

INTERIM REPORT



中期報告 2022

**CCTI FORTIS**  
中建富通集團有限公司  
Stock Code 138



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# chairman's statement

On behalf of the Board, I report the interim results of the Group for the six months ended 30 June 2022.

## RESULTS

Amidst difficult operating environment, the Group recorded net loss attributable to owners of the parent of HK\$17 million, representing a decrease of 79.3% as compared to net loss of HK\$82 million for the first half of last year. This significant reduction in reported loss was mainly attributable to a gain of approximately HK\$93 million of legal proceedings in relation to the intended sale and purchase of a commercial development project in Hong Kong and the car park development at the same premises that initiated by the Group against Party A and Party B in 2013. The above-mentioned legal proceedings were settled in March 2022.

## INTERIM DIVIDEND

In view of current adverse situation, the Group intends to conserve cash resources to combat the difficulties and challenges going forward. Therefore, the Board did not recommend the payment of interim dividend for the six months ended 30 June 2022 (30 June 2021: nil).

## BUSINESS REVIEW

During the six months ended 30 June 2022, the Group was principally engaged in: (i) property business; (ii) securities business; (iii) Blackbird Group's multi-faceted automotive business; (iv) investment in collectible precision devices; and (v) cultural entertainment business.

## PROPERTY BUSINESS

### Hong Kong Property Business

The outbreak of the fifth wave of the COVID-19 pandemic from January 2022 onwards and soaring interest rates posed uncertainties in the recovery of the property market in Hong Kong.

Our property business recorded an operating loss of HK\$12 million, as compared with an operating loss of HK\$3 million for the corresponding period last year. The current period's operating loss was primarily attributable to the unrealised fair value losses on our investment properties of HK\$8 million, whereas unrealised fair value gains of HK\$2 million was recognised in last year's corresponding period.



## SECURITIES BUSINESS

In the first half of 2022, the Company's financial assets at fair value through profit or loss mainly represented investment in 536,671,000 shares of GBA Consolidated Shares (equivalent to 53,667,100,000 shares in GBA prior to its share consolidation effective 20 July 2022), held for trading purposes. These shares representing approximately 29.19% (31 December 2021: 29.19%) of the total number of issued shares of GBA as at the date of this report. The GBA Group is principally engaged in property development business, finance business and automobile business.

In 2021, the Company intended to realise its investment in GBA so as to better allocate its resources to focus on its other principal businesses and to generate cash flow and improve its financial position. On 15 November 2021, certain members of the Group entered into a sale and purchase agreement (the "**Agreement**") with Top Pioneer Holdings Limited (the "**Purchaser**"), an independent third party, under which the Group has agreed to sell all its 29.19% shareholdings in GBA to the Purchaser. The transactions contemplated under the Agreement as amended and supplemented by the supplemental agreement dated 14 December 2021 was approved by the Shareholders in the special general meeting held on 17 January 2022.

Subsequent to the above-mentioned special general meeting, the Company had entered into further Supplemental Agreements to the Agreement. The Agreement was further amended and supplemented by the Supplemental Agreements entered into by the parties to the Agreement.

As at the date of this report, a total of 18,000,000,000 (prior to the share consolidation of GBA effective 20 July 2022) of the sale shares were transferred from the second vendor to the Purchaser; and the Company received a deposit in the aggregate amount of HK\$60 million from the Purchaser.

As at the date of this report, the transactions contemplated under the Agreement as amended and supplemented by the supplemental agreement dated 14 December 2021 and the Supplemental Agreements (the "**Proposed Transactions**") have not yet been completed. In addition, the Company proposes to hold a special general meeting for the Shareholders to approve the variation of terms under the fifth supplemental agreement dated 16 May 2022 and the sixth supplemental agreement dated 4 July 2022, details of which may refer to the Company's announcements dated 16 May 2022, 4 July 2022 and 28 July 2022 respectively.

In the event the Proposed Transactions proceed to completion, the Company will cease to have any shareholding interest in GBA.

During the first half of 2022, save for the Proposed Transactions, the Company did not trade any shares of GBA and did not receive any dividend from these securities. Our securities business recorded operating loss of less than HK\$1 million in the first half of the current period, same as last year's first half.



## **BLACKBIRD GROUP**

The Blackbird Group, under the leadership of its chairman and chief executive officer (“CEO”), Mr. TK Mak, is principally engaged in (i) the official dealership of Ferrari in Hong Kong and Macau, including the repair and servicing business; (ii) the official importership of Maserati in Hong Kong and Macau, also including the repair and servicing business; (iii) classic cars trading and investment business; and (iv) car logistics business. Despite the challenging environment, the management is very pleased with the continuing development of the Blackbird Group’s multi-faceted automotive operations.

### **Ferrari Business**

2022 represents the fifth year of Blackbird Concessionaires’ official Ferrari dealership operations in Hong Kong and Macau. During the first half year under review, Ferrari’s new model launch programme continued with the global unveiling of the 296 GTS, the convertible version of the company’s highly acclaimed V6 hybrid sports car. Blackbird Concessionaires expects to launch this model in Hong Kong during the second half of 2022.

Deliveries of new cars continued. Ferrari’s Roma GT model is proving to be very popular with both existing clients and new customers with a strong order book, as is the new 296 GTB hybrid sports car.

Our Ferrari after-sales centre in Kwai Chung, which occupies about 70,000 square feet, continues to perform very well. This facility is equipped to provide a full range of services including, but not limited to, repairing and maintenance, painting, body shop, restoration, pre-delivery inspection service and car storage. The facility continues to be very well received and strongly supported by customers.

### **Maserati Business**

In the first half of 2021, the Group’s subsidiary, Blackbird Tridente, was appointed as the official importer and distributor for Maserati and the provider of after-sales services in Hong Kong and Macau. The management considers that this importership appointment represents another major milestone for the Blackbird Group in the development of its automotive business.

During the first half year of 2022, Blackbird Tridente opened its new 8,400 square feet Maserati showroom in Causeway Bay, Hong Kong. In addition, Maserati launched its all-new SUV model, the Grecale, and received a number of orders immediately. The Company expects the Grecale to sell well in Hong Kong and Macau given its attractive combination of styling, technology, efficient power trains including a hybrid, and competitive pricing.



### **Classic Cars Trading and Investment Business**

In the current period, the classic and investment car market continued to be affected by the global economic slowdown due to the COVID-19 pandemic. However, the management remains cautiously optimistic regarding the long-term improvement of the classic cars market. The Company will continue to monitor market trends to capitalise on both sales and investment opportunities.

### **Car Logistics Business**

The Group's car logistics business performed well during the first half of this year with a good operating margin. A new contract was signed with Ferrari in April 2022 as the Company became the dedicated roadside rescue and recovery service to Hong Kong Ferrari owners. In addition, the Company's call centre is generating additional opportunities. Work also continued in support of local importers, distributors, dealers, roadside assistance and insurance companies, racing organisations and private owners.

### **INVESTMENT IN COLLECTIBLE PRECISION DEVICES**

The Watch Manual division has received increasing commercial support for its well-regarded print publication and online platforms from key brands and partners. It has a stable readership with a very high degree of engagement, and a number of strategic projects are in progress with regional activations. Mr. TK Mak, the chairman and the CEO of the Blackbird Group, continues on the watch advisory board for Phillips auction house, maintaining our position in the luxury watch industry, and generating considerable international exposure for the Blackbird Group with a highly anticipated third collaboration in 2022, Phillips x Blackbird: The Third Instalment, where he will curate key pieces from the 20th century that have defined contemporary art, design, watches, sports cars, and fashion.

### **CULTURAL ENTERTAINMENT BUSINESS**

Due to the restrictions on public gatherings and cross-border travel, the operating environment of cultural entertainment segment remained difficult as very few concerts, shows, and entertainment events were performed in the first six months of 2022. Given the adverse situation, the cultural entertainment segment continued its cost reduction measures and recorded an operating loss of HK\$6 million in the current period under review as compared with an operating loss of HK\$9 million for the corresponding period last year.



## OUTLOOK

Looking forward, the local and global economic outlook remains highly uncertain and challenging. The COVID-19 pandemic, rising inflation and interest hike, the prolonged Sino-US trade conflict and geopolitical tensions will continue to pose challenges to local and global economic recovery.

Despite the current challenging environment, Blackbird's Ferrari business continues to perform well. We are also happy at the pace that Maserati business has grown so far and believe the Maserati business will contribute a stream of significant revenue to the Group and open up a new avenue for growth of income and profit. We are committed to continue to build up and grow the Blackbird Automotive Group to become one of the global leaders in the automotive sector in the near future.

In the existing adverse circumstance, we will conserve our cash and continue our on-going cost savings initiatives. We will retain our strength and lay the groundwork for the recovery to come. With our resilient and experienced management, we consider that we can withstand the impact caused by these unprecedented challenges. We will try to turn risks into opportunities and continue to pursue our core strategy of achieving long-term sustainable growth for the Company and enhancing long-term value to our Shareholders.

## APPRECIATION

On behalf of the Board, I wish to thank the directors, the management and all our employees for their dedication, loyalty, and hard work to meet the challenges during the period. I also want to thank our Shareholders, investors, bankers, customers, suppliers, and landlords for their continued encouragement and strong support to the Company throughout these unprecedented times.

**Mak Shiu Tong, Clement**

*Chairman*

Hong Kong, 31 August 2022



# financial review

## OVERVIEW OF FIRST HALF OF 2022 FINANCIAL RESULTS

HK\$ million	Six months ended 30 June		
	2022 (Unaudited)	2021 (Unaudited)	% increase/ (decrease)
<b>Revenue</b>	<b>394</b>	282	39.7%
Loss before tax	<b>(19)</b>	(84)	(77.4%)
Tax expenses	-	-	N/A
<b>Loss for the period</b>	<b>(19)</b>	(84)	(77.4%)
Attributable to:			
Owners of the parent	<b>(17)</b>	(82)	(79.3%)
Non-controlling interests	<b>(2)</b>	(2)	-
<b>Loss for the period</b>	<b>(19)</b>	(84)	(77.4%)
Loss per share attributable to ordinary equity holder of the parent			
– Basic	<b>(HK\$0.020)</b>	(HK\$0.094)	(78.7%)
– Diluted	<b>(HK\$0.020)</b>	(HK\$0.094)	(78.7%)
Dividend per share	<b>Nil</b>	Nil	N/A

### Review on Financial Results

The Group's revenue for 1H22 of HK\$394 million was HK\$112 million or 39.7% higher than 1H21, driven mainly by the sale of classic and investment grade Ferrari cars.

In 1H22, the Group recorded a net loss attributable to owners of the parent of HK\$17 million as compared with a net loss of HK\$82 million in 1H21. This notable reduction in loss arose mainly as a result of recognising a gain of approximately HK\$93 million of legal proceedings in relation to the intended sale and purchase of a commercial development project in Hong Kong and the car park development at the same premises that initiated by the Group against Party A and Party B in 2013. The above-mentioned legal proceedings were settled in March 2022.

Net loss attributable to non-controlling interests represented share of net loss by the minority shareholders of the cultural entertainment business.



**ANALYSIS BY BUSINESS SEGMENT**

HK\$ million	Revenue for the six months ended 30 June				
	2022		2021		% increase/ (decrease)
	Amount (Unaudited)	Relative %	Amount (Unaudited)	Relative %	
Property investment and holding	5	1.3%	4	1.4%	25.0%
Ferrari business	202	51.3%	202	71.6%	–
Maserati business	18	4.5%	–	0.0%	N/A
Classic cars trading and logistics business	132	33.5%	46	16.3%	187.0%
Cultural entertainment business	15	3.8%	12	4.3%	25.0%
Other operations	22	5.6%	18	6.4%	22.2%
<b>Total</b>	<b>394</b>	<b>100.0%</b>	<b>282</b>	<b>100.0%</b>	<b>39.7%</b>

HK\$ million	Operating profit/(loss) for the six months ended 30 June		
	2022 (Unaudited)	2021 (Unaudited)	% increase/ (decrease)
Property investment and holding	(12)	(3)	300.0%
Securities business	–*	–*	N/A
Ferrari business	5	(6)	N/A
Maserati business	(9)	–	N/A
Classic cars trading and logistics business	(9)	(7)	28.6%
Classic cars investment	–*	(2)	(100.0%)
Cultural entertainment business	(6)	(9)	(33.3%)
Other operations	63	(14)	N/A
<b>Total</b>	<b>32</b>	<b>(41)</b>	<b>N/A</b>

\* less than HK\$1 million operating loss



### **Property investment and holding**

In 1H22, the property investment segment achieved revenue of HK\$5 million (1H21: HK\$4 million) and recorded operating loss of HK\$12 million as compared with loss of HK\$3 million in the corresponding period last year. The higher loss for the current period under review was primarily attributable to the unrealised fair value losses on our investment property portfolio of HK\$8 million, whereas there was net fair value gains of HK\$2 million in the last corresponding period.

### **Securities business**

This business segment recorded an operating loss of less than HK\$1 million during the current period as well as the same period last year.

### **Ferrari business**

In 1H22, the Ferrari business continued to perform well and recorded revenue of HK\$202 million. Meanwhile, the Ferrari service centre in Kwai Chung continued to perform well during the COVID-19 pandemic. The Ferrari business recorded an operating profit of HK\$5 million in 1H22 as opposed to an operating loss of HK\$6 million in 1H21. The improvement in operating loss was primarily due to cost savings.

### **Maserati business**

The Maserati business generated a revenue of HK\$18 million in 1H22. This new business recorded an operating loss of HK\$9 million, mainly as a result of one-off start-up costs. We believe this business will open up for the Group a new avenue of income and profit growth in the coming years.

### **Classic cars trading and logistics business**

Given these unprecedented times, the classic cars trading and logistics segments incurred an operating loss of HK\$9 million (1H21: operating loss of HK\$7 million).

### **Classic cars investment**

The operating loss of the classic cars investment was less than HK\$1 million, as compared with an operating loss of HK\$2 million in the corresponding period last year. The decrease in segment's operating loss was mainly due to the gain on disposal of a classic car held for investment in April 2022 in amount of HK\$7 million offset in part by the unrealised fair value losses of HK\$5 million on classic cars held for investment.



### Cultural entertainment business

This business segment recorded a total revenue of HK\$15 million, represented 25.0% increased from HK\$12 million in 1H21. Operating loss was HK\$6 million (1H21: operating loss of HK\$9 million). The decrease in operating loss was primarily led by cost savings.

### Other operations

Other operations mainly comprise investment of collectible precision devices, the multimedia business, artist management and other new ventures which are in the development and start-up stage. The other operations' revenue rose by 22.2% to HK\$22 million in 1H22. This segment recorded an operating profit of HK\$63 million, as opposed to an operating loss of HK\$14 million in the last corresponding period. It was attributable to the gain of approximately HK\$93 million of legal proceedings in relation to the intended sale and purchase of a commercial development project in Hong Kong and the car park development at the same premises, offset in part by the unrealised fair value losses of HK\$9 million on the collectible precision devices held for investment.

### ANALYSIS BY GEOGRAPHICAL SEGMENT

HK\$ million	Revenue for the six months ended 30 June					
	2022		2021		% increase/ (decrease)	
	Amount (Unaudited)	Relative %	Amount (Unaudited)	Relative %		
Hong Kong, Macau and Mainland	<b>276</b>	<b>70.0%</b>	250	88.7%	10.4%	
Rest of the world	<b>118</b>	<b>30.0%</b>	32	11.3%	268.8%	
<b>Total</b>	<b>394</b>	<b>100.0%</b>	282	100.0%	39.7%	

Most of the Group's revenue was generated in Hong Kong, Macau and Mainland in 1H22 and 1H21. The revenue from these regions of HK\$276 million was HK\$26 million or 10.4% higher than 1H21, mainly led by increase of sale of Maserati cars. The revenue from rest of the world increased by 268.8% as a result of sale of a number of classic cars held for trading in the current period.



**CAPITAL STRUCTURE AND GEARING RATIO**

HK\$ million	30 June 2022		31 December 2021	
	Amount (Unaudited)	Relative %	Amount (Audited)	Relative %
Bank borrowings	<b>1,569</b>	<b>43.8%</b>	1,623	47.7%
Other borrowings	<b>116</b>	<b>3.2%</b>	117	3.5%
Lease liabilities	<b>45</b>	<b>1.2%</b>	42	1.2%
Bonds	<b>250</b>	<b>7.0%</b>	–	–
Total borrowings	<b>1,980</b>	<b>55.2%</b>	1,782	52.4%
Equity attributable to owners of the parent	<b>1,606</b>	<b>44.8%</b>	1,621	47.6%
Total capital employed	<b>3,586</b>	<b>100.0%</b>	3,403	100.0%

The Group's gearing ratio was 55.2% as at 30 June 2022, slightly higher than the gearing ratio of 52.4% as at 31 December 2021. The Group continued to maintain a reasonable gearing ratio in difficult times.

Total outstanding borrowings were HK\$1,980 million as at 30 June 2022 (31 December 2021: HK\$1,782 million). Most of the Group's outstanding borrowings are long-term bank loans.

As at 30 June 2022, the maturity profile of the total borrowings of the Group falling due within one year, in the second to the fifth years and beyond five years amounted to HK\$489 million, HK\$1,171 million and HK\$320 million, respectively (31 December 2021: HK\$1,508 million\*, HK\$139 million and HK\$135 million, respectively). There was no material effect of seasonality on the Group's borrowing requirements.

\* See elaboration in the section headed "LIQUIDITY AND FINANCIAL RESOURCES" of this interim report.



## LIQUIDITY AND FINANCIAL RESOURCES

HK\$ million	<b>30 June 2022 (Unaudited)</b>	31 December 2021 (Audited)
Current assets	<b>1,391</b>	1,303
Current liabilities	<b>906</b>	1,879
Net current assets/(liabilities)	<b>485</b>	(576)

The Group's net current assets as at 30 June 2022 was HK\$485 million, reflecting a high liquidity of the Group's financial position.

As at 31 December 2021, the Group's net current liabilities of HK\$576 million was primarily due to the reclassification of approximately HK\$1,051 million bank borrowings from non-current liabilities to current liabilities. The reclassification was resulted from non-compliance of a debt covenant related to the amount of shareholders' fund under certain facilities agreements entered into by the Group with one of its bankers, which was made known to the banker by the Group before 31 December 2021. Subsequently, the bank revised the debt covenant, upon which the Group rectified the non-compliance. The bank borrowings of approximately HK\$1,051 million was reclassified back to non-current liabilities as a result of the rectification of the non-compliance.

The Group derives its working capital mainly from cash on hand, net cash generated from operating activities and bank borrowings. The Board expects that the Group will rely on net cash from operating activities, additional borrowings (if required) and sale of non-core assets to meet demand of working capital and capital expenditure, if any.

### CAPITAL COMMITMENTS

As at 30 June 2022, capital commitment of the Group amounted to approximately HK\$10 million (31 December 2021: HK\$5 million). The Group intends to finance the capital commitment by internal resources.

### TREASURY MANAGEMENT

The Group employs a prudent approach to cash management and risk control. To achieve better risk control and efficient fund management, the Group's treasury activities are centralised.

The objective of the Group's treasury policies is to minimise risks and exposures due to the fluctuations in foreign currency exchange rates and interest rates. The Group did not have any significant interest rate risk in 1H22 as the interest rates currently remain at relative low level.

The Group did not have any significant exchange risk in the 1H22. We will continue to monitor the currency exposure but we have no intention to enter into any high-risk exchange derivatives.



## **ACQUISITION AND DISPOSAL OF MATERIAL SUBSIDIARIES AND ASSOCIATES**

The Group did not acquire or dispose of any material subsidiaries and associates during the period under review.

## **PLEDGE OF ASSETS**

Details of pledge of assets are stated in note 17 to the financial information of this interim report.

## **CONTINGENT LIABILITIES**

Details of the contingent liabilities are stated in note 16 to the financial information of this interim report.

## **EMPLOYEES AND REMUNERATION POLICY**

The total number of employees of the Group as at 30 June 2022 was 304 (31 December 2021: 271). The Group's remuneration policy is built on principle of equality, motivating, performance-oriented and market-competitive remuneration package to employees. Remuneration packages are normally reviewed on an annual basis. Apart from salary payments, other staff benefits include provident fund contributions, medical insurance coverage and performance related bonuses. Share options may also be granted to eligible employees and persons of the Group. As at 30 June 2022, there were no outstanding share options issued by the Company (31 December 2021: nil).



## interim results

The Board is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 June 2022 together with the comparative figures for the corresponding period in 2021 as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022

HK\$ million	Notes	Six months ended 30 June	
		2022 (Unaudited)	2021 (Unaudited)
<b>REVENUE</b>	3	<b>394</b>	282
Cost of sales		<b>(329)</b>	(235)
Gross profit		<b>65</b>	47
Other income and gains		<b>109</b>	11
Selling and distribution expenses		<b>(6)</b>	(5)
Administrative expenses		<b>(122)</b>	(104)
Other expenses and losses		<b>(33)</b>	–
Finance costs		<b>(32)</b>	(32)
Share of loss of an associate		–	(1)
<b>LOSS BEFORE TAX</b>	5	<b>(19)</b>	(84)
Income tax expenses	6	–	–
<b>LOSS FOR THE PERIOD</b>		<b>(19)</b>	(84)
<b>Attributable to:</b>			
Owners of the parent		<b>(17)</b>	(82)
Non-controlling interests		<b>(2)</b>	(2)
		<b>(19)</b>	(84)
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic	8	<b>(HK\$0.020)</b>	(HK\$0.094)
Diluted	8	<b>(HK\$0.020)</b>	(HK\$0.094)



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***For the six months ended 30 June 2022*

HK\$ million	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
<b>LOSS FOR THE PERIOD AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(19)</b>	(84)
<b>Attributable to:</b>		
Owners of the parent	(17)	(82)
Non-controlling interests	(2)	(2)
	<b>(19)</b>	(84)



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
*30 June 2022*

HK\$ million	Notes	<b>30 June 2022 (Unaudited)</b>	31 December 2021 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	<b>710</b>	732
Investment properties		<b>1,643</b>	1,651
Goodwill		<b>17</b>	17
Intangible asset		<b>–</b>	3
Investment in an associate		<b>–</b>	–
Classic cars held for investment		<b>111</b>	173
Collectible precision devices held for investment		<b>158</b>	167
Other receivables		<b>1</b>	1
Deferred tax assets		<b>1</b>	1
Total non-current assets		<b>2,641</b>	2,745
<b>Current assets</b>			
Inventories		<b>94</b>	78
Stock of classic cars held for sale		<b>131</b>	89
Trade receivables	10	<b>260</b>	247
Investment in a film		<b>80</b>	80
Prepayments and other receivables		<b>507</b>	456
Financial assets at fair value through profit or loss	11	<b>256</b>	256
Pledged time deposits		<b>40</b>	40
Cash and cash equivalents		<b>23</b>	57
Total current assets		<b>1,391</b>	1,303
<b>Total assets</b>		<b>4,032</b>	4,048



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(continued)*

30 June 2022

HK\$ million	Notes	<b>30 June 2022 (Unaudited)</b>	31 December 2021 (Audited)
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Issued capital	15	87	87
Reserves		1,519	1,534
		<b>1,606</b>	1,621
Non-controlling interests		7	9
<b>Total equity</b>		<b>1,613</b>	1,630
<b>Non-current liabilities</b>			
Interest-bearing bank and other borrowings		1,241	274
Convertible bonds	13	–	243
Bonds	14	250	–
Deferred tax liabilities		22	22
Total non-current liabilities		<b>1,513</b>	539
<b>Current liabilities</b>			
Trade payables	12	50	46
Tax payable		3	3
Other payables and accruals		364	322
Interest-bearing bank and other borrowings		489	1,508
Total current liabilities		<b>906</b>	1,879
<b>Total liabilities</b>		<b>2,419</b>	2,418
<b>Total equity and liabilities</b>		<b>4,032</b>	4,048
<b>Net current assets/(liabilities)</b>		<b>485</b>	(576)
<b>Total assets less current liabilities</b>		<b>3,126</b>	2,169



## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

HK\$ million	Equity component										Total	Non-controlling interests	Total equity
	Issued capital	Share premium account	Capital reserve	Distributable reserve	convertible bonds	Asset revaluation reserve	Exchange fluctuation reserve	Capital redemption reserve	(Accumulated losses)/ retained profits				
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At 1 January 2022	87	223	741	841	22	44	28	24	(369)	1,621	9	1,630	
Total comprehensive loss for the period	-	-	-	-	-	-	-	-	(17)	(17)	(2)	(19)	
Redemption of convertible bonds	-	-	-	-	(22)	-	-	-	24	2	-	2	
At 30 June 2022	87	223	741	841	-	44	28	24	(382)	1,606	7	1,613	
At 1 January 2021	87	223	741	841	22	44	28	24	128	2,138	13	2,151	
Total comprehensive loss for the period	-	-	-	-	-	-	-	-	(62)	(62)	(2)	(64)	
At 30 June 2021	87	223	741	841	22	44	28	24	46	2,056	11	2,067	



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS***For the six months ended 30 June 2022*

HK\$ million	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(19)	(84)
Adjustments for:		
Finance costs	32	32
Share of loss of an associate	–	1
Depreciation	42	37
Amortisation of intangible asset	3	3
Fair value losses/(gains) on investment properties, net	8	(2)
Fair value losses on classic cars held for investment, net	5	–
Fair value losses on collectible precision devices held for investment, net	9	–
Gain on sale of classic cars held for investment	(7)	–
	<b>73</b>	<b>(13)</b>
Increase in inventories	(11)	–
Decrease in stock of classic cars held for sale	2	–
Increase in trade receivables	(13)	(35)
(Increase)/decrease in prepayments and other receivables	(51)	46
Increase in trade payables, other payables and accruals	45	27
Cash flows from operations	45	25
Interest paid	(31)	(31)
Net cash flows from/(used in) operating activities	14	(6)



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS** *(continued)*
*For the six months ended 30 June 2022*

HK\$ million	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of items of property, plant and equipment	(4)	–
Proceeds from sale of classic cars held for investment	20	–
Increase in pledged time deposits	–	(11)
Net cash flows from/(used in) investing activities	16	(11)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
New bank and other loans	213	183
Repayment of bank loans	(267)	(135)
Principal portion of lease payments	(19)	(15)
Issuance of bonds	250	–
Redemption of convertible bonds	(241)	–
Net cash flows (used in)/from financing activities	(64)	33
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(34)	16
Cash and cash equivalents at beginning of the period	57	48
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	23	64
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	23	64



## NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 1. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Listing Rules and with Hong Kong Accounting Standards (“**HKAS**”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The unaudited interim condensed consolidated financial information should be read in conjunction with the audited annual consolidated financial statements of the Group for the year ended 31 December 2021 (the “**2021 Annual Report**”).

### 2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s 2021 Annual Report, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) for the first time for the current period’s financial information.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts — Cost of Fulfilling a Contract</i>
Annual Improvements to HKFRSs 2018–2020	<i>Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41</i>

The nature and impact of the revised HKFRSs 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 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 contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.



## 2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

- (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, 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 2022. Since there was no sale of items produced while making property, plant and equipment available for use on or after 1 January 2022, 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 to financial liabilities that are modified or exchanged on or after 1 January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.

HKFRS 16 Leases: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.



### 3. REVENUE

An analysis of revenue is as follows:

HK\$ million	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
<b>Revenue from contracts with customers</b>		
Ferrari business	202	202
Maserati business	18	–
Classic cars trading and logistics business	132	46
Cultural entertainment business	15	12
Other operations	22	18
	<b>389</b>	278
<b>Revenue from other sources</b>		
Rental income from investment properties	5	4
Total revenue	<b>394</b>	282



### 3. REVENUE (continued)

#### Revenue from contracts with customers

##### (i) Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

#### For the six months ended 30 June 2022 (Unaudited)

HK\$ million	Timing of revenue recognition		Total
	Goods transferred at a point in time	Services transferred over time	
Ferrari business	164	38	202
Maserati business	9	9	18
Classic cars trading and logistics business	118	14	132
Cultural entertainment business	–	15	15
Other operations	5	17	22
<b>Total</b>	<b>296</b>	<b>93</b>	<b>389</b>

#### For the six months ended 30 June 2021 (Unaudited)

HK\$ million	Timing of revenue recognition		Total
	Goods transferred at a point in time	Services transferred over time	
Ferrari business	168	34	202
Maserati business	–	–	–
Classic cars trading and logistics business	32	14	46
Cultural entertainment business	–	12	12
Other operations	13	5	18
<b>Total</b>	<b>213</b>	<b>65</b>	<b>278</b>



### 3. REVENUE *(continued)*

#### Revenue from contracts with customers *(continued)*

##### **(ii) Performance obligations**

Information about the Group's performance obligations is summarised below:

###### *Sale of Ferrari cars*

The performance obligation is satisfied upon delivery of Ferrari cars and payment in advance is normally required for customers.

###### *Sale of Maserati cars*

The performance obligation is satisfied upon delivery of Maserati cars and payment in advance is normally required for customers.

###### *Sale of classic cars*

The performance obligation is satisfied upon delivery of the classic cars and payment is generally due within 30 days from delivery, except for new customers, where payment in advance is normally required.

###### *Provision of car logistics and after-sale services*

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 90 days upon completion of services.

###### *Sale of stage audio and lighting equipment*

The performance obligation is satisfied upon delivery of the stage audio and lighting equipment to customers and payment is generally due within 30 to 90 days from delivery.

###### *Leasing of stage audio and lighting equipment and provision of stage technical and engineering services*

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 90 days upon completion of services. The service contracts are project-based, usually less than 1 year and do not contain variable consideration.



### 3. REVENUE *(continued)*

#### Revenue from contracts with customers *(continued)*

##### **(ii) Performance obligations** *(continued)*

###### *Provision of advertising services under other operations*

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 90 days upon completion of services.

All the amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised within one year.

### 4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has the following reportable operating segments:

- (a) the property investment and holding segment which represents investment and holding of properties;
- (b) the securities business segment representing the trading in securities and holding of securities, financial assets and treasury products;
- (c) Ferrari business segment representing sale and distribution of Ferrari cars and provision of after-sale services as official dealer of Ferrari in Hong Kong and Macau;
- (d) Maserati business segment representing the import and distribution of Maserati cars and provision of after-sale services as official importer of Maserati in Hong Kong and Macau;
- (e) classic cars trading and logistics segment representing the trading and sale of classic cars and car logistics business;



#### 4. OPERATING SEGMENT INFORMATION *(continued)*

- (f) classic cars investment segment which is acquisition of classic cars for long-term investment purpose;
- (g) cultural entertainment business segment representing film operations, stage audio, lighting and engineering operations; and
- (h) other operations segment which is engaged in supportive business and start-up business including multimedia operations, the running of a classic car service centre, artist management, magazine publication and investment in collectible precision devices.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that non-lease-related finance costs, share of profit/loss of an associate and head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets and corporate and other unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude deferred tax liabilities and corporate and other unallocated liabilities as these liabilities are managed on a group basis.



#### 4. OPERATING SEGMENT INFORMATION *(continued)*

##### For the six months ended 30 June 2022 (Unaudited)

HK\$ million	Property investment and holding	Securities business	Ferrari business	Maserati business	Classic cars trading and logistics	Classic cars investment	Cultural entertainment business	Other operations	Reconciliations	Total
<b>Segment revenue:</b>										
Sales to external customers	5	-	202	18	132	-	15	22	-	394
Other revenue	-	-	3	-	1	7	1	97	-	109
	5	-	205	18	133	7	16	119	-	503
Operating (loss)/profit	(12)	-*	5	(9)	(9)	-*	(6)	63	-	32
Finance costs										(32)
<b>Reconciled items:</b>										
Corporate and other unallocated expenses										(19)
Share of loss of an associate										-
<b>Loss before tax</b>										(19)
Income tax expenses										-
<b>Loss for the period</b>										(19)
<b>Other segment information:</b>										
Expenditure for non-current assets	-	-	3	16	1	-	-	5	-	25
Depreciation and amortisation	(4)	-	(23)	(2)	(2)	-	(4)	(10)	-	(45)
<b>Other material non-cash items:</b>										
Fair value losses on investment properties, net	(8)	-	-	-	-	-	-	-	-	(8)
Fair value losses on classic cars held for investment, net	-	-	-	-	-	(5)	-	-	-	(5)
Fair value losses on collectible precision devices held for investment, net	-	-	-	-	-	-	-	(9)	-	(9)
<b>As at 30 June 2022 (Unaudited)</b>										
<b>Segment assets</b>										
Reconciled items:	1,649	790	241	93	193	115	147	332	-	3,560
Corporate and other unallocated assets	-	-	-	-	-	-	-	-	472	472
Total assets	1,649	790	241	93	193	115	147	332	472	4,032
<b>Segment liabilities</b>										
Reconciled items:	954	327	367	83	71	-	47	95	-	1,944
Corporate and other unallocated liabilities	-	-	-	-	-	-	-	-	475	475
Total liabilities	954	327	367	83	71	-	47	95	475	2,419

\* operating loss less than HK\$1 million



#### 4. OPERATING SEGMENT INFORMATION (continued)

For the six months ended 30 June 2021 (Unaudited)

HK\$ million	Property investment and holding	Securities business	Ferrari business	Maserati business	Classic cars trading and logistics	Classic cars investment	Cultural entertainment business	Other operations	Reconciliations	Total
<b>Segment revenue:</b>										
Sales to external customers	4	-	202	-	46	-	12	18	-	282
Other revenue	-	-	1	-	-	-	-	4	-	5
	4	-	203	-	46	-	12	22	-	287
Operating loss	(3)	-	(6)	-	(7)	(2)	(9)	(14)	-	(41)
Finance costs	-	-	-	-	-	-	-	-	-	(32)
<b>Reconciled items:</b>										
Corporate and other unallocated expenses	-	-	-	-	-	-	-	-	-	(10)
Share of loss of an associate	-	-	-	-	-	-	-	(1)	-	(1)
<b>Loss before tax</b>										(84)
Income tax expenses										-
<b>Loss for the period</b>										(84)
<b>Other segment information:</b>										
Expenditure for non-current assets	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation	(4)	-	(23)	-	(2)	-	(4)	(7)	-	(40)
<b>Other material non-cash items:</b>										
Fair value gains on investment properties, net	2	-	-	-	-	-	-	-	-	2
<b>As at 31 December 2021 (Audited)</b>										
<b>Segment assets</b>										
Reconciled items:										
Corporate and other unallocated assets	-	-	-	-	-	-	-	-	486	486
Total assets	1,657	790	232	60	150	177	154	342	486	4,048
<b>Segment liabilities</b>										
Reconciled items:										
Corporate and other unallocated liabilities	-	-	-	-	-	-	-	-	481	481
Total liabilities	956	315	406	40	69	-	55	96	481	2,418

\* less than HK\$1 million



#### 4. OPERATING SEGMENT INFORMATION *(continued)*

##### Geographical information

##### (a) Revenue from external customers

HK\$ million	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Hong Kong, Macau and Mainland	276	250
Rest of the world	118	32
	<b>394</b>	<b>282</b>

The revenue information above is based on the final locations where the Group's products/services were sold/provided to customers.

##### (b) Non-current assets

HK\$ million	30 June	31 December
	2022 (Unaudited)	2021 (Audited)
Hong Kong, Macau and Mainland	2,539	2,623
Rest of the world	100	120
	<b>2,639</b>	<b>2,743</b>

The non-current assets information is based on the location of the assets and excludes financial instruments and deferred tax assets.

##### Information about major customers

For the six months ended 30 June 2022, a customer of the classic cars segment contributed HK\$44 million, representing 11% of the Group's total revenue.

For the six months ended 30 June 2021, a customer of the classic cars segment contributed HK\$32 million, representing 11% of the Group's total revenue.



## 5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

HK\$ million	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Cost of classic cars sold	112	31
Cost of Ferrari business	167	170
Cost of Maserati business	15	–
Cost of cultural entertainment business	16	16
Cost of automotive service provided	8	8
Cost of other operations	11	10
Depreciation and amortisation	45	40

## 6. INCOME TAX

No Hong Kong profits tax has been provided for the six months ended 30 June 2022 and 2021 as the Group had no profits chargeable to Hong Kong profits tax during those periods. During the six months ended 30 June 2022 and the corresponding period in 2021, the Group had no profit subject to foreign tax outside of Hong Kong and no provision had been made for overseas tax.

## 7. DIVIDENDS

The Board did not declare an interim dividend for the six months ended 30 June 2022 (30 June 2021: nil).



## 8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculations of basic and diluted loss per share are based on:

HK\$ million	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation	(17)	(82)
Interest on convertible bonds	–	8
Loss attributable to ordinary equity holders of the parent before interest on convertible bonds, used in the diluted loss per share calculation	(17)	(74)

	Number of shares	
	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	873,111,452	873,111,452
Effect of dilution — weighted average number of ordinary shares of convertible bonds	–	347,500,000
Weighted average number of ordinary shares used in the diluted loss per share calculation	873,111,452	1,220,611,452

No adjustment has been made to the basic loss per share presented for the six months ended 30 June 2022 in respect of a dilution as the Group did not have any potential diluted ordinary shares during the period.

For the six months ended 30 June 2021, as the diluted loss per share amount is decreased when taking into account of the convertible bonds, the convertible bonds had an anti-dilutive effect on the basic loss per share and were ignored in the calculation of diluted loss per share. Therefore, the diluted loss per share amounts are based on the loss for the period of HK\$82 million and the weighted average number of ordinary shares of 873,111,452 in issue during the six months ended 30 June 2021. The aforesaid convertible bonds were redeemed by the Company on 29 April 2022.



## 9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2022, the Group acquired property, plant and equipment of approximately HK\$25 million (six months ended 30 June 2021: nil) including right-of-use assets of approximately HK\$21 million (six months ended 30 June 2021: nil).

## 10. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

HK\$ million	30 June 2022 (Unaudited)		31 December 2021 (Audited)	
	Balance	Percentage	Balance	Percentage
Within 180 days	47	18	36	15
181 to 365 days	3	1	4	2
1 to 2 years	3	1	1	–
Over 2 years	207	80	206	83
	<b>260</b>	<b>100</b>	247	100

The credit period for most business of the Group is generally one month. The credit term granted to the customers of the securities business is up to 365 days.

## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

HK\$ million	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Financial assets at fair value through profit or loss	256	256



## 12. TRADE PAYABLES

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

HK\$ million	30 June 2022 (Unaudited)		31 December 2021 (Audited)	
	Balance	Percentage	Balance	Percentage
Within 30 days	14	28	13	28
31 to 60 days	1	2	11	24
61 to 90 days	5	10	12	26
Over 90 days	30	60	10	22
	50	100	46	100

## 13. CONVERTIBLE BONDS

The component of convertible bonds that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. On issuance of convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds from issue of the securities is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible bonds based on the allocation of proceeds from issue of the securities to the liability and equity components when the instruments are first recognised.

If the contractual substance of convertible bonds is a single obligation to deliver a variable number of equity instrument, the entire obligation meets the definition of financial liability and the convertible bonds are classified as financial liabilities at fair value through profit or loss. Subsequent to initial recognition, the convertible bonds are stated at fair value, and the gains and losses arising from the change in fair values are included in the statement of profit or loss.



### 13. CONVERTIBLE BONDS *(continued)*

#### 2024 Convertible Bonds

On 30 March 2016, the Company issued the 2024 Convertible Bonds with an aggregate principal amount of HK\$250,200,000 of which principal amount of HK\$180,000,000 and HK\$70,200,000 was issued to Capital Force and New Capital, respectively. The maturity date of the 2024 Convertible Bonds will fall on the eighth anniversary of the date of issue of the 2024 Convertible Bonds, which will fall due on 30 March 2024. The bonds are convertible at the option of the bondholders into ordinary shares at initial conversion price of HK\$0.90 per conversion share (subject to adjustments pursuant to the terms and conditions of the 2024 Convertible Bonds) and the bonds shall be redeemable at the option of the Company at anytime on or before 30 March 2024. The 2024 Convertible Bonds are unsecured, carry interest at 5% per annum on the outstanding principal amount. Interest is payable monthly.

The 2024 Convertible Bonds were split into liability and equity components upon initial recognition by recognising the liability component at fair value and attributing to the equity component the residual amount. The fair value of the liability component of these convertible bonds were estimated at the issuance date using cash flows discounted at a rate based on effective interest rate of 6.57%. The residual amount was assigned as the equity component and was included in shareholders' equity. The fair value of the 2024 Convertible Bonds was determined as of the date of issue by reference to the valuations performed by an independent firm of professionally qualified valuers, Greater China Appraisal Limited.

The conversion price of the 2024 Convertible Bonds was adjusted from HK\$0.90 to HK\$0.87, from HK\$0.87 to HK\$0.84, from HK\$0.84 to HK\$0.81, from HK\$0.81 to HK\$0.78, from HK\$0.78 to HK\$0.75 and from HK\$0.75 to HK\$0.72 per conversion share on 1 June 2016, 15 September 2016, 5 June 2017, 18 September 2017, 5 June 2018 and 19 September 2018 respectively pursuant to the terms and conditions of the convertible bonds.

Capital Force and New Capital transferred all of the 2024 Convertible Bonds to Treasure Goal International Limited (寶高國際有限公司), which is a company wholly-owned by Mr. Mak, on 25 April 2022. The Company redeemed all of the 2024 Convertible Bonds on 29 April 2022.



#### 14. BONDS

On 29 April 2022, the Company issued the 2024 Bonds with an aggregate principal amount of HK\$250,200,000 to Treasure Goal International Limited (寶高國際有限公司) which will fall due on 31 December 2024. The 2024 Bonds shall be redeemable at the option of the Company at any time on or before 31 December 2024. The 2024 Bonds are unsecured, and carry interest at 4.5% per annum on the outstanding principal amount. The interest is payable monthly.

#### 15. SHARE CAPITAL

HK\$ million	<b>30 June 2022 (Unaudited)</b>	31 December 2021 (Audited)
Authorised:		
2,000,000,000 ordinary shares of HK\$0.10 each	<b>200</b>	200
Issued and fully paid:		
873,111,452 (31 December 2021: 873,111,452) ordinary shares of HK\$0.10 each	<b>87</b>	87

There were no transactions involving the Company's issued ordinary share capital during the six months ended 30 June 2022.

#### 16. CONTINGENT LIABILITIES

As at 30 June 2022, contingent liabilities which were not provided for in the Group's financial information were as follows:

##### Litigations

During 2017 and in or about August 2018, various property purchasers initiated legal proceedings against a subsidiary of the Company (the "**Relevant Subsidiary**") concerning alleged misrepresentations on the part of the Relevant Subsidiary in relation to certain properties sold by the Relevant Subsidiary. In September 2018, the Court ordered that all individual legal proceedings against the Relevant Subsidiary were consolidated into one legal proceedings. Based on the existing legal documents and advice of the legal advisor of the Company, the Directors are of the opinion that there is a reasonably good chance of success in the defence by the Relevant Subsidiary. In the opinion of the Directors, no provision is considered necessary for the claims arising from the legal proceedings at the end of the reporting period.



## 17. PLEDGE OF ASSETS

At 30 June 2022, the Group's interest-bearing bank borrowings were secured by:

- (i) mortgage of certain of the Group's leasehold land and buildings situated in Hong Kong, which had an aggregate carrying amount at the end of the reporting period of approximately HK\$578 million (31 December 2021: HK\$588 million);
- (ii) mortgage of the Group's properties situated in Hong Kong, which had an aggregate carrying amount at the end of the reporting period of approximately HK\$1,643 million (31 December 2021: HK\$1,651 million);
- (iii) pledge of certain inventories of the Group, which had an aggregate carrying amount at the end of the reporting period of HK\$34 million (31 December 2021: HK\$35 million); and
- (iv) pledge of certain time deposits of the Group with an aggregate amount of HK\$40 million (31 December 2021: HK\$40 million).

## 18. COMMITMENTS

As at 30 June 2022, capital commitment of the Group amounted to approximately HK\$10 million (31 December 2021: HK\$5 million).



## 19. RELATED PARTY TRANSACTIONS

- (a) As at 30 June 2022, GBA was regarded as a related party of the Company as the Company was a substantial shareholder of GBA, holding approximately 29.19% of the total number of issued GBA Consolidated Shares.

Mr. Mak is also a related party of the Company as he is the chairman, the chief executive officer and the controlling shareholder of the Company. During the six months period ended 30 June 2022, the Group had conducted the following transactions with (i) the GBA Group; and (ii) Mr. Mak and private companies controlled by him:

HK\$ million	notes	Six months ended 30 June	
		2022 (Unaudited)	2021 (Unaudited)
(i) With the GBA Group:			
Administrative service fee	(i)	1	1
Interest expenses	(ii)	2	–*
(ii) With Mr. Mak and private companies controlled by him:			
Interest expense on the 2024 Convertible Bonds	(iii)	5	8
Interest expense on the 2024 Bonds	(iv)	2	–

\* less than HK\$1 million



## 19. RELATED PARTY TRANSACTIONS *(continued)*

(a) *(continued)*

notes:

- (i) The administrative service income was received from the GBA Group for provision of administrative and other related services by the Group to the GBA Group.
- (ii) On 1 June 2021, the Company and a subsidiary of GBA entered into a loan agreement, pursuant to which the subsidiary of GBA agreed to grant an unsecured loan of HK\$70,000,000 to the Company at an interest rate of 7% per annum for two years. The interest expenses of HK\$2 million (six months ended 30 June 2021: less than HK\$1 million) represented interest paid and accrued to a subsidiary of GBA by the Company during the six months ended 30 June 2022.
- (iii) On 27 January 2016, the Company entered into the sale and purchase agreement with Mr. Mak to acquire all the issued shares of the companies which indirectly hold interest in the properties at House 38 and House 39, No. 56 Repulse Bay Road, Repulse Bay, Hong Kong (collectively as the **"Property Holding Companies"**) from Mr. Mak and the shareholder's loans then due to Mr. Mak by the Property Holding Companies for the share consideration of approximately HK\$250 million (which was satisfied by the issue of the 2024 Convertible Bonds to Capital Force and New Capital) and the cash consideration of approximately HK\$29 million. The aforesaid transactions constituted non-exempt connected transactions for the Company under the Listing Rules. The interest expense was paid to Capital Force and New Capital in respect of the 2024 Convertible Bonds, which carry interest at 5% per annum. On 25 April 2022, Capital Force and New Capital transferred all of the 2024 Convertible Bonds to Treasure Goal International Limited (寶高國際有限公司) ("**Treasure Goal**"), which is a company wholly-owned by Mr. Mak. The Company redeemed all of the 2024 Convertible Bonds on 29 April 2022.
- (iv) On 29 April 2022, the Company issued unsecured 2024 Bonds with an aggregate principal amount of approximately HK\$250 million to Treasure Goal which will fall due on 31 December 2024. The interest expense was paid to Treasure Goal in respect of the 2024 Bonds, which carry interest at 4.5% per annum.
- (v) The Company has complied with the relevant requirements under the Listing Rules in respect of the non-exempt connected transactions and non-exempt continuing connected transactions set out in paragraphs (iii) and (iv) above.

(b) Compensation of key management personnel of the Group:

HK\$ million	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Short term employee benefits	7	9



## **20. COMPARATIVE AMOUNTS**

Certain comparative amounts have been reclassified to conform to the current period presentation.

## **21. EVENT AFTER THE REPORTING PERIOD**

On 13 July 2022, the Group through an indirect wholly-owned subsidiary of the Company entered into a provisional agreement for sale and purchase with an independent third party to sell Ocean Investment Limited, an indirect wholly-owned subsidiary of the Company, at the total cash consideration of HK\$107 million. The sole asset of Ocean Investment Limited is a shop which is located at the 18th Floor of Emperor Watch and Jewellery Centre, No.8 Russell Street, Causeway Bay, Hong Kong.

## **22. APPROVAL OF THE INTERIM REPORT**

This interim report was approved by the Board on 31 August 2022.



# disclosure of interests

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2022, the Directors and the chief executive of the Company and/or any of their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) (i) as recorded in the register required to be kept by the Company under section 352 of the SFO; or (ii) as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO; or (iii) as notified to the Company and the Stock Exchange pursuant to the Model Code adopted by the Company:

### Interests and short positions in the shares and the underlying shares as at 30 June 2022

#### Long Positions

Name of Directors	Capacity/ nature of interests	Number of the Shares		Approximate % of the total number of issued Shares*
		No. of Shares	Total interests	
<b>Executive Directors</b>				
Mak Shiu Tong, Clement ("Mr. Mak")	Beneficial owner	25,589,652		
	Interests of controlled corporations	446,025,079 (Note 1)	471,614,731	54.01%
Tam Ngai Hung, Terry (resigned on 12 May 2022)	Beneficial owner	1,380,000	1,380,000	0.15%

\* The percentage was calculated based on 873,111,452 Shares in issue as at 30 June 2022.

#### Note:

- The interests disclosed represented an aggregate of 446,025,079 Shares which were held by Capital Force, New Capital and Capital Winner as at 30 June 2022. All these companies are private corporations as to 51% owned by Mr. Mak and as to 49% by Mr. Mak Chun Kiu, a son of Mr. Mak, beneficially. Mr. Mak is deemed to be interested in 446,025,079 Shares under the SFO as he controls the exercise of all the voting power at respective general meetings of Capital Force, New Capital and Capital Winner.



## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES

(continued)

Save as disclosed above, as at 30 June 2022, none of the Directors and the chief executive of the Company and/or any of their respective associates had any interest and short position in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code adopted by the Company.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed under the sections headed "Directors' and Chief Executive's Interests in Shares and Underlying Shares" and "Share Option Scheme", at no time during the period for the six months ended 30 June 2022 was the Company, or any of its holding companies, subsidiaries or associated corporations, a party to any arrangement to enable the Directors and the chief executive of the Company (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of the shares or underlying shares in, or debentures of, the Company or any of its associated corporations.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2022, the following persons (not being the Directors or the chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

### Interests and short positions in the Shares and the underlying Shares as at 30 June 2022

#### Long Positions

Name of substantial Shareholders	Capacity/ nature of interests	Number of the Shares		Approximate % of the total number of issued Shares*
		No. of Shares	Total interests	
Capital Force (Note 1)	Beneficial owner	96,868,792	96,868,792	11.09%
New Capital (Note 1)	Beneficial owner	171,357,615	171,357,615	19.62%
Capital Winner (Note 1)	Beneficial owner	177,798,672	177,798,672	20.36%
Mr. Mak Chun Kiu (Note 2)	Interest of controlled corporations	446,025,079	446,025,079	51.08%

\* The percentage was calculated based on 873,111,452 Shares in issue as at 30 June 2022.



**SUBSTANTIAL SHAREHOLDERS' INTERESTS** *(continued)***Interests and short positions in the Shares and the underlying Shares as at 30 June 2022**  
*(continued)**Notes:*

1. Capital Force, New Capital and Capital Winner are private corporations, the shares in which are owned as to 51% by Mr. Mak and 49% by Mr. Mak Chun Kiu, a son of Mr. Mak, beneficially.
2. Capital Force, New Capital and Capital Winner are private corporations, the shares in which are owned as to 51% to Mr. Mak and as to 49% by Mr. Mak Chun Kiu, a son of Mr. Mak, beneficially. The interest of Capital Force, New Capital and Capital Winner in the 446,025,079 Shares has also been stated that Mr. Mak Chun Kiu is deemed to be interested in 446,025,079 Shares as at 30 June 2022 under the SFO as he controls the exercise of all the voting power at general meetings of Capital Force, New Capital and Capital Winner.

Save for Mr. Mak who is a director and the beneficial owner of 51% of the issued share capital of Capital Force, New Capital and Capital Winner, no other Director is a director or employee of the above substantial Shareholders which has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, the Directors and the chief executive of the Company are not aware that there is any party (not being the Directors or the chief executive of the Company) who, as at 30 June 2022, had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.



# share option scheme

## SHARE OPTION SCHEME

The 2021 Scheme was approved by the Shareholders at the AGM held on 23 June 2021. Unless otherwise cancelled or amended, the 2021 Scheme will be valid for 10 years from the date of its adoption which is 23 June 2021.

Details of the 2021 Scheme were set out in the circular of the Company dated 26 April 2021.

As at 30 June 2022, there was no share option under the 2021 Scheme remain outstanding and exercisable. No share options were granted, exercised, lapsed or cancelled by the Company under the 2021 Scheme during the six months ended 30 June 2022.



## other information

### **PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES**

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the listed Shares during the six months ended 30 June 2022.

### **CORPORATE GOVERNANCE**

The Company has always recognised the importance of the shareholders' transparency and accountability. It is the belief of the Board that the Shareholders can maximise their benefits from good corporate governance. The Company is committed to maintaining and ensuring high standards of corporate governance in the interests of the Shareholders.

In the opinion of the Directors, the Company has complied with all the Code Provisions under the CG Code throughout the six months period from 1 January 2022 to 30 June 2022, except for the minor deviations from the following Code Provisions of the CG Code:

#### **Code Provision C.2.1**

Code Provision C.2.1 provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

There is no separation of the roles of chairman and chief executive officer of the Company and hence the Company has not complied with the Code Provision C.2.1 for the six months ended 30 June 2022.

Mr. Mak currently assumes the roles of both the Chairman and the CEO. Mr. Mak is an executive of high caliber with a wide range of skills and diversified business expertise. He has substantial experience, strong leadership and a firmly established reputation in the diversified business that is essential to fulfilling the role of the Chairman. At the same time, Mr. Mak has the appropriate management skills and business acumen that are the pre-requisites for assuming the role of the CEO in the day-to-day management of the Group. The Board is composed of two executive Directors (including the Chairman) and three INEDs with a balance of skills and experience appropriate for the requirements of the Group. Furthermore, the roles of the managing director and the general managers of the Company's major operating subsidiaries are performed by other individuals. The Board believes that there is no need to segregate the roles of the Chairman and the CEO as the balance of power and authority is already ensured by the current structure. Moreover, the Board believes that the combined roles of Mr. Mak enhance the communication between the Board and the management and ensure the effective execution of the Board's strategy by the management because of Mr. Mak's extensive business experience.



## **CORPORATE GOVERNANCE** *(continued)*

### **Code Provision B.2.2**

Code Provision B.2.2 provides that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

In accordance with the bye-laws of the Company, any Director appointed to fill a casual vacancy shall hold office only until the next following AGM and shall then be eligible for re-election. The Board considers that such a deviation is not material as casual vacancy of Directors seldom happens and duration between appointment to fill casual vacancy and the immediate following AGM is less than one year and is considered to be short.

Pursuant to the bye-laws of the Company, the Chairman and the managing Director (who is currently assumed by Mr. Mak) shall not be subject to retirement by rotation nor be taken into account in determining the number of Directors to retire in each AGM. The Board considers that the continuity of the Chairman and his leadership will be essential for the stability of the key management of the Group. On the other hand, the Board will ensure that all Directors save for the Chairman will rotate at least once every three years in order to comply with the Code Provision B.2.2.

Other information on the corporate governance practices of the Company has been disclosed in the corporate governance report contained in the 2021 annual report of the Company issued in April 2022.

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

The Company has adopted its code of conduct regarding the securities transactions by the Directors on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry of all existing Directors, they confirmed that they have complied with the required standard set out in the Model Code adopted by the Company throughout the six months ended 30 June 2022.

### **REVIEW OF INTERIM REPORT**

The Group's interim report including the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2022 has been reviewed by the Audit Committee.



**DISCLOSURE ON CHANGE IN INFORMATION OF DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES**

Upon specific enquiry by the Company and following confirmations from the existing Directors, save as otherwise set out below, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

- Mr. Mak Shiu Tong, Clement resigned as an executive director, the chairman, the chief executive officer of GBA Holdings Limited (stock code: 00261); and an authorised representative of GBA Holdings Limited pursuant to Rule 3.05 of the Listing Rules with effect from 20 May 2022.
- Ms. Cheng Yuk Ching, Flora appointed as the deputy chairman of the Company, a member of each of the remuneration committee and the nomination committee of the Company with effect from 12 May 2022; she resigned as an executive director and the deputy chairman of GBA Holdings Limited (stock code: 00261) with effect from 1 August 2022.
- Mr. Chow Siu Ngor resigned as an independent non-executive director of GBA Holdings Limited (stock code: 00261) with effect from 1 August 2022.



## corporate information

### COMPANY NAME

CCT Fortis Holdings Limited

### BOARD AND COMMITTEES OF THE BOARD

#### Executive Directors

Mak Shiu Tong, Clement (*Chairman and CEO*)  
Cheng Yuk Ching, Flora (*Deputy Chairman*)

#### Independent Non-executive Directors

Chen Li  
Chow Siu Ngor  
Lau Ho Kit, Ivan

#### Audit Committee

Lau Ho Kit, Ivan (*chairman*)  
Chen Li  
Chow Siu Ngor

#### Remuneration Committee

Chow Siu Ngor (*chairman*)  
Chen Li  
Lau Ho Kit, Ivan  
Mak Shiu Tong, Clement  
Cheng Yuk Ching, Flora

#### Nomination Committee

Mak Shiu Tong, Clement (*chairman*)  
Cheng Yuk Ching, Flora  
Chen Li  
Chow Siu Ngor  
Lau Ho Kit, Ivan

### COMPANY SECRETARY

Sze Suet Ling ACG, *HKACG*

### PRINCIPAL BANKERS

Nanyang Commercial Bank, Limited  
Hang Seng Bank Limited

### REGISTERED OFFICE

Victoria Place, 5th Floor  
31 Victoria Street  
Hamilton HM 10  
Bermuda

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

18/F., CCT Telecom Building  
11 Wo Shing Street, Fotan  
Shatin, New Territories  
Hong Kong

### BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Tengis Limited  
17/F., Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### TELEPHONE NUMBER

+852 2102 8138

### FAX NUMBER

+852 2102 8100

### COMPANY WEBSITE

[www.cct-fortis.com](http://www.cct-fortis.com)

### STOCK CODE

138



# glossary of terms

## GENERAL TERMS

“2021 Scheme”	The share option scheme of the Company, the adoption of which was approved by the Shareholders at the AGM held on 23 June 2021
“2024 Bonds”	The 4.5% coupon bonds with the aggregate principal amount of HK\$250,200,000 issued by the Company on 29 April 2022 to Treasure Goal International Limited (寶高國際有限公司)
“2024 Convertible Bonds”	The 5% coupon convertible bonds with the aggregate principal amount of HK\$250,200,000 issued by the Company on 30 March 2016 to Capital Force and New Capital; on 25 April 2022, Capital Force and New Capital transferred all of the 5% coupon convertible bonds to Treasure Goal International Limited (寶高國際有限公司), a company is wholly-owned by Mr. Mak; and the Company redeemed all of which on 29 April 2022
“AGM”	The annual general meeting of the Company
“Audit Committee”	The audit committee of the Company
“Blackbird” or “Blackbird Group”	The Blackbird group established by the Company, which is engaged in the multi-faceted automotive business including the Ferrari dealership, Maserati importership, investment and trading of classic cars, car logistics operations and investment in collectible precision devices and other new business ventures
“Blackbird Concessionaires”	Blackbird Concessionaires Limited, a company incorporated in Hong Kong with limited liability, being a wholly-owned subsidiary of the Company under the Blackbird Group
“Blackbird Tridente”	Blackbird Tridente Company Limited, a company incorporated in Hong Kong with limited liability, being a wholly-owned subsidiary of the Company under the Blackbird Group
“Board”	The board of Directors
“Capital Force”	Capital Force International Limited, a company incorporated in the British Virgin Islands with limited liability, the shares in which are owned as to 51% by Mr. Mak and 49% by Mr. Mak Chun Kiu, a son of Mr. Mak, beneficially



“Capital Winner”	Capital Winner Investments Limited, a company incorporated in the British Virgin Islands with limited liability, the shares in which are owned as to 51% by Mr. Mak and 49% by Mr. Mak Chun Kiu, a son of Mr. Mak, beneficially
“CEO”	The chief executive officer of the Company
“CG Code”	The Corporate Governance Code as contained in Appendix 14 to the Listing Rules
“Chairman”	The chairman of the Company
“China” or “PRC”	The People’s Republic of China
“Company”	CCT Fortis Holdings Limited (stock code: 00138), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	The director(s) of the Company from time to time
“GBA”	GBA Holdings Limited (stock code: 00261), a company incorporated in Bermuda with limited liability, the shares of which are listed in the Main Board of the Stock Exchange
“GBA Consolidated Shares”	the consolidation of every one hundred (100) shares of par value of HK\$0.01 each in the issued share capital of GBA into one (1) consolidated share of par value of HK\$1.00, effective 20 July 2022
“GBA Group”	GBA and its subsidiaries, from time to time
“Group”	The Company and its subsidiaries, from time to time
“HK” or “Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“INED(s)”	The independent non-executive director(s) of the Company from time to time
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange



“Macau”	The Macau Special Administrative Region of the PRC
“Mainland”	The mainland of the PRC
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
“Mr. Mak”	Mr. Mak Shiu Tong, Clement, the Chairman, the CEO, an executive Director and the controlling shareholder of the Company
“N/A”	Not applicable
“New Capital”	New Capital Industrial Limited, a company incorporated in the British Virgin Islands with limited liability, the shares in which are owned as to 51% by Mr. Mak and 49% by Mr. Mak Chun Kiu, a son of Mr. Mak, beneficially
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	Ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	Holder(s) of the issued Share(s)
“Supplemental Agreements”	together, the second supplemental agreement dated 26 January 2022, the third supplemental agreement dated 15 March 2022, the fourth supplemental agreement dated 6 May 2022, the fifth supplemental agreement dated 16 May 2022 and the sixth supplemental agreement dated 4 July 2022; further particulars of each of them are set out in the announcements of the Company dated 26 January 2022, 15 March 2022, 6 May 2022, 16 May 2022 and 4 July 2022 respectively
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US”	The United States of America
“%”	Per cent



## FINANCIAL TERMS



“Net Current Assets/(Liabilities)”	Current assets less current liabilities
“Loss Per Share”	Loss attributable to ordinary equity holders of the parent divided by weighted average number of ordinary shares in issue during the period
“Gearing Ratio”	Total borrowings (representing bank borrowings, bonds, other borrowings and lease liabilities) divided by total capital employed (i.e. total Shareholders’ fund plus total borrowings)
“Operating Profit/(Loss)”	Operating profit/(loss) before interest, tax and unallocated income and expenses
“1H21”	First half of 2021
“1H22”	First half of 2022





