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## **China Castson 81 Finance Company Limited**

**中國鑄晨81金融有限公司**

*(Continued into Bermuda with limited liability)*

**(Stock Code: 810)**

### **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024**

#### **RESULTS**

The Board of Directors (the “Board”) of China Castson 81 Finance Company Limited (“the Company”) announced the unaudited interim result of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2024, with comparative figures for the corresponding periods in 2023. These condensed consolidated interim financial statements have not been audited, but have been reviewed by RSM Hong Kong, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants, and the Audit Committee of the Company.

#### **CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*For the six months ended 30 June 2024*

		<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Gross proceeds from operations	4	<b>16,054</b>	55,951
Revenue			
Dividend income from financial assets at fair value through profit or loss (“FVTPL”)		<b>165</b>	197
Net (losses)/gains on financial assets at FVTPL		<b>(8,265)</b>	19,537
Other income	5	<b>82</b>	–
Other gains and losses	6	<b>215</b>	(1)
Administrative expenses		<b>(5,987)</b>	(11,534)
Other operating expenses		<b>(571)</b>	(603)
		<b>(14,526)</b>	7,399

		<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
(Loss)/profit from operations		<b>(14,361)</b>	7,596
Finance costs		<b>(9)</b>	(16)
(Loss)/profit before tax		<b>(14,370)</b>	7,580
Income tax expense	8	<b>–</b>	–
(Loss)/profit for the period attributable to owners of the Company	7	<b>(14,370)</b>	7,580
(Loss)/earnings per share attributable to owners of the Company	10		
– Basic (HK cents)		<b>(10.16)</b>	5.36
– Diluted (HK cents)		<b>(10.16)</b>	5.36

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

*For the six months ended 30 June 2024*

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>(Loss)/profit for the period</b>	<b>(14,370)</b>	<b>7,580</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>—</b>	<b>—</b>
<b>Total comprehensive (loss)/income for the period attributable to owners of the Company</b>	<b>(14,370)</b>	<b>7,580</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
	Note		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		8,022	8,294
Financial assets at FVTPL	11	10,416	9,366
Interest in an associate		—	—
		<u>18,438</u>	<u>17,660</u>
<b>Current assets</b>			
Financial assets at FVTPL	11	15,668	21,976
Other receivables, prepayments and deposits		744	745
Bank and cash balances		2,364	12,177
		<u>18,776</u>	<u>34,898</u>
<b>TOTAL ASSETS</b>		<u><b>37,214</b></u>	<u><b>52,558</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	12	1,414	1,414
Reserves		33,520	47,890
<b>TOTAL EQUITY</b>		<u><b>34,934</b></u>	<u><b>49,304</b></u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accruals		1,955	2,657
Secured bank loan		325	597
<b>TOTAL LIABILITIES</b>		<u><b>2,280</b></u>	<u><b>3,254</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>37,214</b></u>	<u><b>52,558</b></u>
<b>Net current assets</b>		<u><b>16,496</b></u>	<u><b>31,644</b></u>
<b>Net assets</b>		<u><b>34,934</b></u>	<u><b>49,304</b></u>
<b>Net asset value per share (HK\$)</b>	13	<u><b>0.25</b></u>	<u><b>0.35</b></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2024*

## 1. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

These condensed financial statements should be read in conjunction with the 2023 annual financial statements. Except as described below, the accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2023.

## 2. NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

### A. New and amended standards adopted by the Group

The Group has applied the following amendments for the first time from 1 January 2024:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to HKAS 1;
- Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause - HK Int 5 (Revised);
- Lease Liability in Sale and Leaseback - Amendments to HKFRS 16; and
- Supplier Finance Arrangements - Amendments to HKAS 7 and HKFRS 7.

The Group did not change its accounting policies or make retrospective adjustments as a result of adopting amended standards or revised interpretation.

### B. Impact of new and amended standards issued but not yet adopted by the Group

In September 2023, HKICPA amended HKAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. These new requirements will apply for annual reporting periods beginning on or after 1 January 2025. The management does not expect the amendment to have a material impact on the consolidated financial statements.

In July 2024, HKICPA issued HKFRS 18 which is effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information. The management is currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

### 3. SEGMENT INFORMATION

The Group's principal activity is investment in equity and debt instruments. For the purpose of resources allocation and assessment of performance, the management regularly reviews and manages the Group's investments on a portfolio basis. Information is regularly provided to the management and mainly includes fair value of respective investees and the related investment income. Therefore, no segment information is presented other than entity-wide disclosures.

The Group's revenue is generated from operations in Hong Kong. The Group's non-current assets (excluding financial assets at FVTPL) are located in Hong Kong.

### 4. GROSS PROCEEDS FROM OPERATIONS

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Gross proceeds from disposal of financial assets at FVTPL	15,889	55,754
Dividend income from financial assets at FVTPL	165	197
	<u>16,054</u>	<u>55,951</u>

### 5. OTHER INCOME

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Bank interest income	77	—
Sundry income	5	—
	<u>82</u>	<u>—</u>

### 6. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Exchange gain	—	3
Gain/(loss) on disposal of property, plant and equipment	40	(4)
Reversal of accruals	175	—
	<u>215</u>	<u>(1)</u>

**7. (LOSS)/PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY**

The Group's (loss)/profit for the period attributable to owners of the Company is stated at after charging the following:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Depreciation	272	277
Donation	2	45
Employee benefits expense:		
Directors' emoluments	1,402	1,326
Salaries, allowances and other benefits	2,791	5,776
Mandatory provident fund contributions	75	95
	<u>4,268</u>	<u>7,197</u>
Custody service fees ( <i>Note</i> )	45	9
Investment management fees ( <i>Note</i> )	<u>195</u>	<u>152</u>

*Note:* They were de minimis continuing connected transactions of the Company under Rule 14A.73(1) of the Listing Rules.

**8. INCOME TAX EXPENSE**

No provision for Hong Kong Profits Tax is required for the six months ended 30 June 2024 since the Group has no assessable profit for the period.

No provision for Hong Kong Profits Tax was made in the condensed consolidated financial statements for the six months ended 30 June 2023 since the Group had sufficient tax losses brought forward to set off against assessable profit for that period.

**9. DIVIDEND**

No dividend was paid, declared or proposed during the six months ended 30 June 2024 (six months ended 30 June 2023: Nil), nor has any dividend been proposed since the end of the reporting period.

## 10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

### Basic (loss)/earnings per share

The calculation of the basic loss (six months ended 30 June 2023: earnings) per share is based on the loss (six months ended 30 June 2023: profit) for the period attributable to owners of the Company of approximately HK\$14,370,000 (six months ended 30 June 2023: HK\$7,580,000) and the weighted average number of ordinary shares of 141,423,187 (six months ended 30 June 2023: 141,423,187) in issue during the period.

### Diluted (loss)/earnings per share

For the six months ended 30 June 2024 and 30 June 2023, diluted loss per share was same as the basic loss per share as there were no potential dilutive ordinary shares.

## 11. FINANCIAL ASSETS AT FVTPL

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Equity securities listed in Hong Kong, at fair value	<b>26,084</b>	31,342
Analysed as:		
Current assets	<b>15,668</b>	21,976
Non-current assets	<b>10,416</b>	9,366
	<b>26,084</b>	31,342

Fair values of equity securities listed in Hong Kong are primarily based on quoted market prices.



## 12. SHARE CAPITAL

	<b>Number of ordinary shares '000</b>	<b>Amount HK\$'000</b>
Authorised:		
Ordinary shares of HK\$0.01 each		
As at 1 January 2023, 31 December 2023 (audited), 1 January 2024 and 30 June 2024	<u>20,000,000</u>	<u>200,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
As at 1 January 2023, 31 December 2023 (audited), 1 January 2024 and 30 June 2024	<u>141,423</u>	<u>1,414</u>

## 13. NET ASSET VALUE PER SHARE

The calculation of the net asset value per share at the end of the reporting period is based on the Group's net assets of approximately HK\$34,934,000 (31 December 2023: HK\$49,304,000) and the number of ordinary shares of 141,423,187 (31 December 2023: 141,423,187) in issue as at that date.

## 14. EVENTS AFTER THE REPORTING PERIOD

The net losses on financial assets at FVTPL as at 30 June 2024 to the date of approval of these condensed consolidated financial statements amounted to approximately HK\$2.2 million.

## **CHAIRMAN’S STATEMENT**

### **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the period ended 30 June 2024 (1H 2023: Nil).

### **KEY PERFORMANCE INDICATOR**

The key performance indicator for an investment company is typically its net asset value (“NAV”), and our NAV as at 30 June 2024 decreased to around HK\$34.9 million (31 December 2023: HK\$49.3 million). The decrease was mainly due to the impact of net fair value change on financial assets at fair value through profit and loss which turned from a fair value gain of approximately HK\$19.5 million for the six months ended 30 June 2023 to a fair value loss of approximately HK\$8.3 million for the six months ended 30 June 2024. The net asset value per share was HK\$0.25 (31 December 2023: HK\$0.35).

### **INVESTMENT PORTFOLIO REVIEW**

As at 30 June 2024, the Group’s portfolio financial assets at fair value through profit or loss were listed Hong Kong equities and amounted to about HK\$26.1 million (31 December 2023: about HK\$31.3 million).

The current and the non-current portion of the listed equities portfolio amounted to about HK\$15.7 million and HK\$10.4 million (31 December 2023: HK\$21.9 million and HK\$9.4 million) respectively.

## PARTICULARS OF MAJOR INVESTMENTS HELD BY THE GROUP

Particulars of ten major investments held by the Group as at 30 June 2024, in terms of carrying value of the respective investments, are set out as follows:

Name of investment	Interest held %	Net assets/(liabilities) attributable to the Group HK\$'000	Invested amount HK\$'000	Carrying amount HK\$'000	Fair value (losses)/gain HK\$'000	Dividend received HK\$'000	Dividend cover %	Percentage of investment attributable to the Group's total assets %
<b>Financial assets at FVTPL</b>								
<b>Listed equity investments</b>								
China Oriented International Holdings Limited	9.63%	19,313	12,700	10,416	(2,284)	–	N/A	27.99%
Allegro Culture Limited (formerly known as Kingkey Intelligence Culture Holdings Limited)	3.49%	9,985	4,495	1,786	(2,709)	–	N/A	4.80%
JFT International Holdings Limited	0.33%	1,524	2,135	1,540	(595)	–	N/A	4.14%
Sky Blue 11 Company Limited	0.99%	(30)	2,200	1,496	(704)	–	N/A	4.02%
Alibaba Group Holding Limited	0.0001%	1,146	1,610	1,410	(200)	48	4.40	3.79%
XiangXing International Holding Limited	0.48%	1,028	1,047	1,159	112	–	N/A	3.12%
JD.com, Inc	0.0003%	1,002	1,498	1,082	(416)	31	2.84	2.91%
Okura Holdings Limited	0.71%	2,299	2,805	1,063	(1,742)	–	N/A	2.86%
Hong Kong Exchange and Clearing Limited	0.0003%	168	1,389	1,001	(388)	16	2.40	2.69%
Xiaomi Corporation	0.0002%	439	1,195	989	(206)	–	N/A	2.66%
			<u>31,074</u>	<u>21,942</u>	<u>(9,132)</u>	<u>95</u>		

## REVIEW OF OPERATIONS

During the period, the external environment has become more complex, severe and uncertain. The expected slowdown in US economic growth has yet to materialize, leading to high inflation and possibly delaying the Federal Reserve's easing of monetary policy. In Mainland China, the gross domestic product grew by around 5.0% as compared to prior period, domestic demand continued to recover and external demand improved which showing a warm recovery. Major overseas markets advanced during the first half of 2024. In US, the Dow, Nasdaq and S&P rose 3.8%, 18.1% and 14.5% respectively. US stocks hit new highs again and again, driven by strong gains from seven technology giants.

Due to the Mainland China central government's successive moves, Hong Kong stocks market rebounded in February 2024. Entering the second quarter of 2024, Hong Kong stocks market has support at low levels and reached the highest point in late May 2024. The overall market is looking forward to Mainland China's increasing policies to further support the economy. The Hang Seng Index ("HSI") once reached a high of 19,706 points in late May 2024 as rebounded 4,912 points or 33% from its lowest point of 14,794 in late January 2024. Although the HSI finally rose 3.9% and the Hang Seng TECH Index fell 5.6% respectively during the period, we have recorded net fair value loss from our listed equity investment portfolio of approximately HK\$8.3 million for the period which mainly due to the rebound in February 2024 was mostly focusing on the index constituents of major Hang Seng indices instead of non-constituent stocks.

### **Gross proceeds from operations**

The external environment remained complicated and interest rates in advanced economies are expected to remain high during the first half of 2024. The tightened financial conditions, conflict between US and China and the global and Mainland economic situations have put Hong Kong stock market performance under pressure. HSI finally only recorded a light increase and erased most of the rebound in February 2024 at the end of the first half of 2024. The average daily turnover of the Hong Kong stock market remained at the similar level in the first half of 2024 as compared to prior period. Due to the inactive trading volume of non-constituent stocks market, the overall trading volume during the period was affected. Consequently, the gross proceeds from the disposal of investments and investment income for the period decreased to about HK\$15.9 million (1H 2023: about HK\$55.8 million).

### **Revenue**

For the interim period, our revenue mainly comprised dividend income from listed securities and decreased to about HK\$165,000 (1H 2023: HK\$197,000). Such decrease was partly caused by a lower payout by certain investee companies.

### **(Loss)/profit from operations**

Loss from operations for the interim period was about HK\$14.4 million (1H 2023: operating profit of HK\$7.6 million). The turnaround from profit to loss for the period was mainly attributable to the net fair value change on financial assets at fair value through profit and loss.

**Net (losses)/gains on financial assets at fair value through profit or loss**

As mentioned above, we have decreased the trading volume during the period and recorded net fair value loss from our listed equity investment portfolio of approximately HK\$8.3 million during the period, while there were net fair value gains of about HK\$19.5 million in prior period which was due to the aftermath of market downturn of Hong Kong stock market in the second half of 2023. In prior period, we conducted more short-term trading and increased the re-balancing in non-constituent stocks and the above gains included about HK\$19.9 million net realized gains, mainly arising from the disposal of certain non-constituent stock.

**Other income**

In current period, other income mainly represented the bank interest income and sundry income. Other income in the prior period was insignificant.

**Other gains and losses**

In current period, other gains and losses mainly represented gain on disposal of property, plant and equipment and reversal of accruals in respect of written back of over-provision for legal and professional fee in prior period. Other gains and losses for the prior period was insignificant.

**Administrative expenses and other operating expenses**

Administrative expenses of about HK\$6.0 million (1H 2023: HK\$11.5 million) mainly comprised employment benefit expenses of about HK\$4.3 million (1H 2023: HK\$7.2 million). The employment benefit expenses decreased during the period was due to the retirement of several staffs in the last quarter of 2023. Professional fees decreased to HK\$0.1 million (1H 2023: HK\$2.0 million), and they were mainly related to the change of Company's name and the possible cash offer received by the Company in early January 2023 in prior period. Other operating expenses remain stable to the level of HK\$0.6 million (1H 2023: HK\$0.6 million).

**Interest in an associate**

The interest in an associate represented our interests in the 30% shareholdings of Superb Kingdom Limited and its subsidiaries and it had no carrying value at the reporting date.

## **PROSPECTS**

The conflict between China and US has been ongoing and US recently imposed investment curbs that will restrict US companies, private equity and venture capital funds from investing in China's microchips, artificial intelligence, quantum computing, biotechnology and clean energy projects. At the Central Economic Work Conference of Mainland China, for the promotion of industrial innovation through scientific and technological innovation, especially to use disruptive and cutting-edge technologies to give birth to new industries, new models, new momentum, and develop new quality productivity. We will consider investment prospects in these sectors if suitable.

Going forward, external macro factors remain the major risks. The monetary stance of major central banks and the financial health of the US and European banking sectors may affect global market performance. In Mainland China, the pace of economic recovery, the extent of policy stimulus and Sino-US relations are the key focuses. Moreover, the troubled real estate sector also weighs on the market sentiment.

Although the worldwide major stock markets resumed an upward trend after experiencing a rapid correction in the second quarter of 2024, the changes of international situation may affect the world's major economies, the global economy may be uncertain in the second half of 2024.

The Company will continue its investing activities in a prudent but proactive manner. We will emphasise on diversification of investment in the second half of the year which is crucial for our risk management. We will also consider various ways to enhance our financial strength with an aim to improve our overall performance for the whole year.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **FINANCIAL RESOURCES AND LIQUIDITY**

As at 30 June 2024, the bank and cash balances amounted to approximately HK\$2.4 million (31 December 2023: HK\$12.2 million) and the net current assets amounted to approximately HK\$16.5 million (31 December 2023: HK\$31.6 million). The decrease in bank and cash balances was mainly attributable to the net cash used in operating activities. As at 30 June 2024, the Group did not have any capital commitment (31 December 2023: Nil).

### **GEARING RATIO (TOTAL BORROWINGS DIVIDED BY TOTAL EQUITY)**

As at 30 June 2024, the Group maintained a low level of gearing ratio of about 0.9% (31 December 2023: 1.2%).

### **PROPERTY, PLANT AND EQUIPMENT**

As at 30 June 2024, property, plant and equipment amounted to approximately HK\$8.0 million (31 December 2023: HK\$8.3 million) and there was no addition during the period (1H 2023: HK\$25,000).

### **MATERIAL ACQUISITION AND DISPOSAL**

During the period, for the purpose of cost-saving, we have continued the deregistration or strike-off of certain inactive subsidiaries. Other than the above, there were no significant acquisitions or disposals of principal subsidiaries.

### **CAPITAL STRUCTURE**

The Company's total number of issued shares remained unchanged and was 141,423,187 at par value of HK\$0.01 each, as at the balance sheet date.

### **SHARE OPTION SCHEME**

In the current period, no share options lapsed, granted, exercised and cancelled and there were no shares options outstanding as at 30 June 2024.

### **EVENTS AFTER THE REPORTING PERIOD**

The net losses on financial assets at fair value through profit or loss held as at 30 June 2024 to the date of approval of the condensed consolidated financial statements amounted to approximately HK\$2.2 million.

### **EXPOSURE TO FOREIGN EXCHANGE**

The investment portfolio primarily comprised listed equities in Hong Kong stock market and other funds were usually maintained in the banks. Majority of them were denominated in Hong Kong dollars. The Board considered that the Group had no significant exposure to foreign exchange fluctuation at the balance sheet date.

## **BORROWING AND PLEDGE OF THE GROUP'S ASSETS**

The Group pledged its leasehold land and building with a carrying amount of about HK\$8.0 million (31 December 2023: HK\$8.3 million) as security for its bank loan in the outstanding amount of HK\$0.3 million (31 December 2023: HK\$0.6 million). The bank loan bears interest at 2.5% below prime rate per annum and its whole amount was stated in the current portion borrowing.

## **HUMAN RESOURCES**

As at 30 June 2024, the number of employees of the Company was 15 (31 December 2023: 13). The remuneration packages for the employees and the directors were in line with the prevailing market practice and were determined on the basis of performance and experience.

## **CORPORATE GOVERNANCE PRACTICES**

The Company is committed to maintaining and implementing a high standard of corporate governance and recognises that good governance can help the business to deliver its strategies, generate shareholder value and meet its obligations towards shareholders and other stakeholders. The Company has established a governance structure, and embeds governance and principles in the business to ensure accountability, fairness, integrity and transparency.

The Board adheres to corporate governance practices by adopting and complying with the established rules, codes, guidelines under the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The Company has followed the CG Code and formulated its own policies and procedures regarding the corporate governance practices. During the six months ended 30 June 2024, the Company complied with all of the provisions under the CG Code except for the following:

### **1. Code provision C.5.8**

It is required that an agenda and accompanying board papers should be sent, in full, to all Directors for regular board meetings and as far as practicable in all other cases. These papers should be sent in a timely manner and at least 3 days before the intended date of a board or board committee meeting (or other agreed period).

Due to the practical reasons, agenda and related board papers have not been sent, in full, in 3 days in advance to certain meetings of the Board or Board Committee. Save for the disclosure of certain inside information which required timely publication of announcements, the Company Secretary used the best endeavours to fulfil the above practice of three days advance notice.



## **2. Code provision C.2**

According to Code Provision C.2 of the Part 2 of Corporate Governance Code, there are two key aspects of the management of a listed company – the management of the board and the day-to-day management of business. There should be a clear division of these responsibilities to ensure a balance of power and authority, so that power is not concentrated in any one individual. The roles of chairman and chief executive should be separate and should not be performed by the same individual.

Before October 2023, the Company has separated the above two roles and the Chairman and Chief Executive Officer (“CEO”) are Dr. Lam Man Chan and Dr. Yeung Cheuk Kwong (“Dr. Yeung”) respectively.

However, Dr. Yeung retired as CEO and chief investment officer with effect from 1 November 2023 after reaching retirement age. After the step down of Dr. Yeung, the responsibilities of the CEO of the Company have been taken up by the other members of the Board and senior management of the Company.

### **AUDIT COMMITTEE**

The Audit Committee currently consists of three independent non-executive Directors, namely, Mr. Tam Yuk Sang, Sammy, Dr. Ng Chi Yeung, Simon and Ms. Law So Fun. Mr. Tam Yuk Sang, Sammy is the Chairman of the Audit Committee.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Company and discussed financial reporting matters, including a review of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2024, which has also been reviewed by the Company’s auditor, RSM Hong Kong, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

### **REMUNERATION COMMITTEE**

The Remuneration Committee currently consists of three Independent Non-executive Directors, namely Mr. Tam Yuk Sang, Sammy, Dr. Ng Chi Yeung, Simon and Ms. Law So Fun. Mr. Tam Yuk Sang, Sammy is the Chairman of the Remuneration Committee.

### **NOMINATION COMMITTEE**

The Nomination Committee currently consists of one Executive Director, namely, Mr. Lee Kwok Leung and three Independent Non-executive Directors, namely, Dr. Ng Chi Yeung, Simon, Mr. Tam Yuk Sang, Sammy and Ms. Law So Fun. Dr. Ng Chi Yeung, Simon is the Chairman of the Nomination Committee.

## **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 C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions (the "Model Code"). Having made specific enquiry of all directors of the Company, the directors of the Company have confirmed that they have fully complied with the required standard as set out in the Model Code throughout the period ended 30 June 2024.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES**

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This interim results announcement is published on the websites of the Stock Exchange (<http://www.hkex.com.hk>) and the Company (<http://www.irasia.com/listco/hk/810>). The Company's Interim Report for the six months ended 30 June 2024 will be dispatched to the shareholders of the Company and published on the above websites in due course.

## **APPRECIATION**

On behalf of the Company, I would express my heartfelt gratitude towards all of the directors, management and staff members for their support and contribution to the Group.

On behalf of the Board  
**China Castson 81 Finance Company Limited**  
**Lam Man Chan**  
*Chairman*

Date: Hong Kong, 28 August 2024

*As at the date of this announcement, the executive director of the Company is Mr. Lee Kwok Leung; the non-executive director of the Company is Dr. Lam Man Chan and the independent non-executive directors of the Company are Dr. Ng Chi Yeung, Simon, Mr. Tam Yuk Sang, Sammy and Ms. Law So Fun.*