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## **KAISA CAPITAL INVESTMENT HOLDINGS LIMITED**

**佳兆業資本投資集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 936)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022**

The board of directors (the “**Board**” or the “**Director(s)**”) of Kaisa Capital Investment Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces the audited consolidated results of the Group for the financial year ended 31 December 2022 (the “**FY2022**” or the “**Year**”) together with the comparative figures for the financial year ended 31 December 2021 (the “**FY2021**”) as follows:

#### **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the year ended 31 December 2022*

	<i>Notes</i>	<b>2022</b> <i>HK\$’000</i>	2021 <i>HK\$’000</i>
<b>Revenue</b>	5	<b>200,168</b>	214,744
Cost of sales and services		<u>(74,036)</u>	<u>(80,336)</u>
<b>Gross profit</b>		<b>126,132</b>	134,408
Other income and gains	6	<b>6,145</b>	7,719
Selling and distribution expenses		<b>(2,565)</b>	(2,556)
Administrative expenses		<b>(47,450)</b>	(57,222)
Other operating expenses	7	<b>(66,169)</b>	(65,013)
Finance costs	8	<b>(10,467)</b>	(10,287)
<b>Profit before income tax</b>	9	<b>5,626</b>	7,049
Income tax expense	10	<b>(447)</b>	(3,039)
<b>Profit for the year</b>		<b><u>5,179</u></b>	<u>4,010</u>

	<i>Notes</i>	<b>2022</b> <b>HK\$'000</b>	2021 <i>HK\$'000</i>
<b>Other comprehensive (loss)/income</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		<u>(316)</u>	<u>950</u>
<b>Total comprehensive income for the year</b>		<u><b>4,863</b></u>	<u>4,960</u>
<b>Profit/(loss) for the year attributable to:</b>			
– Owners of the Company		5,179	4,478
– Non-controlling interests		<u>–</u>	<u>(468)</u>
		<u><b>5,179</b></u>	<u>4,010</u>
<b>Total comprehensive income/(loss) attributable to:</b>			
– Owners of the Company		4,863	5,428
– Non-controlling interests		<u>–</u>	<u>(468)</u>
		<u><b>4,863</b></u>	<u>4,960</u>
<b>Earnings per share</b>			
– Basic and diluted (HK cents)	12	<u><b>0.49</b></u>	<u>0.42</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2022*

	<i>Notes</i>	<b>2022</b> <b><i>HK\$'000</i></b>	2021 <i>HK\$'000</i>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>206,043</b>	187,634
Right-of-use assets		<b>89,994</b>	105,154
Intangible assets	13	<b>1,511</b>	3,432
Deferred tax assets		<b>101</b>	101
Deposit		<b>–</b>	164
		<hr/> <b>297,649</b>	<hr/> 296,485
<b>Current assets</b>			
Properties under development	14	<b>133,630</b>	115,938
Inventories and consumables		<b>18,701</b>	10,249
Trade receivables	15	<b>53,603</b>	88,658
Prepayments, deposits and other receivables		<b>17,521</b>	11,950
Tax recoverable		<b>–</b>	380
Cash and cash equivalents		<b>38,442</b>	26,356
		<hr/> <b>261,897</b>	<hr/> 253,531
<b>Current liabilities</b>			
Trade payables	16	<b>77,613</b>	61,703
Receipt in advance, accruals and other payables		<b>109,227</b>	83,654
Contract liabilities		<b>15,910</b>	3,840
Borrowings		<b>20,378</b>	15,735
Other loans	17	<b>83,000</b>	83,000
Lease liabilities		<b>25,763</b>	37,161
Tax payable		<b>4,133</b>	2,093
		<hr/> <b>336,024</b>	<hr/> 287,186
<b>Net current liabilities</b>		<hr/> <b>(74,127)</b>	<hr/> (33,655)
<b>Total assets less current liabilities</b>		<hr/> <b>223,522</b>	<hr/> 262,830

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Non-current liabilities</b>		
Borrowings	<b>33,435</b>	90,813
Lease liabilities	<b>51,438</b>	37,584
Deferred tax liabilities	<b>1,550</b>	2,197
	<u><b>86,423</b></u>	<u>130,594</u>
<b>Net assets</b>	<u><b>137,099</b></u>	<u>132,236</u>
<b>EQUITY</b>		
Share capital	<b>10,600</b>	10,600
Reserves	<b>126,499</b>	121,636
	<u><b>137,099</b></u>	<u>132,236</u>
<b>Total equity</b>	<u><b>137,099</b></u>	<u>132,236</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2022*

## 1. GENERAL

Kaisa Capital Investment Holdings Limited (the “Company”) is an exempted company with limited liability incorporated in the Cayman Islands. The address of its registered office is located at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business in Hong Kong was changed from No. 3610, 36/F., The Center, 99 Queen’s Road Central, Central, Hong Kong to Room 1901, 19/F., Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong during the year. The Company is an investment company and its subsidiaries (collectively known as the “Group”) are principally engaged in (i) trading of construction machinery and spare parts, leasing of the construction machinery under operating leases and providing repair and maintenance services in respect of the construction machinery (“Construction Equipment Business”) and (ii) property development (“Property Development Business”).

The Company’s issued shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 19 July 2010. Following the acquisition of the Company by Mighty Empire Group Limited (“Mighty Empire Group”), the immediate holding company of the Company was changed to Mighty Empire Group and the ultimate holding company of the Company changed to Kaisa Group Holdings Ltd. (“Kaisa Group”) with effect from 29 April 2021. Mighty Empire Group was incorporated in the British Virgin Islands and Kaisa Group was incorporated in the Cayman Islands. The issued shares of Kaisa Group are listed on the Main Board of the Stock Exchange.

## 2. BASIS OF PREPARATION

### 2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

As of 31 December 2022, the Group had net current liabilities of approximately HK\$74,127,000 and accumulated losses of approximately HK\$368,732,000. As at 31 December 2022, the Group’s total borrowings comprising borrowings and other loans amounting to approximately HK\$136,813,000, of which current borrowings amounting to approximately HK\$103,378,000, while its cash and cash equivalents amounting to approximately HK\$38,442,000. These conditions indicate a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern.

## **2. BASIS OF PREPARATION (CONTINUED)**

### **2.1 Basis of preparation (Continued)**

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

### **2.2 Functional and presentation currencies**

The consolidated financial statements are presented in Hong Kong Dollars ("HK\$"), which is the same as the functional currency of the Company.

### 3. APPLICATION OF AMENDMENTS TO HKFRSs

#### 3.1 Amendments to HKFRSs that are mandatorily effective for the current year

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

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments 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 year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### 3.2 New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>3</sup>
Amendments to HKAS 1	Non-current liabilities with Covenants <sup>3</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2024.

The directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

#### 4. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being identified as the chief operating decision makers (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

For management purpose, the Group is currently organised into two operating divisions as follows:

- a. Construction Equipment Business
- b. Property Development Business

These operating divisions are the basis of internal reports about components which are regularly reviewed by CODM, the executive directors of the Company, for the purpose of resources allocation and assessing their performance. Each of the operating division represents an operating segment and reporting segment.

- (a) Information regarding the Group’s reportable segments as provided to the Group’s executive directors is set out below:

	Construction Equipment Business				Sub-total HK\$'000	Property Development Business	Total HK\$'000
	Hong Kong HK\$'000	Singapore HK\$'000	PRC HK\$'000	Inter segment elimination HK\$'000		Hong Kong HK\$'000	
<b>Year ended 31 December 2022</b>							
<b>Revenue</b>							
From external customers	37,625	87,284	75,259	-	200,168	-	200,168
From inter segment	34,022	-	-	(34,022)	-	-	-
<b>Reportable segment revenue</b>	<b>71,647</b>	<b>87,284</b>	<b>75,259</b>	<b>(34,022)</b>	<b>200,168</b>	<b>-</b>	<b>200,168</b>
<b>Reportable segment profit/(loss)</b>	<b>13,351</b>	<b>(707)</b>	<b>2,151</b>	<b>-</b>	<b>14,795</b>	<b>-</b>	<b>14,795</b>
Interest on other loans							(4,150)
Unallocated corporate expenses							
– Corporate staff costs							(3,678)
– Others							(1,788)
<b>Profit for the year</b>							<b>5,179</b>



#### 4. SEGMENT INFORMATION (CONTINUED)

- (a) Information regarding the Group's reportable segments as provided to the Group's executive directors is set out below: (Continued)

	Construction Equipment Business				Property Development Business	Total HK\$'000
	Hong Kong HK\$'000	Singapore HK\$'000	PRC HK\$'000	Sub-total HK\$'000	Hong Kong HK\$'000	
<b>Year ended 31 December 2022</b>						
<b>Other reportable segment information</b>						
Interest income	-	-	6	6	-	6
Interest expenses	(872)	(2,670)	(2,775)	(6,317)	-	(6,317)
Depreciation of non-financial assets	(17,187)	(28,081)	(18,980)	(64,248)	-	(64,248)
Amortisation of intangible assets	(825)	-	(1,096)	(1,921)	-	(1,921)
Write-off of property, plant and equipment	(78)	-	-	(78)	-	(78)
Income tax credit/(expenses)	647	-	(1,094)	(447)	-	(447)
Additions to non-current segment assets during the year	24,264	21,235	28,512	74,011	-	74,011

	Construction Equipment Business						Property Development Business	Total HK\$'000	
	Hong Kong HK\$'000	Singapore HK\$'000	Vietnam HK\$'000	Macau HK\$'000	PRC HK\$'000	Inter segment elimination HK\$'000	Sub-total HK\$'000		Hong Kong HK\$'000
<b>Year ended 31 December 2021</b>									
<b>Revenue</b>									
From external customers	43,098	83,301	-	-	88,345	-	214,744	-	214,744
From inter segment	9,177	-	-	-	-	(9,177)	-	-	-
<b>Reportable segment revenue</b>	<b>52,275</b>	<b>83,301</b>	<b>-</b>	<b>-</b>	<b>88,345</b>	<b>(9,177)</b>	<b>214,744</b>	<b>-</b>	<b>214,744</b>
<b>Reportable segment profit/(loss)</b>	<b>441</b>	<b>11,683</b>	<b>1,899</b>	<b>22</b>	<b>11,524</b>	<b>-</b>	<b>25,569</b>	<b>(99)</b>	<b>25,470</b>
Interest on other loans									(4,150)
Unallocated corporate expenses									(16,100)
- Corporate staff costs									(1,210)
- Others									
<b>Profit for the year</b>									<b>4,010</b>

#### 4. SEGMENT INFORMATION (CONTINUED)

- (a) Information regarding the Group's reportable segments as provided to the Group's executive directors is set out below: (Continued)

	Construction Equipment Business					Sub-total	Property Development Business	Total
	Hong Kong	Singapore	Vietnam	Macau	PRC		Hong Kong	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<b>Year ended 31 December 2021</b>								
<b>Other reportable segment information</b>								
Interest income	-	-	-	-	4	4	-	4
Interest expenses	(1,482)	(2,433)	-	-	(2,222)	(6,137)	-	(6,137)
Depreciation of non-financial assets	(17,515)	(26,600)	-	-	(19,115)	(63,230)	-	(63,230)
Amortisation of intangible assets	(687)	-	-	-	(1,096)	(1,783)	-	(1,783)
Gain on disposal of property, plant and equipment	37	-	-	-	-	37	-	37
Write-off of property, plant and equipment	-	(437)	-	-	-	(437)	-	(437)
Income tax expense	(332)	-	-	-	(2,707)	(3,039)	-	(3,039)
Additions to non-current segment assets during the year	16,465	36,997	-	-	43,671	97,133	-	97,133

The accounting policy of the operating segments are the same as the Group's accounting policies. Segment results represent the results of each segment without allocation of corporate items, including emoluments of certain corporate expenses. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

	Construction Equipment Business					Property Development Business	Total
	Hong Kong	Singapore	PRC	Inter segment elimination	Sub-total	Hong Kong	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>At 31 December 2022</b>							
Reportable segment assets	98,208	220,794	108,456	(3,191)	424,267	133,723	557,990
Other unallocated segment assets							1,556
<b>Total assets</b>							<b>559,546</b>
Reportable segment liabilities	61,199	82,142	164,259	-	307,600	2,911	310,511
Other loans							83,000
Other unallocated segment liabilities							28,936
<b>Total liabilities</b>							<b>422,447</b>

#### 4. SEGMENT INFORMATION (CONTINUED)

- (a) Information regarding the Group's reportable segments as provided to the Group's executive directors is set out below: (Continued)

	Construction Equipment Business						Sub-total HK\$'000	Property Development Business	Total HK\$'000
	Hong Kong HK\$'000	Singapore HK\$'000	Vietnam HK\$'000	Macau HK\$'000	PRC HK\$'000	Inter segment elimination HK\$'000		Hong Kong HK\$'000	
<b>At 31 December 2021</b>									
<b>Reportable segment assets</b>	85,140	206,305	-	3	136,623	(4,428)	423,643	119,412	543,055
Other unallocated segment assets									6,961
<b>Total assets</b>									<u>550,016</u>
<b>Reportable segment liabilities</b>	69,830	79,841	-	6	125,002	(326)	274,353	56,277	330,630
Other loans									83,000
Other unallocated segment liabilities									4,150
<b>Total liabilities</b>									<u>417,780</u>

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments except for certain property, plant and equipment, certain right-of-use assets, certain prepayment, deposits and other receivables and certain cash and cash equivalents.
- all liabilities are allocated to operating segments except for certain receipt in advance, accruals and other payables, certain borrowings, other loans and certain lease liabilities.

#### 4. SEGMENT INFORMATION (CONTINUED)

- (b) In the following table, revenue is disaggregated by primary geographical markets of which the external customers from. The table also includes a reconciliation of the disaggregated revenue within the Group's reportable segment.

	For the year ended 31 December					
	Construction Equipment		Property		Total	
	Business (Note)		Development Business			
	2022	2021	2022	2021	2022	2021
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<b>Primary geographical markets</b>						
Singapore	79,853	77,452	-	-	79,853	77,452
PRC	75,440	88,344	-	-	75,440	88,344
Hong Kong (place of domicile)	39,718	41,064	-	-	39,718	41,064
United Arab Emirates	1,929	-	-	-	1,929	-
Turkey	1,133	-	-	-	1,133	-
Korea	1,326	938	-	-	1,326	938
Vietnam	387	1,026	-	-	387	1,026
France	243	1,651	-	-	243	1,651
Thailand	139	1,041	-	-	139	1,041
Australia	-	1,822	-	-	-	1,822
Israel	-	1,406	-	-	-	1,406
<b>Total</b>	<b>200,168</b>	<b>214,744</b>	<b>-</b>	<b>-</b>	<b>200,168</b>	<b>214,744</b>

*Note:* The revenue under Construction Equipment Business is derived from the reportable segments in Hong Kong, PRC and Singapore.

#### 4. SEGMENT INFORMATION (CONTINUED)

The following table presents non-current assets (excluding deferred tax assets) by location of assets.

##### Non-current assets

	<b>Hong Kong</b> (domicile) <i>HK\$'000</i>	<b>Singapore</b> <i>HK\$'000</i>	<b>PRC</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
<b>At 31 December 2022</b>	<b>62,914</b>	<b>158,648</b>	<b>75,986</b>	<b>297,548</b>
At 31 December 2021	59,072	164,346	72,966	296,384

The Group's revenue from external customers for different products and services is set out in note 5.

##### Information about major customer

The Group's revenue from any single external customer did not contribute 10% or more of the total revenue of the Group for the year ended 31 December 2022.

During the year ended 31 December 2021, revenue from customer A of the Group's PRC segment amounting to approximately HK\$26,809,000, which represented approximately 12.5% of the total revenue of the Group.

#### 5. REVENUE

Revenue from the Group's principal activities during the year are as follows:

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Construction Equipment Business</b>		
<i>Revenue from Contract with Customers within the scope of HKFRS 15:</i>		
Sales of machinery	9,117	11,716
Sales of spare parts	1,599	1,780
Service income	<b>25,868</b>	30,879
	<b>36,584</b>	44,375
<i>Revenue from other sources:</i>		
Rental income from leasing of owned plant and machinery and right-of-use assets	<b>76,908</b>	111,407
Rental income from subleasing of short term leases related to plant and machinery	<b>86,676</b>	58,962
	<b>163,584</b>	170,369
	<b>200,168</b>	214,744

## 5. REVENUE (CONTINUED)

In following table, revenue is disaggregated by timing of revenue recognition. The table also includes revenue from other sources and a reconciliation of the disaggregated revenue within the Group's reportable segment.

	For the year ended 31 December	
	2022	2021
	HK\$'000	HK\$'000
<b>Construction Equipment Business</b>		
<i>Timing of revenue recognition under HKFRS 15</i>		
At a point in time	10,716	13,496
Transferred over time	25,868	30,879
	<u>36,584</u>	<u>44,375</u>
<b>Revenue from other sources</b>		
<i>Transferred over time</i>	163,584	170,369
	<u>200,168</u>	<u>214,744</u>

## 6. OTHER INCOME AND GAINS

	2022	2021
	HK\$'000	HK\$'000
Bank interest income	6	4
Government grants (note (a))	1,187	445
Forfeited customers' deposits	1,326	–
Reversal of legal provision (note (b))	1,029	–
Exchange gain, net	1,220	–
Compensation received	494	288
Sale of scrap materials	514	209
Dividend income	–	2,080
Investment income	–	4,129
Gain on disposal of property, plant and equipment	–	37
Others	369	527
	<u>6,145</u>	<u>7,719</u>

## 6. OTHER INCOME AND GAINS (CONTINUED)

Notes:

- (a) In 2022, the Group received grants from the COVID-19 Anti-epidemic Fund under the Employment Support Scheme launched by the Government of the Hong Kong Special Administrative Region (the “Hong Kong Government”) and grants received from the Job Support Scheme to support COVID-19 epidemic launched by the Ministry of Manpower of Singapore.

In 2021, the Group received levy rebates which was introduced by the Ministry of Manpower of Singapore to help with sectors tide over the manpower shortage challenges caused by COVID-19.

- (b) Amounts represented the reversal of legal provisions made in prior years after obtaining the legal opinion that the Group is no longer liable to the legal claim.

## 7. OTHER OPERATING EXPENSES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Depreciation of property, plant and equipment:		
– Owned assets	38,337	33,863
– Right-of-use-assets	25,911	29,367
Amortisation of intangible assets	1,921	1,783
	<u>66,169</u>	<u>65,013</u>

## 8. FINANCE COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest charges on financial liabilities stated at amortised cost:		
– Borrowings	2,921	1,866
– Other loan interests	4,150	4,150
– Lease liabilities	3,396	3,697
– Loan from intermediate holding company	–	574
	<u>10,467</u>	<u>10,287</u>

## 9. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Auditor's remuneration	1,205	1,159
Cost of inventories recognised as an expense	2,210	7,691
Amortisation of intangible assets	1,921	1,783
Depreciation of property, plant and equipment	38,337	33,863
Depreciation of right-of-use assets	25,911	29,367
(Reversal of provision)/impairment loss		
on trade receivables, net	(706)	1,729
Write-off of property, plant and equipment	78	437
Write-off of trade receivables	1,125	–
Provision/(reversal of provision) for inventories, net	207	(22)
Lease charges in respect of short term leases	24,902	35,843
Employee costs (including Directors' remuneration) (note (i))		
– Wages, salaries and bonuses	31,435	41,259
– Contribution to defined contribution plans (note (ii))	2,893	2,963
	<b>34,328</b>	44,222
Gain on disposal of property, plant and equipment	–	(37)
Income from subleasing of short term leases related to plant and machinery	(86,676)	(58,962)
Income from leasing of owned plant and machinery and right-of-use assets	(76,908)	(111,407)
Net foreign exchange (gain)/loss	(1,220)	1,691

*Notes:*

- (i) Employee costs (including Directors' remuneration) had been included in cost of sales and services of approximately HK\$6,667,000 (2021: approximately HK\$6,527,000) and administrative expenses of approximately HK\$27,661,000 (2021: approximately HK\$37,695,000).
- (ii) There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contribution.



## 10. INCOME TAX EXPENSE

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Current tax		
– Provision for HK Profits Tax	–	332
– Provision for PRC Enterprise Income Tax (“EIT”)	<b>1,094</b>	2,707
Deferred tax		
– Current year	<u>(647)</u>	<u>–</u>
<b>Total income tax expense</b>	<b><u>447</u></b>	<b><u>3,039</u></b>

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any taxation under the jurisdictions of the Cayman Islands and the BVI.

Singapore profits tax has not been provided as the estimated assessable profits of the respective subsidiaries are wholly absorbed by tax losses brought forward from previous years.

For subsidiaries of the Group engaged in construction equipment business in the PRC, the provision for the EIT has been provided at the applicable tax rate of 25% on the estimated assessable profits of the Group.

For subsidiaries of the Group engaged in construction equipment business in Hong Kong, under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. No such provision was provided as the respective subsidiaries had no assessable profit in current year.

## 11. DIVIDEND

The directors of the Company do not recommend the payment of any dividend for the year ended 31 December 2022 (2021: Nil).

## 12. EARNINGS PER SHARE

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

	2022	2021
<b>Profit</b>		
Profit for the purposes of basic and diluted earnings per share ( <i>HK\$'000</i> )	<u>5,179</u>	<u>4,478</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares	<u>1,060,000,000</u>	<u>1,060,000,000</u>
Basic and diluted earnings per share ( <i>HK cents</i> )	<u>0.49</u>	<u>0.42</u>

Diluted earnings per share equals to basic earnings per share, as there were no potential dilutive ordinary shares issued during the years ended 31 December 2022 (2021: Nil).

### 13. INTANGIBLE ASSETS

	<b>Construction licenses HK\$'000</b>
<b>Year ended 31 December 2021</b>	
Opening net carrying amount	2,466
Acquisition of subsidiaries	2,749
Amortisation	<u>(1,783)</u>
Closing net carrying amount	<u><u>3,432</u></u>
<b>At 31 December 2021</b>	
Cost	6,037
Accumulated amortisation	<u>(2,605)</u>
<b>Net carrying amount</b>	<u><u>3,432</u></u>
<b>Year ended 31 December 2022</b>	
Opening net carrying amount	3,432
Amortisation	<u>(1,921)</u>
<b>Closing net carrying amount</b>	<u><u>1,511</u></u>
<b>At 31 December 2022</b>	
Cost	6,037
Accumulated amortisation	<u>(4,526)</u>
<b>Net carrying amount</b>	<u><u>1,511</u></u>

#### 14. PROPERTIES UNDER DEVELOPMENT

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Within normal operating cycle included under current assets:</b>		
Land use rights	85,900	85,900
Construction costs	43,362	28,415
Interest capitalised	4,368	1,623
	<u>                    </u>	<u>                    </u>
<b>Total</b>	<b>133,630</b>	<b>115,938</b>
	<u>                    </u>	<u>                    </u>

The properties under development are all located in Hong Kong. No provision for impairment was made during years ended 31 December 2022 and 2021. The properties under development are expected to be completed and available for sale in more than 12 months.

The properties under development include costs of acquiring rights to use certain lands for property development over fixed periods. Land use rights are held on leases of 50 years.

As at 31 December 2022, no properties under development (2021: HK\$85,900,000) was pledged as collateral for bank borrowings.

Borrowing costs capitalised during the year arose on the bank borrowings to finance properties under development.

#### 15. TRADE RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Current portion:</b>		
Trade receivables, gross	56,176	91,937
Less: Loss allowance	(2,573)	(3,279)
	<u>                    </u>	<u>                    </u>
Trade receivables, net	<b>53,603</b>	<b>88,658</b>
	<u>                    </u>	<u>                    </u>

As at 1 January 2021, trade receivables from contracts with customers amounted to HK\$64,522,000.

The Group's trading terms with its existing customers are mainly on credit. The credit period is, in general, ranging from 0 to 90 days (2021: 0 to 90 days) or based on the terms agreed in the relevant sales and rental agreements.

## 15. TRADE RECEIVABLES (CONTINUED)

The ageing analysis of trade receivables as at the reporting date, net of impairment, based on invoice date, is as follows:

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0-30 days	<b>26,738</b>	29,197
31-60 days	<b>3,739</b>	5,716
61-90 days	<b>924</b>	5,802
Over 90 days	<b>22,202</b>	47,943
	<b>53,603</b>	88,658

The movement in the loss allowance for trade receivables during the year is as follows:

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>At 1 January</b>	<b>3,279</b>	1,550
Impairment loss (reversal)/recognised, net	<b>(502)</b>	1,745
Recovery of impairment	<b>(204)</b>	(16)
<b>At 31 December</b>	<b>2,573</b>	3,279

During the year ended 31 December 2022, included in impairment loss recognised for trade receivables of approximately HK\$646,000 (2021: approximately HK\$1,081,000) represented loss allowance for credit-impaired specific debtors. The credit-impaired specific debtors are due from customers experiencing dispute that were in default or past due event.

In addition, during the year ended 31 December 2022, there was a write-off of trade receivables of approximately HK\$1,125,000 (2021: HK\$Nil) and included in administrative expenses.

## 16. TRADE PAYABLES

	<b>2022</b>	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables	<b>77,613</b>	61,703

The credit period is, in general, 30 to 90 days (2021: 30 to 90 days) or based on the terms agreed in purchase agreements.

The ageing analysis of trade payables as at the reporting date, based on invoice date, is as follows:

	<b>2022</b>	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
0-30 days	<b>12,473</b>	12,013
31-60 days	<b>3,207</b>	2,443
61-90 days	<b>873</b>	10,127
Over 90 days	<b>61,060</b>	37,120
	<b>77,613</b>	61,703

The fair values of trade payables which are expected to be repaid within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

## 17. OTHER LOANS

Since 2018, the Company has entered into several unsecured other loan agreements with Harbour Luck Investments Limited (“**Harbour Luck**”), a substantial shareholder of the Company until 29 April 2021. The loans are unsecured and repayable on demand.

On 6 August 2020, Harbour Luck had entered into a supplementary agreement with the Company where Harbour Luck agreed to adjust the annual interest rate from 10% to 5% for the outstanding loan balance of HK\$183,000,000, starting from the date of drawn down, and Harbour Luck agreed to waive HK\$17,537,000 interest payable by the Company as a result of the adjustment of the interest rate. The waived interest payable has been included in the capital reserve of the Company as a deemed contribution from shareholder.

In the opinion of the directors of the Company, the loans were granted to the Company on normal commercial terms or better to the Company.

## 18. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, to maintain an optimal capital structure to reduce the cost of capital and to support the Group's stability and growth. The capital structure of the Group consists of net debt and equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated losses. The Group actively and regularly reviews and manages its capital structure, taking into consideration the future capital requirements of the Group, to ensure optimal shareholder returns.

The Group monitors capital using a gearing ratio, which is net debts divided by total capital. Total debts are calculated as the sum of carrying amounts of borrowings, other loans and lease liabilities as shown in the consolidated statement of financial position. The Group aims to maintain the gearing ratio at a reasonable level.

	<b>2022</b>	2021
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Borrowings	<b>53,813</b>	106,548
Other loans	<b>83,000</b>	83,000
Lease liabilities	<b>77,201</b>	74,745
	<hr/>	<hr/>
<b>Total debts</b>	<b>214,014</b>	264,293
	<hr/>	<hr/>
<b>Total equity</b>	<b>137,099</b>	132,236
	<hr/>	<hr/>
<b>Total debts to equity ratio</b>	<b>1.6</b>	2.0
	<hr/> <hr/>	<hr/> <hr/>

## MANAGEMENT DISCUSSION AND ANALYSIS

### OPERATIONAL AND FINANCIAL REVIEW

#### Overall Performance

For the Year, the Group generated revenue of approximately HK\$200.2 million (2021: approximately HK\$214.7 million) with a profit for the Year of approximately HK\$5.2 million (2021: approximately HK\$4.0 million).

#### Business Review

##### *Construction Equipment Business*

Revenue from sales of machinery was approximately HK\$9.1 million for the Year, representing a decrease of approximately 22.2% as compared to the amount the Group achieved for FY2021. This was due to the decrease in demands of new cranes in Hong Kong and Singapore.

Rental income from leasing of machinery decreased from approximately HK\$170.4 million to approximately HK\$163.6 million for the Year, representing a decrease of approximately 4.0% year over year mainly due to decrease of demand in crane leasing market in the People's Republic of China (the "PRC").

Revenue from service income decreased from approximately HK\$30.9 million to approximately HK\$25.9 million for the Year, representing a decrease of approximately 16.2% year over year mainly due to a decrease in demand of service in Hong Kong.

Sales of spare parts was approximately HK\$1.6 million for the Year, representing a decrease of approximately 10.2% from the amount recorded for FY2021. The decrease was mainly due to the change in market demand of spare parts for the machinery.

##### *Hong Kong segment*

In Hong Kong segment, revenue decreased by approximately HK\$5.5 million, or 12.7%, from approximately HK\$43.1 million in 2021 to approximately HK\$37.6 million in 2022. It was mainly due to projects being postponed and delayed.

##### *Singapore segment*

In Singapore segment, revenue increased by approximately HK\$4.0 million, or 4.8%, from approximately HK\$83.3 million in 2021 to approximately HK\$87.3 million in 2022. It was mainly due to the increased number of heavy tower cranes, which earned higher rental values.

##### *PRC segment*

In PRC segment, revenue decreased by approximately HK\$13.0 million, or 14.8%, from HK\$88.3 million in 2021 to HK\$75.3 million in 2022. It was mainly due to the slowdown of construction activities of the real estate development company.



### ***Property Development Business***

As at 31 December 2022, the Group had one property development project under development in Hong Kong and it commenced in the second quarter of 2020. There was no sale during the Year.

The Group's Property Development Project as at 31 December 2022

<b>Project name</b>	<b>Location/Postal address</b>	<b>Interests Attributable to the Group</b>	<b>Total site area (sq. ft.)*</b>	<b>Status</b>	<b>Estimated completion time (Note)</b>	<b>Usage</b>
Mong Kok	Lot No. 11238 at Reclamation Street and Shanghai Street, Mong Kok, Kowloon, Hong Kong	100%	2,718	Under development	March 2025	Residential

*Note:* The estimated completion time is made based on the present situation and progress of the project.

\* sq.ft. means square feet

Analysis of Properties Under Development as at 31 December 2022

<b>Project name</b>	<b>Total GFA* (sq. ft.)</b>	<b>GFA under development/ completed (sq. ft.)</b>	<b>Total saleable GFA* (sq. ft.)</b>	<b>Accumulated GFA*</b>		<b>Average Selling Price (HK\$/sq. ft.)</b>
				<b>GFA* sold as at 31 December 2022 (sq. ft.)</b>	<b>delivered as at 31 December 2022 (sq. ft.)</b>	
Mong Kok	17,910	0	10,308	0	0	Not applicable

\* GFA means gross floor area

## **Dividend**

The Board has resolved not to recommend the payment of any dividend for the Year (2021: Nil).

## **Financial Review**

### ***Results for the Year***

As stated in the section headed “**Overall Performance**” above, the Group recorded a profit of approximately HK\$5.2 million for the Year (2021: approximately HK\$4.0 million).

For FY2022, the Group’s other income and gains amounted to approximately HK\$6.1 million, representing a decrease of approximately 20.4% compared to that of FY2021. The decrease was mainly attributable to a decrease in dividend and investment income from the financial assets.

As at 31 December 2022, the Group’s property, plant and equipment amounted to approximately HK\$206.0 million, representing an increase of approximately 9.8% compared to that as at 31 December 2021. The depreciation charges included in other operating expenses, and staff costs included in cost of sales and administrative expenses for the Year increased by approximately HK\$1.0 million and decreased by HK\$9.9 million, respectively, as compared to the amounts for the previous year.

Finance costs amounted to approximately HK\$10.5 million for the FY2022, representing an increase of approximately 1.7% compared to those of FY2021.

## **Liquidity and Financial Resources**

The Group had cash and cash equivalents of approximately HK\$38.4 million as at 31 December 2022 (2021: approximately HK\$26.4 million).

The total equity of the Group increased to approximately HK\$137.1 million as at 31 December 2022 (2021: approximately HK\$132.2 million).

As at 31 December 2022, the Group had net current liabilities of approximately HK\$74.1 million (2021: approximately HK\$33.7 million).

## **Capital Structure**

As at 31 December 2022, the Company’s share capital comprised 1,060,000,000 issued ordinary shares with par value of HK\$0.01 each (the “**Shares**”, each, a “**Share**”). There was no change in the share capital of the Company during the Year.

### **Investment Position and Planning**

During the Year, the Group spent approximately HK\$74.0 million for acquisition of plant and equipment (2021: approximately HK\$88.7 million).

### **Significant Investments/Material Acquisitions and Disposals**

Saved as disclosed above, the Group had not made any significant investments or material acquisitions and disposals of subsidiaries, associates or joint ventures during the Year.

### **Future Plan for Material Investments or Capital Assets**

Saved as disclosed above, the Group did not have other plans for material investments and capital assets as at 31 December 2022.

### **Gearing**

The Group monitors capital using a gearing ratio, which is calculated by dividing the total debts (sum of carrying amounts of other loans, borrowings and lease liabilities) by the total equity as at the respective dates. The Group's gearing ratio as at 31 December 2022 was decreased to 1.6 (2021: 2.0), mainly due to the decrease in interest-bearing borrowings/bank borrowings for the Year.

### **Pledge of Group Assets and Contingent Liabilities**

As at 31 December 2022,

- (a) the Group's banking facilities were secured by the Group's estate right title benefit and interest of the leasehold land, a building of the Group with an aggregate carrying amount of approximately HK\$28.5 million (2021: approximately HK\$28.2 million), property, plant and equipment of approximately HK\$5.9 million (2021: approximately HK\$7.0 million), and corporate guarantees executed by the Company and certain subsidiaries. As at 31 December 2022, no properties under development (2021: approximately HK\$85.9 million) was pledged as collateral for bank borrowings;

- (b) the Group's lease liabilities were secured by property, plant and equipment of approximately HK\$82.4 million (2021: approximately HK\$58.1 million);
- (c) the Group's other borrowings were secured by property, plant and equipment of approximately HK\$27.1 million (2021: approximately HK\$21.4 million) and corporate guarantees executed by the Company and certain subsidiaries; and
- (d) the Group and the Company did not have any significant contingent liabilities (2021: Nil).

### **Exchange Rate Exposure**

During the Year and as at 31 December 2022, more than half of the revenue and part of assets and liabilities of the Group were denominated in currencies other than Hong Kong dollars. In particular, the revenue generated from the Group's rental operations in Singapore and the PRC were primarily denominated in Singapore dollars and Renminbi, respectively. Purchases of tower cranes, spare parts and accessories from suppliers were usually denominated in Euro, United States dollars or Renminbi. For purchases in foreign currencies, hedging transactions may be entered into against fluctuations in the foreign exchange rate. However, no hedging arrangement was undertaken for revenue generated from the Group's operations in Singapore and the PRC.

### **Treasury Policies**

The Group generally finances its ordinary operations with internally generated resources or banking facilities. The interest rates of most of the borrowings and finance lease arrangement are charged by reference to prevailing market rates.

### **Commitments**

As at 31 December 2022, the Group had total capital commitments of approximately HK\$49.4 million and HK\$7.5 million related to the acquisitions of property, plant and equipment and properties under development for sale, respectively (2021: approximately HK\$5.7 million and HK\$24.4 million, respectively).

### **EMPLOYMENT AND REMUNERATION POLICY**

As at 31 December 2022, the Group had a total of 102 (2021: 121) employees in Hong Kong, Singapore and the PRC. The Group has not had any significant problems with its employees or disruptions due to labour disputes nor has it experienced difficulties in the recruitment and retention of experienced staff. The Group remunerates its employees based on industry practices. Its staff benefits, welfare and statutory contributions, if any, are made in accordance with individual performance and prevailing labour laws of its operating entities. Periodic in-house trainings have been provided to the employees to enhance the knowledge of the workforce.

## **Future Outlook**

Singapore has fully recovered from the COVID-19 pandemic. In 2022, Singapore branch maintained a stable business growth amidst unfavourable factors such as global economic slowdown and regional regulatory policies. The Group will leverage on the competitive advantages of its respective operating platforms in Singapore, Hong Kong and Mainland China, while developing its sales network with a core focus on each of these regions and consequently radiating towards peripheral Southeast Asian countries, South Korea, Dubai, South America and other countries. The Group's multi-regional development policy has sufficiently reduced operational risks and achieved business growth.

The awarded contract value in Singapore's construction industry in 2022 amounted to S\$29.8 billion (comparable with the sum in 2021). The Building and Construction Authority of Singapore estimated that such contract value would range from approximately S\$27 billion to S\$32 billion in 2023, and construction demand would reach between S\$25 billion and S\$32 billion per year from 2024 to 2027. Recently, Singapore government has considered accelerating public rental housing programmes (also known as HDB) to meet public demand. In addition, the development of private residential projects in Singapore, a gathering place for rich foreigners, will also increase the demand for land use and infrastructure construction, thereby driving the demand for the construction and real estate industries, and creating more business opportunities for the tower crane rental industry.

Hong Kong government will dedicate substantial resources to the construction of traditional public rental housing units and Light Public Housing units, which may increase the demand for tower cranes. Moreover, as the government encourages the use of the Modular Integrated Construction (MiC) method, the market demand for heavy tower cranes is even stronger. The Northern Metropolis development plan and the Lantau Tomorrow Vision project are both underway. All those efforts combined have brought about positives impacts to the construction industry and the tower crane industry. In the next few years, the government's annual expenditure on capital works is expected to exceed HK\$100 billion, and Hong Kong's total construction volume (projects in the private sector inclusive) will increase to HK\$300 billion per year. According to the 2023-2024 Hong Kong government's Budget, the government will allocate land resources to construct no less than 72,000 private housing units from 2023 to 2028. In addition, the government encourages the application of advanced technology in the construction industry, reserving a total of HK\$75 million for the establishment of a construction research and development and testing centre, the construction of advanced construction industry buildings, and the enhancement of the "MiC" supply chain. Therefore, intelligent and green building projects in the construction industry are expected to gain further development, which will accelerate the pace of improvement and upgrade of construction machinery and equipment such as tower cranes, thereby providing more business opportunities for the tower crane rental industry.

The Greater Bay Area is one of the key development strategies proposed by the Chinese government. The government is concerned about market activities in the real estate and construction industries of the Greater Bay Area, and has launched various policies and measures to support their development. The government will devote more efforts to urban renewal, advance the renovation and reconstruction of old residential areas, while increasing investment in urban infrastructure to promote urban modernisation and ecological development. These policies will further boost the market activity in the real estate and construction industries of the Greater Bay Area, increase the demand of the industry and promote the development of the tower crane rental industry. As quarantine-free travel has started to resume between Hong Kong and Mainland China, the Group will have better synergies in terms of machinery and equipment in Hong Kong and Shenzhen.

#### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

During the FY2022, the Company did not redeem any of its own listed securities, and neither the Company nor any of its subsidiaries had purchased or sold any of such securities.

#### **SUBSEQUENT EVENT AFTER THE REPORTING PERIOD**

The Group did not have any other material subsequent event after the reporting period and up to the date of this announcement.

#### **CORPORATE GOVERNANCE PRACTICES**

The Company believes that good corporate governance will not only improve management accountability and investor confidence, but also will lay a good foundation for the long term development of the Company. Therefore, the Company will continue to strive to develop and implement effective corporate governance practices and procedures.

The Company has adopted the code provisions as set out in the Corporate Governance Code as contained in Part B of Appendix 14 to the Listing Rules (the “**CG Code**”) as its own code of corporate governance. The Board has reviewed the Company’s corporate governance practices and is satisfied that the Company had complied with the applicable code provisions of the CG Code throughout the Year.

Full details on the Company’s corporate governance practices are set out in the annual report of the Company for the Year (the “**2022 Annual Report**”).

## **DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS**

None of the Directors, the controlling shareholders (as defined under the Listing Rules) of the Company or their respective close associates (as defined under the Listing Rules) (a) had interests in any business apart from the Group's business which competed or was likely to compete, either directly or indirectly, with the businesses of the Group and (b) had or might have any other conflicts of interest with the Group during the Year.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”) as its own code of conduct governing securities transactions by the Directors. Having been made specific enquiries by the Company, all Directors confirmed that they had complied with the required standards set out in the Model Code throughout FY2022.

## **CHANGE IN COMPOSITION OF THE BOARD**

The changes in information of the Directors since the date of the Company's 2022 interim report are set out below:

1. Mr. Zhao Yi has resigned as an executive Director and the chief executive officer of the Company (the “**CEO**”) with effect from 9 September 2022; and
2. Mr. Zheng Wei has been appointed as an executive Director and the CEO with effect from 9 September 2022.

## **REVIEW BY AUDIT COMMITTEE**

The audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive Directors (“**INEDs**”), namely Mr. Xu Xiaowu (chairman of the Audit Committee), Mr. Li Yongjun and Mr. Diao Yingfeng. The Audit Committee has reviewed the Consolidated Financial Statements, including the accounting policies and practices adopted by the Group.

## **REVIEW BY INDEPENDENT AUDITOR**

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for FY2022 as set out in this annual results announcement have been agreed by the Group's independent auditor, Baker Tilly Hong Kong Limited (“**Baker Tilly**”), to the amounts set out in the Consolidated Financial Statements. The work performed by Baker Tilly in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently, no assurance has been expressed by Baker Tilly on this announcement.

## **2023 ANNUAL GENERAL MEETING**

The 2023 annual general meeting of the Company (the “**2023 AGM**”) will be held on Thursday, 25 May 2023. The Notice of the 2023 AGM will be published and dispatched to the Shareholders in due course in the manner as required by the Listing Rules.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Monday, 22 May 2023 to Thursday, 25 May 2023, both dates inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the 2023 AGM, non-registered Shareholders must lodge all duly completed and stamped transfer documents, accompanied by the relevant share certificates with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 19 May 2023.

## **ADOPTION OF THE NEW MEMORANDUM AND ARTICLES**

The Company proposes to amend its existing amended and restated memorandum and articles of association (the “**Existing Memorandum and Articles**”) to, among others, (i) comply with the Core Shareholder Protection Standards as set out in Appendix 3 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; (ii) keep up with technological developments and to provide flexibility to the Company in relation to the conduct of general meetings including allowing general meetings to be held as a hybrid meeting or an electronic meeting; and (iii) incorporate housekeeping amendments (collectively, the “**Proposed Amendments**”).

In view of the Proposed Amendments, the Board proposes to adopt the second amended and restated memorandum and articles of association (the “**New Memorandum and Articles**”), which shall consolidate all the Proposed Amendments, in substitution for and to the exclusion of the Existing Memorandum and Articles.

The Proposed Amendments and the adoption of the New Memorandum and Articles are subject to the approval of the shareholders of the Company by way of a special resolution to be proposed at the forthcoming annual general meeting of the Company.

Details of the Proposed Amendments and the New Memorandum and Articles will be set out in the circular to be despatched to the shareholders of the Company in due course together with a notice of the annual general meeting.



**PUBLICATION OF 2022 ANNUAL RESULTS ANNOUNCEMENT AND 2022 ANNUAL REPORT**

This annual results announcement is published on the respective websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<https://kaisa-capital.com>). The 2022 Annual Report, containing all the information required by Appendix 16 to the Listing Rules, will be dispatched to the Shareholders and published on the same websites in due course in the manner as required by the Listing Rules.

By Order of the Board  
**Kaisa Capital Investment Holdings Limited**  
**Kwok Ying Shing**  
*Chairman and Executive Director*

Hong Kong, 29 March 2023

*As at the date of this announcement, the Board comprises Mr. Kwok Ying Shing (Chairman), Mr. Zheng Wei and Ms. Lee Kin Ping Gigi as executive Directors; and Mr. Xu Xiaowu, Mr. Li Yongjun and Mr. Diao Yingfeng as INEDs.*