) Loss per share

The calculation of basic and diluted loss per share attributable to the owners of the Company for the six months ended 30 June 2022 are based on the following data:

	Unaudited	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Loss		
Loss for the purposes of basic and diluted loss per share	(35,004)	(19,029)

	Unaudited	
	Six months ended 30 June	
	2022	2021
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	261,174,779	247,570,779

For the six months ended 30 June 2022, the directors of the Company consider the effect of the dilutive impact arising from the share options granted by the Company is insignificant.

(8) Accounts receivable

	30 June 2022 (Unaudited) HK\$'000	31 December 2021 (Audited) HK\$'000
Accounts receivable arising from the business of dealing in securities:		
Clearing houses, brokers and dealers	31,979	38,915
Cash clients	13,895	27,865
	45,874	66,780
Accounts receivable arising from the business of margin financing:	100,439	98,303
Less: allowance for impairment	(10,544)	(3,916)
	89,895	94,387
Accounts receivable arising from the business of dealing in futures and options:		
Cash clients	184	184
Clearing houses, brokers and dealers	35,668	20,646
	35,852	20,830
Commission receivable from brokerage of general and life insurance, mutual funds and MPF products	154	153
	171,775	182,150

Accounts receivable from clients, brokers, dealers and clearing houses arising from the business of dealing in securities are repayable on demand subsequent to settlement date. The normal settlement terms of accounts receivable arising from the business of dealing in securities are two days after trade date or at specific terms agreed with clients, brokers, dealers and accounts receivable arising from the business of dealing in futures and options are one day after trade date.

The Group offsets certain accounts receivable and accounts payable when the Group currently has a legally enforceable right to set off the balances and intends either to settle on a net basis, or to realise the balances simultaneously.

No ageing analysis is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of business in margin financing.

Included in accounts receivable from margin clients arising from the business of dealing in securities are amounts due from certain related parties, details of which are as follows:

Name	Balance at 1 January 2022 HK\$'000	Balance at 30 June 2022 HK\$'000	Maximum amount outstanding during the period HK\$'000	Market value of pledged securities at fair value at 30 June 2022 HK\$'000
Directors of the Company				
Dr Kwan Pak Hoo Bankee	-	64	175	-
Mr Kwan Teng Hin Jeffrey	-	-	-	-
Mr Cheung Wai Lim William	-	75	392	-
Mr Law Hin Ong Trevor (note 1) (from 1/6/2022 - 30/6/2022)	-	177	177	-
Mr Li Shing Wai Lewis (note 2) (from 1/1/2022 - 31/5/2022)	-	-	199	-
Mr Kwok Ka Lok Lionel (note 2) (from 1/1/2022 - 28/2/2022)	-	-	-	-
Subsidiary of Celestial Asia Securities Holdings Limited ("CASH")				
Cashflow Credit Limited (note 3)	-	-	2,737	-

Notes:

- (1) Mr Law Hin Ong Trevor was appointed as director of the Company during the period.
- (2) Mr Li Shing Wai Lewis and Mr Kwok Ka Lok Lionel resigned as directors of the Company during the period.
- (3) Cashflow Credit Limited is a subsidiary of CASH, the substantial shareholder of the Company.

The above balances are repayable on demand and bear interest at commercial rates which are similar to the rates offered to other margin clients.

(9) Loans receivable

	30 June 2022 (Unaudited) HK\$'000	31 December 2021 (Audited) HK\$'000
Revolving loans receivable denominated in:		
Hong Kong dollars	9,957	21,544
Renminbi	4,697	4,697
United State dollars	367	353
Less: allowance for impairment	(2,397)	(2,397)
Term loan receivable denominated in:		
Hong Kong dollars	-	16,000
	12,624	40,197

All loans receivable are variable-rate loans receivable which bear interest at Hong Kong Prime Rate plus a spread for both periods. As at 30 June 2022, the loans receivable included a total carrying amount of HK\$1,552,000 (2021: HK\$8,617,000) which is a loan to one (2021: four) director of the Group.

(10) Accounts payable

	30 June 2022 (Unaudited) HK\$'000	31 December 2021 (Audited) HK\$'000
Accounts payable arising from the business of dealing in securities:		
Clearing houses and brokers	3,159	9,715
Cash clients	501,142	522,630
Margin clients	84,840	94,477
Accounts payable to clients arising from the business of dealing in futures and options	61,272	72,489
Accounts payable to independent financial advisors arising from the business of wealth management services	-	1,777
	650,413	701,088

The settlement terms of accounts payable from the business of dealing in securities are two days after trade date, and accounts payable arising from the business of dealing in futures and options contracts are one day after trade date. No ageing analysis is disclosed as in the opinion of directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

Accounts payable to clients arising from the business of dealing in futures and options are margin deposits received from clients for their trading of these contracts. The required margin deposits are repayable upon the closure of the corresponding futures and options position. The excess of the outstanding amounts over the required margin deposits stipulated are repayable to clients on demand.

Except for the accounts payable to clients arising from the business of dealing in securities which bear interest at a fixed rate, all other accounts payable are non-interest bearing.

Accounts payable amounting to HK\$630,329,000 (2021: HK\$648,300,000) are payable to external clients and other institutions in respect of the trust and segregated bank balances received and held for clients and other institutions in the course of the conduct of regulated activities. However, the Group does not have a currently enforceable right to offset these payables with the deposits placed.

(11) Share capital

	Par value of each ordinary share HK\$	Number of shares '000	Amount HK\$'000
<hr/>			
Ordinary shares			
Authorised:			
At 1 January 2022 and 30 June 2022	0.4	<u>750,000</u>	<u>300,000</u>
Issued and fully paid:			
At 1 January 2022 and 30 June 2022	0.4	<u>261,175</u>	<u>104,470</u>

(12) Related party transactions

In addition to the transactions and balances detailed in notes (8) and (9), the Group had the following transactions with related parties:

		Unaudited	
		Six months ended 30 June	
	Notes	2022	2021
		HK\$'000	HK\$'000
Commission and interest income from Cashflow Credit Limited	(a)	77	15
Commission income and interest income received from the following directors of the Company:			
Dr Kwan Pak Hoo Bankee		52	65
Mr Kwan Teng Hin Jeffrey		29	32
Mr Cheung Wai Lim William	(b)	45	N/A
Mr Law Hin Ong Trevor	(c)	10	N/A
Mr Li Shing Wai Lewis	(d)	30	76
Mr Kwok Ka Lok Lionel	(d)	21	78
Mr Ng Hin Sing Derek	(e)	N/A	20
		187	271
Interest expense to a related party		1,717	-

Notes:

- (a) Cashflow Credit Limited is a subsidiary of CASH, the substantial shareholder of the Company.
- (b) Mr Cheung Wai Lim William was appointed as director of the Company during the year ended 31 December 2021.
- (c) Mr Law Hin Ong Trevor was appointed as director of the Company during the period.
- (d) Mr Li Shing Wai Lewis and Mr Kwok Ka Lok Lionel resigned as directors of the Company during the period.
- (e) Mr Ng Hin Sing Derek resigned as director of the Company during the year ended 31 December 2021.

(13) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the bank borrowings, loan from a related party and lease liabilities, and equity attributable to owners of the Company, comprising issued share capital, accumulated losses and other reserves as disclosed in consolidated statement of changes in equity. The management reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the issue of new shares and share options as well as the issue of new debt or the redemption of existing debt. The Group's overall strategy remains unchanged throughout the period.

Certain group entities are regulated by the Hong Kong Securities and Futures Commission ("SFC") and are required to comply with the financial resources requirements according to the Hong Kong Securities and Futures (Financial Resources) Rules ("SF(FR)R"). The Group's regulated entities are subject to minimum paid-up share capital requirements and liquid capital requirements under the SF(FR)R. Management closely monitors, on a daily basis, the liquid capital level of these entities to ensure compliance with the minimum liquid capital requirements under the SF(FR)R. The Group's regulated entities have complied with the capital requirements imposed by the SF(FR)R throughout both periods.

(14) Event after the reporting period

On 13 July 2022, a special resolution in relation to capital reduction was approved by the shareholders of the Company at a special general meeting held on the same date. Pursuant to the capital reduction, the par value of each of the Company's shares was reduced from HK\$0.40 to HK\$0.04 effective from 14 July 2022. Accordingly, the authorised share capital of the Company decreased to HK\$30,000,000, representing 750,000,000 new shares of par value of HK\$0.04 each, of which 261,174,779 new shares are issued and are fully paid or credited as fully paid and the remainder are unissued.

As a result, the Company's issued and paid up share capital was reduced to approximately HK\$10,447,000 and the reduction amount of approximately HK\$94,023,000 was transferred to the contributed surplus account of the Company. Details of the transaction were disclosed in the announcements of the Company dated 14 June 2022, and the circular of the Company dated 17 June 2022.

The respective reduction amount of approximately HK\$94,023,000 was then transferred from the contributed surplus account to set-off the accumulated losses.

All the shares in issue rank pari passu in all respects.

DIVIDEND

The Board does not recommend the payment of any dividend for the six months ended 30 June 2022 (2021: nil).

REVIEW AND OUTLOOK

Financial Review

For the six months ended 30 June 2022, the Group recorded revenue of approximately HK\$35.7 million, representing a decrease of 36.0% compared with HK\$55.8 million for the same corresponding period last year. The Group's main revenue comprised of broking income of approximately HK\$14.0 million (2021: HK\$25.8 million), provision of wealth management services of approximately HK\$9.9 million (2021: HK\$7.4 million), and approximately HK\$3.7 million (2021: HK\$7.6 million) from non-broking and non-wealth management services.

During the period, the decrease of approximately 45.7% or HK\$11.8 million from broking income was in line with the general decline in investor sentiment reflected by a sizeable decrement of 26.5% in average daily turnover of the Hong Kong's securities market during the first half of 2022 when compared to the same period prior year (2022: HK\$138.3 billion; 2021: HK\$188.1 billion). Due to the highly volatile securities market and overall weak investing sentiment, demand for wealth management products and services had increased as a result. The relatively favourable investment yields and asset preservation potential has further hastened our transformation into a fully-fledged Wealth Management Advisory Group, providing 'one-stop' wealth management services to clients in Hong Kong and Mainland China. As such, revenue from our wealth management business increased 33.8% or HK\$2.5 million to reach approximately HK\$9.9 million during the period.

The decline of approximately 51.3% or HK\$3.9 million in revenue from non-broking and non-wealth management services was mainly due to the decrease in asset management revenue by 75.8% or approximately HK\$2.9 million during the period. Interest income also witnessed a decline of 46.1% or HK\$ 6.9 million due to decrease in margin financing interest and IPO margin financing which was in line with the general decline in average daily turnover and funds raised through Hong Kong's IPO market during the period (2022: HK\$19.7 billion; 2021: HK\$211.7 billion).

Other operating expenses excluding impairment losses under expected credit loss model, decreased by 20.7% or HK\$4.0 million. The decline was mainly attributed to our Group's ongoing cost rationalisation programme which included reviewing non-essential costs such as travelling and entertainment, streamlining our workforce and reviewing organization structures. During the period, impairment allowance of approximately HK\$6.6 million was recognized under the impairment framework and methodology of expected credit loss ("ECL") model established by the Group in accordance to HKFRS 9 "Financial instruments". Impairment allowance consisted of provision for credit losses on accounts receivables arising from margin financing and loans receivable during the period.

Overall, the Group recorded a net loss of approximately HK\$35.0 million for the six months ended 30 June 2022 as compared to a net loss of approximately HK\$19.0 million for the same period last year. As part of our response to the pandemic, we have followed business continuity processes from our Board-endorsed COVID-19 Business Continuity Plan. Our Business Continuity Plan places the perseverance of our staff's health and wellbeing at the highest priority by implementing work from home arrangements for non-essential and vulnerable employees. Due to the effective mitigation efforts from our COVID-19 Business Continuity Plan, COVID-19 had limited impact on our business operations and financial results.

Liquidity and Financial Resources

The Group's total equity amounted to HK\$378.1 million as at 30 June 2022 compared to HK\$412.4 million as at 31 December 2021. The decrease in the total equity was mainly due to the net effect of the reported loss for the period under review. As at 30 June 2022, the Group had total outstanding bank borrowings of approximately HK\$70.0 million, which were solely bank loans collateralised by its clients' securities pledged to the Group. All of the Group's borrowings were denominated in Hong Kong dollars. They were variable-rate borrowings and carried interest with reference to HIBOR or Hong Kong Prime Rate.

As at 30 June 2022, our cash and bank balances including the trust and segregated accounts had slightly increased to HK\$909.4 million from HK\$864.6 million as at 31 December 2021. The Group derives its revenue and maintains bank balances in its house accounts mainly in Hong Kong dollars. Bank balances in its house accounts amounting to HK\$267.5 million and HK\$34.8 million as at 30 June 2022 were denominated in Hong Kong dollars and other foreign currencies (mainly Renminbi and US dollar) respectively, whereas the bank balances in the trust and segregated accounts were denominated in the same currencies as those of the outstanding balances in the corresponding accounts payable.

The liquidity ratio as at 30 June 2022 decreased to 1.37 times from 1.50 times as at 31 December 2021. The gearing ratio as at 30 June 2022, which represents the ratio of interest bearing borrowings of the Group divided by the total equity, increased to 41.3% from 32.3% as at 31 December 2021. The increase in gearing ratio during the period was mainly due to the increase in borrowings for working capital purposes. On the other hand, we have no material contingent liabilities at the end of the period. The Group's treasury policies are to secure healthy liquidity for running its operations smoothly and to maintain a sound financial position at all times throughout the period. Besides meeting its working capital requirements, cash balances and bank borrowings are maintained at healthy levels to meet its customers' investments needs while making sure all relevant financial regulations have been complied with.

Foreign Exchange Risks

The Group did not have any material un-hedged foreign exchange exposure or interest rate mismatches at the end of the period.

Material Acquisitions and Disposals

On 30 June 2022, the Company, Celestial Investment Group Limited ("CIGL", a wholly-owned subsidiary of CASH) and Celestial Asia Securities Holdings Limited ("CASH", the substantial shareholder of the Company) jointly announced a pre-conditional voluntary cash offers by Celestial Securities Limited (a wholly-owned subsidiary of the Company) for and on behalf of CIGL to acquire all issued shares of the Company (other than those shares already owned or agreed to be acquired by the Offeror and its parties acting in concert) at HK\$0.42 per share and to cancel all the outstanding share options of the Company (the "Possible Transaction"). The Possible Transaction is subject to the shareholders' approval of CASH at a special general meeting to be convened. Details of the transaction were disclosed in the joint announcement dated 30 June 2022 and the subsequent announcements of the Company and CASH during the period from 18 July 2022 to 1 August 2022.

Save as aforesaid, the Group did not make any other material acquisitions or disposals during the period.

Save as disclosed in this report, there is no important event affecting the Group which has occurred since the end of the financial period.

Fund Raising Activities

The Company did not have any fund raising activity during the period under review.

Capital Commitments

The Group did not have any material outstanding capital commitments at the end of the period.

Material Investments

As at 30 June 2022, the market values of a portfolio of investments held for trading amounted to approximately HK\$41.0 million. A net loss on investments held for trading of HK\$6.1 million was recorded and was offset by HK\$3.2 million dividend income during the period.

We did not have any future plans for material investments, nor addition of capital assets.

Financial and Operational Highlights

Revenue

(HK\$'m)	Unaudited Six months ended 30 June		% change
	2022	2021	
Broking income	14.0	25.8	(45.7)%
Wealth management income	9.9	7.4	33.8%
Non broking and non wealth management income	3.7	7.6	(51.3)%
Group total	27.6	40.8	(32.4)%

Key Financial Metrics

	Unaudited Six months ended 30 June		% change
	2022	2021	
Net loss (HK\$'m)	(35.0)	(19.0)	(84.2)%
Loss per share (HK cents)	(13.4)	(7.7)	(74.0)%
Total assets (HK\$'m)	1,235.4	2,038.4	(39.4)%
Cash on hand (HK\$'m)	302.3	242.8	24.5%
Bank borrowings (HK\$'m)	70.0	860.0	(91.9)%
Annualised average fee income from broking per active client (HK\$'000)	1.3	1.8	(27.8)%

Industry and Business Review

Industry Review

Hong Kong's economy slipped into its second recession in three years as compounding damage from the pandemic and Russia-Ukraine conflict magnified slowdown in the global economy, battering the city's investor sentiment. Hong Kong's GDP contracted a further 1.4% in the second quarter, followed by a 3.9% decrease in the first quarter.

Taking into account the deteriorating export outlook, the HKSAR government has lowered the 2022 real GDP forecast to 1-2% from 2-3.5%, while the financial secretary warns of further downward adjustment, citing worsening external economic outlook from rising interest rates.

According to the HKEx, average daily turnover in Hong Kong's securities market during the period was down by 26.5% by value. The local stock market exhibited considerable volatility in the first half of the year, with the Hang Seng Index (HSI) trading in a range of almost 6,500 points.

Under the impact of the fifth wave of the epidemic and the Russia-Ukraine conflict, the HSI plunged 6,815 points, or 27%, in a month or so from February 10 to March 15. On March 15, the HSI even fell below the 19,000-point integer threshold, reaching a 10-year low of 18,235.

The low investor sentiment amid fierce market competition drove as many as 31 local brokerages to suspend operations or even close down their business during the period under review.

Business Review

Facing numerous uncertainties, the Hong Kong financial market remained challenging during the period. Hong Kong has been an important trading partner and middleman between the East and West for more than a century. However, the geopolitical tension, in particular the Russia-Ukraine conflict, has instigated decoupling of the world economy. This has drastically changed Hong Kong's role as an international trading and investment partner of the world. At the same time, the US containment policy against China is simmering tensions between the two giant powers, squeezing Hong Kong's space in the international arena.

Coupled with recent rising interest rate hikes, global investors are investing in higher-yielding assets in other parts of the world to hedge against the city's political and economic risks, accelerating capital outflow from the Hong Kong dollar market.

Overall investor sentiment has been very negative as the bear market arrives. Investors are inclined to stay on the sideline and wait till the dust settles before returning to the market. The gloomy sentiment manifested in the IPO market. Only 27 companies newly-listed on the HKEx during the period, a 41.3% decrease compared to last year, and lowest since 2009, with funds raised dropping by more than 90%. Recent market volatility also greatly reduced investor appetite for trading and investing. Some young investors have also been trying other investment tools, such as crypto, SPACs and meme stocks. As a result, our revenue recorded a 36.0% decrease during the period.

Global interest rate hikes and the lack of mega IPOs during the period also weighed on our margin financing business. To manage our finances prudently so as to safely weather the global economic storms ahead, we adopted a tight credit policy. This, together with the subdued IPO market, to a certain extent affected our interest income. It is anticipated that volatility will last for a while as inflation persists at high levels while the economy weakens.

Local financial institutions like us are also battered with soaring compliance costs, shortage of professional staff and intense market competition.

Stringent regulatory requirements have always been a big concern to financial institutions worldwide. Hong Kong in particular, as an international financial centre of China facing the world, is impeded with huge, uncertain global political and economic outlook.

At the same time, the pandemic and its repercussions have also caused devastating economic disruption to the domestic economy. Stringent travel restrictions and tough quarantine rules are also posing staffing headwinds on the Hong Kong financial market. The SFC announced a loss of 12% of its staff last year, while banks and insurers are also complaining about losing professional staff at a rate much faster than the rate of recruiting replacements. As human capital is core to the financial industry, Hong Kong is competing for financial talent worldwide.

To cope with the staff shortage problem, we devised a suite of strategies to maintain our talent pool, including expanding the scope of our management trainee programme by training our own talent. At the same time we recruited mainland talent, not only to maintain our internal staff ratios, but also better serve our mainland clients with international service offerings.

On another bright note, thanks to our earlier efforts to diversify and broaden revenue streams to build our “one-stop” wealth management platform, revenue from our wealth management business increased 33.8% during the period.

Looking forward, under the National 14th Five-Year Plan, Hong Kong will maintain its status as an international financial centre, global offshore Renminbi business hub, and international asset management centre. President Xi underlined and committed to Hong Kong’s unique global status and advantages in finance, shipping and trading at the HKSAR’s 25th reunification ceremony, underpinning confidence that Hong Kong should maintain its close ties to the world.

CFSG will therefore continue to develop our wealth management business, paying particular focus on the Greater Bay Area (GBA) and Yangtze River Area, as 7 out of the top 10 cities with most ultra-high net worth families reside in these two areas of China, according to the Hurun China Wealth Report.

On the other hand, we expect our AUM to further increase along with the launch of our first public fund by end of the year, further broadening our income streams.

Our pioneering efforts to transform our electronic trading platform with a speedy, almost-instant fund transfer system also brought us a sharp edge over our competitors, who are still suffering from huge rental costs. This also brought us healthy financials to weather the global economic headwinds ahead.

On the other hand, given increasing uncertainty due to potential geopolitical conflicts, the persistent pandemic and changes in financial regulations, it is anticipated that dual listings and homecoming listings are on the agenda for many U.S. listed Chinese companies, as new listing regimes for technology companies and cross-border capital market opportunities including various stock connects pave the way. It is therefore expected that market sentiment may resume with these mega IPOs in the pipeline.

Outlook

The soaring import-inflation and resulting interest rate hikes are casting a gloomy market outlook in the quarters ahead. Investor sentiment will continue to look negative while trading volume will be impacted significantly. As the Hong Kong financial market is saturated with lots of competitors, market consolidation is likely to continue in the rest of the year. Market rumours over the future of a famous, long-established brokerage also dealt a further blow to market confidence.

In this digital world, people are accustomed to using mobile devices and apps to manage their daily lives, including investment and wealth management. To continue to sharpen our edge, we will relentlessly pursue our digitalisation journey, dedicated not only to becoming a truly client-centric financial institution, but also to managing our costs amid the keenly competitive market. Our newly launched Alpha i 2.0 has been well received in the market and known for its ease of use, convenience and speed, encouraging us to continue to improve our client experience.

Looking forward, despite the challenges ahead, CFSG will continue our proven strategy to transform into a wealth management specialist. Although it will take some time to come to fruition, we are still confident that our current strategy will pay off in due course, while remaining vigilant and resilient in this bear market.

EMPLOYEE INFORMATION

As at 30 June 2022, the Group had 135 employees. Our employees were remunerated according to their performance, working experience and market conditions. The total amount of remuneration cost of employees for the period under review was HK\$25.7 million.

Benefits

The Company and some of its subsidiaries provide employee benefits including mandatory provident fund scheme, medical insurance scheme, discretionary share options, performance bonus and sales commission for their staff. The Company also provides its employees in the PRC with medical and other subsidies, and contributes to the retirement benefit plans.

Training

The Group has implemented various training policies and organised a number of training programs aimed specifically at improving the skills of its employees and generally to increase the competitiveness, productivity and efficiency of the Group including training in areas such as products knowledge, operational techniques, risk and compliance, customer service, selling techniques, graduate development and also professional regulatory training programs as required by regulatory bodies. The Group also arranges for relevant staff, who are licensed persons under the Securities and Futures Ordinance (“SFO”), to attend the requisite training courses to fulfil/ comply with the continuous professional training as prescribed in the SFO. The Group conducts an initial staff orientation for new employees in order to familiarise them with the Group’s history and strategy, corporate culture, quality management measures, rules and regulations. This orientation aims to prepare the new employees for the positions by establishing a sense of belongingness and cooperation; by supplying necessary information that resolves an employee’s concerns; and by removing any potential barriers for job effectiveness and continuous learning.

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2022, the interests or short positions of each director and chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were recorded in the register required to be kept under section 352 of the SFO; or (b) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") were as follows:

The Company

(a) Long positions in the ordinary shares of HK\$0.4 each

Name	Capacity	Personal (Number of shares)	Corporate Interest (Number of shares)	Shareholding (%)
Kwan Pak Hoo Bankee	Beneficial owner and interest in a controlled corporation	2,472,000	102,928,854*	40.35
Kwan Teng Hin Jeffrey	Beneficial owner	2,472,000	-	0.94
Lo Kwok Hung John	Beneficial owner	62,775	-	0.02
		5,006,775	102,928,854	41.31

* The shares were held by CIGL, a wholly-owned subsidiary of Praise Joy Limited (which was 100% beneficially owned by CASH (the substantial shareholder of the Company)). Pursuant to the SFO, Dr Kwan Pak Hoo Bankee ("Dr Kwan") was interested in a total of 49.79% shareholding interest in CASH, details of which are disclosed in the heading of "Substantial shareholders" below. Dr Kwan was deemed to be interested in all these shares held by CIGL as a result of his interests in CASH.

(b) Long positions in the underlying shares - options under share option scheme

Name	Date of grant	Exercise period	Exercise price per share (HK\$)	Notes	Number of options			Percentage to issued shares as at 30 June 2022 (%)	
					outstanding as at 1 January 2022	lapsed during the period (Note (6))	reallocate upon change of directorate		
Kwan Pak Hoo Bankee	29/03/2019	01/05/2019 - 30/04/2022	1.420	(1),(4),(5)	1,350,000	(1,350,000)	-	-	
	29/07/2021	01/08/2021 - 31/07/2023	0.572	(2),(4),(5)	2,400,000	-	-	0.92	
Kwan Teng Hin Jeffrey	29/03/2019	01/05/2019 - 30/04/2022	1.420	(1),(4),(5)	1,350,000	(1,350,000)	-	-	
	29/07/2021	01/08/2021 - 31/07/2023	0.572	(2),(4),(5)	2,400,000	-	-	0.92	
Cheung Wai Lim William	29/07/2021	01/08/2021 - 31/07/2025	0.572	(3)to(5)	900,000	-	-	0.34	
Law Hin Ong Trevor (Note (7))	29/07/2021	01/08/2021 - 31/07/2025	0.572	(3)to(5)	N/A	-	600,000	0.22	
Li Shing Wai Lewis (Note (8))	29/03/2019	01/05/2019 - 30/04/2022	1.420	(1),(4),(5)	337,500	(337,500)	-	N/A	
	29/07/2021	01/08/2021 - 31/07/2023	0.572	(2),(4),(5)	2,400,000	-	(2,400,000)	N/A	
Kwok Ka Lok Lionel (Note (8))	29/03/2019	01/05/2019 - 30/04/2022	1.420	(1),(4),(5)	675,000	(675,000)	-	N/A	
	29/07/2021	01/08/2021 - 31/07/2023	0.572	(2),(4),(5)	900,000	(900,000)	-	N/A	
					12,712,500	(4,612,500)	(1,800,000)	6,300,000	2.40

Notes:

- (1) The options are vested in 3 tranches as to 25% exercisable from 1 May 2019 to 30 April 2020, 25% exercisable from 1 May 2020 to 30 April 2021 and 50% exercisable from 1 May 2021 to 30 April 2022 respectively.
- (2) The options are vested in 2 tranches as to 50% exercisable from 1 August 2021 to 31 July 2023 and 50% exercisable from 1 August 2022 to 31 July 2023 respectively.
- (3) The options are vested in 4 tranches as to 25% exercisable from 1 August 2021 to 31 July 2022, 25% exercisable from 1 August 2022 to 31 July 2023, 25% exercisable from 1 August 2023 to 31 July 2024 and 25% exercisable from 1 August 2024 to 31 July 2025 respectively.
- (4) The options are subject to the achievement of agreed milestones/performance indicators and/or business budget plan for the relevant year during the option period as approved by the chairman of the board and/or the board determined at their sole discretion.
- (5) The options must be exercised within 1 month from the date on which the board's approval of the vesting of the options.
- (6) The lapsed options were due to expiry of the options in accordance with the terms of the share options.
- (7) Mr Law Hin Ong Trevor was appointed as director of the Company during the period.
- (8) Mr Li Shing Wai Lewis and Mr Kwok Ka Lok Lionel resigned as directors of the Company during the period.
- (9) No option was granted, exercised or cancelled during the period.
- (10) The options were held by the directors of the Company in the capacity of beneficial owners.

Save as disclosed above, as at 30 June 2022, none of the directors, chief executive or their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

SHARE OPTION SCHEME

The share option scheme of the Company (“Share Option Scheme”) was adopted pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 8 June 2018. Details of share options to subscribe for shares in the Company granted to participants under the Share Option Scheme during the six months ended 30 June 2022 were as follows:

Participants	Date of grant	Exercise period	Exercise price per share (HK\$)	Notes	Number of options			outstanding as at 30 June 2022
					outstanding as at 1 January 2022	lapsed during the period (Note (8))	reallocate upon change of directorate	
Directors								
	29/03/2019	01/05/2019 - 30/04/2022	1.420	(1)	3,712,500	(3,712,500)	-	-
	29/07/2021	01/08/2021 - 31/07/2023	0.572	(1)	8,100,000	(900,000)	(2,400,000)	4,800,000
	29/07/2021	01/08/2021 - 31/07/2025	0.572	(1)	900,000	-	600,000	1,500,000
Employees								
	29/03/2019	01/05/2019 - 30/04/2022	1.420	(2),(5),(7)	3,928,500	(3,928,500)	-	-
	29/04/2020	01/05/2020 - 30/04/2022	0.480	(5),(7)	2,472,000	(2,472,000)	-	-
	29/07/2021	01/08/2021 - 31/07/2023	0.572	(3),(5),(7)	1,800,000	-	2,400,000	4,200,000
	29/07/2021	01/08/2021 - 31/07/2025	0.572	(4),(5),(7)	9,840,000	-	(600,000)	9,240,000
Consultants								
	29/03/2019	01/05/2019 - 30/04/2022	1.420	(2),(5),(7),(10)	1,602,000	(1,602,000)	-	-
	04/06/2019	04/06/2019 - 03/06/2022	1.040	(6),(7),(10)	2,790,000	(2,790,000)	-	-
	29/04/2020	01/05/2020 - 30/04/2022	0.480	(6),(7),(10)	2,472,000	(2,472,000)	-	-
	29/07/2021	01/08/2021 - 31/07/2023	0.572	(6),(7),(10)	3,810,000	-	-	3,810,000
					41,427,000	(17,877,000)	-	23,550,000

Notes:

- (1) Details of the options granted to the directors are set out in the section headed “Directors’ interests in securities” above.
- (2) The options are vested in 3 tranches as to 25% exercisable from 1 May 2019 to 30 April 2020, 25% exercisable from 1 May 2020 to 30 April 2021 and 50% exercisable from 1 May 2021 to 30 April 2022 respectively.
- (3) The options are vested in 2 tranches as to 50% exercisable from 1 August 2021 to 31 July 2023 and 50% exercisable from 1 August 2022 to 31 July 2023 respectively.
- (4) The options are vested in 4 tranches as to 25% exercisable from 1 August 2021 to 31 July 2022, 25% exercisable from 1 August 2022 to 31 July 2023, 25% exercisable from 1 August 2023 to 31 July 2024 and 25% exercisable from 1 August 2024 to 31 July 2025 respectively.
- (5) The options are subject to the achievement of agreed milestones/performance indicators and/or business budget plan for the relevant year during the option period as approved by the chairman of the board and/or the board determined at their sole discretion.
- (6) The vesting of the options is subject to the satisfactory delivery of services to members of the Group as approved by the chairman of the board and/or the board determined at their sole discretion.
- (7) The options must be exercised within 1 month from the date on which the board’s approval of the vesting of the options.
- (8) The lapsed options were due to expiry of the options in accordance with the terms of the share options.
- (9) No option was granted, exercised or cancelled during the period.

- (10) There were share options granted to consultants on 29 March 2019, 4 June 2019, 29 April 2020 and 29 July 2021 respectively. The grantees of the share options granted on 29 March 2019 were Mr Law Ping Wah Bernard (the former executive director of the Company) and Ms Luke Wing Sheung (the former company secretary of the Company). The grantees of the share options granted on 4 June 2019 were Mr Yao Cho Fai Andrew, Mr Ma King Huen Philip and Mr Lai Wing Hung Alfred. The grantee of the share options granted on 29 April 2020 was Mr Lai Wing Hung Alfred. The grantees of the share options granted on 29 July 2021 were Mr Law Ping Wah Bernard, Mr Lai Wing Hung Alfred and Ms Luke Wing Sheung. The rationale for granting the share options to consultants was to reward each of them for their quality service, professional advice, expertise and contribution to the Group by introducing potential business opportunities to the Group. The board is of the view that the grant of options will provide incentives for them to provide professional financial and new business opportunities advisory services and planning to cater for business needs of the Group, which will align their interests with the Group and secure their long-term support and commitment to the Group.
- (11) The total number of shares available for issue under the Share Option Scheme is 49,667,477, representing approximately 19.02% of the issued Shares as at the date of this report.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2022, so far as is known to the directors and chief executive of the Company, the persons/companies (other than a director or chief executive of the Company) who had, or were deemed or taken to have an interest or short positions in the shares or underlying shares as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company were as follows:

Name	Capacity	Number of shares	Shareholding (%)
Hobart Assets Limited (Note)	Interest in a controlled corporation	102,928,854	39.41
Cash Guardian Limited (Note)	Interest in a controlled corporation	102,928,854	39.41
CASH (Note)	Interest in a controlled corporation	102,928,854	39.41
Praise Joy Limited (Note)	Interest in a controlled corporation	102,928,854	39.41
CIGL (Note)	Beneficial owner	102,928,854	39.41

Notes: This refers to the same number of 102,928,854 shares held by CIGL, a wholly-owned subsidiary of Praise Joy Limited (which was 100% beneficially owned by CASH (the substantial shareholder of the Company)). CASH was owned as to a total of approximately 49.79% by Dr Kwan, being approximately 49.05% by Cash Guardian Limited (a wholly-owned subsidiary of Hobart Assets Limited, which in turn was 100% beneficially owned by Dr Kwan) and approximately 0.74% by Dr Kwan in his personal name. Pursuant to the SFO, Dr Kwan, Hobart Assets Limited and Cash Guardian Limited were deemed to be interested in all the shares held by CIGL through CASH. The above interest has already been disclosed as corporate interest of Dr Kwan in the section headed "Directors' interests in securities" above.

Save as disclosed above, as at 30 June 2022, the directors and chief executive of the Company were not aware of any other parties or corporation (other than a director or chief executive of the Company) who had, or were deemed or taken to have, any interests or short positions in the shares or underlying shares as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company.

CORPORATE GOVERNANCE

During the accounting period from 1 January 2022 to 30 June 2022, the Company had duly complied with the code provisions of the Corporate Governance Code as contained in Appendix 14 of the Listing Rules, except with the deviation from code provision C.2.1 which requires that the roles of chairman and chief executive officer should be separate and not be performed by the same individual. Dr Kwan (chairman of the board) also acted as CEO of the Company during the underlying period. The dual role of Dr Kwan provides a strong and consistent leadership to the board and is critical for efficient business planning and decisions of the Group. The respective CEOs of each business units of the Group assisted Dr Kwan in performing the CEO's responsibilities. The balance of power and authorities is also ensured by the operation of the board and the senior management, which comprise experienced and high calibre individuals.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted a code of conduct regarding securities transactions by directors as set out in Appendix 10 of the Listing Rules. All directors have confirmed, following specific enquiry by the Company, that they fully complied with the required standard of dealings set out therein throughout the review period.

DISCLOSURE OF INFORMATION OF DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

There are no changes to the directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

REVIEW OF RESULTS

The Group's unaudited consolidated results for the six months ended 30 June 2022 have not been reviewed by the auditors of the Company, but have been reviewed by the audit committee of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the six months ended 30 June 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

On behalf of the Board
Bankee P. Kwan
*Chairman and
Chief Executive Officer*

Hong Kong, 10 August 2022

As at the date hereof, the directors of the Company are:-

Executive directors:

Dr Kwan Pak Hoo Bankee, JP
Mr Kwan Teng Hin Jeffrey
Mr Cheung Wai Lim William
Mr Law Hin Ong Trevor
Ms Wong Sze Kai Angela

Independent non-executive directors:

Mr Cheng Shu Shing Raymond
Mr Lo Kwok Hung John
Mr Lo Ming Chi Charles

If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.

** For identification purpose only*