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## Chuanglian Holdings Limited

### 創聯控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2371)

## RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

The board (the “**Board**”) of directors (the “**Directors**”) of Chuanglian Holdings Limited (the “**Company**”) hereby announces the audited consolidated financial results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2021 (the “**Reporting Period**”), together with the comparative audited figures for the year ended 31 December 2020.

### RESULTS HIGHLIGHTS

	For the year ended	
	31 December	
	2021	2020
	RMB'000	RMB'000
<b>Reported financial information</b>		
Revenue	<b>280,252</b>	183,025
Gross profit	<b>147,024</b>	102,707
Profit before tax	<b>42,765</b>	2,109
Profit (loss) for the year	<b>30,017</b>	(2,950)
Profit (loss) for the year attributable to owners of the Company	<b>33,011</b>	(2,059)
Basic earnings (loss) per share (RMB cent)	<b>0.52</b>	(0.03)

**For the year ended**  
**31 December**  
**2021**                      2020  
*RMB'000*                      *RMB'000*

**Adjusted financial information<sup>#</sup>**

Profit before tax	<b>43,765</b>	4,525
Profit (loss) for the year	<b>31,017</b>	(534)
Profit for the year attributable to owners of the Company	<b>34,011</b>	357
Basic earnings per share ( <i>RMB cent</i> )	<b>0.54</b>	0.01

<sup>#</sup> Adjusted financial information refers to activities for the period excluding share-based payments and impairment losses charged.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2021*

	<i>NOTES</i>	<b>2021</b> <i>RMB'000</i>	2020 <i>RMB'000</i>
Revenue	3	<b>280,252</b>	183,025
Cost of services		<u>(133,228)</u>	<u>(80,318)</u>
Gross profit		<b>147,024</b>	102,707
Other income, net gains and losses	5	<b>20,222</b>	3,487
Selling and marketing expenses		<b>(36,803)</b>	(23,354)
Administrative expenses		<b>(80,075)</b>	(72,278)
Share of results of associates		<b>(303)</b>	–
Impairment losses on financial assets		<b>(1,000)</b>	(2,280)
Finance costs	6	<u>(6,300)</u>	<u>(6,173)</u>
Profit before tax		<b>42,765</b>	2,109
Income tax expense	7	<u>(12,748)</u>	<u>(5,059)</u>
Profit (loss) for the year	8	<u><b>30,017</b></u>	<u>(2,950)</u>
<b>Other comprehensive income</b>			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Change in fair value of equity investments at fair value through other comprehensive income		<b>3,421</b>	9,500
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations		<u>1,877</u>	<u>(317)</u>
Other comprehensive income for the year		<u><b>5,298</b></u>	<u>9,183</u>
Total comprehensive income for the year		<u><b>35,315</b></u>	<u>6,233</u>

	<i>NOTE</i>	<b>2021</b> <b>RMB'000</b>	2020 <i>RMB'000</i>
Profit (loss) for the year attributable to:			
Owners of the Company		<b>33,011</b>	(2,059)
Non-controlling interests		<b>(2,994)</b>	(891)
		<b><u>30,017</u></b>	<b><u>(2,950)</u></b>
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		<b>38,309</b>	7,124
Non-controlling interests		<b>(2,994)</b>	(891)
		<b><u>35,315</u></b>	<b><u>6,233</u></b>
<b>Earnings (loss) per share</b>	<i>10</i>		
Basic and diluted ( <i>RMB cent</i> )		<b><u>0.52</u></b>	<b><u>(0.03)</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	NOTES	2021 RMB'000	2020 RMB'000
<b>Non-current assets</b>			
Plant and equipment		49,809	58,084
Right-of-use assets		81,972	94,476
Intangible assets		50,271	52,488
Goodwill		38,290	38,290
Financial assets at fair value through other comprehensive income		56,821	24,400
Financial asset at fair value through profit or loss		2,260	1,585
Interests in associates		5,657	2,000
Deposit paid for acquisition of plant and equipment		3,200	–
Finance lease receivables		35,951	–
Other receivables	11	1,856	3,096
Term deposit		5,000	–
		<u>331,087</u>	<u>274,419</u>
<b>Current assets</b>			
Trade and other receivables	11	49,945	22,464
Finance lease receivables		2,766	–
Loan and interest receivables		5,149	–
Financial asset at fair value through other comprehensive income		–	29,000
Digital assets		12,055	–
Term deposit		–	5,000
Bank balances and cash		169,358	115,805
		<u>239,273</u>	<u>172,269</u>

	<i>NOTE</i>	<b>2021</b> <i>RMB'000</i>	2020 <i>RMB'000</i>
<b>Current liabilities</b>			
Contract liabilities		<b>31,178</b>	10,490
Trade and other payables	<i>12</i>	<b>44,688</b>	37,552
Amount due to a shareholder		<b>57</b>	57
Bank borrowing		–	3,000
Lease liabilities		<b>13,912</b>	14,511
Income tax payable		<b>14,402</b>	11,987
		<u><b>104,237</b></u>	<u>77,597</u>
Net current assets		<u><b>135,036</b></u>	<u>94,672</u>
Total assets less current liabilities		<u><b>466,123</b></u>	<u>369,091</u>
<b>Capital and reserves</b>			
Share capital		<b>56,662</b>	50,135
Reserves		<b>311,215</b>	206,574
Equity attributable to owners of the Company		<b>367,877</b>	256,709
Non-controlling interests		<b>3,376</b>	6,370
Total equity		<u><b>371,253</b></u>	<u>263,079</u>
<b>Non-current liabilities</b>			
Deferred tax liability		<b>8,724</b>	9,851
Lease liabilities		<b>86,146</b>	96,161
		<u><b>94,870</b></u>	<u>106,012</u>
		<u><b>466,123</b></u>	<u>369,091</u>

## NOTES:

### 1. GENERAL

Chuanglian Holdings Limited (formerly known as China Chuanglian Education Financial Group Limited) (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business in Hong Kong is Room 905-06, 9/F, China Evergrande Centre, 38 Gloucester Road, Wanchai, Hong Kong.

Pursuant to a special resolution passed at the Company’s extraordinary general meeting held on 18 November 2021, the name of the Company changed from “China Chuanglian Education Financial Group Limited 中國創聯教育金融集團有限公司” to “Chuanglian Holdings Limited 創聯控股有限公司”. Subsequently, the Certificate of Incorporation on Change of Name and the Certificate of Registration of Alternation of Name of Registered Non-Hong Kong Company were issued by the Registrar of Companies in the Cayman Islands and the Registrar of Companies in Hong Kong on 19 November 2021 and 13 December 2021 respectively to certify the change of the Company’s name.

The Company is principally engaged in investments holding. The principal activities of its principal subsidiaries are educational consultancy and online training and education, and financial services.

Other than those major operating subsidiaries established in the People’s Republic of China (the “**PRC**”) whose functional currency is Renminbi (“**RMB**”), the functional currency of the remaining subsidiaries is Hong Kong dollars (“**HK\$**”).

The functional currency of the Company is HK\$, which is different from the presentation currency, RMB. As the Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) mainly operate in the PRC, the directors of the Company consider that it is appropriate to present the consolidated financial statements in RMB.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(s)”)

In the current year, the Group has applied, for the first time, the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) which are effective for the Group’s financial year beginning 1 January 2021:

Amendments to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, Hong Kong Accounting Standards (“HKAS(s)”) 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### **New and amendments to HKFRSs issued 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	Insurance Contracts and related Amendments <sup>3</sup>
Amendments to HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 – Comparative information <sup>3</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>3</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>3</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>3</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>3</sup>
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use <sup>2</sup>



Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>2</sup>
Amendments to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021 <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 cycle <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 April 2021.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2022.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that, the Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements. The application of new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

### 3. REVENUE

Revenue represents the net amounts received and receivable for services rendered net of sales related taxes. An analysis of the Group's revenue for the year is as follows:

	<b>2021</b>	2020
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Disaggregated by major services lines		
Online training services	<b>169,018</b>	145,783
Certification services	<b>47,136</b>	16,750
On-site training services	<b>12,340</b>	12,019
Consultancy services	<b>14,816</b>	277
Financial services	<b>30,366</b>	8,196
	<b>273,676</b>	183,025
Revenue from other source		
Finance lease services	<b>6,576</b>	–
	<b>280,252</b>	183,025

## Disaggregation of revenue from contracts with customers by timing of recognition

	<b>2021</b> <i>RMB'000</i>	2020 <i>RMB'000</i>
Timing of revenue recognition		
At a point of time	<b>89,842</b>	36,965
Over time	<b>183,834</b>	146,060
Total revenue from contracts with customers	<b><u>273,676</u></b>	<b><u>183,025</u></b>

#### 4. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of services provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

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

1. Securities trading — trading of financial assets at fair value through profit or loss (“**FVTPL**”);
2. Educational consultancy and online training and education — provision of educational consultancy services and online training and education services, certification services and on-site training services; and
3. Financial services — provision of insurance brokerage services, money lending services, investments advisory services and finance leasing services.

#### **Segment revenue and results**

The following is an analysis of the Group's revenue and results by reportable and operating segments.

**For the year ended 31 December 2021**

	Securities trading <i>RMB'000</i>	Educational consultancy and online training and education <i>RMB'000</i>	Financial services <i>RMB'000</i>	Total <i>RMB'000</i>
REVENUE				
External sales	—	243,310	36,942	280,252
Segment profit	—	54,392	957	55,349
Unallocated other income, net gains and losses				1,660
Unallocated corporate expenses				(14,244)
Profit before tax				<u>42,765</u>

**For the year ended 31 December 2020**

	Securities trading <i>RMB'000</i>	Educational consultancy and online training and education <i>RMB'000</i>	Financial services <i>RMB'000</i>	Total <i>RMB'000</i>
REVENUE				
External sales	—	174,829	8,196	183,025
Segment profit (loss)	—	28,326	(5,448)	22,878
Unallocated other income, net gains and losses				(1,208)
Unallocated corporate expenses				(19,561)
Profit before tax				<u>2,109</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by and loss from each segment without allocation of central administration costs, directors' emoluments, certain other income, gain or losses, depreciation of certain plant and equipment and right-of-use assets and certain finance costs. This is the measure reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resources allocation and performance assessment.

## 5. OTHER INCOME, NET GAINS AND LOSSES

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Compensation income ( <i>Note a</i> )	15,208	2,156
Government grants ( <i>Note b</i> )	–	1,020
Value-added tax refunded	1,107	967
Interest income from loan receivables	243	631
Bank interest income	1,151	452
Penalty income	500	–
Fair value gain (loss) on financial asset at FVTPL	675	(1,687)
Change in fair value in digital assets	128	–
Others	1,210	(52)
	<u>20,222</u>	<u>3,487</u>

*Notes:*

- (a) During the year ended 31 December 2021, the Group's leased training center was temporarily used for non-training business and received a compensation of approximately RMB15,208,000 (2020: RMB2,156,000).
- (b) During the year ended 31 December 2020, the Group recognised government grants of approximately RMB1,020,000 in respect of COVID-19-related subsidies which related to Employment Support Scheme provided by the Government of the Hong Kong Special Administrative Region under the Anti-Epidemic Fund.

## 6. FINANCE COSTS

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Interest expense on convertible bonds	694	–
Interest expense on lease liabilities	5,589	6,109
Interest expense on bank borrowing	17	64
	<u>6,300</u>	<u>6,173</u>

## 7. INCOME TAX EXPENSES

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
PRC Enterprise Income Tax		
– current year	13,875	5,786
PRC withholding tax	–	400
Deferred tax	(1,127)	(1,127)
	<u>12,748</u>	<u>5,059</u>

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 both years. During the year ended 31 December 2021, two (2020: two) of the PRC subsidiaries of the Group were recognised as high new technology enterprises and entitled to a preferential tax rate of 15%.

Withholding tax was levied on dividends declared by the PRC subsidiaries of the Group at the treaty rate of 5%.

No provision for Hong Kong Profits Tax has been made for the years ended 31 December 2021 and 2020 as the Group did not have any assessable profit subject to Hong Kong Profits Tax for both years.

Pursuant to the laws and regulations of the Cayman Islands and the British Virgin Islands (the “**BVI**”), the Group is not subject to any income tax in the Cayman Islands and the BVI.

## 8. PROFIT (LOSS) FOR THE YEAR

Profit (loss) for the year has been arrived at after charging (crediting):

	<b>2021</b>	2020
	<b>RMB'000</b>	RMB'000
Directors' and chief executive's emoluments	<b>3,879</b>	3,124
Other staff costs (excluding directors' and chief executive's emoluments)	<b>42,448</b>	35,431
Share-based payment expenses (excluding directors' and chief executive's emoluments)	–	120
Retirement benefits scheme contributions (excluding directors' and chief executive's emoluments)	<b>4,164</b>	2,925
	<hr/>	<hr/>
Total staff costs	<b>50,491</b>	41,600
	<hr/>	<hr/>
Auditor's remuneration	<b>1,324</b>	1,200
Depreciation of plant and equipment	<b>10,043</b>	11,206
Depreciation of right-of-use assets	<b>15,221</b>	14,169
Amortisation of intangible assets (included in cost of services)	<b>7,268</b>	7,456
Research and development expenses ( <i>Note</i> )	<b>12,363</b>	15,779
(Gain) loss on disposal of a subsidiary	<b>(150)</b>	958
Write-off of plant and equipment	<b>275</b>	219
	<hr/> <hr/>	<hr/> <hr/>

*Note:* Research and development expenses include staff costs and depreciation, which are included in the above respective expenses, in the Research and Development Department of the Group.

## 9. DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2021, nor has any dividend been proposed since the end of the Reporting Period (2020: nil).

## 10. EARNINGS (LOSS) PER SHARE

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

### Earnings (loss)

	<b>2021</b> <i>RMB'000</i>	2020 <i>RMB'000</i>
Earnings (loss) for the year attributable to owners of the Company for the purpose of basic and diluted earnings (loss) per share	<u><b>33,011</b></u>	<u>(2,059)</u>

### Number of shares

	<b>2021</b> <i>'000</i>	2020 <i>'000</i>
Weighted average number of ordinary shares for the purpose of basic and diluted earnings (loss) per share	<u><b>6,337,608</b></u>	<u>5,962,211</u>

The computation of diluted earnings (loss) per share for the year ended 31 December 2021 and 2020 did not assume the exercise of the Company's share options because the exercise prices of those share options were higher than the average market price for shares. In addition, the computation of diluted earnings per share for the year ended 31 December 2021 did not assume the conversion of the Company's outstanding convertible bonds during the year as the conversion of convertible bonds would result in an increase in earnings per share.

## 11. TRADE AND OTHER RECEIVABLES

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Trade receivables	6,741	7,895
Less: impairment loss recognised	<u>(1,057)</u>	<u>(2,812)</u>
	<u>5,684</u>	<u>5,083</u>
Other receivables	37,237	12,304
Less: impairment loss recognised	<u>(2,400)</u>	<u>(1,491)</u>
	<u>34,837</u>	<u>10,813</u>
Prepayments	5,940	3,313
Deposits	3,003	3,239
Value added tax recoverables	<u>2,337</u>	<u>3,112</u>
	<u><b>51,801</b></u>	<u><b>25,560</b></u>
Analysed as		
Current	49,945	22,464
Non-current	<u>1,856</u>	<u>3,096</u>
	<u><b>51,801</b></u>	<u><b>25,560</b></u>

The Group does not hold any collateral over these receivables.

As at 31 December 2021, the gross amount of trade receivables arising from contracts with customers amounted to approximately RMB6,741,000 (2020: RMB7,895,000).

As at 31 December 2021, included in the gross amount of other receivables RMB30,000,000 (2020: nil) which represented refundable deposit paid for a cooperation arrangement with an independent third party. Such deposit had been fully refunded subsequent to 31 December 2021.

Trade receivables are due according to the terms on the relevant contracts as at 31 December 2021 and 2020. The Group rebutted the presumption of default under expected credit loss model for trade receivables over 90 days past due based on the good repayment records for those customers, continuous business with the Group and/or other reasonable and supportable information. The following is an aged analysis of trade receivables net of accumulated impairment losses presented based on the invoice date at the end of reporting period.



	<b>2021</b> <i>RMB'000</i>	2020 <i>RMB'000</i>
Within 30 days	<b>4,469</b>	4,419
31 to 60 days	<b>516</b>	20
61 to 180 days	<b>699</b>	644
	<u><b>5,684</b></u>	<u>5,083</u>

## 12. TRADE AND OTHER PAYABLES

	<b>2021</b> <i>RMB'000</i>	2020 <i>RMB'000</i>
Trade payables	<b>11,473</b>	16,233
Other payables	<b>19,927</b>	10,200
Other tax payables	<b>1,091</b>	2,140
Accruals	<b>12,197</b>	8,979
	<u><b>44,688</b></u>	<u>37,552</u>

The following is an aged analysis of trade payables presented based on the invoice date at end of the reporting period.

	<b>2021</b> <i>RMB'000</i>	2020 <i>RMB'000</i>
Within 30 days	<b>10,952</b>	15,686
31 to 60 days	<b>7</b>	–
61 to 90 days	<b>–</b>	–
91 to 150 days	<b>1</b>	17
Over 365 days	<b>513</b>	530
	<u><b>11,473</b></u>	<u>16,233</u>

The trade payables were due according to the terms on the relevant contracts. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group is committed to lifelong education and provides online and offline training services for professional staff in the PRC under our strategic planning across the industry value chain. By integrating big data via “one cloud and three screens”, the Group has expanded its operations to include finance services, thereby establishing a dual development model of “education + financial services”.

#### **Education services**

The Group provides online and offline training services for millions of professional staff in various provinces and cities across the PRC to adapt to job requirements and improve their job skills. The current population of professional staff in the PRC is over 88 million. There are certain requirements under the PRC laws and relevant provisions that professional staff in the PRC are required to undertake an annual required minimum continuing professional training in both public required subjects and relevant professional subjects in order to satisfy their corresponding job requirements and professional development needs.

Due to the impact of the COVID-19 pandemic, the Group is now providing comprehensive online training and education services to professional staff, through the Internet and mobile Internet. The Group is operating more than 200 large-scale online training and education service platforms for institutional B-end users and 1 online education platform (Rongxue Cloud) for mobile Internet C-end users. The Group currently has more than 8 million paying users. In the past few years, the Group’s online training platform has provided training for more than 50 million times of attendance.

During the Reporting Period, the Group has provided its online training and education business to different geographical areas in the PRC. The Group’s online training and education business currently covers 20 provinces, autonomous regions, and municipalities, and over 100 cities in the PRC.

Furthermore, the Group has launched a multi-level, multi-dimensional online and offline combination of internet training services. By providing a large-scale online training cloud platform (Rongxue Cloud) combined with offline training centres currently established in Guangxi Zhuang Autonomous Region and Sichuan Province, various forms of training are provided to users with a full range of training services to meet the growing training needs for both online and offline services.

## **Traditional financial services**

Leveraging on the continuous development of the PRC market and its own advantage in terms of resources, the Group has accumulated years of experience in the field of education and has achieved relatively good results. With financial services being one of the four pillar industries in Hong Kong, and the Group being a participant in Hong Kong's capital market, the Group was able to expand and develop its business in the financial sector by virtue of its own strengths and the promising growth potential of Hong Kong's financial market.

Since 2017, the Group has completed a series of mergers and acquisitions of licensed financial companies in the PRC and Hong Kong markets, which accelerated the Group's expansion into the financial sector.

As at 31 December 2021, Beijing Zhongjin Insurance Brokerage Limited (“**Beijing Zhongjin**”), a subsidiary of the Group, established branches in nearly 10 provinces in the PRC, including Shanghai, Shandong, Jiangxi, Tianjin, and Guangdong. Beijing Zhongjin actively developed its business and worked together with Well Tunes Financial Group Limited (“**Well Tunes**”), a subsidiary of the Group, with an aim to promote collaborative development between the two markets.

RuiLian Financial Group Company Limited (“**RuiLian**”) (formerly known as Premier Management Limited), a subsidiary of the Group, is a corporation licensed under the Securities and Futures Ordinance to conduct Type 1 (Dealing in Securities), 4 (Advising on Securities) and 9 (Asset Management) regulated activities. As at the end of the Reporting Period, its securities and advisory businesses contributed to the overall performance of RuiLian. Under the strategic guidance of and the efforts made by the management team, RuiLian has been managing several funds, including Premier Global Investment Fund SPC, Premier Frontier IPO Fund, and CCB Frontier Fortune Fund, with the total amount of assets under management reaching approximately HK\$1.6 billion.

As an important contributor to the Group's financial development, Wellstone Credit Finance Limited, a subsidiary of the Group, is a licensed money lender in Hong Kong that primarily develops in line with the Group's overall commitments and provides an absolute guarantee for the development of its business in accordance with external requirements. As such, its operating results have historically contributed to the overall development of the Group.

## **Financial services in technology**

The Group believes that blockchain technology and finance-related businesses are the future trends, which will reshape the activity mode of society and business, just like the internet and e-commerce have developed from the early stage to one of the important infrastructures today. Therefore, the Group has been actively identifying companies that engage in blockchain technology and finance-related businesses for acquisition, in order to broaden the scope of existing educational and financial businesses, and seize future opportunities.

In August 2021, the Group expanded into financial services in technology by acquiring Leading Fortune Global Group Limited (“**Leading Fortune Global**”, “**Acquisition of Leading Fortune Global**”), a company that focuses on the provision of finance lease services over high-performance data processing computer units. During the Reporting Period, Leading Fortune Global has provided aggregate principal amounts of finance leases of approximately RMB61,000,000 to 8 customers.

Besides the provision of finance lease services, another business stream of Leading Fortune Global is rendering information and computer technology and consulting services over the leased assets to customers. In September 2021, new rules and regulations in relation to cryptocurrencies were announced and imposed by the PRC authorities and the People’s Bank of China unexpectedly. Although Leading Fortune Global was not directly affected by the new rules and regulations, Leading Fortune Global had reached a mutual consent with its customers to suspend the provision of information and computer technology and consulting services over the leased assets since then. Nonetheless, Leading Fortune Global’s provision of finance lease business over the leased assets is not affected.

In light of the dynamic regulatory environment, Leading Fortune Global is in the course of reforming its business model and negotiating with its customers to relocate its place of business operations. The Company will continue to closely monitor the operations of Leading Fortune Global and assess Leading Fortune Global’s likelihood of meeting the profit guarantee as stipulated in the sale and purchase agreement dated 29 July 2021 and entered into between Chuanglian Financial Technology Limited and the vendor (Mr. Pan Ruixin) in respect of the acquisition of Leading Fortune Global. The Company will keep the shareholders of the Company informed on any development and/or updates relating to the regulatory environment and/or financial performance of Leading Fortune Global as and when appropriate.

## **PROSPECTS**

### **Education Services**

In recent years, the Group has continuously invested to increase the coverage of the Group's online training and education services business in the PRC. The Group plans to continue to deepen the Group's combination of online and offline service solutions in the field of continuing education of professional staff and continue to increase the market share.

Therefore, based on the strong foundation and growth of the continuing education for professional staff, the Group will widen the scope of vocational skills training for professional staff. The Group will also do its best to continuously expand its business in the foreseeable future in accordance with changes in government policies and new markets coverage, and promote online training education penetration in existing business areas.

In addition to the business-to-business model, the Group will continue to allocate more resources to develop the business-to-consumer model in order to increase the consumers' adherence and loyalty to our training and education platforms. With the success of the launching of the online to offline training model by opening the training centers geographically, the Group will seek more suitable areas to set up more training centers for better improvement of its post-sales services and increase the average revenue per user in the future.

As most professional staff would be required to pass certain examinations before admission as civil servants and achievement of corresponding professional qualifications, the Group believes that the market potential of pre-examination preparation courses is still huge. In view of this, the Group has continued to develop this new business line by providing more pre-examination preparation courses in the future.

## **Traditional Financial Services**

Due to Hong Kong's position as an international financial center and the southern-most strategic location in the Greater Bay Area ("GBA"), in addition to the full support provided by the Central Government to the GBA Economic Zone, financial services are of paramount importance.

The Group has achieved preliminary results in relation to its active strategic planning in the financial sector. However, we are always reminded by the increasingly intense market competition, that we should constantly step up our expansion plans.

Beijing Zhongjin will continue to set up offices in major cities in the PRC, in order to satisfy domestic demands for insurance products, and lay a solid foundation for market expansion and business improvement. On the basis of the existing life insurance business, Well Tunes will actively expand its financial insurance business starting from inner circles and gradually expanding to outer circles. Besides, group medical insurance, MPF, employee benefits, and other group insurance plans will be launched. At present, both companies are actively accommodating differences between the insurance products of Hong Kong and the Mainland and utilizing the respective strengths thereof. Once intraregional business activities become commonplace, both companies can expand their operations for them to reach the next milestone through resources sharing and create real synergy.

RuiLian is currently upgrading its Type 1 regulated activity and actively developing its Type 9 (Asset Management) business. The total amount and the types of assets under management have been on the increase and are targeted to exceed HK\$3 billion. Upon completion of the upgrading of Type 1 regulated activity, business connections among Type 1, Type 4, and Type 9 activities can be realized, and the Type 1 (Dealing in Securities) business will promote the growth of the Group's overall revenue.

## **Financial services in technology**

Blockchain technology and finance-related businesses are the future trends, which will reshape the activity mode of society and business, just like the internet and e-commerce have developed from the early stage to one of the important infrastructures today. Therefore, the Directors believe that developing blockchain technology and finance-related businesses can not only further improve the Group's comprehensive service capabilities on the basis of the existing foundation, but also broaden the scope of existing educational and financial businesses, and seize future opportunities.

The followings are the directions of the Group to develop in this new financial technology aspects:

1. Regulated and licensed crypto-currencies trading platform and asset management;
2. Digital banking and e-payment gateways;
3. Decentralised finance (“**DeFi**”); and
4. Internet Data Centre (“**IDC**”) under Decentralized Ledger Technology (“**DLT**”).

On 8 June 2021, the Company and Blockchain Pte. Ltd. entered into a non-binding memorandum of understanding (“**MOU A**”) on cooperation. Pursuant to the content of MOU A, with extensive experience and abundant resources in their respective fields, the parties reached a consensus on developing relationships in relation to blockchain technology and finance-related businesses. The parties formed a strategic partnership and agreed to develop long-term cooperation on blockchain technology and finance-related businesses so as to obtain good economic benefits and research and development results, including but not limited to: (i) cooperate to participate in the bidding for licensed businesses in the local digital finance area in Singapore; and (ii) Blockchain Pte. Ltd. would introduce the Company to participate in the research and application projects of University College Oxford Blockchain Research Centre and Oxford-Hainan Blockchain Research Institute.

On 28 January 2022, the Company entered into a non-binding memorandum of understanding (“**MOU B**”) with Artfluence Technology Limited (“**Artfluence**”). Pursuant to MOU B, the Company shall acquire approximately 55% to 60% of equity interests in Artfluence, the first Visualised Non-fungible Token (“**NFT**”) luxury platform and marketplace that implies Extended Reality (“**XR**”) with NFT chain services for selected high-end partners. Artfluence’s mission is to provide comprehensive service to help luxury brands/KOL/celebrities successfully roll out their exclusive NFT collection with utility and endorsement to terminal customers in the form of XR technology.

## **FINANCIAL REVIEW**

For the Reporting Period, the Group recorded a revenue of approximately RMB280,252,000 (2020: approximately RMB183,025,000), representing an increase of approximately 53.1% as compared to the last corresponding period.

Out of the total revenue, approximately RMB243,310,000 (2020: approximately RMB174,829,000) was generated from educational consultancy and online training and education business, and approximately RMB36,942,000 (2020: approximately RMB8,196,000) was generated from the financial services business for the Reporting Period.

The educational consultancy and online training and education business continued to be the major contributor of revenue to the Group which accounted for approximately 86.8% of the total revenue for the Reporting Period. The revenue derived from educational consultancy and online training and education business is usually subject to certain seasonality as more users would prefer to undertake the trainings closer to the end of the year.

The significant increase of revenue from the educational consultancy and online training and education business was mainly due to the increased geographical coverage of our business and the Group launched a new business of vocational skills education in the Reporting Period. The State Council of the PRC has issued a circular on the action plan for improving vocational skills. The plan includes prompting high-quality development of modern vocational education and providing subsidies to the enterprises to conduct different vocational skills training courses to their employees. As a result, the revenue from vocational skills education business through providing online training, certification and consultancy services to the enterprises increased during the Reporting Period. The management expects the demand for vocational skills education will continue to grow in the future under the government support.

The increase of revenue from the financial services business was due to expansion of insurance brokerage business in more PRC cities in PRC and more revenue was generated from three funds during the Reporting Period. In addition, the Group has commenced and carried on finance lease business through acquiring Leading Fortune Global and its subsidiaries in August 2021, which generated approximately RMB6.6 million revenue during the Reporting Period.

The management remains optimistic about the potential growth of the Group's financial services business and its potential synergy with the Group's educational consultancy and online training and education business.

Cost of services for the Reporting Period was approximately RMB133,228,000 (2020: approximately RMB80,318,000), representing an increase of approximately 65.9% as compared to the last corresponding period. The increase in cost of services was mainly due to the increase in co-operation fee, insurance commission, course material acquisition costs, depreciation of plant and equipment and right-of-use assets and content delivery network expense.

Selling and marketing expenses for the Reporting Period was approximately RMB36,803,000 (2020: approximately RMB23,354,000), representing an increase of approximately 57.6% as compared to the last corresponding period. The increase in selling and marketing expenses was mainly due to the increase in staff costs, sale commission and advertising and promotion expense.



Administrative expenses for the Reporting Period was approximately RMB80,075,000 (2020: approximately RMB72,278,000), representing an increase of approximately 10.8% as compared to the last corresponding period. The increase in administrative expenses was mainly due to the increase in depreciation of right-of-use assets and staff costs.

In addition, the Group has commenced investing in digital assets such as Bitcoin and Ethereum during the Reporting Period, and change in fair value in digital assets were approximately RMB128,000 for the year ended 31 December 2021.

As a result of the above, the Group recorded a turnaround from loss to profit in the current year. The profit attributable to owners of the Company for the year ended 31 December 2021 was approximately RMB33,011,000 (2020: loss of approximately RMB2,059,000). The basic earnings per share for the Reporting Period was approximately RMB0.52 cent compared to a basic loss per share of approximately RMB0.03 cent for 2020.

## SIGNIFICANT INVESTMENTS

The investment objective of the Group is to achieve earnings and enhance the corporate value to the shareholders of the Company. The Group has no specific industry focus on potential investment. The deteriorating economy will cause uncertainties in the future investments.

As at 31 December 2021, the Group has four financial assets at fair value through other comprehensive income (“FVTOCI”) and one financial asset at fair value through profit or loss with details as follows:

				Measured at				Measured	
		Investment	Percentage	fair value as		Fair value	Exchange	at fair value	
	Number of	cost	of interest	at 1 January	Addition	change	realignment	as at 31	
Notes	shares held	(RMB'000)	held	2021	(RMB'000)	(RMB'000)	(RMB'000)	December	
				(RMB'000)				2021	
								(RMB'000)	
Investment A	(a)(f)	N/A	38,000	19.8%	22,000	-	6,000	-	28,000
Investment B	(b)(f)	N/A	25,000	2.5%	29,000	-	(2,000)	-	27,000
Investment C	(c)(f)	N/A	2,000	4%	-	-	400	-	400
Investment D	(d)	N/A	2,400	19.4%	2,400	-	(979)	-	1,421
Investment E	(e)	50,000	3,243	12.35%	1,585	-	731	(56)	2,260
			<u>70,643</u>		<u>54,985</u>	<u>-</u>	<u>4,152</u>	<u>(56)</u>	<u>59,081</u>

*Notes:*

- (a) Investment A is a private company namely 北京國亞通寶科技有限公司 (“**Guoya Tongbao**”) incorporated in the PRC and is principally engaged in the operation of a technology platform and offering online payment solutions. During the Reporting Period, Guoya Tongbao was profit-making according to the management accounts. The management decided to hold the investment for medium or long-term strategic purpose.
- (b) Investment B is a loan investment in a mutual insurance agency namely Xinmei Mutual incorporated in the PRC and is principally engaged in the provision of life insurance products in the PRC. During the Reporting Period, Xinmei Mutual was profit-making according to the management accounts. On 22 March 2021, 北京創聯國培雲科技有限公司, a wholly-owned subsidiary of the Company entered into a transfer agreement with an independent third party to sell the loan investment. Due to non-fulfillment of certain conditions precedent in the transfer agreement, the transfer of loan investment lapsed on 23 March 2022.
- (c) Investment C is a private company namely 北京亞格斯科技發展有限公司 (“**Yagus**”) incorporated in the PRC and is principally engaged in the operation of a technology platform and offering online payment solutions. During the Reporting Period, Yagus was loss-making according to the management accounts. The management decided to hold the investment for medium or long-term strategic purpose.
- (d) Investment D is a private company namely 北京創聯恆通信息服務有限公司 (“**Hengtong**”) incorporated in the PRC and is principally engaged in information technology consulting services. During the Reporting Period, Hengtong was still at initial development stage and the fair value of Investment D was referenced to the net book value outlined in the management accounts of Hengtong as at 31 December 2021. The management decided to hold the investment for medium or long-term strategic purpose.
- (e) Investment E is a private company namely Flying Global (HK) Limited (“**Flyover HK**”) incorporated in Hong Kong and is principally engaged in investing in cultural innovation industry in the Greater China region. On 22 July 2021, Flyover HK’s parent company, Flyover Fund SPC Limited (“**Flyover**”) transferred 100% equity interests of Flyover HK to its shareholders. Upon completion, Flyover’s shareholders directly owned Flyover HK. The financial performances of Flyover HK as at 31 December 2020 and 31 December 2021 were referenced to the respective reports from the manager of Flyover HK. The management will continue to hold the investment and expect a high yield in the new future.
- (f) Investment A, Investment B and Investment C are collectively referred to as the “Investments”. As at 31 December 2020 and 31 December 2021, the Investments were measured at fair values. The Group engaged an independent external expert to determine the fair values of the Investments as at 31 December 2020 and 31 December 2021. The fair values of the Investments were determined using the market approach by applying market multiples from comparable companies and adjusted by marketability discount.

To mitigate relevant risks, the Group will optimise its investment strategies in response to market conditions.

Save as disclosed above, the Group had no significant investments held during the Reporting Period.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

On 26 August 2021, Chuanglian Financial Technology Limited (“CFT”), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Mr. Pan Ruixin, an independent third party, pursuant to which CFT agreed to acquire 100% of the issued capital in Leading Fortune Global, a company established in the British Virgin Islands with limited liability. Leading Fortune Global and its subsidiaries are engaged in the provision of finance leases over high performance data processing computer units.

Saved as disclosed herein, the Group had no material acquisition or disposal of subsidiaries, associates or joint ventures during the year ended 31 December 2021.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group generally finances its operations with internally generated cash flows, the bank balances and proceeds from placing of new shares and convertible bonds.

As at 31 December 2021, the Group had bank balances and cash of approximately RMB169,358,000 as compared to the bank balances and cash of approximately RMB115,805,000 as at 31 December 2020.

The Group’s net current assets totalled approximately RMB135,036,000 as at 31 December 2021, against approximately RMB94,672,000 as at 31 December 2020. The Group’s current ratio was approximately 2.30 as at 31 December 2021 as compared with 2.22 as at 31 December 2020.

## **GEARING RATIO**

The gearing ratio of the Group (measured as total liabilities to total assets) was approximately 34.9% as at 31 December 2021 (2020: 41.1%).

## **CAPITAL STRUCTURE**

As at 31 December 2021, the Company has 6,752,210,578 shares in issue.

## **Placing of Shares and Placing of CB**

On 28 April 2021, the Company entered into a share placing agreement (the “**Share Placing Agreement**”) with a placing agent, pursuant to which the Company was desirous of offering up to 470,000,000 new shares (the “**Placing Shares**”) free from any encumbrance whatsoever for subscription and appointed the placing agent on sole and exclusive basis to place and procure subscriptions for the Placing Shares on a best effort basis subject to the terms and conditions set out in the Share Placing Agreement (the “**Placing of Shares**”). The placing agent shall procure not less than six share placing placees to subscribe for Placing Shares at a price of HK\$0.102 per Placing Share. The Placing of Shares was completed on 28 May 2021 and an aggregate of 470,000,000 Placing Shares have been successfully placed to not less than six share placing placees, details of the Placing of Shares were set out in the Company’s announcements dated 28 April 2021, 18 May 2021 and 28 May 2021.

On 28 April 2021, the Company entered into a convertible bond (the “**CB**”) placing agreement (the “**CB Placing Agreement**”) with a placing agent, pursuant to which the Company proposed to offer for subscription, and the placing agent had agreed to procure subscriptions for, the CB on a best effort basis on the terms and subject to the conditions set out in the CB Placing Agreement (the “**Placing of CB**”). The placing agent shall procure not less than six CB placing placees to subscribe for the CB in the principal amount of up to HK\$90,000,000. The Placing of CB was completed on 28 May 2021 and the CB in aggregate principal amount of HK\$40,000,000 have been placed to one CB placing placee, namely Mr. Song Bo (“**Mr. Song**”). Mr. Song was appointed as an executive Director and chief operating officer of the Company on 25 June 2021. On 15 September 2021, 320,000,000 shares upon conversion of the CB in the principal amount of HK\$40,000,000 were issued and thus the CB was fully converted and there has been no remaining outstanding balance since then. Details of the Placing of CB were set out in the Company’s announcements dated 28 April 2021, 18 May 2021 and 28 May 2021.

The reasons for conducting the Placing of Shares and Placing of CB were to broaden the Company’s shareholder base and strengthen its capital base and working capital position, which is also an opportunity for the Group to raise equity capital for its future developments.

## **USE OF PROCEEDS**

### **Placing of Shares and Placing of CB**

The net proceeds from the Placing of Shares and Placing of CB which completed on 28 May 2021, after deduction of the relevant fees paid by the Company in connection therewith, were approximately HK\$47,790,000 and HK\$39,760,000 respectively.

The Company intends to apply the net proceeds from the Share Placing and the CB Placing in the same proportion and in the same manner as shown in the announcement of the Company dated 28 May 2021. An analysis of the utilisation of the net proceeds during the Reporting Period is set out below:

<b>Intended use of net proceeds</b>	<b>Original allocation of net proceeds <i>HK\$'000</i></b>	<b>Net proceeds utilised during the year ended 31 December 2021 <i>HK\$'000</i></b>	<b>Unutilised balance of net proceeds up to 31 December 2021 <i>HK\$'000</i></b>	<b>Expected timeline for unused net proceeds</b>
Possible investment in the education and finance market	60,050	42,000	18,050	2022
General working capital	27,500	19,654	7,846	2022
Total	<u>87,550</u>	<u>61,654</u>	<u>25,896</u>	

## **FOREIGN EXCHANGE EXPOSURE**

Substantially all of the business transactions of the Group are denominated in Renminbi and Hong Kong dollars. The Group adopts a conservative financial policy. As at 31 December 2021, the Group did not have any bank liabilities, interest or currency swaps or other financial derivatives for hedging purpose. Therefore, the Group is not exposed to any material interest and exchange risks.

## **CONTINGENT LIABILITIES**

As at 31 December 2021, the Group had no contingent liabilities (2020: Nil).

## **CHARGES ON GROUP ASSETS**

As at 31 December 2021, the Group did not have any charges on its assets (2020: Nil).

## **CAPITAL COMMITMENT**

As at 31 December 2021, the Group had outstanding capital commitment in respect of capital contribution of interests in associates of RMB13,840,000 (2020: RMB8,000,000).

## EVENTS AFTER THE REPORTING PERIOD

- (a) On 4 January 2022 (“**Date of Grant**”), the Company grants 100,000,000 share options to two (2) eligible participants (as defined in the share option scheme approved and adopted by the Company on 28 May 2014, the “**Share Option Scheme**”) (the “**Grantees**”), which are independent third parties, at the exercise price of HK\$0.103 per share, the share options are vested within 3 years from the date of grant.

Among the 100,000,000 share options granted, 45,000,000 share options were granted to one eligible participant (“**Grantee A**”), representing approximately 0.67% of the Company’s total number of issued shares as at the Date of Grant and 55,000,000 Share Options were granted to another eligible participant (“**Grantee B**”), representing approximately 0.81% of the Company’s total number of issued shares as at the Date of Grant. Save for the Share Options granted to Grantee A and Grantee B on the Date of Grant, neither Grantee A nor Grantee B had any other exercised and outstanding options in the 12-month period prior to the Date of Grant.

Grantee A is a limited company registered in Hong Kong, which is wholly owned by one individual (“**Ultimate Beneficial Owner A**”). Ultimate Beneficial Owner A has extensive experience in capital markets and investments. Grantee A is a company principally engaged in the business of providing referral services in the commercial market, and Grantee A is engaged by the Company for its project referral services.

Grantee B is a limited company registered in BVI, which is wholly owned by one individual (“**Ultimate Beneficial Owner B**”). Ultimate Beneficial Owner B has extensive experiences in capital markets and corporate finance. Grantee B is a company principally engaged in the business of providing marketing promotion services in the commercial market, and Grantee B is engaged by a subsidiary of the Company for its product promotion services.

The Board considers that each of the Grantees possesses extensive experiences, business network and market connections in its respective area of expertise. Accordingly, through cooperation with these Grantees, the Group is able to utilise their expertise, network and connections to accomplish the long-term growth and profitability of the Group.

Details of this grant of share options and the Grantees were set out in the Company’s announcements dated 4 January 2022 and 10 January 2022.

- (b) On 28 January 2022, the Company, as potential purchaser, entered into MOU B with Artfluence. Pursuant to MOU B, the Company will acquire a minimum of 55% and a maximum of 60% equity interests in Artfluence, a company incorporated in Hong Kong with limited liability. Details of the MOU B was set out in the Company's announcement dated 28 January 2022.
- (c) On 24 March 2022, the Company was being informed that the transfer agreement between 北京創聯國培雲科技有限公司 (Beijing Chuanglian Guopei Cloud Technology Company Limited\*) and the purchaser has lapsed due to certain conditions precedent not yet fulfilled and the purchaser has not exercised its discretion to waive any of the conditions precedent. Details of the transfer agreement and the lapsed of the transfer agreement are set out in the announcements of the Company dated 22 March 2021 and 24 March 2022 respectively.

Except for above mentioned, there were no material events occurred after the financial report date.

## **EMPLOYEE INFORMATION AND REMUNERATION POLICY**

As at 31 December 2021, the Group had 381 employees (2020: 327 employees) in Hong Kong and the PRC and the total staff costs (including all Directors' remuneration and fees) are approximately RMB50,491,000 for the year ended 31 December 2021 (2020: approximately RMB41,600,000).

The Group offers competitive remuneration package, including medical and retirement benefits, to eligible employees. In order to attract, retain and motivate eligible employees, including the Directors, the Company has adopted the Share Option Schemes. As at 31 December 2021, there were 33,300,000 share options remained outstanding which can be exercised by the grantees of the Share Option Schemes.

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance for those Hong Kong employees who are eligible to participate in the MPF Scheme, which contributions are made based on a percentage of the employees' basic salaries and the employees of the Group which operates in the PRC are required to participate in a central pension scheme (the "**Central Pension Scheme**", together with the MPF Scheme, the "**Defined Contribution Schemes**") operated by the local municipal government, which these subsidiaries are required to contribute a certain percentage, which was pre-determined by the local municipal government, of the sum of basic salary and allowance of employees to the Central Pension Scheme. The contributions by the Group for the Defined Contribution Schemes are charged to the statement of profit or loss as they become payable in accordance with the relevant rules of the respective schemes.

The Group's contributions to the Defined Contribution Schemes vest fully and immediately with the employees. Accordingly, (i) for each of the years ended 31 December 2020 and 31 December 2021, there was no forfeiture of contributions under the Defined Contribution Schemes; and (ii) there were no forfeited contributions available for the Group to reduce its existing level of contributions to the Defined Contribution Schemes as at 31 December 2020 and 2021.

For each of the years ended 31 December 2020 and 2021, the Group did not have any defined benefit plan.

The Group is confident that our employees will continue to provide a firm foundation for the success of the Group and will maintain high standard of service to our clients.

## **CHANGE OF THE COMPANY'S NAME**

By a special resolution passed on 18 November 2021, shareholders of the Company resolved to approve the change of name of the Company from "China Chuanglian Education Financial Group Limited 中國創聯教育金融集團有限公司" to "Chuanglian Holdings Limited 創聯控股有限公司". Subsequently, the Certificate of Incorporation on Change of Name and the Certificate of Registration of Alternation of Name of Registered Non-Hong Kong Company were issued by the Registrar of Companies in the Cayman Islands and the Registrar of Companies in Hong Kong on 19 November 2021 and 13 December 2021 respectively to certify the change of the Company's name.

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

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of any listed securities of the Company during the year ended 31 December 2021.

## **FINAL DIVIDEND**

The Board resolved not to recommend the payment of a final dividend for the year ended 31 December 2021.

## **CORPORATE GOVERNANCE CODE**

Maintaining high standards of business ethics and corporate governance practices have always been one of the Company's goals. During the Reporting Period, the Company has adopted and complied with the principles and the code provisions of the Corporate Governance Code (version up to 31 December 2021) as set out in Appendix 14 to the Listing Rules.



## **COMPLIANCE WITH MODEL CODE**

The Company has adopted a code of conduct regarding securities transactions by Directors and other relevant employees on terms no less than the required standard in the Model Code as set out in Appendix 10 to the Listing Rules (the “**Model Code**”). The Company had also made specific enquiry of all Directors and the Company was not aware of any non-compliance with the required standard in the Model Code and its code of conduct regarding Directors’ and other securities transactions.

## **AUDIT COMMITTEE**

The audit committee of the Company (the “**Audit Committee**”) currently consists of all three independent non-executive Directors, namely, Mr. Leung Siu Kee, Mr. Wu Yalin and Ms. Wang Shuping. The Audit Committee has reviewed the accounting principles and practices adopted by the Group; discussed auditing, risk management, internal control systems and financial reporting matters; and reviewed the Group’s audited consolidated financial statements and annual results for the year ended 31 December 2021.

## **PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This final results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and on the Company’s website at [www.chinahrt.com](http://www.chinahrt.com). The Annual Report 2021 of the Company will also be published on the aforesaid websites in due course.

By order of the Board  
**Chuanglian Holdings Limited**  
**Lu Xing**  
*Chairman and executive Director*

Hong Kong, 31 March 2022

*As at the date of this announcement, the Board comprises Mr. Lu Xing (Chairman), Mr. Gao Yongzhi, Mr. Li Jia, Mr. Xu Dayong, Mr. Zhang Jie and Mr. Song Bo, as executive Directors; and Mr. Leung Siu Kee, Mr. Wu Yalin and Ms. Wang Shuping as independent non-executive Directors.*

\* *For identification purposes only*