Sandmartin International Holdings Limited
聖馬丁國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 482)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022

FINANCIAL HIGHLIGHTS

— For the six months ended 30 June 2022, the unaudited revenue of the Group was approximately HK$439.6 million, representing a decrease of approximately 20.7% as compared to approximately HK$554.5 million for the corresponding period in last year.

— The loss attributable to owners of the Company for the six months ended 30 June 2022 was approximately HK$20.1 million (six months ended 30 June 2021: profit attributable to owners of the Company of approximately HK$0.1 million).

— For the six months ended 30 June 2022, basic loss per share was approximately HK4.09 cents (six months ended 30 June 2021: basic earnings per share of approximately HK0.03 cents).

— The Board has resolved not to declare an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

* *For identification purpose only*

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear shareholders of the Company (the **"Shareholders"**),

On behalf of the board (the **"Board"**) of the directors (the **"Directors"**) of Sandmartin International Holdings Limited (the **"Company"**, together with its subsidiaries collectively referred to as the **"Group"**), I hereby present the interim results of the Group for the six months ended 30 June 2022.

The financial performance of the Group was not satisfactory for the six months ended 30 June 2022. The 2019 novel coronavirus pandemic (the **"Pandemic"**) continued to have negative impacts on the business and operations of the Group. The recent outbreak of variants of novel coronavirus in the People's Republic of China (the "**PRC**" or "**China**") as well as the related epidemic prevention measures, inevitably affected the productions of the Group and led to the delay in shipment of products to the Group's customers in the North America. With the global shortage of microchips and integrated circuits, and the increases in material costs, such as copper, aluminum and plastic materials, the profit margins of the Group's products have declined when compared with the same corresponding period in 2021. The Group has taken some measures to reduce the unfavourable impacts arising from the Pandemic, including but not limited to sourcing from different suppliers and adjusting the logistics structures.

The outbreak of Pandemic also had adverse impact on the revival of tourism sector and economic sentiment in Nepal which led to the decrease in number of subscribers of Dish Media Network Limited (**"Dish Media"**, the Company's associate and the largest satellite pay television operator in Nepal).

The ongoing China-US trade war still has some negative impacts on the operations of the Group and the Group mitigates the impacts by sourcing from suppliers in Southeast Asia, serving the purpose of avoiding the excessive tariffs imposed by the United States (the **"US"**) on products from China.

Although the global economy is gradually recovering from the Pandemic, the geo-political and geo-economic tensions are yet to be resolved. Given these volatilities and challenges, the Group will continue to adopt a prudent approach in managing its cash flows position and will make every endeavour to identify business opportunities with promising potential in the manufacturing segments in emerging markets or even other sectors so as to diversify our income source to weather adverse economic cycle.

Besides, the Group has gradually outsourced its production to suppliers in Vietnam since 2018, hence the Group has been exploring opportunities to increase the investment return of the production plants located on an industrial land in Zhongshan; therefore, the Group entered into a cooperation agreement with Guangdong Huasuan International Industrial Park Investment Development Co., Ltd.* (廣東省華算國際產業園投資發展有限公司) (**"Huasuan"**) in July 2021, the Group and Huasuan will cooperate to upgrade certain blocks of factory buildings and dormitories constructed on the Land (as defined below) and to redevelop some vacant and undeveloped parts of that Land (as defined below) after consents and planning approvals from the relevant PRC government authorities are obtained.

Going forward, the Board believes that the growth of the Group will depend on business opportunities arising from new 5G peripherals, Internet of Things and related products. In anticipation of such business opportunities, the Group's research and development team is developing new 5G related products with reference to the market trend. New products under development include next generation radio frequency and antenna products. The Group's research and development team is working on these products in the research center in Hsinchu, Taiwan. Hopefully, the Group's new 5G related products will bring about more business opportunities as well as revenue and profits.

On behalf of the Board, I would like to take this opportunity to express our gratitude to our invaluable business partners, Shareholders, and management and employees for their continuous support and contribution to the Group. We look forward to sharing the rewards ahead with you.

Kuo Jen Hao
Chairman

* *For identification purpose only*

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHT AND BUSINESS REVIEW

The Group recorded a decrease in gross profit margin from 10.46% for the six months ended 30 June 2021 to 9.96% for the six months ended 30 June 2022 due to the increase in material costs, global shortage of chips and integrated circuits as a result of the Pandemic.

MEDIA ENTERTAINMENT PLATFORM RELATED PRODUCTS

In response to the challenging economic environment, the Group's media entertainment platform related products segment continued to explore new business opportunities in emerging markets. The revenue of this segment was decreased by 17.3% as compared with the six months ended 30 June 2021.

— Segment revenue of media entertainment platform related products was approximately HK$65.1 million (six months ended 30 June 2021: HK$78.7 million).

— Segment results from operations were approximately HK$630,000 (six months ended 30 June 2021: HK$5.6 million).

— Segment margin was 0.97%, which was decreased by 6.11 percentage point as compared with the segment margin of 7.08% for the six months ended 30 June 2021.

Outlook

The Group is exploring new business opportunities for this segment. The China-US trade war is not expected to have material adverse impact on this segment as this segment does not have customers in the US.

OTHER MULTIMEDIA PRODUCTS

Due to the increases in material costs and freight charges, the revenue of the Group's other multimedia products segment was lower than expected. Major products of this segment included cables, multimedia accessories and wireless mobile phone chargers for vehicles. Segment revenue decreased by 52.1% as compared with the six months ended 30 June 2021.

— Segment revenue of other multimedia products was approximately HK$61.5 million (six months ended 30 June 2021: HK$128.3 million).

— Segment results from operations were approximately HK$6.2 million (six months ended 30 June 2021: HK$7.4 million).

— Segment margin was 10.16%, which increased by 4.37 percentage point as compared with the segment margin of 5.79% for the six months ended 30 June 2021.

Outlook

We are enhancing our product portfolio and developing new businesses to cope with the new demand from customers. The China-US trade war and increase in freight charges have certain impacts on this segment as some of the customers are located in the US and the impact is partially mitigated by sourcing from suppliers outside the PRC, such as Southeast Asia, and adjusting logistics structure.

SATELLITE TV EQUIPMENT AND ANTENNA PRODUCTS

The revenue and segment margin of the Group's satellite TV equipment and antenna products segment showed a decline notwithstanding the gradual recovery of economy from the Pandemic in the North America.

— Segment revenue of satellite TV equipment and antenna products was approximately HK$313.0 million (six months ended 30 June 2021: HK$347.5 million).

— Segment results from operations were approximately HK$30.2 million (six months ended 30 June 2021: HK$33.7 million).

— Segment margin was 9.64%, which decreased by 0.05 percentage point as compared with the segment margin of 9.69% for the six months ended 30 June 2021.

Outlook

Low noise blocking down converters ("**LNBs**") are receiving devices mounted on satellite dishes used for reception, which collect microwaves from the satellite dishes and facilitate the transmission of satellite television signals. Apart from the sales of LNBs to the customers in North America, we are exploring business opportunities in other areas such as cross-selling LNBs to other existing customers of the Group in South Asia. The research and development team of the Group endeavours to develop new products for next generation radio and antenna communications. The China-US trade war has some impacts on this segment as some of the customers are located in the US. Such impacts are minimized by sourcing from suppliers outside the PRC, such as Southeast Asia.

GEOGRAPHICAL RESULTS

Asia

— Revenue from Asia for the six months ended 30 June 2022 was approximately HK$103.5 million, as compared with the six months ended 30 June 2021 of approximately HK$141.4 million.

— 26.8% decrease in revenue from Asia compared with the six months ended 30 June 2021.

— Revenue from Asia shares approximately 23.6% of the Group's total revenue for the six months ended 30 June 2022 (six months ended 30 June 2021: 25.5%).

Europe

— Revenue from Europe for the six months ended 30 June 2022 was approximately HK$53.0 million, as compared with the six months ended 30 June 2021 of approximately HK$65.9 million.

— 19.6% decrease in revenue from Europe compared with the six months ended 30 June 2021.

— Revenue from Europe shares approximately 12.0% of the Group's total revenue for the six months ended 30 June 2022 (six months ended 30 June 2021: 11.9%).

Middle East

— Revenue from Middle East for the six months ended 30 June 2022 was approximately HK$4.0 million, as compared with the six months ended 30 June 2021 of approximately HK$8.2 million.

— 51.2% decrease in revenue from Middle East compared with the six months ended 30 June 2021.

— Revenue from Middle East shares for approximately 0.9% of the Group's total revenue for the six months ended 30 June 2022 (six months ended 30 June 2021: 1.5%).

North America

— Revenue from North America for the six months ended 30 June 2022 was approximately HK$245.0 million, as compared with the six months ended 30 June 2021 of approximately HK$322.6 million.

— 24.1% decrease in revenue from North America compared with the six months ended 30 June 2021.

— Revenue from North America shares approximately 55.7% of the Group's total revenue for the six months ended 30 June 2022 (six months ended 30 June 2021: 58.2%).

South America

— Revenue from South America for the six months ended 30 June 2022 was approximately HK$32.6 million, as compared with the six months ended 30 June 2021 of approximately HK$15.3 million.

— 113.1% increase in revenue from South America compared with the six months ended 30 June 2021.

— Revenue from South America shares approximately 7.4% of the Group's total revenue for the six months ended 30 June 2022 (six months ended 30 June 2021: 2.8%).

Outlook

As our businesses in Asia, Europe and North America accounted for the majority of the Group's revenue, we shall focus on these regions in the future.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2022

		For six months ended 30 June	
		2022	2021
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	*5*	**439,570**	554,520
Cost of sales		**(395,769)**	(496,494)
Gross profit		**43,801**	58,026
Other income, gains and losses	*6*	**28,147**	21,688
(Decrease)/increase in fair value of investment properties		**(1,091)**	22,757
Distribution and selling costs		**(6,746)**	(11,347)
Administrative and other expenses		**(54,467)**	(66,337)
Research and development costs		**(12,040)**	(14,317)
Reversal of/(provision for) expected credit losses on financial assets		**9,320**	(393)
Finance costs		**(14,214)**	(14,261)
Share of (loss)/profit of an associate		**(12,598)**	9,746
(Loss)/Profit before income tax expense		**(19,888)**	5,562
Income tax expense	*7*	**(1,229)**	(7,952)
Loss for the period	*8*	**(21,117)**	(2,390)
Other comprehensive income, net of tax			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations		**2,102**	(4,296)
Other comprehensive income for the period		**2,102**	(4,296)
Total comprehensive income for the period		**(19,015)**	(6,686)

	Notes	For six months ended 30 June 2022 HK$'000 (unaudited)	2021 HK$'000 (unaudited)
(Loss)/Profit for the period attributable to:			
— Owners of the Company		**(20,138)**	108
— Non-controlling interests		**(979)**	(2,498)
		(21,117)	(2,390)
Total comprehensive income attributable to:			
— Owners of the Company		**(19,889)**	(3,880)
— Non-controlling interests		**874**	(2,806)
		(19,015)	(6,686)
		HK cents	*HK cents*
(Loss)/Earnings per share	*10*		
Basic		**(4.09)**	0.03
Diluted		**(4.09)**	0.03

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2022

	Notes	**30 June 2022** **HK$'000** **(unaudited)**	31 December 2021 *HK$'000* (audited)
Non-current assets			
Property, plant and equipment		**68,323**	72,712
Prepaid lease payments		**15**	30
Investment properties		**219,598**	230,797
Goodwill		**9,205**	9,597
Intangible assets		**2,204**	2,480
Interest in an associate		**78,845**	91,443
Deferred tax assets		**3,850**	3,922
Total non-current assets		**382,040**	410,981
Current assets			
Inventories		**233,688**	205,038
Trade, bills and other receivables	*12*	**339,350**	225,325
Prepaid lease payments		**28**	29
Loan receivables	*11*	**–**	–
Loan to an associate	*13*	**22,151**	22,063
Amount due from an associate	*13*	**39,804**	38,679
Pledged bank deposits		**15,116**	3,603
Bank balances and cash		**84,179**	111,354
Total current assets		**734,316**	606,091
Current liabilities			
Trade, bills and other payables	*14*	**511,081**	398,853
Contract liabilities		**18,852**	25,313
Tax liabilities		**11,290**	11,843
Bank and other borrowings		**371,555**	144,083
Provision for financial guarantee	*15*	**27,332**	27,332
Lease liabilities		**3,732**	4,992
Total current liabilities		**943,842**	612,416
Net current liabilities		**(209,526)**	(6,325)
Total assets less current liabilities		**172,514**	404,656

	30 June 2022	31 December 2021
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Non-current liabilities		
Bank and other borrowings	**16,732**	225,981
Deferred tax liabilities	**65,108**	67,746
Defined benefit obligation	**30**	32
Lease liabilities	**14,566**	15,804
Total non-current liabilities	**96,436**	309,563
NET ASSETS	**76,078**	95,093
Capital and reserves attributable to owners of the Company		
Share capital	**49,216**	49,216
Reserves	**(13,826)**	6,063
Equity attributable to owners of the Company	**35,390**	55,279
Non-controlling interests	**40,688**	39,814
TOTAL EQUITY	**76,078**	95,093

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

1. GENERAL INFORMATION

The Company is incorporated in Bermuda with limited liability and its shares are listed on Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda and its principal place of business is located at Unit 516, 5th Floor, Peninsula Centre, 67 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong. The Group principally engages in manufacturing and trading of satellite TV equipment products and other electronic goods.

2. BASIS OF PREPARATION

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

These condensed consolidated financial statements should be read in conjunction with the 2021 annual financial statements. Except as described below, the accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2021.

Basis of measurement and going concern assumption

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

During the period, the Group incurred a net loss of HK$20,138,000 attributable to owners of the Company and at the end of reporting period, the Group had net current liabilities of approximately HK$209,526,000. As at the same date, the Group had bank and other loans of HK$371,555,000, which is subject to repayment or renewal in the next twelve months after the end of the reporting period. These conditions may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the directors of the Company (the "**Directors**") have given consideration to the future liquidity and performance of the Group and its available sources of finance in the preparation of a cash flow forecast cover a 18-month period from the end of the reporting period for assessing whether the Group will have sufficient financial resources to continue as a going concern. Management has also performed a sensitivity analysis by considering a reasonable change in operating cash flows on the forecast period and the headroom of the available working capital. In particular, the Directors have considered the following:

(1) Based on communication with banks, the Group is able to renew the existing bank loans upon expiry. The Directors are of the opinion that the Group maintains good relationship with major banks providing finance or facilities to the Group and the Group has successfully renewed most of its banking facilities based on past experience; and

(2) As of the date of approval of these financial statements, the Group has unutilised bank loan facilities totalling HK$255,077,000, which are repayable twelve months from dates of drawdown. They are available for the Group to draw down to finance its future operations and financial obligations.

Based on the cash flow forecast, the Directors are of the opinion that the Group would have sufficient liquidity to finance its operations and meet its financial obligations as and when they fall due for at least twelve months subsequent to end of reporting period. Accordingly, the Directors considered that it is appropriate to continue to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the management's assessment and measures mentioned, the above events or conditions indicate that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to adjust the value of assets to their estimated net realisable values, to reclassify non-current assets and liabilities as current assets and liabilities respectively, and to provide for any further liabilities which may arise. The effects of these potential adjustments have not been reflected in the consolidated financial statements.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The HKICPA has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

In the current period, the Group has applied for the first time the following new or revised HKFRSs that are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2022.

2021 Amendments to HKFRS 16	COVID-19 Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to HKFRSs 2018-2020 Cycle	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards, HKFRS 9 Financial Instruments and HKFRS 16 Leases
Amendments to HKFRS 3	Reference to the Conceptual Framework

None of these new or amended HKFRSs has a material impact on the Group's results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period.

The following new or revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
HKFRS 17	Insurance Contracts[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current and related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements[2]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to HKAS 8	Definition of Accounting Estimates[2]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[2]

[1] No mandatory effective date yet determined but available for adoption.

[2] Effective for annual periods beginning on or after 1 January 2023.

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these condensed consolidated interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2021 annual financial statements.

5. SEGMENT INFORMATION

The segment information reported externally was analysed on the basis of their goods and services delivered or provided by the Group's operating divisions which is consistent with the internal information that are regularly reviewed by the executive Directors of the Company, the chief operating decision maker, for the purposes of resource allocation and assessment of performance. This is also the basis of organisation in the Group, whereby the management has chosen to organise the Group around different products and services.

Specifically, the Group's operating segments under HKFRS 8 are as follows:

(i) Media entertainment platform related products

Trading and manufacturing of media entertainment platform related products, which are mainly used for satellite products equipment.

(ii) Other multimedia products

Trading and manufacturing of components of audio and video electronic products such as cable lines.

(iii) Satellite TV equipment and antenna products

Trading and manufacturing of satellite TV equipment and antenna products.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments for the period under review:

Six months ended 30 June 2022

	Media entertainment platform related products *HK$'000* (unaudited)	Other multimedia products *HK$'000* (unaudited)	Satellite TV equipment and antenna products *HK$'000* (unaudited)	Total *HK$'000* (unaudited)
REVENUE				
External sales	**65,140**	**61,453**	**312,977**	**439,570**
Timing of revenue recognition				
At a point in time	**65,140**	**61,453**	**312,977**	**439,570**
RESULTS				
Segment results	**630**	**6,241**	**30,184**	**37,055**
Other income, gains and losses				**28,147**
Decrease in fair value of investment properties				**(1,091)**
Administrative and other expenses				**(54,467)**
Research and development costs				**(12,040)**
Reversal of expected credit losses on trade receivables				**8,739**
Reversal of expected credit losses on loan to an associate				**88**
Reversal of expected credit losses on amount due from an associate				**493**
Finance costs				**(14,214)**
Share of loss of an associate				**(12,598)**
Loss before income tax expense				**(19,888)**

Six months ended 30 June 2021

	Media entertainment platform related products *HK$'000* (unaudited)	Other multimedia products *HK$'000* (unaudited)	Satellite TV equipment and antenna products *HK$'000* (unaudited)	Total *HK$'000* (unaudited)
REVENUE				
External sales	78,711	128,314	347,495	554,520
Timing of revenue recognition				
At a point in time	78,711	128,314	347,495	554,520
RESULTS				
Segment results	5,571	7,423	33,685	46,679
Other income, gains and losses				21,688
Increase in fair value of investment properties				22,757
Administrative and other expenses				(66,337)
Research and development costs				(14,317)
Provision for expected credit losses on trade receivables				(375)
Provision for expected credit losses on loan to an associate				(25)
Reversal of expected credit losses on amount due from an associate				7
Finance costs				(14,261)
Share of profit of an associate				9,746
Profit before income tax expense				5,562

Segment results represent profit earned/loss suffered by each segment without allocation of other income, gains and losses, decrease/increase in fair value of investment properties, administrative and other expenses, research and development costs, reversal of/provision for expected credit losses, finance costs and share of loss/profit of an associate. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

6. OTHER INCOME, GAINS AND LOSSES

	For six months ended 30 June	
	2022	2021
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Ancillary service income from tenants	**7,827**	7,690
Interest income	**554**	679
Interest income from an associate	**501**	497
Rental income	**10,709**	10,022
Net foreign exchange gain/(loss)	**3,025**	(5,292)
Others	**5,531**	8,092
	28,147	21,688

7. INCOME TAX EXPENSE

	For six months ended 30 June	
	2022	2021
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
The tax charge comprises:		
Current tax:		
the PRC	**296**	395
Jurisdictions other than the PRC and Hong Kong	**1,203**	1,880
	1,499	2,275
Under/(over)-provision in prior years:		
the PRC	**74**	(12)
Deferred taxation:		
Current period	**(344)**	5,689
	1,229	7,952

(i) the PRC

The applicable PRC enterprise income tax rate of the PRC subsidiaries is 25% in accordance with the relevant income tax law and regulations in the PRC.

(ii) Hong Kong

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits.

No tax is payable on the profit arising in Hong Kong as the entity operating in Hong Kong incurred tax losses for both periods.

(iii) United States

The Group's subsidiaries in United States of America are subjected to United States Federal Income Tax at 21% and States Income Tax at 6%.

(iv) Europe

The Group's European subsidiaries are subject to profit tax rates at a range of 25% to 30%.

(v) Macau

As stated in the Decree Law No. 58/99/M, Chapter 2, Article 12, dated 18 October 1999, the Macau subsidiary is exempted from Macau Complementary Tax since its income is generated from business outside Macau.

(vi) Others

Other subsidiaries operating in other jurisdictions are subject to applicable tax rates in the relevant jurisdictions.

8. LOSS FOR THE PERIOD

	For six months ended 30 June	
	2022	2021
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss for the period has been arrived at after charging/(crediting):		
Directors' emoluments	**1,668**	1,689
Other staff costs	**37,330**	44,693
Contributions to defined contribution plans, excluding Directors	**555**	489
Total employee benefit expenses	**39,553**	46,871
(Reversal of)/provision for expected credit losses on trade receivables	**(8,739)**	375
(Reversal of)/provision for expected credit losses on loan to an associate	**(88)**	25
Reversal of expected credit losses on amount due from an associate	**(493)**	(7)
(Reversal of)/provision for expected credit losses on financial assets	**(9,320)**	393
Depreciation of property, plant and equipment	**8,265**	9,233
Depreciation of right-of-use assets	**3,323**	1,522
Amortisation of intangible assets (Note (i))	**158**	1,165
Release of prepaid lease payments	**15**	30
Loss on disposal of property, plant and equipment (Note (ii))	**622**	9

Notes:

(i) Included in cost of sales

(ii) Included in other income, gains and losses

9. DIVIDENDS

No dividend was paid or declared during the interim period. The Board has resolved not to declare an interim dividend for the period.

10. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to the owners of the Company is based on the following data:

	For six months ended 30 June	
	2022	2021
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
(Loss)/Profit for the period attributable to owners of the Company for the purposes of calculating basic and diluted (loss)/earnings per share	**(20,138)**	108
Number of shares		
Weighted average number of ordinary shares at 30 June	**492,161,490**	328,107,660

Diluted (loss)/earnings per share

Diluted (loss)/earnings per share for each of the six months ended 30 June 2022 and 2021 respectively is the same as the basic (loss)/earnings per share because there were no dilutive potential ordinary shares during both periods.

11. LOAN RECEIVABLES

	30 June	31 December
	2022	2021
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Loans receivables *(Note (i))*	**12,989**	12,989
Loans receivables due from former subsidiaries *(Note (ii))*	**651,487**	647,420
	664,476	660,409
Less: allowance for doubtful debts *(Note (iii))*	**(664,476)**	(660,409)
	–	–

Notes:

(i) As at 30 June 2022 and 31 December 2021, the Group had loan receivable amounting to HK$12,989,000 from a third party. The amount was unsecured and bore interest at 1.2% (31 December 2021: 1.2%) per annum. This loan receivable was fully impaired as at 30 June 2022 and 31 December 2021.

(ii) During the year ended 31 December 2019, the Group disposed of the entire equity interest in Speed Connection Group Limited (the "**Disposal**"), and since then, the loan receivables from Speed Connection Group Limited and its subsidiary, MyHD Media FZ LLC ("**MyHD**") were classified as loan receivables due from former subsidiaries.

The loan receivables due from former subsidiaries were arising from the disposal of all interests in MyHD and the extension of the existing loans to MyHD. For details, please refer to the announcement of the Company dated 31 December 2018 and the circular of the Company dated 25 May 2019. The amounts were unsecured, interest-bearing at rates ranged from 3 months LIBOR plus 100 basis point per annum to 10% per annum and were matured on 31 December 2020.

The principal amounts of these loan receivables at the date of the Disposal were US$71,298,000 (equivalent to approximately HK$559,460,000), in which amount of US$9,554,000 (equivalent to approximately HK$74,968,000) due from Speed Connection Group Limited, bore interest rate at 3 months LIBOR plus 100 basis points per annum; and amount of US$51,244,000 (equivalent to approximately HK$402,101,000) and amount of US$10,500,000 (equivalent to approximately HK$82,391,000) due from MyHD (the non-wholly owned subsidiary of Speed Connection Group Limited), bore interest rate at 10% per annum and at 3 months LIBOR plus 100 basis points per annum respectively, and the corresponding interest receivables were US$11,728,000 (equivalent to approximately HK$92,027,000). These loan receivables and the interest receivables, net of the provision of expected credit loss of HK$219,103,000 as at the date of the Disposal, amounted to HK$429,410,000 were recognised as loan receivables upon the Disposal.

In December 2019, management was given to understand that Speed Connection Group Limited and MyHD were in serious financial problem and ceased to operate in late 2019. As such, management considered these loan receivables were credit-impaired and recognised life time ECLs of the total net carrying amount of these loan receivables of HK$429,410,000 at 31 December 2019.

The provision of expected credit loss was determined by the management of the Group based on the creditworthiness and the past collection history of the borrowers.

(iii) Allowances for doubtful debts

	30 June 2022	31 December 2021
	HK$'000	*HK$'000*
	(unaudited)	(audited)
At the beginning of period/year	**660,409**	656,615
Exchange realignment	**4,067**	3,794
At the end of period/year	**664,476**	660,409

12. TRADE, BILLS AND OTHER RECEIVABLES

	30 June 2022	31 December 2021
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade and bills receivables	**247,544**	167,113
Other receivables	**91,806**	58,212
Total trade, bills and other receivables	**339,350**	225,325

The Group allows an average credit period of 60 to 120 days to its trade customers. The following is an ageing analysis of trade and bills receivables presented based on the invoice date at the end of the reporting periods:

	30 June 2022	31 December 2021
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 – 30 days	**77,358**	131,109
31 – 90 days	**80,222**	34,133
91 – 180 days	**37,717**	3,647
More than 180 days	**185,072**	146,964
	380,369	315,853
Less: Loss allowance	**(132,825)**	(148,740)
	247,544	167,113

Based on the Group's assessment, the Group recognised reversal of expected credit losses on trade receivables of HK$8,739,000 (six months ended 30 June 2021: provision of HK$375,000).

13. AMOUNT DUE FROM/LOAN TO AN ASSOCIATE

	Notes	**30 June 2022** ***HK\$'000*** **(unaudited)**	31 December 2021 *HK\$'000* (audited)
Current assets			
Loan receivables	*(i)*	**22,151**	22,063
Trade receivables	*(ii)*	**38,130**	37,487
Interest receivable on loan receivables		**1,674**	1,192
Amount due from an associate		**61,955**	60,742

Notes:

(i) The amount is unsecured and bears interest at a fixed rate of 4.75% (31 December 2021: 4.75%) per annum. The loan receivables mature on 31 December 2022.

(ii) Amount being unsecured and interest-free. The Group allows a credit period of 360 days.

The following is an ageing analysis of trade receivables due from an associate, presented based on the invoice date, at the end of the reporting period:

	30 June 2022 ***HK\$'000*** **(unaudited)**	31 December 2021 *HK\$'000* (audited)
More than 360 days	**38,130**	37,487

14. TRADE, BILLS AND OTHER PAYABLES

	30 June 2022	31 December 2021
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade payables	**359,978**	231,776
Bills payables	**1,341**	377
Deposits received	**72,205**	73,997
Other payables and accruals *(Note)*	**77,557**	92,703
Total trade, bills and other payables	**511,081**	398,853

The following is an aged analysis of trade and bills payables, presented based on the invoice date at the end of the reporting periods:

	30 June 2022	31 December 2021
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 – 30 days	**126,487**	199,769
31 – 90 days	**85,159**	19,481
91 – 360 days	**141,247**	4,658
More than 360 days	**8,426**	8,245
	361,319	232,153

The average credit period for purchases of goods is 90 days.

Note: An amount due to a Director of HK$1,780,000 (31 December 2021: HK$4,308,000) which was included in other payables. It is unsecured, interest free and repayable on demand.

15. PROVISION FOR FINANCIAL GUARANTEE

The Company had pursuant to the guarantee (the "**Guarantee**") given in favour of MyHD irrevocably guaranteed to pay all financial obligations of MyHD in relation to the third amendment agreement to the content supply agreement (the "**Content Supply Agreement**") dated 3 October 2016 which was entered into between MyHD and MBC FZ LLC. The Guarantee does not expire and the maximum amount payable by the Company under the Guarantee should not exceed US$3,500,000 (equivalent to approximately HK$27,332,000).

The Guarantee does not contain any conditions which need to be fulfilled or any circumstances which must arise before MyHD can enforce the same and demand payment from the Company. Notwithstanding that MyHD failed to observe all its payment obligations under the third amendment agreement to the Content Supply Agreement, since the date of the Guarantee up to the reporting date, the Company has not received any demand for payment from MyHD under the Guarantee.

At 30 June 2022 and 31 December 2021, the Group had recognised the provision for financial guarantee amounting to US$3,500,000 (equivalent to approximately HK$27,332,000) in relation to the Guarantee.

REVIEW OF FINANCIAL POSITION

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2022, the overall cash and cash equivalent of the Group was HK$84.2 million (31 December 2021: HK$111.4 million). The Group managed its capital structure and liquidity to finance its operations by using bank and other borrowings and funds generated from operations.

The Group's current ratio (ratio of current assets to current liabilities) was 0.78 as at 30 June 2022 (31 December 2021: 0.99).

As at 30 June 2022, the Group's total borrowings were approximately HK$406.6 million (31 December 2021: HK$390.9 million), out of which HK$375.3 million (31 December 2021: HK$149.1 million) were due within one year and the rest of HK$31.3 million (31 December 2021: HK$241.8 million) were due over one year. Approximately 73.2% of the Group's bank and other borrowings were denominated in US dollars ("**US$**") and the rest of them were denominated in Renminbi ("**RMB**"), Euro and New Taiwan dollars. The effective interest rates on the Group's variable interest rate bank and other borrowings ranged from 1% to 10% per annum for the six months ended 30 June 2022. The gearing ratio (total borrowings over total assets of the Group) decreased from 38.4% as at 31 December 2021 to 36.4% as at 30 June 2022.

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2022, the Group's general banking facilities (including bank loans and other borrowings) were secured by the following assets of the Group: (i) bank deposits of HK$15.1 million (31 December 2021: HK$3.6 million), (ii) property, plant and equipment with a carrying value of HK$15.9 million (31 December 2021: HK$16.6 million), (iii) investment properties of HK$219.6 million (31 December 2021: HK$230.8 million), (iv) trade receivables of HK$78.1 million (31 December 2021: HK$96.2 million), (v) inventories of HK$23.5 million (31 December 2021: HK$54.7 million), and (vi) pledge of the Company's interest in Pro Brand Technology, Inc.

FOREIGN EXCHANGE EXPOSURE

The Group's sales and purchases were denominated mainly in US$ and RMB. The Group was exposed to certain foreign currency exchange risks but it does not expect future currency fluctuations to cause material operation difficulties because the recent pressure from depreciation of RMB was manageable. However, the management continuously assesses the foreign exchange risks, with an aim to minimise the impact of foreign exchange fluctuations on business operations.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2022 (31 December 2021: Nil).

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Saved as disclosed in the section headed "Cooperation Agreement in relation to Proposed Redevelopment" below, there were no significant investments held as at 30 June 2022 nor were there other plans for material investments on capital assets as at the date of this announcement.

DISPOSAL OF ALL INTERESTS IN MYHD AND CONTINUATION OF LOANS AND GUARANTEE

Reference is made to the announcement of the Company dated 31 December 2018 (the "**Announcement**") and the circular of the Company dated 25 May 2019 (the "**Circular**"). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement and in the Circular. On 31 December 2018, the Vendor and the Purchaser entered into the Agreement pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the entire issued share capital of the Target Company, at the nominal consideration of US$1 with effect from the Transaction Date. The Target Company was a wholly-owned subsidiary of the Company and indirectly held 51% interests in MyHD. All the Conditions set out in the Agreement had been satisfied and the Disposal was completed on 25 June 2019.

The Vendor had agreed with the Purchaser under the Agreement to procure that the Existing Loans shall continue to be advanced by the Company or SMT (as the case may be) to the Target Company and/or MyHD (as the case may be) under the then existing arrangements notwithstanding the Completion taking place. Such arrangement confers the right to the Company or SMT (as the case may be) to receive the payments for the Existing Loans from the Target Company and/or MyHD (as the case may be) when the financial positions of the Target Company and/or MyHD (as the case may be) improve and have sufficient cash to settle the Existing Loans. As at 30 June 2022, there were Existing Loans which have been past due in the aggregate amount of US$103,896,000 comprising aggregate principal amount of US$71,298,000 and aggregate accrued interest (calculated based on the terms of agreements of Existing Loans) of US$32,598,000 owing by the Target Company and/or MyHD to the Company and/or SMT (as the case may be), the particulars of which are as follows:

Lenders	**Debtors**	**Prevailing interest rate**	**Maturity date**	**Principal amount outstanding as at 30 June 2022**	**Accrued interest as at 30 June 2022**
SMT	Target Company	3 months LIBOR + 100 basis points (Note 1)	31.12.2020	US$9,554,000 (approximately HK$74,968,000)	US$1,616,000 (approximately HK$12,680,000)
SMT	MyHD	3 months LIBOR + 100 basis points (Note 1)	31.12.2020	US$10,500,000 (approximately HK$82,391,000)	US$1,515,000 (approximately HK$11,888,000)
SMT	MyHD	10% per annum (Note 2)	31.12.2020	US$42,653,000 (approximately HK$334,689,000)	US$24,530,000 (approximately HK$192,482,000)
The Company	MyHD	10% per annum (Note 2)	31.12.2020	US$8,591,000 (approximately HK$67,412,000)	US$4,937,000 (approximately HK$38,740,000)
			Total	US$71,298,000 (approximately HK$559,460,000)	US$32,598,000 (approximately HK$255,790,000)

Notes:

1. As a reference, 3 months London inter-bank offered rates ("**LIBOR**") as applicable to these two loans during the period between 1 May 2012 to 30 June 2022 ranged between 0.11775% and 2.80763%.

2. Prevailing interest rate shall be increased to 11% per annum after maturity date.

In December 2019, the Company was given to understand that the Target Company and MyHD were in serious financial problem and ceased to operate in late 2019. As such, the Company considered these loan receivables were credit impaired and full impairment in the amount of HK$646,366,000 was provided as at 31 December 2019. No interest income was recognised on the outstanding loan principal for the six months ended 30 June 2021 and 2022 as the recoverability of such interest receivables is remote.

The Vendor had also agreed that the Guarantee given by the Company to MyHD shall continue for the time being after the Completion. The maximum amount payable by the Company under the Guarantee would not exceed US$3,500,000 (equivalent to HK$27,332,000). Notwithstanding that MyHD ceased its operation in late 2019, the Company has not received any demand for payment from MyHD under the Guarantee. At 30 June 2021 and 2022, the Group had recognised the provision for financial guarantee in the amount of US$3,500,000 (equivalent to HK$27,332,000) in relation to the Guarantee.

COOPERATION AGREEMENT IN RELATION TO PROPOSED REDEVELOPMENT

Reference is made to the voluntary announcement of the Company dated 17 August 2021 (the "**Voluntary Announcement**") in relation to the cooperation agreement (the "**Cooperation Agreement**") that was entered into between the Group and Huasuan in July 2021. Pursuant to the Cooperation Agreement, Huasuan and Sandmartin (Zhong Shan) Electronic Co., Ltd.* ("**ZSS**", an indirect wholly owned subsidiary of the Company) will cooperate to upgrade certain blocks of factory buildings and dormitories constructed on an industrial land and to redevelop some vacant and undeveloped parts of that land (collectively, the "**Land**") subject to prior consents and planning approvals from the relevant PRC government authorities. The Land is situated in Zhongshan, Guangdong Province, the PRC and is owned by ZSS. The intention of the Cooperation Agreement is to set out the framework to redevelop the Land into an intelligent manufacturing centre for research and development for future leasing or disposal purposes (the "**Redevelopment**"). Huasuan will fund the entire costs of the Redevelopment and the Group will provide part of the Land that will be used for the Redevelopment. The Group and Huasuan will be entitled to 20% and 80% respectively of the new buildings constructed on the Land by apportioning the rental income attributable to, or the proceeds from the disposal of, the newly constructed buildings (the "**Revenue Apportionment**").

* *For identification purpose only*

The Redevelopment will be developed under the name of ZSS. To ensure the continued commitment in the Redevelopment, Huasuan will pay to the Group a cooperation fund amounting to RMB60 million as security deposit (the "**Cooperation Fund**"). As securities for such Cooperation Fund, the Group will pledge to Huasuan (i) 100% of the shareholding interests in ZSS which holds the Land (the "**Equity Pledge**"); and (ii) one of the three pieces of land parcels within the Land (the "**Land Pledge**"). Huasuan shall release both the Equity Pledge and the Land Pledge upon full repayment of the Cooperation Fund by the Group and completion of the Redevelopment and Revenue Apportionment. If the Redevelopment is unable to proceed, the Cooperation Fund shall be refunded to Huasuan without interest within 10 business days failing which there is a default interest of 8% per annum payable by the Group within three months.

As at the date of the Voluntary Announcement, the Redevelopment is in the planning stage. The concrete plan in relation to the Revenue Apportionment cannot be determined and will have to be further negotiated between the parties. Similarly, the design and scale of the Redevelopment, the exact size and location of the Land that will be provided by the Group for the Redevelopment cannot be determined until prior consents and planning approvals from the relevant PRC government authorities are obtained. The Redevelopment may not proceed if the Group cannot obtain the relevant consents and planning approvals. Other than prior consents and planning approvals from the relevant PRC government authorities, other conditions precedent that the parties have to fulfil before the Redevelopment can commence are that:

(i) Huasuan shall pay to the Group the Cooperation Fund; and

(ii) the Group shall provide the Equity Pledge and Land Pledge to Huasuan for securing repayment of the Cooperation Fund.

Pursuant to the Cooperation Agreement, the Group may not proceed with the Redevelopment even if the conditions precedent above are fulfilled if the outstanding matters such as the location and size of the Land to be provided by the Group, the scale of Redevelopment to be undertaken by Huasuan and whether the newly developed Land will be leased or to be disposed of cannot be resolved or agreed. Therefore, at this stage, there is no transaction in connection with the Cooperation Agreement that would trigger Chapter 14 of the Listing Rules.

If those outstanding matters are resolved and agreed (including the prior consents and planning approvals from the relevant PRC government authorities), the Group will proceed with the Redevelopment with Huasuan by entering into further agreements. If the transactions under the further agreements constitute major transactions (as defined under the Listing Rules), the Group will comply with the requirements under Chapter 14 of the Listing Rules.

Pending development of such event, the Group's financial and operating performance may be affected, the extent to which cannot be estimated as at the date of the Voluntary Announcement. For details, please refer to the Voluntary Announcement.

As at 30 June 2022, Huasuan has paid to the Group the Cooperation Fund in full and the Group has recognised as deposits received. The Group has provided the Equity Pledge and Land Pledge to Huasuan for securing repayment of the Cooperation Fund. The prior consents and planning approvals from the relevant PRC government authorities are yet to be obtained.

ACQUISITION OF PRABHU DIGITAL LIMITED BY DISH MEDIA NETWORK LIMITED ("DISH MEDIA")

Dish Media, the Company's associate, to endeavour to expand broadband services in Nepal, had issued 2,533,235 new shares to acquire all the interest of Prabhu Digital Limited (the "**Acquisition**"), the Acquisition was completed on 6 March 2022. Upon completion of the Acquisition, the equity interest of the Company in Dish Media was diluted from approximately 47.12% to approximately 41.86%. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the subscriber of the new shares and its ultimate beneficial owners are independent of, and not acting in concert with the Company and connected persons (as defined under the Listing Rules) of the Company.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2022.

LITIGATION

Lawsuit in India

In October 2020, Aggressive Digital Systems Private Ltd. ("**AD**", a non-wholly owned subsidiary of the Company) received a summons to the National Company Law Tribunal ("**NCLT**") at Chandigarh in India that was filed by Aggressive Electronics Manufacturing Services Private Limited ("**AEMS**", a minority shareholder of AD) and Mr. Neeraj Bharara (collectively the "**Petitioners**") against Top Dragon Development Limited (a wholly owned subsidiary of the Company and the shareholder of AD), AD and certain directors of AD (collectively the "**Respondents**") alleging that the Respondents made undue acts either of oppression or mismanagement and claiming for losses caused to the Petitioners arising from such undue acts. The hearing is postponed until further notice at NCLT as NCLT is overloaded with cases due to the Pandemic.

After consulting the Company's legal counsel in India and taking into account the possible factors including, but not limited to, the possible amount involved in the case, the Board considered that it is not probable that the Group will incur any material losses resulting from this litigation. Accordingly, no provision was made in the consolidated financial statements of the Group as at 30 June 2022 and 31 December 2021.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 30 June 2022, the Group employed a total of 628 (31 December 2021: 700) full-time employees. Employees are remunerated according to their performance and responsibilities. Employees of the Group receive training depending on their scope of works, especially those training relating to workplace health and safety.

The Directors and senior management of the Company receive compensation in the form of salaries, benefits in kind and/or discretionary bonuses relating to the performance of the Group. The emoluments of the Directors are decided by the Board based on the recommendation of the remuneration committee, having regard to market competitiveness, individual performance and achievement. The Company regularly reviews and determines the remuneration and compensation packages of the Directors and senior management.

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

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

CORPORATE GOVERNANCE

The Group continues to improve its corporate governance practices, emphasising the attainment and maintenance of a quality board, sound risk management and internal controls, and high transparency and accountability to the Shareholders. The Board and the management are committed to the principles of good corporate governance which are consistent with prudent management and enhancement of shareholder value. The Board believes that good corporate governance will bring long-term benefits to the Shareholders and the Group.

During the six months ended 30 June 2022, the Company has applied the principles and has complied with code provisions of the Corporate Governance Code (the "**Code Provision(s)**") as contained in Appendix 14 to the Listing Rules, except for the deviations with following reason.

Under Code Provision C.1.6, the independent non-executive directors (the "**INED(s)**") and other non-executive directors should attend general meetings.

Mr. Kuo Jen Hao, a non-executive Director and Mr. Wu Chia Ming, an INED were unable to attend the annual general meeting of the Company held on 8 June 2022 due to other personal engagements.

AUDIT COMMITTEE

The Company has established an audit committee of the Board (the "**Audit Committee**") for reviewing and providing supervision over the Group's financial reporting process and internal controls. As at the date of this announcement, the Audit Committee comprises three members, Messrs, Ding Jin-Huei (chairman of the Audit Committee), Lu Ming-Shiuan and Wu Chia Ming, all of whom are INEDs. The interim financial information for the six months ended 30 June 2022 have not been audited by the independent auditor of the Company. The Audit Committee has reviewed the Group's unaudited condensed consolidated financial statements and the interim report for the six months ended 30 June 2022 and held discussion with the management. Based on the review and the discussion with the management, the Audit Committee was satisfied that the unaudited condensed consolidated financial statements were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the six months ended 30 June 2022.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to all of the Shareholders for their support to the Company.

By order of the Board
Sandmartin International Holdings Limited
Kuo Jen Hao
Chairman

Hong Kong, 24 August 2022

As at the date of this announcement, the Directors of the Company are:

Executive Directors
Mr. Hung Tsung Chin and Mr. Chen Wei Chun

Non-Executive Director
Mr. Kuo Jen Hao *(Chairman)*

Independent Non-Executive Directors
Mr. Ding Jin-Huei, Mr. Lu Ming-Shiuan and Mr. Wu Chia Ming