ZHONGCHANG INTERNATIONAL HOLDINGS GROUP LIMITED
中昌國際控股集團有限公司

(incorporated in Bermuda with limited liability)

(Stock code: 859)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

The board ("**Board**") of directors (the "**Directors**") of Zhongchang International Holdings Group Limited (the "**Company**") hereby announces the results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2022 (the "**Reporting Period**" or "**FY2022**"), together with the comparative figures for the year ended 31 December 2021 ("**FY2021**") which are set out as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December	
		2022	2021
	Notes	***HK$'000***	*HK$'000*
CONTINUING OPERATIONS			
Revenue	3	**33,678**	36,594
Other income, net	5	**1,097**	433
Net loss in fair value of investment properties		**(45,800)**	(35,700)
Staff costs	6	**(5,155)**	(7,846)
Depreciation of property, plant and equipment	6	**(173)**	(786)
Depreciation of right-of-use assets	6	**(1,212)**	(1,197)
Impairment losses under expected credit loss model	6	**–**	(612)
Other operating expenses		**(19,617)**	(14,688)
Loss from continuing operations	6	**(37,182)**	(23,802)
Gain on disposal of subsidiaries		**–**	414,955
Finance costs	7	**(22,109)**	(18,865)
(Loss)/profit before tax from continuing operations		**(59,291)**	372,288
Income tax expense	8	**(4,047)**	(4,229)

	Notes	Year ended 31 December 2022 HK$'000	2021 HK$'000
(Loss)/profit for the year from continuing operations		**(63,338)**	368,059
DISCONTINUED OPERATION			
Loss for the year from a discontinued operation	9	**–**	(121,776)
(Loss)/profit for the year		**(63,338)**	246,283
Other comprehensive income/(loss), net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translating foreign operations		**11,215**	(2,638)
Other comprehensive income/(loss) for the year, net of tax		**11,215**	(2,638)
Total comprehensive (loss)/income for the year		**(52,123)**	243,645
(Loss)/profit for the year attributable to the owners of the Company		**(63,338)**	246,283
Total comprehensive (loss)/income for the year attributable to the owners of the Company		**(52,123)**	243,645
(Loss)/earnings per share attributable to ordinary equity holders of the Company			
Basic and diluted			
– For (loss)/profit for the year (in HK cents)	11	**(5.63)**	21.89
– For (loss)/profit from continuing operations (in HK cents)	11	**(5.63)**	32.72

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2022 HK$'000	As at 31 December 2021 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**135**	308
Right-of-use assets		**2,356**	998
Investment properties		**1,781,500**	1,827,300
		1,783,991	1,828,606
Current assets			
Trade and other receivables, deposits and prepayments	12	**4,299**	4,902
Tax recoverables		**191**	37
Cash and cash equivalents		**63,268**	136,575
		67,758	141,514
Current liabilities			
Other payables, deposits and accrued expenses	13	**11,350**	12,426
Lease liabilities		**805**	1,094
Bank borrowings		**790,505**	857,797
Tax payables		**3,271**	2,511
		805,931	873,828
Net current liabilities		**(738,173)**	(732,314)
Total assets less current liabilities		**1,045,818**	1,096,292

	Notes	As at 31 December 2022 HK$'000	As at 31 December 2021 HK$'000
Non-current liabilities			
Other payables and deposits	13	**5,380**	5,975
Lease liabilities		**1,575**	–
Deferred tax liabilities		**12,594**	11,925
		19,549	17,900
Net assets		**1,026,269**	1,078,392
CAPITAL AND RESERVES			
Share capital		**112,502**	112,502
Reserves		**913,767**	965,890
Total equity		**1,026,269**	1,078,392

Notes:

1. CORPORATE INFORMATION

The Company was incorporated in Bermuda on 16 December 1999 as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended).

The Company acts as an investment holding company and the principal activities of the Group are property investments and leasing. The property development business was discontinued upon completion of disposal of Shanghai Yuexin Enterprise Management Consultancy Co., Limited* (上海岳信企業管理諮詢有限公司) ("**Shanghai Yuexin**") and its sole subsidiary, Zhenjiang Tiangong Yijingyuan Real Estate Co., Limited* (鎮江天工頤景園房地產有限公司) ("**Zhenjiang Tiangong**") (collectively as "**Shanghai Yuexin Group**") on 26 September 2021.

The Company's shares are listed on The Stock Exchange of Hong Kong Limited.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern

As at 31 December 2022, the Group's total current liabilities exceeded its total current assets by approximately HK$738,173,000 (2021: HK$732,314,000). The Directors considered that the controlling shareholder has intention to provide unconditional continuing financial support to the Company so as to enable the Company to meet its liabilities as and when they fall due. Accordingly, the Directors believe that the Group has adequate resources to continue its operations in the foreseeable future of not less than 12 months from the end of the reporting period. Therefore, they are of the opinion that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2022. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's 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*
Annual Improvements to HKFRSs 2018 – 2020	*Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41*

The nature and the impact of the revised HKFRSs that are applicable to the Group are described below:

(a) Amendments to HKFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* (the "**Conceptual Framework**") issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date.

The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no business combinations during the year, the amendments did not have any impact on the financial position and performance of the Group.

(b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items as determined by HKAS 2 *Inventories*, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced prior to the property, plant and equipment being available for use, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

(d) *Annual Improvements to HKFRSs 2018-2020* sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are applicable to the Group are as follows:

– HKFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively from 1 January 2022. As there was no modification or exchange of the Group's financial liabilities during the year, the amendment did not have any impact on the financial position or performance of the Group.

3. REVENUE

	2022	2021
	HK$'000	*HK$'000*
Gross rental income from investment properties in Hong Kong	**33,678**	36,594

4. SEGMENT INFORMATION

HKFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board, being the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance.

The Group's operating and reportable segments are therefore as follows:

(i) Property investment – leasing of investment properties in Hong Kong; and

(ii) Property development in the PRC, which was discontinued subsequent to completion of disposal of Shanghai Yuexin on 26 September 2021.

On 26 September 2021, Shanghai Yuexin Group, the subsidiaries of the Group, which engaged in property development were disposed and the Group ceased its property development business. The property development segment revenue and results were included in the Note 9. Accordingly, no operating segment is presented.

Geographical information

The following tables set out information about the Group's revenue from external customers by geographical locations, based on the location at which the properties are invested and services are provided.

	Revenue from external customers	
	2022	2021
	HK$'000	*HK$'000*
Hong Kong	**33,678**	36,594

The non-current assets of the Group are substantially located in Hong Kong.

Information about major customers

There were no customers individually contributing over 10% of the revenue for the years reported.

5. OTHER INCOME, NET

	2022	2021
	HK$'000	*HK$'000*
Bank interest income	**792**	2,259
Fair value loss of financial assets at fair value through profit or loss	**–**	(6,024)
Exchange gain, net	**–**	4,093
Government grants	**168**	53
Sundry income	**137**	52
	1,097	433

6. LOSS FROM CONTINUING OPERATIONS

The Group's loss from continuing operations is arrived at after charging/(crediting):

	2022	2021
	HK$'000	*HK$'000*
Directors' emoluments	**540**	569
Other staff costs:		
Salaries and allowances	**4,264**	6,093
Retirement benefit scheme contributions	**110**	128
Social security contributions	**91**	488
Other benefits in kind	**150**	568
Total staff costs	**5,155**	7,846
Bank interest income	**(792)**	(2,259)
Fair value loss of financial assets at fair value through profit or loss	**–**	6,024
Net loss in fair value of investment properties	**45,800**	35,700
Exchange loss/(gain), net	**12,443**	(4,093)
Auditors' remuneration		
– Audit services	**1,380**	1,560
– Non-audit services	**350**	420
Depreciation of property, plant and equipment	**173**	786
Depreciation of right-of-use assets	**1,212**	1,197
Impairment losses under expected credit loss model	**–**	612
Lease payments not included in the measurement of lease liabilities	**175**	209
Gross rental income from investment properties	**(33,678)**	(36,594)
Less: Direct operating expenses from investment properties that generated rental income during the year	**1,992**	5,655
	(31,686)	(30,939)

7. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	2022	2021
	HK$'000	*HK$'000*
Interest on bank borrowings wholly repayable within five years	**22,033**	18,775
Interest on lease liabilities	**76**	90
	22,109	18,865

8. INCOME TAX EXPENSE

	2022 *HK$'000*	2021 *HK$'000*
Current tax		
Hong Kong		
– Provision for the year	**3,224**	2,619
– Over-provision in prior years	**(6)**	(66)
	3,218	2,553
The PRC		
– Provision for the year	**160**	1,289
– Under-provision in prior years	**–**	301
	160	1,590
	3,378	4,143
Deferred taxation		
– Charged to the consolidated statement of profit or loss and other comprehensive income	**669**	86
	4,047	4,229

The provision for Hong Kong Profits Tax for the year ended 31 December 2022 is calculated at 16.5% of the estimated assessable profits for the year (2021: 16.5%). The concession of 8.25% tax band under the two-tiered tax regime introduced by the Hong Kong SAR Government was taken up by an indirect wholly-owned subsidiary incorporated in Hong Kong.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the years ended 31 December 2022 and 2021.

9. DISCONTINUED OPERATION

On 10 August 2021, Zhoushan Mingyi Cultural Assets Investments Co., Limited (舟山銘義文化產業投資有限公司) ("**Zhoushan Mingyi**"), as the vendor and Pujiang Jiaze Enterprise Management Co., Limited* (浦江嘉澤企業管理有限公司) ("**Pujiang Jiaze**"), as the successful bidder and purchaser entered into the equity transfer agreement for the sale and purchase of the entire equity interests of Shanghai Yuexin Group, together with certain assets held and liabilities owned by Shanghai Yuexin Group at a consideration of RMB1,000,000 (equivalent to approximately HK$1,205,000) (the "**Yuexin Equity Transfer Agreement**"). On the same day, Zhoushan Mingyi, Pujiang Jiaze, Shanghai Yuexin and Zhenjiang Tiangong entered in the supplemental agreements supplementing the terms of the Yuexin Equity Transfer Agreement setting out the details of, among others, the right to legal recourse on the part of Zhoushan Mingyi as regards certain loans and other amounts due from Shanghai Yuexin Group to the Group (the "**Yuexin Supplemental Agreements**").

Shanghai Yuexin was an investment holding company. Zhenjiang Tiangong, the subsidiary of Shanghai Yuexin, primarily engages in property development. The Group has decided to cease its property development business because it plans to divest the debts and liabilities owned by Shanghai Yuexin Group and to realise the investment in the project. The disposal of Shanghai Yuexin Group was completed on 26 September 2021. With the disposal of Shanghai Yuexin Group, the property development business was classified as discontinued operation and was no longer included in the note for operating segment information.

The results of Shanghai Yuexin Group for the periods are presented below:

	From 1 January 2021 to 26 September 2021 *HK$'000*
Revenue	–
Other income, net	510
Staff costs	(1,657)
Depreciation of property, plant and equipment	(15)
Depreciation of right-of-use assets	(354)
Write-down of properties under development to net realisable value	(36,751)
Impairment losses under expected credit loss model	(5,275)
Other operating expenses	(3,700)
Finance costs	(74,534)
Loss before tax from the discontinued operation	(121,776)
Income tax expense	–
Loss for the periods from the discontinued operation	(121,776)

The net cash flows incurred by Shanghai Yuexin Group are as follows:

	From 1 January 2021 to 26 September 2021 *HK$'000*
Operating activities	74,503
Investing activities	509
Financing activities	(535)
Net cash inflow	74,477

	2021
Loss per share:	
Basic and diluted from the discontinued operation *(in HK cents)*	(10.83)

The calculations of basic and diluted loss per share from the discontinued operation are based on:

	2021 *HK$'000*
Loss attributable to ordinary equity holders of the Company from the discontinued operation	(121,776)

	Number of shares 2021 *'000*
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation	1,125,027

10. DIVIDEND

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

11. (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:

	2022 ***HK$'000***	2021 *HK$'000*
(Loss)/earnings attributable to ordinary equity holders of the Company, used in the basic and diluted (loss)/earnings per share calculation:		
From continuing operations	**(63,338)**	368,059
From a discontinued operation	**–**	(121,776)
	(63,338)	246,283

	Number of shares **2022** ***'000***	2021 *'000*
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share	**1,125,027**	1,125,027

For the years ended 31 December 2022 and 2021, the diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share. The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2022 and 2021.

12. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2022	2021
	HK$'000	*HK$'000*
Rental receivables *(Note (i))*	**264**	298
Less: Allowance for credit losses *(Note (ii))*	**–**	–
	264	298
Other receivables, deposits and prepayments, net of allowance for credit losses *(Note (iii))*	**4,035**	4,604
	4,299	4,902

Notes:

(i) The amount represents rental receivables for leasing of investment properties.

The Group maintains a defined and restricted credit policy to assess the credit quality of each counterparty or tenant. The collection is closely monitored to minimise any credit risk associated with these rental receivables.

The ageing analysis of the Group's rental receivables is as follows:

	2022	2021
	HK$'000	*HK$'000*
0 to 30 days	**84**	94
31 to 60 days	**111**	84
61 to 90 days	**–**	84
91 to 180 days	**54**	–
181 to 365 days	**15**	11
More than 365 days	**–**	25
	264	298

Rental receivables that were past due but not impaired relate to a number of independent tenants that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there have not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

(ii) The movements in the allowance for credit losses of trade receivables are as follows:

	2022	2021
	HK$'000	*HK$'000*
At 1 January	**–**	1
Impairment losses, net	**–**	612
Amount written off as uncollectible	**–**	(613)
At 31 December	**–**	–

(iii) The amount represents other receivables, deposits and prepayments:

	2022	2021
	HK$'000	*HK$'000*
Prepayments	**509**	643
Deposits and other receivables	**283,674**	310,043
Prepaid tax	**14**	13
	284,197	310,699
Less: Allowance for credit losses	**(280,162)**	(306,095)
	4,035	4,604

The movements in the allowance for credit losses of other receivables, deposits and prepayments are as follows:

	2022	2021
	HK$'000	*HK$'000*
At 1 January	**306,095**	295,785
Impairment losses, net	**–**	228,752
Decrease on disposal of subsidiaries	**–**	(224,830)
Exchange realignment	**(25,933)**	6,388
At 31 December	**280,162**	306,095

13. OTHER PAYABLES, DEPOSITS AND ACCRUED EXPENSES

	2022	2021
	HK$'000	*HK$'000*
Rental deposits received	**10,580**	10,966
Other payables and accrued expenses	**5,418**	6,722
	15,998	17,688
Contract liabilities *(Note)*	**732**	713
	16,730	18,401
Less: Non-current portion of other payables and deposits	**(5,380)**	(5,975)
	11,350	12,426

Note:

Details of contract liabilities are as follows:

	2022	2021
	HK$'000	*HK$'000*
Short-term advance payments received from tenants	**732**	713

Contract liabilities include short-term advance payments received from tenants, which is related to the provision of rental concession and/or advance rental payments from tenants at the end of the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The Group is principally engaged in property investments and leasing in Hong Kong. During the Reporting Period, the Group's revenue was primarily derived from rental income from its investment properties in Hong Kong. The Group's investment properties are mainly situated at prime retail and shopping locations in Causeway Bay, Hong Kong Island.

2022 was a very challenging year for the Group and for the wider economy in Hong Kong due to the fifth wave of COVID-19 pandemic which took place in the first quarter of 2022 coupled with the related social distancing measures. The continued travel restriction with the mainland China and overseas countries posed serious challenges to the operating environment of retailers in Hong Kong, including the tenants of the Group. Against the backdrop of the global economic environment which was impacted by the inflation and the increase in interest rate, Hong Kong's gross domestic product contracted by approximately 3.5% in FY2022.

For 2022, it was provisionally estimated that the total retail sales in Hong Kong decreased by 0.9% as compared with 2021. Visitor arrivals in Hong Kong staged a small recovery in the year of 2022, but remained well behind pre-pandemic levels. The further recovery of the retail sectors in Hong Kong is still largely depends on the return of visitors from the mainland China and overseas.

Property leasing business

During FY2022, the Group recorded rental income from investment properties in Hong Kong of approximately HK$33.7 million, which represented a decrease of approximately 7.9% from approximately HK$36.6 million recorded in FY2021. Under the influence of COVID-19 pandemic, the decrease in rental income was primarily attributable to the one-off rental concession that the Group granted to its tenants and negative rental reversion arising from renewal of certain existing tenancy agreements during FY2022.

As at 31 December 2022, the investment properties portfolio of the Group achieved an occupancy rate (as measured by the percentage of total lettable area leased over the total lettable area of the Group's portfolio) of approximately 89.7% (31 December 2021: approximately 94.7%). Jardine Center remained as the Group's core and steady income generator, accounted for approximately 84.3% of the total revenue of the Group during FY2022.

The Group's revenue growth and occupancy rates are the key measurements used for the assessment of its core leasing business performance. Cost effectiveness is assessed by the Group's management using the property expenses ratio (as a percentage of turnover). Set out below is a table summarising the key performance indicators for the Group's property leasing business in Hong Kong for FY2021 and FY2022.

Key performance indicators	**Definition**	**Business performance**	
		FY2022	FY2021
Revenue growth	Rental revenue in current year vs the previous year	**(7.9%)**	(1.1%)
Occupancy rate	Percentage of total lettable area leased/total lettable area at year-end	**89.7%**	94.7%
Property expenses ratio	Property expenses divided by revenue	**5.9%**	15.5%

In 2022, the Group remained focused on further bolstering the resilience of its core business of property leasing in Hong Kong, particularly in Causeway Bay, in order to preserve its long-term competitiveness and ensure sustainable development in this challenging market. The investment properties of the Group are mainly situated in the prime shopping district of Causeway Bay in Hong Kong. During 2022, the tenants of the Group were mainly engaged in catering, beauty parlour and other retailing businesses.

Set out below is a table summarising the valuation of the investment properties portfolio of the Group in Hong Kong as at the end of FY2021 and FY2022 and revenue contribution of the investment properties portfolio of the Group in Hong Kong in FY2022 as compared to that in FY2021.

	Valuation of investment properties as at 31 December		Decrease in fair value of investment properties	Revenue for		Increase/ (decrease) in revenue
	2022	2021		**FY2022**	FY2021	
	HK$'000	*HK$'000*	***HK$'000***	***HK$'000***	*HK$'000*	%
Causeway Bay						
Jardine Center, No. 50 Jardine's Bazaar[(1)]	**1,410,000**	1,430,000	20,000	**28,393**	30,049	(5.5)
Ground Floor and Cockloft Floor, No. 38 Jardine's Bazaar[(2)]	**85,000**	91,000	6,000	**–**	–	–
First Floor, Nos. 38 and 40 Jardine's Bazaar[(2)]	**12,500**	13,300	800	**424**	444	(4.5)
Ground Floor including Cockloft, No. 41 Jardine's Bazaar[(2)]	**114,000**	121,000	7,000	**1,899**	2,673	(29.0)
Ground Floor, No. 57 Jardine's Bazaar[(2)]	**112,000**	122,000	10,000	**1,941**	2,595	(25.2)
Mid-Levels						
Shop No. 1 on Ground Floor of K.K. Mansion, Nos. 119, 121 & 125 Caine Road[(2)]	**48,000**	50,000	2,000	**1,021**	833	22.6
Total	**1,781,500**	1,827,300	45,800	**33,678**	36,594	(7.9)

(1) Ginza-style building

(2) Street-shop

As at 31 December 2022, the investment properties of the Group were revalued at HK$1,781.5 million (31 December 2021: HK$1,827.3 million) by an independent professional valuer. During FY2022, the loss in fair value of investment properties of HK$45.8 million (FY2021: HK$35.7 million) was recognised in the consolidated statement of profit or loss and other comprehensive income. The loss in fair value of investment properties was mainly due to the general market conditions resulting from the continuing impact of COVID-19 pandemic in Hong Kong.

The Jinhua Project

The Company is interested in 49% of the issued share capital of Yitai International (BVI) Holdings Limited ("**Yitai**"), together with its subsidiaries, (the "**Yitai Group**"), a company which holds 99% indirect equity interest in Jinhua Mingrui Real Estate Development Co., Ltd.* (金華銘瑞房地產開發有限公司) ("**Jinhua Mingrui**"). The Jinhua Project comprises a mixed-use residential and commercial complex in two phases with a total GFA of approximately 337,530 sq.m., including residential area of approximately 195,100 sq.m., commercial area of approximately 50,200 sq.m. and basement (inclusive of car parking spaces) of approximately 88,600 sq.m. Both phases of the Jinhua Project were completed in 2020.

As at 31 December 2022, all residential units, 2,085 car parking spaces out of total 2,267 car parking spaces, 56 offices and 8 retail shops (31 December 2021: all residential units, 2,085 car parking spaces out of total 2,267 car parking spaces, 56 offices and 8 retail shops) of the Jinhua Project were presold. On 7 January 2021, Jinhua Mingrui further obtained the second Filing Form for Acceptance and Examination upon Completion of Construction Project* (建築工程竣工驗收備案表) (the "**Filing Form**") for phase II of the Jinhua Project issued by Local Urban Construction Bureau of the PRC* (中國地方城市建設局). After obtaining this Filing Form, from which the physical possession and the legal title of the completed properties can be transferred to purchasers, revenue is recognised when the control of the property is transferred. During FY2022, no revenue from phase I and phase II was recognised by Yitai (FY2021: approximately RMB979.9 million).

The Group's associate, namely, Yitai, recorded loss of approximately HK$51.1 million for FY2022 (FY2021: loss of approximately HK$254.6 million). The Group did not resume to share of profits of Yitai as there were cumulative unrecognised share of losses of this associate amounted to approximately HK$241.4 million as at 31 December 2022. The Group will only resume recognising its share of profits in Yitai only after its share of the profits equals the share of losses not recognised.

On 10 January 2023, Ningbo Xinbu Metal Storage Equipment Co., Limited* (寧波信步金屬倉儲設備有限公司) made an application to wind-up Jinhua Mingrui. On 9 February 2023, Jinhua City Middle People's Court (金華市中級人民法院)announced the acceptance of the said application. On 16 February 2023, Zhejiang Province Jinhua City Jindong District People's Court (浙江省金華市金東區人民法院) appointed an administrator to Jinhua Mingrui.

OUTLOOK

Looking ahead, the Hong Kong economy is expected to show a recovery in 2023, despite continued uncertainty regarding the global economic outlook and future interest rate movement. With the removal of quarantine arrangements for inbound visitors and the resumption of normal travel between Hong Kong and the mainland China, visitor arrivals should stage a strong rebound and be a main driver of economic growth in 2023. As the investment properties of the Group are mainly situated in the prime shopping district of Causeway Bay in Hong Kong, the Group believes it remains well-placed to benefit through its tenants from anticipated speeding growth opportunities after the pandemic. The Group will continue to refine the diverse-trade tenants mix and to develop strong relationships with its tenants.

The Group will continue to drive the performance of its core businesses at a steady pace and to improve the financing position and the financial condition of the Group.

FINANCIAL REVIEW

Revenue

For FY2022, the revenue of the Group amounted to approximately HK$33.7 million, representing a decrease of approximately 7.9% from approximately HK$36.6 million in FY2021. Under the influence of COVID-19 pandemic, the decrease in revenue was primarily attributable to the one-off rental concession granted to the tenants and negative rental reversion arising from renewal of certain existing tenancy agreements during FY2022.

Other income, net

Other income for FY2022 was approximately HK$1.1 million (FY2021: approximately HK$0.4 million), representing an increase of approximately HK$0.7 million recorded in FY2021. The increase was mainly due to the absence of fair value loss of financial assets at fair value through profit or loss for FY2022, as compared to fair value loss of approximately HK$6.0 million recognised in the corresponding period of last year.

Staff costs

For FY2022, the Group's staff costs amounted to approximately HK$5.2 million, representing a decrease of approximately 33.3% from approximately HK$7.8 million recorded in FY2021. The decrease in staff costs was mainly due to departures of certain staff in the PRC during the year of 2021 in which the related staff costs were absent during FY2022.

Other operating expenses

Other operating expenses amounted to approximately HK$19.6 million for FY2022, representing an increase of approximately 33.3% from approximately HK$14.7 million recorded in FY2021. The composition of other operating expenses by nature mainly classified as follows:

	FY2022	FY2021
	HK$'000	*HK$'000*
Investment properties operating costs	**1,992**	5,655
Professional fees	**3,640**	5,681
General administrative costs	**1,542**	3,352
Exchange loss, net	**12,443**	–
Total	**19,617**	14,688

Investment properties operating costs mainly comprised of repair and maintenance costs, commission incurred for new lettings and statutory property-related costs. The decrease of investment properties operating costs of approximately HK$3.7 million was primarily due to significant decrease in repair and maintenance work of the Group's investment properties as compared to FY2021.

Professional fees decreased by approximately HK$2.0 million or approximately 35.9% in FY2022 as compared to FY2021. The decrease was mainly attributable to the reduction of legal fees during FY2022.

The exchange loss of approximately HK$12.4 million for FY2022 was arisen from the translation of assets and liabilities denominated in RMB. RMB depreciated against HKD during FY2022.

Share of results of an associate

The associate of the Group, Yitai, recorded a loss of approximately HK$51.1 million during FY2022 (FY2021: loss of approximately HK$254.6 million). The share of net loss of associates is restricted to the Group's entire interest in an associate. The carrying amount of the investment of an associate was reduced to nil since the financial year ended 31 December 2019. Hence, the Group has no obligation to take up further losses.

Net loss in fair value of investment properties

As at 31 December 2022, the investment properties of the Group were revalued at HK$1,781.5 million (31 December 2021: HK$1,827.3 million) by an independent professional valuer. During FY2022, a fair value loss on investment properties of HK$45.8 million was recognised in the consolidated statement of profit or loss and other comprehensive income. The fair value loss on the investment properties was mainly due to the general market conditions resulting from the continuing impact of COVID-19 pandemic in Hong Kong.

Finance costs

For FY2022, finance costs of the Group amounted to approximately HK$22.1 million, representing an increase of approximately 16.9% from approximately HK$18.9 million recorded in FY2021. The increase was mainly due to significant increase in bank borrowings interest rates during FY2022.

Impairment losses under the expected credit loss model

No impairment losses for certain financial assets under the ECL model recognised during FY2022 (FY2021: approximately HK$0.6 million).

(Loss)/profit for the year from continuing operations

As a result of the reasons mentioned above, the loss for the year from continuing operations for FY2022 amounted to approximately HK$63.3 million (FY2021: profit for the year from continuing operations of approximately HK$368.1 million). Such decline in the Group's profit for FY2022 was primarily due to the absence of the net gain of approximately HK$415.0 million from the one-off and non-recurring gain on disposal of 100% equity interest in Shanghai Yuexin during FY2021.

(Loss)/profit for the year attributable to the owners of the Company

As a result of the reasons mentioned above, loss attributable to the owners of the Company for FY2022 amounted to approximately HK$63.3 million (FY2021: net profit for the year attributable to the owners of the Company of approximately HK$246.3 million).

Liquidity and financial resources

The Group's business operations were generally funded by its internal resources and bank borrowings. As at 31 December 2022, the Group's outstanding bank borrowings amounted to approximately HK$790.5 million (31 December 2021: approximately HK$857.8 million), of which all outstanding secured bank borrowings are repayable within one year as of 31 December 2022. The decrease in bank borrowings during FY2022 was mainly attributable to repayment of the principal amount of bank borrowings during FY2022.

As at 31 December 2022, the Group maintained cash and bank balances of approximately HK$63.3 million (31 December 2021: approximately HK$136.6 million). The decrease in cash and bank balances was mainly attributable to repayment of the principal amount and interests of bank borrowings during FY2022.

The Group's gearing ratio as at 31 December 2022, which is calculated on the basis of total liabilities over total assets, was approximately 44.6% (31 December 2021: approximately 45.3%). The current ratio of the Group, which is calculated by dividing current assets over current liabilities as at 31 December 2022, was approximately 0.08 (31 December 2021: approximately 0.16). The decrease in current ratio as at 31 December 2022 as compared to 31 December 2021 was mainly due to the decrease in current assets of the Group.

As at 31 December 2022, the Group recorded net current liabilities of approximately HK$738.2 million (31 December 2021: approximately HK$732.3 million). The net current liabilities were mainly due to maturity of the Group's bank borrowings which were repayable within one year. The Group's ability to continue as a going concern largely depends on the sufficiency of financial resources available to the Group. The Directors are of the view that, the Group has sufficient working capital to meet its financial obligations as and when they fall due within one year.

Capital Structure

As at 31 December 2022, the issued share capital of the Company was 1,125,027,072 shares. During the Reporting Period, there was no movement of the issued share capital of the Company.

As at 31 December 2022, the net assets of the Group amounted to approximately HK$1,026.3 million, representing a decrease of approximately 4.8% from the net assets of approximately HK$1,078.4 million as at 31 December 2021. With the total number of 1,125,027,072 ordinary shares in issue as at 31 December 2022, the net assets value per share was approximately HK$0.91 (31 December 2021: approximately HK$0.96).

Treasury Policy

The Group's transactions and its monetary assets and liabilities are principally denominated in HK$ and RMB. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

DIVIDEND

The Directors do not recommend any dividend for FY2022 (FY2021: Nil).

CONTINUING DISCLOSURES PURSUANT TO RULE 13.21 OF THE LISTING RULES

Breach of financial covenant of HSB loans

On 20 March 2018, Top Bright Properties Limited ("**Top Bright**"), an indirect wholly-owned subsidiary of the Company, entered into an agreement with Hang Seng Bank Limited ("**HSB**") for a term loan facility in the principal amount of HK$570 million. On 15 June 2018, Top Bright entered into a supplemental agreement with HSB for a term loan facility in the principal amount of HK$212 million.

On 15 June 2018, each of Smart Land Properties Limited ("**Smart Land**") and Pioneer Delight Limited ("**Pioneer Delight**"), both being indirect wholly-owned subsidiaries of the Company, entered into an agreement with HSB for a term loan facility in the principal amount of HK$50 million and HK$25 million, respectively.

On 5 February 2021, Pioneer Delight, Smart Land and Top Bright (the "**Borrowers**", and each a "**Borrower**"), each received a letter from HSB (through its solicitors) (the "**Letter**") noted that the respective Borrower was in breach of the financial covenant whereby the consolidated tangible net worth of the Company (as their respective guarantor) was less than the requisite minimum of HK$2,000,000,000 (the "**Breach**"). As stated in the Letter to the respective Borrower, HSB may waive the Breach if the relevant Borrower could satisfy certain waiver conditions (the "**Waiver Conditions**"), including to make a partial repayment of not less than HK$164.0 million or HSB (the "**Partial Repayment**"), and provide HSB with satisfactory evidence as HSB may require within one month from the date of the Letter.

On 18 March 2021, the Borrowers have respectively received replies from HSB (through is solicitors) on their respective requests to waive the Breach. HSB informed the Borrowers that subject to, among other things, the Borrowers (i) satisfying the Waiver Conditions; and (ii) providing HSB with satisfactory evidence on or before 30 June 2021.

On 23 August 2021, the Borrowers have respectively received replies from HSB (through its solicitors) on their respective request to extend the deadline for making the Partial Repayment to HSB. HSB informed the Borrowers that an extension was granted to the Borrowers until 30 September 2021 for making the Partial Repayment.

On 4 October 2021, the Borrowers respectively received replies from HSB (through is solicitors) that (i) given the Borrowers did not make any repayment of the Partial Repayment on or before 30 September 2021 as per the extension given pursuant to their letters dated 23 August 2021, the failure of making such repayment was considered an event of default under the respective facility letter and the facility agreement; and (ii) HSB made the final demand for repayment in writing, and the Partial Repayment must be repaid immediately and in any event by 8 October 2021, failing of which HSB will take appropriate actions, including but not limited to enforcing the securities maintained by HSB and commencing legal proceedings against the Borrowers.

On 8 October 2021, the Borrowers respectively received further replies from HSB (through its solicitors) that (i) the Partial Repayment that the Borrowers are to be repaid will reduce from HK$164.0 million to HK$100.0 million (the "**Reduced Partial Repayment**"); (ii) the Reduced Partial Repayment must be repaid by 29 October 2021; and (iii) the Borrowers shall bear the legal fees incurred by HSB in connection with the recovery of outstanding loans owed by the Borrowers.

On 29 October 2021, the Borrowers have received further letters from HSB (through its solicitors) that HSB is minded to waive the Breach, subject to the following waiver conditions (the "**New Waiver Conditions**"):

(i) any of the Borrowers to make the Reduced Partial Repayment to HSB by 29 October 2021;

(ii) any of the Borrowers to make the payment of legal fees in the amount of HK$50,000 to HSB for dealing with the Breach and their waiver applications;

(iii) written acknowledgements of the waiver of the Breach by HSB under the letter (including the New Waiver Conditions) shall be signed respectively by, among others, the Borrowers and the Company (as the guarantor under the Facility Letter and Facility Agreement) (the "**Written Acknowledgments**"); and

(iv) notwithstanding the Breach and the waiver by HSB, the terms of the Facility Letter, the Facility Agreement, the finance documents and the security documents (including the guarantee and security provided therein) shall remain in full force and effect. The waiver is without prejudice to and shall not affect other rights and benefits which HSB may have under the Facility Letter, the Facility Agreement, the finance documents and the security documents. Nothing in the letter shall be deemed to be a waiver by HSB of, or consent by HSB to, any breach or potential breach (present or future) of any provision of the Facility Letter, the Facility Agreement, the finance documents and the security documents, except the specific waiver expressly given in the letter.

On 29 October 2021, in accordance with the terms of the New Waiver Conditions set out in the letters from HSB (through its solicitors) to the respective Borrowers, the Borrowers have (i) repaid the Reduced Partial Repayment of HK$100.0 million; (ii) paid the legal fees incurred by HSB in connection with the recovery of the outstanding loans owed by the Borrowers of HK$50,000; and (iii) returned the signed Written Acknowledgements respectively dated 29 October 2021.

On 15 August 2022, HSB approved the application by the Borrowers under Pre-approved Principal Payment Holiday Scheme proposed by the Hong Kong Monetary Authority, for which HSB allowed the extension of maturity date of bank borrowings in aggregate principal amount of approximately HK$78.4 million from 15 August 2022 to 15 February 2023 by satisfying the following conditions:

1. Make partial principal repayment of HK$35 million on 15 August 2022;

2. For loan principal amount of approximately HK$78.4 million, the Borrowers are obliged to pay monthly loan interests for the period from 15 August 2022 to 15 February 2023; and

3. For remaining HSB bank borrowings in aggregate principal amount of approximately HK$722.0 million, the Borrowers are obliged to make monthly repayment of loan principal and loan interests as scheduled.

The Borrowers have performed in accordance with the above conditions.

On 8 March 2023, HSB approved the application by the Borrowers under Pre-approved Principal Payment Holiday Scheme proposed by the Hong Kong Monetary Authority, for which HSB allowed the extension of maturity date of bank borrowings in aggregate principal amount of approximately HK$78.4 million from 15 February 2023 to 15 August 2023 by satisfying the following conditions:

(a) Make partial principal repayment of HK$2.0 million on or before 13 March 2023; and

(b) From 15 February 2023 to 15 August 2023, the Borrowers are obliged to pay loan interests charged on the remaining loan principal amount.

The Borrowers have performed in accordance with the above conditions.

On 21 March 2023, HSB approved the application by Top Bright under Pre-approved Principal Payment Holiday Scheme proposed by the Hong Kong Monetary Authority, for which HSB allowed the extension of maturity date of bank borrowings in aggregate principal amount of approximately HK$468.8 million from 23 March 2023 to 23 September 2023 by satisfying the following conditions:

(a) Make partial principal repayment of HK$5.5 million on or before 31 March 2023; and

(b) From 23 March 2023 to 23 September 2023, Top Bright is obliged to pay loan interests charged on the remaining loan principal amount.

Top Bright has performed in accordance with the above conditions.

Please refer to the announcements of the Company dated 5 February 2021, 18 March 2021, 23 August 2021, 4 October 2021, 8 October 2021 and 29 October 2021, and the 2021 Interim Report for further details, including the waiver conditions from HSB.

Please also refer to the announcements of the Company dated 12 June 2020 and 29 December 2020 for the waiver of the event of default obtained from HSB in relation to the loan-to-value ratio under the HSB loan facilities.

CORPORATE GUARANTEES

As at 31 December 2022, the Company provided corporate guarantee to a bank for securing banking facilities granted to its subsidiaries which amounted to HK$1,127 million (31 December 2021: HK$1,127 million).

CHARGES ON GROUP ASSETS

As at 31 December 2022, the Group has pledged the following assets:

a) Investment properties in Hong Kong with an aggregate carrying amount of HK$1,781.5 million for securing the Group's bank borrowings;

b) Share mortgage of certain subsidiaries for securing their respective bank borrowings; and

c) Rent assignments in respect of the investment properties held by the Group.

CONTINGENT LIABILITIES

As at 31 December 2022, the Group had no significant contingent labilities.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2022, the Group had 8 employees (31 December 2021: 10 employees). The Group offers its employees competitive remuneration packages which commensurate with their performance, experience and job responsibilities. The Group also provides other benefits including but not limited to medical insurance, discretionary bonus and mandatory provident fund schemes.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have significant investments, material acquisitions and disposals during the Reporting Period.

EVENTS AFTER THE REPORTING PERIOD

1. On 8 March 2023, HSB approved the application by the Borrowers under Pre-approved Principal Payment Holiday Scheme proposed by the Hong Kong Monetary Authority, for which HSB allowed the extension of maturity date of bank borrowings in aggregate principal amount of approximately HK$78.4 million from 15 February 2023 to 15 August 2023 by satisfying the following conditions:

   (a) Make partial principal repayment of HK$2.0 million on or before 13 March 2023; and

   (b) From 15 February 2023 to 15 August 2023, the Borrowers are obliged to pay loan interests charged on the remaining loan principal amount.

   The Borrowers have performed in accordance with the above conditions.

2. On 21 March 2023, HSB approved the application by Top Bright under Pre-approved Principal Payment Holiday Scheme proposed by the Hong Kong Monetary Authority, for which HSB allowed the extension of maturity date of bank borrowings in aggregate principal amount of approximately HK$468.8 million from 23 March 2023 to 23 September 2023 by satisfying the following conditions:

    (a) Make partial principal repayment of HK$5.5 million on or before 31 March 2023; and

    (b) From 23 March 2023 to 23 September 2023, Top Bright is obliged to pay loan interests charged on the remaining loan principal amount.

    Top Bright has performed in accordance with the above conditions.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has adopted a corporate governance code prepared based on the code provisions (the "**Code Provisions**") of the latest code on corporate governance (the "**CG Code**") as set out in Appendix 14 to the Listing Rules from time to time as the guidelines for corporate governance of the Company and has complied with the CG Code throughout the Reporting Period.

DIRECTORS' SECURITIES TRANSACTIONS COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules ("**Model Code**") as its own code of conduct regarding Directors' securities transactions. Following specific enquiry by the Company, all of the Directors have confirmed that they have fully complied with the Model Code for the Reporting Period.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") comprises two independent non-executive Directors, namely, Mr. Yip Tai Him (chairman of the Audit Committee) and Mr. Liu Xin, and one non-executive Director, Ms. Yu Dan. The Audit Committee has reviewed and discussed with management the accounting standards and practices adopted by the Group, risk and internal controls and financial reporting matters and has reviewed the consolidated financial informations for FY2022 as set out in this announcement.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for FY2022 as set out in this preliminary announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's consolidated financial informations for the year. The work performed by Ernst & Young 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

ANNUAL GENERAL MEETING

The date of the annual general meeting of the Company (the "**AGM**") will be announced in due course. Shareholders of the Company should refer to details regarding the AGM in the circular of the Company, the notice of AGM and form of proxy accompanying thereto to be dispatched by the Company.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of the Company at *www.zhongchangintl.hk* and the website of the Hong Kong Exchanges and Clearing Limited at *www.hkexnews.hk*. The annual report will be despatched to the shareholders of the Company and will be available on the above websites in due course.

APPRECIATION

Finally, I would like to take this opportunity to thank the Group's shareholders and business partners for their support and encouragement to the Group during the past year. I would also like to thank our Directors and all staff member of the Group for their hard work and contribution to the Group.

By order of the Board
Zhongchang International Holdings Group Limited
Chen Zhiwei
Chairman and Executive director

Hong Kong, 30 March 2023

As at the date of this announcement, the Board comprises Mr. Chen Zhiwei (Chairman), Ms. Ku Ka Lee and Mr. Tang Lunfei as executive directors; Dr. Huang Qiang, Mr. Wong Chi Keung, Kenjie and Ms. Yu Dan as non-executive directors; and Mr. Liew Fui Kiang, Mr. Liu Xin and Mr. Yip Tai Him as independent non-executive directors.

* *For identification purpose only*