

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This report, for which the directors (the “Directors”) of Altus Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

FINANCIAL HIGHLIGHTS

- The Company and its subsidiaries (collectively referred to as the “**Group**”) recorded an unaudited revenue of approximately HK\$27.8 million for the six months ended 30 September 2020 (“**1H FY2021**”), representing a decrease of approximately 9.5% when compared with approximately HK\$30.7 million for the six months ended 30 September 2019 (“**1H FY2020**”). The decrease was mainly due to lower revenue from corporate finance services.
- Other income decreased from approximately HK\$5.1 million in 1H FY2020 to approximately HK\$1.4 million in 1H FY2021 as (i) there was a one-off insurance compensation recorded in 1H FY2020 of HK\$2.5 million (the effects of this contribution on profitability were offset by corresponding one-off repair and maintenance expenses); and (ii) there was a reversal of impairment loss of trade receivables recorded in 1H FY2020 of approximately HK\$2.5 million.
- The Group recorded an underlying net profit of approximately HK\$4.8 million in 1H FY2021 compared with an underlying net profit of approximately HK\$3.5 million in 1H FY2020^(Note). The Group recorded a reported net loss of approximately HK\$0.5 million in 1H FY2021 as compared with a reported net profit of approximately HK\$3.5 million in 1H FY2020.

There was an increase in underlying net profit in 1H FY2021 compared with 1H FY2020 despite lower revenue. Such increase was primarily attributable to (i) a decrease in directors’ remuneration and staff costs to approximately HK\$7.4 million in 1H FY2021 from approximately HK\$12.4 million in the previous corresponding period as the payment, if any, of discretionary bonus to directors of the Company for this financial year has yet to be determined, and there was a decrease in headcount over this period; and (ii) receipt of government subsidies of approximately HK\$0.9 million under the Employment Support Scheme (the “**Employment Support Scheme**”).

The Group has a reported net loss in 1H FY2021 as a net decrease in the fair value of investment properties of approximately HK\$5.4 million was recorded. No such fair value change was recorded in 1H FY2020.

- For 1H FY2021, the underlying basic and diluted earnings per share were all HK0.54 cent^(Note), the reported basic and diluted loss per share were all HK0.12 cent. For 1H FY2020, the underlying and reported basic and diluted earnings per share were all HK0.37 cent.
- The Directors recommend the payment of interim dividend of HK0.1 cent per share for 1H FY2021 (1H FY2020: HK0.2 cent per share).

Note: Underlying net profit excludes the fair value changes of investment properties, net of deferred taxation charged.

UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated results of the Group for the three months ended 30 September 2020 (“**2Q FY2021**”) and 1H FY2021, together with the comparative unaudited figures for the three months ended 30 September 2019 (“**2Q FY2020**”) and 1H FY2020, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS ACCOUNT FOR 1H FY2020 AND 1H FY2021

		2Q FY2021 (Unaudited) HK\$'000	2Q FY2020 (Unaudited) HK\$'000	1H FY2021 (Unaudited) HK\$'000	1H FY2020 (Unaudited) HK\$'000
	<i>Notes</i>				
Revenue	3	14,385	14,197	27,782	30,691
Other income	5	884	2,625	1,413	5,118
Net decrease in fair value of investment properties		(5,362)	–	(5,362)	–
Changes in fair value of derivative financial liabilities		(48)	77	(65)	6
Property expenses		(3,864)	(3,164)	(6,891)	(8,293)
Administrative and operating expenses		(6,283)	(7,873)	(12,922)	(19,339)
Share of results of associate		6	49	22	49
Finance costs	6	(1,174)	(1,297)	(2,405)	(2,398)
(Loss)/Profit before tax		(1,456)	4,614	1,572	5,834
Income tax expense	7	(943)	(1,310)	(2,096)	(2,368)
(Loss)/Profit for the period	8	(2,399)	3,304	(524)	3,466
(Loss)/Profit for the period attributable to:					
Owners of the Company		(2,596)	3,048	(960)	2,947
Non-controlling interests		197	256	436	519
		(2,399)	3,304	(524)	3,466

		2Q FY2021 (Unaudited) HK\$'000	2Q FY2020 (Unaudited) HK\$'000	1H FY2021 (Unaudited) HK\$'000	1H FY2020 (Unaudited) HK\$'000
	<i>Notes</i>	HK cent	HK cent	HK cent	HK cent
(Loss)/Earnings per share based on profit attributable to owners of the Company (reported (loss)/earnings per share)					
– Basic	<i>10a</i>	(0.32)	0.38	(0.12)	0.37
– Diluted	<i>10a</i>	(0.32)	0.38	(0.12)	0.37
Earnings per share excluding the net effect of fair value changes in investment properties, net of deferred taxation charged (underlying earnings per share)					
– Basic	<i>10b</i>	0.34	0.38	0.54	0.37
– Diluted	<i>10b</i>	0.33	0.38	0.54	0.37

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR 1H FY2020 AND 1H FY2021

	2Q FY2021 (Unaudited) HK\$'000	2Q FY2020 (Unaudited) HK\$'000	1H FY2021 (Unaudited) HK\$'000	1H FY2020 (Unaudited) HK\$'000
(Loss)/Profit for the period	(2,399)	3,304	(524)	3,466
Other comprehensive income (expense) for the period				
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Exchange differences arising on translation of foreign operations	7,971	700	9,072	8,842
<i>Items that will not be subsequently reclassified to profit or loss:</i>				
Change in fair value of financial assets at fair value through other comprehensive income ("FVTOCI")	(246)	151	(328)	286
Other comprehensive income (expense) for the period	7,725	851	8,744	9,128
Total comprehensive income (expense) for the period	5,326	4,155	8,220	12,594
Total comprehensive income (expense) for the period attributable to:				
Owners of the Company	4,561	3,681	7,183	11,584
Non-controlling interests	765	474	1,037	1,010
	5,326	4,155	8,220	12,594

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2020 and 30 September 2020

	Notes	As at 30 September 2020 (Unaudited) HK\$'000	As at 31 March 2020 (Audited) HK\$'000
Non-current assets			
Property, plant and equipment	11	40,877	41,440
Investment properties	11	648,892	638,521
Interests in an associate		416	393
Financial assets at FVTOCI	12	1,165	1,491
Club memberships		1,719	1,718
Deferred tax asset		1,505	1,505
Right-of-use asset		–	61
Prepayment	13	228	256
		694,802	685,385
Current assets			
Trade and other receivables	13	4,250	4,841
Deposits placed in financial institution		1,716	642
Bank balances and cash		39,263	39,441
		45,229	44,924
Current liabilities			
Trade and other payables	14	12,984	12,165
Lease liability		–	63
Tax payable		4,540	4,404
Secured bank borrowings	15	68,484	66,916
		86,008	83,548
Net current liabilities		(40,779)	(38,624)
Total assets less current liabilities		654,023	646,761

		As at 30 September 2020 (Unaudited) HK\$'000	As at 31 March 2020 (Audited) HK\$'000
Non-current liabilities			
Secured bank borrowings	15	149,047	150,923
Derivative financial instruments	16	557	667
Other payables – tenant deposits – over 1 year	14	1,487	1,511
Deferred tax liabilities		29,041	27,466
		180,132	180,567
		473,891	466,194
Capital and reserves			
Share capital	17	8,000	8,000
Reserves		450,656	443,774
Equity attributable to owners of the Company		458,656	451,774
Non-controlling interests		15,235	14,420
		473,891	466,194

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR 1H FY2021

	Attributable to owners of the Company							Total HK\$'000		
	Share capital HK\$'000	Share premium (note (i)) HK\$'000	Other reserve (note (ii)) HK\$'000	Investment revaluation reserve HK\$'000	Shareholder contribution (note (iii)) HK\$'000	Share awards reserve (note (iv)) HK\$'000	Exchange reserve HK\$'000		Retained profits HK\$'000	Non- controlling interests HK\$'000
At 1 April 2020 (audited)	8,000	71,436	98,819	159	11,319	247	(12,914)	274,708	14,420	466,194
(Loss)/profit for the period	-	-	-	-	-	-	-	(960)	436	(524)
Other comprehensive income (expenses) for the period:										
Change in fair value of financial assets at FVTOCI	-	-	-	(328)	-	-	-	-	-	(328)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	8,471	-	601	9,072
	-	-	-	(328)	-	-	8,471	-	601	8,744
Total comprehensive income (expenses) for the period	-	-	-	(328)	-	-	8,471	(960)	1,037	8,220
Transfer of cumulative fair value changes of financial asset at FVTOCI upon derecognition of FVTOCI	-	-	-	(784)	-	-	-	784	-	-
Share based payments	-	-	-	-	-	499	-	-	-	499
Dividend paid to non-controlling shareholders (note 9)	-	-	-	-	-	-	-	-	(222)	(222)
Dividend paid (note 9)	-	-	-	-	-	-	-	(800)	-	(800)
At 30 September 2020 (unaudited)	8,000	71,436	98,819	(953)	11,319	746	(4,443)	273,732	15,235	473,891

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR 1H FY2020

	Attributable to owners of the Company										
	Share capital HK\$'000	Share premium (note (i)) HK\$'000	Other reserve (note (ii)) HK\$'000	Investment revaluation reserve HK\$'000	Shareholder contribution (note (iii)) HK\$'000	Share awards reserve (note (iv)) HK\$'000	Exchange reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 April 2019 (audited)	8,000	71,288	98,812	627	10,790	319	(16,727)	277,574	450,683	12,356	463,039
Profit for the period	-	-	-	-	-	-	-	2,947	2,947	519	3,466
Other comprehensive income for the period:											
Change in fair value of financial assets at FVTOCI	-	-	-	286	-	-	-	-	286	-	286
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	8,351	-	8,351	491	8,842
	-	-	-	286	-	-	8,351	-	8,637	491	9,128
Total comprehensive income for the period	-	-	-	286	-	-	8,351	2,947	11,584	1,010	12,594
Contribution from shareholder	-	-	-	-	264	-	-	-	264	-	264
Share based payments	-	-	-	-	-	307	-	-	307	-	307
Dividend paid to non-controlling shareholders (note 9)	-	-	-	-	-	-	-	-	-	(103)	(103)
Dividend paid (note 9)	-	-	-	-	-	-	-	(1,760)	(1,760)	-	(1,760)
At 30 September 2019 (unaudited)	8,000	71,288	98,812	913	11,054	626	(8,376)	278,761	461,078	13,263	474,341

Notes:

- (i) Share premium represents i) the difference between the shareholders' contribution and the issued capital, ii) the difference between the consideration paid for repurchase of shares of the Company and the reduction of share capital and iii) the difference between the increase in share capital and the deduction of share awards reserve at the date of shares being vested. The share premium is distributable.

- (ii) Other reserve mainly includes (i) the difference between the nominal value of the issued share capital of the Company and its subsidiaries and the net assets value of the subsidiaries of the Group, upon completion of the group reorganisation on 26 September 2016; and (ii) the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received arising from changes in the ownership interests of the Group in existing subsidiaries that do not result in the loss of control and they are accounted for as equity transactions.

- (iii) Amounts represent the employee benefits borne by the ultimate holding company, Kinley-Hecico Holdings Limited ("KHHL").

- (iv) Amounts represent the employee benefits for the purpose of recognising and rewarding their contribution, which are borne by the Company.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR 1H FY2020 AND 1H FY2021

	1H FY2021 (Unaudited) HK\$'000	1H FY2020 (Unaudited) HK\$'000
Cash generated from operations		
Decrease in trade and other receivables	683	5,990
Increase/(decrease) in trade and other payables	567	(1,065)
Other operating cash flows	9,780	7,739
	11,030	12,664
Income tax paid	(1,076)	(546)
Net cash generated from operating activities	9,954	12,118
Purchase of financial assets at FVTOCI	–	(257)
Purchase of financial assets at fair value through profit or loss (“FVTPL”)	(701)	–
Proceed from disposal of financial assets at FVTOCI	–	2,349
Proceed from disposal of financial assets at FVTPL	905	–
Acquisition of investment in an associate	–	(356)
Dividend received from financial assets at FVTOCI	68	96
Purchases/construction of investment properties	(2,158)	(2,073)
Purchases of property, plant and equipment	(1)	(35)
Other investing cash flows	33	6
Net cash used in investing activities	(1,854)	(270)
Interest paid	(2,564)	(2,611)
New borrowings raised	19,864	52,742
Repayment of borrowings	(24,182)	(62,122)
Dividends paid	(1,022)	(1,817)
Net cash used in financing activities	(7,904)	(13,808)
Net increase/(decrease) in cash and cash equivalents	196	(1,960)
Cash and cash equivalents at beginning of period	40,083	39,210
Effect of foreign exchange rate changes	700	555
Cash and cash equivalents at end of period	40,979	37,805
Analysis of components of cash and cash equivalents:		
Deposits placed in financial institution	1,716	768
Bank balances and cash	39,263	37,037
	40,979	37,805

1. GENERAL

The Company was incorporated as an exempted company with limited liability on 11 November 2015 in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as combined and revised) of the Cayman Islands. The shares of the Company were listed on GEM of the Stock Exchange on 17 October 2016. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. Its principal place of business is located at 21 Wing Wo Street, Central, Hong Kong.

The Company is engaged in investment holding and its major operating subsidiaries are mainly engaged in the provision of corporate finance services and property investment. Its subsidiaries invest in Japan properties by entering into Japanese tokumei kumiai arrangements (“**TK Agreements**”) as a tokumei kumiai investor with Japanese limited liability companies known as tokumei kumiai operators, which are the property holding companies.

The ultimate holding company is KHHL, a company incorporated in the British Virgin Islands (“**BVI**”) with limited liability. KHHL is deemed to be interested in the Company through its wholly-owned subsidiary, Flying Castle Limited. KHHL is ultimately controlled by two parties, Ms. Chan Kit Lai, Cecilia (“**Ms. Chan**”) and Landmark Trust Switzerland SA (the “**Trustee**”), which the beneficiaries of the trust are Mr. Arnold Ip Tin Chee (“**Mr. Ip**”) and Ms. Lam Ip Tin Wai Chyvette (“**Ms. Ip**”).

The condensed consolidated financial statements of the Group for 1H FY2021 (the “**Unaudited Condensed Consolidated Interim Financial Statements**”) are unaudited, but have been reviewed by the audit committee of the Company (the “**Audit Committee**”). The Unaudited Condensed Consolidated Interim Financial Statements were approved and authorised for issue by the Directors on 6 November 2020.

The Unaudited Condensed Consolidated Interim Financial Statements are presented in Hong Kong dollars (“**HK\$**”) which is same as the functional currency of the Company. Other than those subsidiaries incorporated in Japan, whose functional currency is Japanese Yen (“**JPY**”), the functional currency of the Company and other subsidiaries is HK\$.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL INFORMATION

The Unaudited Condensed Consolidated Interim Financial Statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 Interim Financial Reporting and Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). In addition, the Unaudited Condensed Consolidated Interim Financial Statements include applicable disclosure required by the GEM Listing Rules. The Unaudited Condensed Consolidated Interim Financial Statements do not include all the information and disclosures required in the annual financial statements and thereby should be read in conjunction with the annual financial information for the year ended 31 March 2020 (the “**2020 Financial Information**”). The Unaudited Condensed Consolidated Interim Financial Statements have been prepared in accordance with the same accounting policies adopted by the Group in the 2020 Financial Information except for the adoption of new or revised HKFRSs issued by the HKICPA, which are effective for the financial year of the Group beginning on 1 April 2020.

The Group has not adopted ahead of the effective date any new and revised HKFRSs that have been issued by the HKICPA.

The Unaudited Condensed Consolidated Interim Financial Statements have been prepared on the historical cost basis except for certain financial instruments and investment properties that are measured at fair values.

(i) Adoption of new and amendments to HKFRSs

Adoption of new and amendments to HKFRSs effective on 1 April 2020

In 1H FY2021, the Group has applied, for the first time, the following new and amendments to HKFRSs, which include HKFRS, HKAS and amendments, issued by the HKICPA.

<i>Amendments to HKAS 1 and HKAS 8</i>	<i>Definition of Material</i>
<i>Amendments to HKFRS 3</i>	<i>Definition of a Business</i>
<i>Amendments to HKFRS 9, HKAS 39 and HKFRS 7</i>	<i>Interest Rate Benchmark Reform</i>
Conceptual Framework for Reporting 2018	Revised Conceptual Framework for Financial Reporting

The application of the above new or amendments to HKFRS in 1H FY2021 has had no material effect on the amounts reported in these Unaudited Condensed Consolidated Interim Financial Statements and/or on the disclosures set out in these Unaudited Condensed Consolidated Interim Financial Statements.

3. REVENUE

Revenue represents revenue arising from provision of services and leasing of investment properties during the periods. An analysis of revenue of the Group for the period is as follows:

	2Q FY2021 (Unaudited) HK\$'000	2Q FY2020 (Unaudited) HK\$'000	1H FY2021 (Unaudited) HK\$'000	1H FY2020 (Unaudited) HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15				
Disaggregated by the major services line:				
Corporate finance services income	4,540	4,389	8,034	11,534
Revenue from other source:				
Rental income for investment properties under operating leases – fixed lease payments (<i>Note</i>)	9,845	9,808	19,748	19,157
	14,385	14,197	27,782	30,691

Revenue generated from corporate finance services for 1H FY2021 and 1H FY2020 are recognised over time.

Note: An analysis of net rental income of the Group is as follows:

	2Q FY2021 (Unaudited) HK\$'000	2Q FY2020 (Unaudited) HK\$'000	1H FY2021 (Unaudited) HK\$'000	1H FY2020 (Unaudited) HK\$'000
Gross rental income from investment properties	9,845	9,808	19,748	19,157
Direct operating expenses incurred for investment properties that generated rental income during the periods (included in property expenses)	(3,864)	(3,164)	(6,891)	(8,293)
Net rental income	5,981	6,644	12,857	10,864

Transaction price allocated to the remaining performance obligations

As at 30 September 2020, the aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially satisfied) is approximately HK\$9.2 million (30 September 2019: approximately HK\$10.1 million). The amount represents revenue expected to be recognised in the future from various mandates. The Group will recognise this revenue as the service is completed. As evaluated by the management, revenue of approximately HK\$9.2 million and nil (30 September 2019: approximately HK\$9.0 million and HK\$1.1 million) are expected to be recognised within 1 year and after 1 year respectively.

4. SEGMENT INFORMATION

Information reported to the chief operating decision maker (the “CODM”), being the Directors, for the purpose of resource allocation and assessment of segment performance focuses on type of services provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the reportable and operating segments of the Group are as follows:

- (i) Corporate finance services – provision of corporate finance services including sponsorship, financial advisory and compliance advisory services; and
- (ii) Property investment – leasing of investment properties for residential and commercial use.

The following is an analysis of revenue and results of the Group by reportable and operating segment.

	2Q FY2021			2Q FY2020		
	Corporate finance services	Property investment	Total	Corporate finance services	Property investment	Total
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
REVENUE						
External revenue and segment revenue	4,540	9,845	14,385	4,389	9,808	14,197
RESULT						
Segment profit/(loss) <i>(Note)</i>	2,485	(719)	1,766	2,750	5,613	8,363
Other income and expenses, net			(2,883)			(3,299)
Share of results of an associate			6			49
Finance costs			(345)			(499)
(Loss)/Profit before tax			(1,456)			4,614

Note: A net decrease in fair value of investment properties of approximately HK\$5.4 million has been included in the segment loss of the property investment during 1H FY2021 (1H FY2020: nil).

4. SEGMENT INFORMATION (CONTINUED)

	1H FY2021			1H FY2020		
	Corporate finance services	Property investment	Total	Corporate finance services	Property investment	Total
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
REVENUE						
External revenue and segment revenue	8,034	19,748	27,782	11,534	19,157	30,691
RESULT						
Segment profit	3,069	5,069	8,138	5,869	11,186	17,055
Other income and expenses, net			(5,828)			(10,354)
Share of results of an associate			22			49
Finance costs			(760)			(916)
Profit before tax			1,572			5,834

The accounting policies of the operating segments are the same as the accounting policies of the Group. Segment profit/(loss) represents the profit earned/loss generated by each segment without allocation of central administration costs, directors' emoluments, certain other income, share of results of an associate and certain finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

4. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

The following is an analysis of the assets and liabilities of the Group by reportable and operating segment:

	At 30 September 2020 (Unaudited) HK\$'000	At 31 March 2020 (Audited) HK\$'000
Segment assets		
Corporate finance services	2,054	1,767
Property investment	651,209	641,582
Total segment assets	653,263	643,349
Unallocated	86,768	86,960
Total assets	740,031	730,309

	At 30 September 2020 (Unaudited) HK\$'000	At 31 March 2020 (Audited) HK\$'000
Segment liabilities		
Corporate finance services	890	427
Property investment	173,283	174,371
Total segment liabilities	174,173	174,798
Unallocated	91,967	89,317
Total liabilities	266,140	264,115

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

- all assets are allocated to operating segments other than property, plant and equipment, right-of-use asset, deferred tax asset, financial assets at FVTOCI, club memberships, certain other receivables, interests in an associate, deposits placed in financial institution, bank balances and cash and other corporate assets; and
- all liabilities are allocated to operating segments other than certain other payables, lease liability, tax payable, certain secured bank borrowings, derivative financial liabilities, deferred tax liabilities and other corporate liabilities.

4. SEGMENT INFORMATION (CONTINUED)

Revenue from major services

An analysis of the revenue of the Group from provision of corporate finance services and leasing of investment properties is as follows:

	2Q FY2021 (Unaudited) HK\$'000	2Q FY2020 (Unaudited) HK\$'000	1H FY2021 (Unaudited) HK\$'000	1H FY2020 (Unaudited) HK\$'000
Sponsorship services	906	1,691	1,604	6,098
Financial advisory services	2,202	1,298	3,625	2,822
Compliance advisory services	1,179	1,105	2,403	2,240
Other corporate finance services	253	295	402	374
	4,540	4,389	8,034	11,534
Rental income	9,845	9,808	19,748	19,157
	14,385	14,197	27,782	30,691

5. OTHER INCOME

	2Q FY2021 (Unaudited) HK\$'000	2Q FY2020 (Unaudited) HK\$'000	1H FY2021 (Unaudited) HK\$'000	1H FY2020 (Unaudited) HK\$'000
Bank interest income	14	3	35	6
Recovered from insurance company (Note 1)	–	104	–	2,523
Dividend income from financial asset at FVTOCI	19	26	68	97
Gain on disposal of financial assets at FVTPL	193	–	200	–
Reversal of impairment loss of trade receivables	7	2,492	7	2,492
Others (Note 2)	651	–	1,103	–
	884	2,625	1,413	5,118

Notes:

- The amount mainly represents a one-off compensation received from an insurance company in April 2019 in relation to a fire accident that occurred in November 2018 for an investment property located in Japan.
- The amount represents (i) government subsidies; and (ii) forfeited tenant deposit. The Hong Kong Government introduced the Employment Support Scheme in April 2020 to help enterprises to retain their employees during COVID-19 pandemic. The government subsidies represent the subsidies received under such scheme.

6. FINANCE COSTS

	2Q FY2021 (Unaudited) HK\$'000	2Q FY2020 (Unaudited) HK\$'000	1H FY2021 (Unaudited) HK\$'000	1H FY2020 (Unaudited) HK\$'000
Interests on:				
Secured bank borrowings	1,174	1,295	2,404	2,393
Lease liability	–	2	1	5
	1,174	1,297	2,405	2,398

7. INCOME TAX EXPENSE

	2Q FY2021 (Unaudited) HK\$'000	2Q FY2020 (Unaudited) HK\$'000	1H FY2021 (Unaudited) HK\$'000	1H FY2020 (Unaudited) HK\$'000
Current tax:				
Hong Kong profits tax	42	86	72	233
Japanese corporate income tax	72	23	163	16
Japanese withholding tax	378	595	931	1,209
	492	704	1,166	1,458
Deferred taxation	451	606	930	910
	943	1,310	2,096	2,368

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. For 1H FY2021 and 1H FY2020, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other entities of the Group in Hong Kong which are not qualified for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

Under the Japan corporate income tax law, Japanese corporate income tax is calculated at 33.58% of the estimated assessable profits for 1H FY2021 (1H FY2020: 33.59%). However, regarding to the TK Agreements, the applicable Japanese withholding tax rate of those Japanese subsidiaries was 20.42% for 1H FY2021 and 1H FY2020.

Japanese withholding tax was calculated at 20.42% of the distributed income from Japanese subsidiaries for 1H FY2021 and 1H FY2020.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

8. (LOSS)/PROFIT FOR THE PERIOD

	2Q FY2021 (Unaudited) HK\$'000	2Q FY2020 (Unaudited) HK\$'000	1H FY2021 (Unaudited) HK\$'000	1H FY2020 (Unaudited) HK\$'000
(Loss)/Profit for the period has been arrived at after charging:				
Staff cost, excluding directors' emoluments:				
– Salaries, bonus and other benefits	2,318	2,831	5,828	6,767
– Contributions to retirement benefits schemes	91	111	182	228
Total staff costs, excluding directors' emoluments	2,409	2,942	6,010	6,995
Directors' emoluments	703	690	1,406	5,373
Auditors' remuneration	187	168	375	413
Depreciation of property, plant and equipment	272	296	564	617
Depreciation of right-of-use assets	–	62	61	123
Share based payments				
– Share options	–	132	–	265
– 2018, 2019 and 2020 Share Awards (as defined below)	276	184	499	307
Expenses related to the Proposed Transfer	–	47	–	203
Net exchange loss/(gain)	200	25	199	(96)

9. DIVIDENDS

	1H FY2021 (Unaudited) HK\$'000	1H FY2020 (Unaudited) HK\$'000
Dividends recognised as distribution to non-controlling interests during the periods by:		
Smart Tact Property Investment Limited (“ Smart Tact ”) 2020 interim, paid – JPY1,375 per share (equivalent to HK\$100 per share)	94	–
I Corporation 2020 interim, paid – JPY28,100 per share (equivalent to HK\$2,046 per share)	29	–
2019 interim, paid – JPY9,057 per share (equivalent to HK\$654 per share)	–	10
EXE Rise Shimodori Investor Limited (“ EXE ”) 2020 interim, paid – JPY113,773 per share (equivalent to HK\$8,283 per share)	99	–
2019 interim, paid – JPY44,047 per share (equivalent to HK\$3,180 per share)	–	32
Residence Motoki Investment Limited (“ Residence ”) 2019 interim, paid – JPY500 per share (equivalent to HK\$36 per share)	–	46
Lynton Gate Limited (“ Lynton ”) 2019 interim, paid – JPY219,972 per share (equivalent to HK\$15,882 per share)	–	15
	222	103

The Directors recommend the payment of interim dividend of HK0.1 cent per share for 1H FY2021 (1H FY2020: HK0.2 cent per share).

10. (LOSS)/EARNINGS PER SHARE

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

(a) Number of shares

	30 September 2020 '000	30 September 2019 '000	30 September 2020 '000	30 September 2019 '000
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	800,000	800,000	800,000	800,000
Effect of dilutive potential ordinary shares:				
Share Awards (as defined below)	5,501	5,779	5,501	5,779
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	805,501	805,779	805,501	805,779

(b) Reported (loss)/earnings

	2Q FY2021 (Unaudited) HK\$'000	2Q FY2020 (Unaudited) HK\$'000	1H FY2021 (Unaudited) HK\$'000	1H FY2020 (Unaudited) HK\$'000
(Loss)/Earnings for the purpose of basic and diluted (loss)/earnings per share ((Loss)/Profit for the period attributable to owners of the Company)	(2,596)	3,048	(960)	2,947

10. (LOSS)/EARNINGS PER SHARE (CONTINUED)

(c) Underlying earnings

For the purpose of assessing the underlying performance of the Group, basic and diluted earnings per share are calculated based on the underlying profits attributable to the owners of the Company which excluded the net effect of changes in the valuation of investment properties. A reconciliation of profits is as follow:

	2Q FY2021 (Unaudited) HK\$'000	2Q FY2020 (Unaudited) HK\$'000	1H FY2021 (Unaudited) HK\$'000	1H FY2020 (Unaudited) HK\$'000
(Loss)/Earnings for the purpose of basic and diluted earnings per share ((Loss)/Profit for the period attributable to owners of the Company)	(2,596)	3,048	(960)	2,947
Change in fair value of investment properties, net of deferred taxation charged	5,289	–	5,289	–
Earnings for the purpose of basic and diluted earnings per share (Underlying profit attributable to the owners of the Company)	2,693	3,048	4,329	2,947

11. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the 1H FY2021, the Group spent approximately HK\$1,000 (1H FY2020: HK\$35,000) on additions to properties, plant and equipment and approximately HK\$2,158,000 (1H FY2020: HK\$2,073,000) on additions to and purchase of investment properties.

The Group has pledged its land and building with a carrying value of approximately HK\$40,817,000 and approximately HK\$41,308,000 to secure bank borrowings of the Group as at 30 September 2020 and 31 March 2020 respectively.

The Group has its pledged investment properties with a carrying value of approximately HK\$615,322,000 and approximately HK\$607,704,000 to secure bank borrowings of the Group as at 30 September 2020 and 31 March 2020 respectively.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	At 30 September 2020 (Unaudited) HK\$'000	At 31 March 2020 (Audited) HK\$'000
Equity instruments designated at FVTOCI		
– Listed	1,046	1,254
– Unlisted	119	237
Total	1,165	1,491

The above unlisted equity investment represent investment in unlisted equity securities issued by private entities incorporated in Japan. Investments in listed equity securities represent the investment of the Group in companies listed in Hong Kong. These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the Directors have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the strategy of the Group of holding these investments for long-term purposes and realising their performance potential in the long run.

13. TRADE AND OTHER RECEIVABLES AND PREPAYMENT

	At 30 September 2020 (Unaudited) HK\$'000	At 31 March 2020 (Audited) HK\$'000
Receivables at amortised cost comprise:		
Trade receivables (<i>Note</i>)	2,099	1,559
<u>Less: allowances for impairment of trade receivables</u>	<u>(35)</u>	<u>(41)</u>
	2,064	1,518
<u>Other receivables and prepayment</u>	<u>2,414</u>	<u>3,579</u>
	<u>4,478</u>	<u>5,097</u>

Note:

As at 30 September 2020, lease receivables amounting to approximately HK\$133,000 (as at 31 March 2020: HK\$22,000) are included in trade receivables. The remaining balances of approximately HK\$1,931,000 (as at 31 March 2020: HK\$1,496,000) represented trade receivables arising from contracts with customers.

13. TRADE AND OTHER RECEIVABLES AND PREPAYMENT (CONTINUED)

- a) The trade receivables are due upon the issuance of invoices. The Group does not hold any collateral over these balances. The following is an aged analysis of trade receivables net of allowance for impairment of trade receivables presented based on the invoice date which approximates the respective revenue recognition dates at the end of reporting period. It also represented the ageing analysis of trade receivables which are past due but not impaired, at the end of the reporting periods.

	At 30 September 2020 (Unaudited) HK\$'000	At 31 March 2020 (Audited) HK\$'000
– Within 30 days	1,358	1,334
– More than 30 but within 60 days	324	4
– More than 60 but within 90 days	35	180
– More than 90 but within 180 days	347	–
	2,064	1,518

- b) The movement in the allowance for impairment of trade receivables is set out below.

	1H FY2021 (Unaudited) HK\$'000	1H FY2020 (Unaudited) HK\$'000
Balance at the beginning of the period	41	2,511
Impairment loss recognised	–	42
Reversal of impairment loss	(6)	(2,492)
Balance at the end of the period	35	61

The Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime expected credit losses (the “ECL”). The ECL on trade receivables and lease receivables are estimated individually by reference to past default experience of the debtor and an analysis of the debtor’s current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

As certain receivables were considered unrecoverable and in default, nil (1H FY2020: HK\$42,000) of life-time ECL-credit was impaired and recognised during 1H FY2021.

13. TRADE AND OTHER RECEIVABLES AND PREPAYMENT (CONTINUED)

- c) The following is an analysis of other receivables and prepayments at the end of the reporting period:

	At 30 September 2020 (Unaudited) HK\$'000	At 31 March 2020 (Audited) HK\$'000
Deposits	145	145
Prepayments	1,814	2,043
Other receivables	455	1,391
	2,414	3,579

The expected credit losses on other receivables are estimated individually by reference to past experience of default and their financial position and general economic condition of the industry at the reporting date. The internal credit rating review of the other receivables are considered to be performing as at 30 September 2020 and 31 March 2020 as there has not been a significant change in the credit risk since initial recognition.

14. TRADE AND OTHER PAYABLES

	At 30 September 2020 (Unaudited) HK\$'000	At 31 March 2020 (Audited) HK\$'000
Trade payables	123	116
Other payables	14,348	13,560
	14,471	13,676

The trade payables are due upon the receipt of the invoices. All trade payables are aged within 30 days which are based on the invoice date at the end of each reporting period. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

15. SECURED BANK BORROWINGS

During 1H FY2021, the Group obtained new secured bank borrowings from existing bank facilities in an aggregate amount of approximately HK\$19,864,000 (1H FY2020: HK\$12,742,000). The proceed was mainly used for general working capital and property investment purpose.

During 1H FY2021, the Group repaid secured bank borrowings in an aggregate amount of approximately HK\$24,182,000 (1H FY2020: HK\$22,122,000).

During 1H FY2020, the Group refinanced an amount of HK\$40,000,000 from an existing bank facility by a new bank facility.

The secured bank borrowings of the Group carry effective interest rates (which are also equal to contracted interest rates) at fixed interest rates ranging from 1.11% to 2.85% per annum (1H FY2020: 1.11% to 2.85%) and at variable interest rates ranging from 1.09% to 4.55% per annum (1H FY2020: 1.88% to 5.03%).

The maturity periods of the secured bank borrowings range from one month to 23 years (as at 31 March 2020: one month to 24 years).

As at 30 September 2020 and 31 March 2020, the bank borrowings of the Group were secured by the land and building and certain investment properties of the Group as disclosed in note 11 above.

16. DERIVATIVE FINANCIAL INSTRUMENTS

	At 30 September 2020 (Unaudited) Liabilities HK\$'000	At 31 March 2020 (Audited) Liabilities HK\$'000
Interest rate swaps	557	667

Interest rate swaps form a part of the arrangement of the variable-rate bank borrowings entered into between the Group and borrowing banks in Japan.

17. SHARE CAPITAL

The Company	Number of ordinary shares	Share capital (Audited) HK\$'000
Ordinary share of HK\$0.01 each		
Authorised as at 30 September 2020 and 31 March 2020	5,000,000,000	50,000
Issued and fully paid as at 30 September 2020 and 31 March 2020	800,000,000	8,000

18. SHARE AWARDS

On 25 June 2018, the Company entered into the deeds of grant (the “**Deeds**”) with two employees of the Group, pursuant to which the Company granted award of a total of 4,800,000 new shares (the “**2018 Granted Shares**”) of the Company, credited as fully paid, as an incentive bonus to such employees of the Group (“**2018 Share Awards**”). One of the employees is an executive director of a wholly-owned subsidiary of the Group, and is a connected person at the subsidiary level. The other employee is an independent third party. Details of the 2018 Share Awards were set out in the circular of the Company dated 20 July 2018. At an extraordinary general meeting of the Company held on 8 August 2018, the Deeds were approved and a specific mandate to authorise the Directors to allot and issue up to an aggregate of 4,800,000 new shares of the Company in relation to the 2018 Share Awards was granted. As at 30 September 2020, 2,240,000 of the 2018 Granted Shares had been vested and issued to respective employees.

On 3 July 2019, the Board has resolved to award conditionally an aggregate of 1,940,000 new shares (the “**2019 Granted Shares**”) of the Company to nine grantees (the “**2019 Share Awards**”). One of the grantees, who was awarded with 750,000 new shares of the Company, is an executive director of a wholly-owned subsidiary of the Group (the “**2019 Connected Grant**”). Other grantees, who are awarded with 1,190,000 new shares of the Company, are employees of the Group (the “**2019 Selected Employees Grant**”) and are independent third parties. Details of the 2019 Share Awards were set out in the circular of the Company dated 22 July 2019. At an extraordinary general meeting of the Company held on 8 August 2019, the deed of grant of share awards in relation to the 2019 Connected Grant was approved and a specific mandate was granted to the Directors to allot and issue up to 750,000 new shares of the Company in relation to the 2019 Connected Grant. Another specific mandate was granted to the Directors to allot and issue up to 1,190,000 new shares of the Company in relation to 2019 Selected Employees Grant. As at 30 September 2020, 150,000 of the 2019 Granted Shares had been vested and issued to respective employees.

18. SHARE AWARDS (CONTINUED)

On 26 June 2020, the Board has resolved to award conditionally an aggregate of 3,830,000 new shares of the Company to 12 grantees (the “**2020 Shares Awards**”). One of the grantees, who was awarded with 1,600,000 new shares of the Company, is an executive director of a wholly-owned subsidiary of the Group (the “**2020 Connected Grant**”). Other grantees, who are awarded with 2,230,000 new shares of the Company, are employees of the Group (the “**2020 Selected Employees Grant**”) and are independent third parties. Details are set out in the circular of the Company dated 23 July 2020. At an extraordinary general meeting of the Company held on 7 August 2020, the deed of grant of share awards in relation to the 2020 Connected Grant was approved and a specific mandate was granted to the Directors to allot and issue up to 1,600,000 new shares of the Company in relation to the 2020 Connected Grant. Another specific mandate was granted to the Directors to allot and issue up to 2,230,000 new shares of the Company in relation to 2020 Selected Employees Grant.

As at the date of this report, all the conditions precedent of the 2020 Connected Grant have been satisfied, namely (i) the Company has obtained the approval of the Stock Exchange for the listing of, and permission to deal in, the Awarded Shares; (ii) the shareholders of the Company who are not required to abstain from voting on resolutions proposed at an extraordinary general meeting have approved the 2020 Connected Grant and the specific mandate for 2020 Connected Grant; and (iii) the relevant grantee of the 2020 Connected Grant has obtained all necessary consents and approvals that may be required to enable her to accept the Share Awards.

As at the date of this report, all the conditions precedent of the 2020 Selected Employees Grant have been satisfied, namely (i) the Company has obtained the approval of the Stock Exchange for the listing of, and permission to deal in, the Awarded Shares; (ii) the shareholders of the Company have approved the specific mandate for 2020 Selected Employees Grant; and (iii) the relevant grantees of the 2020 Selected Employees Grant have obtained all necessary consents and approvals that may be required to enable him/her to accept the Share Awards.

19. OPERATING LEASE COMMITMENTS

The Group as lessor

During 1H FY2021 and the year ended 31 March 2020, the properties of the Group held for rental purpose are expected to generate rental yields of 6.1% and 5.9% respectively, on an ongoing basis. All of the properties held have committed tenants for the next one to seventeen years (as at 31 March 2020: one to eighteen years).

At the end of the reporting period, the Group had contracted with tenants for the following minimum lease payments:

	At 30 September 2020 (Unaudited) HK\$'000	At 31 March 2020 (Audited) HK\$'000
Within one year	4,016	3,310
In the second to fifth year inclusive	–	–
	4,016	3,310

The Group as lessee

During 1H FY2021 and the year ended 31 March 2020, the Group leased an office under non-cancellable operating lease agreement. The lease term is 1 year with fixed rental payment. The lease agreement is renewable at the end of the lease period at market rate.

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating lease which fall due as follows:

	At 30 September 2020 (Unaudited) HK\$'000	At 31 March 2020 (Audited) HK\$'000
Within one year	189	252
In the second to fifth year inclusive	–	63
	189	315

20. CONTINGENT LIABILITIES

As at 30 September 2020, except as disclosed elsewhere in the Unaudited Condensed Consolidated Interim Financial Statements, the Group did not have any significant contingent liabilities (as at 31 March 2020: nil).

21. RELATED PARTY TRANSACTIONS

(a) Transactions

During 1H FY2021 and 1H FY2020, except as disclosed elsewhere in the Unaudited Condensed Consolidated Interim Financial Statements, the Group had entered into the following transactions with related parties:

Name of the related party	Relationship	Nature of transactions	1H FY2021 (Unaudited) HK\$'000	1H FY2020 (Unaudited) HK\$'000
KK Ascent Plus	Associate	Asset management fee paid	380	58
		Guarantee fee paid	132	59

The above transactions were carried out at terms determined and agreed between the Group and the relevant related parties.

(b) Compensation of key management personnel

The remuneration of the Directors and other members of key management during the periods was as follows:

	2Q FY2021 (Unaudited) HK\$'000	2Q FY2020 (Unaudited) HK\$'000	1H FY2021 (Unaudited) HK\$'000	1H FY2020 (Unaudited) HK\$'000
Short-term benefits	690	690	1,380	5,373
Share based payments	276	132	499	265
Post-employment benefits	13	14	26	27
	979	836	1,905	5,665

The remuneration of the Director and key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trend.

22. MAJOR NON-CASH TRANSACTIONS

The Group had no major non-cash transactions during 1H FY2021 and 1H FY2020.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group focuses on corporate finance and property investment. In respect of corporate finance, the Group primarily offers sponsorship, financial advisory and compliance advisory services to its clients. For property investment, the Group invests in real estate in Japan and Hong Kong and derives rental income therefrom.

Business Review

For 1H FY2021, the Group recorded an unaudited revenue of approximately HK\$27.8 million, representing a decrease of approximately 9.5% as compared to 1H FY2020. Property investment activities contributed approximately 71.1% of total revenue recorded by the Group during 1H FY2021, while the remaining portion of revenue was derived from corporate finance service.

Corporate finance

Revenue from corporate finance services for 1H FY2021 decreased by approximately 30.3% as compared to 1H FY2020. This was mainly attributable to a significant drop in revenue from sponsorship services due to achievement of fewer billing milestones in 1H FY2021 (notwithstanding that there were 4 active engagements in both 1H FY2021 and 1H FY2020).

The Directors wish to note that corporate finance service income is recognised when the underlying services have been provided and/or relevant significant acts have been completed in accordance with the terms of the service agreement; hence there may be fluctuations in the revenue from period to period depending on billing milestones achieved during that period.

Property investment

As at 30 September 2020, the property investment portfolio of the Group consisted of 26 buildings in Japan and one commercial unit in Hong Kong (1H FY2020: 23 buildings and a piece of land in Japan and one commercial unit in Hong Kong). The Property in Hong Kong was fully occupied during 1H FY2021, while the occupancy rate for the portfolio in Japan remained steady at approximately 94.1% (1H FY2020: 95.4%).

Revenue from property investment increased by approximately 3.1% in 1H FY2021, amounted to approximately HK\$19.7 million (1H FY2020: HK\$19.2 million), mainly due to the additions of three properties to the property portfolio of the Group in Japan after 1H FY2020.

Net (loss)/profit for the period

The Group recorded an underlying net profit of approximately HK\$4.8 million in 1H FY2021 compared with an underlying net profit of approximately HK\$3.5 million in 1H FY2020. The underlying net profit excludes the fair value changes of investment properties, net of deferred taxation charged. The Group recorded a reported net loss of approximately HK\$0.5 million in 1H FY2021 as compared with a reported net profit of approximately HK\$3.5 million in 1H FY2020.

There was an increase in underlying net profit in 1H FY2021 compared with 1H FY2020 despite lower revenue. Such increase was primarily attributable to (i) a decrease in directors' remuneration and staff costs to approximately HK\$7.4 million in 1H FY2021 from approximately HK\$12.4 million in the previous corresponding period as the payment, if any, of discretionary bonus to directors of the Company for this financial year has yet to be determined, and there was a decrease in headcount over this period; and (ii) receipt of government subsidies of approximately HK\$0.9 million under the Employment Support Scheme.

The Group has a reported net loss in 1H FY2021 as a net decrease in the fair value of investment properties of approximately HK\$5.4 million was recorded. No such fair value change was recorded in 1H FY2020.

Financial Review

Revenue

The revenue of the Group by business activities during 1H FY2021 and 1H FY2020 is set out below.

	1H FY2021		1H FY2020	
	HK\$'000 (Unaudited)	Number of active engagements/ investment properties ^(Note)	HK\$'000 (Unaudited)	Number of active engagements/ investment properties ^(Note)
<i>Corporate finance services</i>				
Sponsorship services	1,604	4	6,098	4
Financial advisory services ^(Note)	3,625	26	2,822	21
Compliance advisory services	2,403	9	2,240	9
Other corporate finance services	402	4	374	5
Subtotal	8,034		11,534	
<i>Property investment portfolio</i>				
Rental income from properties in Japan	18,904	26	18,186	23
Rental income from properties in Hong Kong	844	1	971	1
Subtotal	19,748		19,157	
Total	27,782		30,691	

Note: Active engagements represent corporate finance engagements from which the Group had derived income during the relevant period. It excludes intra-group revenue received by Altus Capital Limited, a wholly-owned subsidiary of the Company, for acting as financial adviser to the Company.

Revenue from sponsorship services decreased from approximately HK\$6.1 million in 1H FY2020 to approximately HK\$1.6 million in 1H FY2021, which was attributable to the fact that there were fewer billing milestones of these projects being achieved.

Such decrease was partially offset by an increase in revenue generated from financial advisory services and the provision of compliance advisory services from approximately HK\$2.8 million in 1H FY2020 to approximately HK\$3.6 million in 1H FY2021 and approximately HK\$2.2 million in 1H FY2020 to approximately HK\$2.4 million in 1H FY2021 respectively.

For the property investment portfolio, rental income from Japan increased in 1H FY2021 due mainly to the addition of three properties in Japan into the property portfolio of the Group.

Other income

Other income decreased from approximately HK\$5.1 million in 1H FY2020 to approximately HK\$1.4 million in 1H FY2021 as (i) there was a one-off insurance compensation recorded in 1H FY2020 of HK\$2.5 million (the effects of this contribution on profitability were offset by corresponding one-off repair and maintenance expenses); and (ii) there was a reversal of impairment loss of trade receivables recorded in 1H FY2020 of approximately HK\$2.5 million.

Net decrease in fair value of investment properties

The Group recorded a net decrease in fair value of investment properties of HK\$5.4 million during 1H FY2021 (1H FY2020: nil). More specifically, such fair value decrease was mainly attributable to the investment property in Hong Kong at Duddell Street, Central. The changes are arrived at after discussion with valuers and property agents, and having observed a notable weakness in the Hong Kong property market and economic environment amidst the COVID-19 pandemic since the second quarter of this financial year.

Property expenses

Property expenses in 1H FY2021 decreased by approximately 16.9% to approximately HK\$6.9 million as compared with approximately HK\$8.3 million 1H FY2020, due mainly to decrease in repair and maintenance expenses. In particular, during 1H FY2020, the Group had incurred a one-off repair and maintenance expenses in relation to a fire accident that occurred in November 2018 at City Court Sugunami, one investment property located in Hokkaido prefecture, Japan. While the Group did not incur such significant expenses during 1H FY2021.

Administrative and operating expenses

Administrative and operating expenses decreased to approximately HK\$12.9 million for 1H FY2021 from approximately HK\$19.3 million for 1H FY2020. Such decrease was attributable to the decrease in directors' remuneration and staff costs to approximately HK\$7.4 million in 1H FY2021 as compared to approximately HK\$12.4 million in 1H FY2020 since the payment, if any, of discretionary bonus to the directors of the Company has yet to be determined and there was a decrease in headcount over the same period.

Share of results of associate

During 1H FY2020, the Company acquired a 20% equity interest in KK Ascent Plus. The Group shared a gain of associate of approximately HK\$22,000 during 1H FY2021 (1H FY2020: HK\$49,000).

Net (loss)/profit for the period

The table below sets out the profitability of the Group excluding (i) the non-recurring expenses in relation to the Proposed Transfer recorded in 1H FY2020; and (ii) the net effect of fair value changes in the valuation of investment properties. The adjusted profit of the Group for 1H FY2021 would have increased by approximately 31.9% as compared with the adjusted profit for 1H FY2020, primarily due to lower staff costs during 1H FY2021.

	1H FY2021	1H FY2020
	HK\$'000	HK\$'000
(Loss)/Profit for the period	(524)	3,466
<i>Excluding:</i>		
Expenses related to Proposed Transfer	–	203
Net decrease in fair value of investment properties	5,362	–
Adjusted profit for the period	4,838	3,669

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The operations of the Group are mainly financed by shareholders' equity, bank loans and cash generated from operations.

	As at 30 September 2020 (Unaudited) HK\$'000	As at 31 March 2020 (Audited) HK\$'000
Current assets	45,229	44,924
Current liabilities	86,008	83,548
Current ratio (times) <i>(Note 1)</i>	0.5	0.5
Gearing ratio (%) <i>(Note 2)</i>	45.9	46.7

Notes:

- (1) Current ratio is calculated by dividing current assets by current liabilities as at the end of the respective period.
- (2) Gearing ratio is calculated by dividing total debt by total equity as at the end of the respective period.

The Group had net current liabilities of approximately HK\$40.8 million and HK\$38.6 million as at 30 September 2020 and 31 March 2020 respectively.

The net current liabilities position was primarily attributable to the classification as current liabilities (in accordance with the HKFRS) of loans of approximately HK\$57.5 million with repayment on demand clauses. The Group may record net current liabilities position from time to time. Please refer to the paragraph headed "Our Group recorded net current liabilities" under the section headed "Risk factors" of the prospectus issued by the Company on 30 September 2016.

Gearing ratio as at 30 September 2020 decreased to approximately 45.9% from approximately 46.7% as at 31 March 2020. Such decrease was mainly due to the net repayment of existing loans of HK\$4.3 million during the period.

Cash balance

As at 30 September 2020, the Group had cash and bank balances amounted to approximately HK\$39.3 million (as at 31 March 2020: HK\$39.4 million) of which approximately HK\$25.8 million was held in JPY with licenced banks in Hong Kong and Japan.

Bank borrowings

As at 30 September 2020, approximately HK\$78.0 million (as at 31 March 2020: HK\$76.7 million) of the interest bearing loans of the Group had variable interest rates. The interest coverage ratio as at 30 September 2020 was approximately 3.9 times (as at 31 March 2020: 2.9 times). The increase in interest coverage ratio was mainly due to lower administrative and operating expenses used in 1H FY2020.

Charges on the assets of the Group

As at 30 September 2020, (i) both the properties in Hong Kong; and (ii) all the properties in Japan (save for Kitano Machikado GH, Liberty Hills GH, Rakuyukan 36, Relife GH and Shinoro House), had been charged in favour of banks and financial institutions in Hong Kong and Japan for loans obtained from these banks and financial institutions.

Capital commitments/Contingent liabilities

As at 30 September 2020, the Group did not have any significant capital commitments (as at 31 March 2020: nil) and contingent liabilities (as at 31 March 2020: nil).

Dividend and book closure

The Board has recommended an interim dividend of Hong Kong 0.1 cent per share of the Company for 1H FY2021 (1H FY2020: Hong Kong 0.2 cent per share). The register of members of the Company will be closed from 26 November 2020 to 2 December 2020, both days inclusive, during which period no transfer of shares will be registered. This interim dividend will be paid on 23 December 2020 to the shareholders whose names appear on the register of members of the Company on 2 December 2020. For the entitlement to this interim dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on 25 November 2020.

Significant investment held, material acquisition and disposal, and future plans thereof

During 1H FY2021, the Group did not hold any significant investment other than the property investment portfolio as its ordinary and usual course of business. There were also no material acquisition and disposal undergone by the Group during the period, other than property investment activities.

Foreign exchange and interest rate exposures

The reporting currency of the Group is HK\$. While the corporate finance business of the Group is predominately conducted in HK\$, a substantial portion of the investment portfolio of the Group in Japan is exposed to foreign currency risk, including the rental income received from the investment properties. The financial performance and position of the Group are therefore exposed to fluctuations in the value of JPY against HK\$. Due to the recent strengthening of JPY, a positive exchange difference arising on translation of foreign operations of approximately HK\$9.1 million was recorded during 1H FY2021 (1H FY2020: HK\$8.8 million).

The Group manages its foreign exchange exposure by monitoring the matching of the currencies of its debt with (i) the collateral assets; and (ii) the debt servicing income derived from its business activities. In FY2021, loans to be serviced by rental income generated from or secured by properties in Japan will be denominated in JPY; meanwhile, loans secured by properties (for investment and self-occupation) in Hong Kong will be serviced by income derived from Hong Kong and denominated in HK\$.

To mitigate risks associated with fluctuations of interest rates for some of the loans in Japan with variable interest rates, the Group had entered into derivative financial instruments as a means to effectively fix the interest rate. As at 30 September 2020, the aggregate outstanding amount in relation to such borrowings amounted to approximately HK\$22.3 million (as at 30 September 2019: HK\$32.5 million).

OUTLOOK

Corporate finance

In the midst of global political tensions and the pandemic-induced downturn, the Hong Kong initial public offering (“IPO”) market has remained generally buoyant in the first nine months of 2020. The Hong Kong IPO market was underpinned in particular by large size technology, media and telecom (“TMT”) and bio-technology related enterprises, including the secondary listings of several high profile companies such as JD.com and NetEase.

On further scrutiny, the IPO market for small and medium enterprises, which the Group primarily focuses on, has remained subdued. In light of the precarious effects from COVID-19 pandemic, prolonged and increasing geo-political challenges, as well as uncertain outlook of various industries they operate in, the desire of such potential clients seeking a listing in Hong Kong have been negatively affected. Investors demand appears to have also skewed towards the specific TMT and bio-technology sectors mentioned above. These have resulted in a noticeable reduction in the IPO deal flows of the Group, and hence its pipeline for the remaining period of FY2021. The management of the Group (the “Management”) expects that revenue contribution from IPO sponsorship activities will remain low as a result.

Meanwhile, notwithstanding there was an increase in revenue generated from financial advisory segment in 1H FY2021, the deal size and transaction fee of financial advisory services are relatively small compared with IPO sponsorships, and there remain intense competition on fees. Financial advisory deals typically are of short cycle, it is therefore difficult to predict the contribution of this segment for the second half of FY2021.

Under current market situation, the Management expects operating condition of the Group's corporate finance segment to remain challenging in the second half of FY2021. The Directors will endeavour to proactively market our services and to leverage on established relationships to expand our scope of services in generating fee revenue.

Property investment

Hong Kong

With regard to our Hong Kong investment property which tenancy lease expired in June 2020, we have secured a new tenant. This new lease ensures continuous rental contribution in the near future. However, the Management has observed notable weakness in the Hong Kong property market, in particular for commercial properties, since the second quarter of this financial year mainly due to the prolonged COVID-19 pandemic lockdown as well as a general trend in reduction of rental rates. If such weakness persists, there may be further downward pressure on the value of this investment property.

Japan

With regard to our investment property portfolio in Japan; despite the COVID-19 pandemic having affected major regions in Japan, the Group's residential rental and occupancy rates have so far remain largely steady. The Management expects such stability to be maintained barring unexpected adverse events, and will be vigilant of market situation and, if necessary, carry out specific leasing strategies to maintain its occupancy rates.

For the Group's commercial units in Japan, the outbreak of the COVID-19 pandemic and lockdowns in Japan has caused much disruptions to businesses of our tenants who operate restaurants and entertainment outlets. Although commercial units form a relatively small proportion of our property portfolio, the Management will work closely with these tenants as necessary to help ensure their business sustainability, which is in the interest of the Group as a landlord.

The effects from COVID-19 pandemic and uncertainties arising therefrom have so far not materially affected the valuation of our investment properties in Japan. Notwithstanding this, there remains downward pressure if the adverse effects of the pandemic are prolonged.

In the midst of these uncertainties, the Management believes that challenges also create opportunities for the well-prepared. It may be opportune time to conduct refurbishments for certain older portfolio properties so as to enhance their attractiveness to tenants when the market recovers.

DIRECTOR'S AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARE, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2020, interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) held by the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are as follows:

Interest or short positions in the shares of the Company:

Name of Director	Capacity and nature of interests	Number of shares interested ^(Note 2)	Approximate percentage of the total issued share capital of the Company (%)
Mr. Ip ^(Note 1)	Beneficiary of a trust	557,200,000 (L)	69.6
	Beneficial owner	1,250,000 (L)	0.2
	Interest of a spouse	1,250,000 (L)	0.2
Mr. Chang Sean Pey ("Mr. Chang")	Beneficial owner	22,400,000 (L)	2.8
Ms. Leung Churk Yin Jeanny ("Ms. Leung")	Beneficial owner	9,400,000 (L)	1.2

Notes:

- (1) KHHL is deemed to be interested in 557,200,000 shares of the Company in long position through its wholly-owned subsidiary Flying Castle Limited. KHHL is owned as to 20.0% by Ms. Chan and as to 80.0% by the Trustee on behalf of The Hecico 1985 Trust, of which Ms. Chan is the founder and Mr. Ip and Ms. Ip are beneficiaries. By virtue of the SFO, the Trustee, Ms. Chan, Mr. Ip and Ms. Ip are deemed to be interested in all the shares of the Company held by KHHL. Mr. Ip has beneficial interest in 1,250,000 shares of the Company and has interest of spouse in 1,250,000 shares of the Company by virtue of SFO.
- (2) The letters "L" denotes a long position in the shares of the Company.

Interests in associated corporations of the Company:

Name	Name of associated corporation	Capacity and nature of interest	Interests in shares ^(Note 1)	Approximate percentage shareholding (%)
Mr. Ip	KHHL ^(Note 2)	Beneficiary of a trust	204 (L)	80.0
	I Corporation ^(Note 3)	Interest of spouse	14 (L)	20.0
Ms. Leung	Residence	Beneficial owner	20 (L)	0.33
Mr. Chang	Residence	Beneficial owner	10 (L)	0.17

Notes:

- (1) The letter “L” denotes a long position in the shares of these associated corporations of the Company.
- (2) KHHL is deemed to be interested in the Company through its wholly-owned subsidiary, Flying Castle Limited. KHHL is owned as to 20.0% by Ms. Chan and as to 80.0% by the Trustee on behalf of The Hecico 1985 Trust, of which Mr. Ip is one of the beneficiaries. By virtue of the SFO, Mr. Ip is deemed to be interested in the shares of KHHL held by the Trustee.
- (3) Pursuant to the SFO, Mr. Ip, the spouse of Ms. Ho Shuk Yee, Samantha (“**Ms. Ho**”), is deemed to be interested in the shares of I Corporation held by Ms. Ho.

Save as disclosed above, as at 30 September 2020, none of the Directors and chief executives 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 GEM Listing Rules.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the sections headed “Directors’ and chief executives’ interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations” above and “Share Option Scheme” below, at no time during 1H FY2021 was the Company, or any of its subsidiaries or associated corporations, a party to any arrangement to enable the Directors and chief executives 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 AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY AND OTHER PERSON'S INTERESTS IN OTHER MEMBERS OF THE GROUP

As at 30 September 2020, substantial shareholders (not being the Directors or chief executives of the Company) had interested or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company 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; and other persons had interests in other members of the Group as follows:

(a) Interests or short positions in the shares of the Company

Name of shareholder	Capacity and nature of interest	Number of shares interested <i>(Note 1)</i>	Approximate percentage of the total issued share capital of the Company <i>(%)</i>
Flying Castle Limited	Beneficial owner	557,200,000 (L)	69.6
KHHL <i>(Note 2)</i>	Interest in a controlled corporation	557,200,000 (L)	69.6
The Trustee <i>(Note 2)</i>	Trustee	557,200,000 (L)	69.6
Ms. Chan <i>(Note 2)</i>	Founder of a discretionary trust	557,200,000 (L)	69.6
	Beneficial owner	1,250,000 (L)	0.2
Mr. Ip <i>(Note 2)</i>	Beneficiary of a trust	557,200,000 (L)	69.6
	Beneficial owner	1,250,000 (L)	0.2
	Interest of spouse	1,250,000 (L)	0.2
Ms. Ip <i>(Note 2)</i>	Beneficiary of a trust	557,200,000 (L)	69.6
	Beneficial owner	1,250,000 (L)	0.2
Ms. Ho <i>(Note 3)</i>	Interest of spouse	558,450,000 (L)	69.8
	Beneficial owner	1,250,000 (L)	0.2
Yuanta Asia Investment Limited	Beneficial owner	44,250,000 (L)	5.5

Notes:

- (1) The letters “L” denotes a long position in the shares of the Company.
- (2) KHHL is deemed to be interested in the Company through its wholly-owned subsidiary, Flying Castle Limited. KHHL is owned as to 20.0% by Ms. Chan and as to 80.0% by the Trustee on behalf of The Hecico 1985 Trust, of which Ms. Chan is the founder and Mr. Ip and Ms. Ip are beneficiaries. By virtue of the SFO, the Trustee, Ms. Chan, Mr. Ip and Ms. Ip are deemed to be interested in all the shares of the Company held by KHHL. By virtue of SFO, Mr. Ip, the spouse of Ms. Ho, is deemed to be interested in 1,250,000 shares of the Company held by Ms. Ho.
- (3) Pursuant to the SFO, Ms. Ho, the spouse of Mr. Ip, is deemed to be interested in all the shares of the Company in which Mr. Ip is deemed to be interested.

(b) Interests or short positions in other members of the Group

Name of shareholder	Name of member of our Group	Capacity and nature of interest	Number of shares ^(Note)	Percentage of shareholding (%)
Ms. Ho	I Corporation	Beneficial owner	14 (L)	20.0
Mr. Henry Shih	Smart Tact	Beneficial owner	922 (L)	10.0
	Residence	Beneficial owner	600 (L)	10.0
	Lynton	Beneficial owner	1 (L)	10.0
	EXE	Beneficial owner	12 (L)	10.0
Mr. Richard Lo	Residence	Interest in controlled corporations	600 (L)	10.0

Note: The letter “L” denotes a long position in the shares.

Save as disclosed above, the Directors and chief executives of the Company are not aware that there is any party who, as at 30 September 2020, had or deemed to have, an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company 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.

SUFFICIENCY OF PUBLIC FLOAT

Based on public information available to the Company and to the best knowledge of the Directors, as at the date of this report, the Company has maintained the public float as required under the GEM Listing Rules during 1H FY2021.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES OF THE COMPANY

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company during 1H FY2021 up to the date of this report.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2020, the Group had 25 staff (30 September 2019: 30). The remuneration policy of the Group takes into consideration the duties, responsibilities, experiences, skills, time commitment, performance of the Group and are made with reference to those paid by comparable companies. Its employees are remunerated with monthly salaries and discretionary bonuses based on individual performance, market performance, the profit of the Group as a whole and comparable market levels. Apart from salary payment, other staff benefits include share awards, provident fund contributions, medical insurance coverage, other allowances and benefits.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**Share Option Scheme**”) by shareholder resolution passed on 26 September 2016. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for a period of 10 years from the date of its adoption. During 1H FY2020 and up to the date of this report, no share option was granted by the Company and there was no share option outstanding under the Share Option Scheme as at 30 September 2020.

SHARE AWARDS

Details of the share awards of the Group are set out in note 18 to the condensed consolidated interim financial statements of the Group for 1H FY2021.

CORPORATE GOVERNANCE

Pursuant to Rules 17.22, and 17.24 of the GEM Listing Rules, the Company has complied with and does not have advances to any entity nor advances to affiliated companies. In addition, pursuant to the Rule 17.23 of the GEM Listing Rules; the Company stated that (i) the major shareholders of the Company have not pledged any of their shares held; and (ii) an indirect wholly-owned subsidiary of the Company had entered into certain loan agreements with covenants relating to specific performance of the controlling shareholder as described below.

The Board has reviewed the corporate governance practices of the Group and is satisfied that the Group has complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 15 to the GEM Listing Rule during 1H FY2021.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors (the “**Required Standard of Dealings**”).

Have made specific enquiries of all the Directors, each of them has confirmed that they have complied with the Required Standard of Dealings during the period in 1H FY2021 and to the date of this report. The Company has not been notified by the Directors of any incident of non-compliance during such period.

COMPETING INTERESTS

As at 30 September 2020, none of the Directors, substantial shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

LOAN AGREEMENTS WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDER

On 3 March 2020, an existing lender of the Group, Hang Seng Bank Limited, has pursuant to its periodic review, agreed to continue to make available a revolving loan facility in the same amount of HK\$47,650,000 to the Company's indirect wholly-owned subsidiary, Starich Resources Limited ("Starich"). The bank facilities letter (the "**Hang Seng Facility Letter**") was signed on 3 March 2020.

On 2 July 2019, the Group entered into a bank facility letter (the "**Dah Sing Facility Letter**") under which Dah Sing Bank Limited agreed to make available to Starich a revolving loan facility in the amount of HK\$60,000,000 for investment and working capital purposes.

Under the Hang Seng Facility Letter and the Dah Sing Facility Letter, the Company has undertaken that (i) Mr. Ip shall remain as chairman of the Board and maintain control over the management and business of the Company; and (ii) his beneficial interest in the Company, as required to be disclosed pursuant to the disclosure requirements under the GEM Listing Rules and the SFO, should be maintained at not less than 60.0%.

AUDIT COMMITTEE

The Audit Committee has been established with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and code provision C.3.3 of the CG Code. The Audit Committee currently comprises three independent non-executive Directors and is chaired by Mr. Chan Sun Kwong. The other members are Mr. Chao Tien Yo and Mr. Lee Shu Yin respectively. The primary duty of the Audit Committee is to review and supervise the Company's financial reporting process, the risk management and internal control systems of the Group and the monitoring of continuing connected transactions. Pursuant to code provision C.3.3 of the CG Code, the Audit Committee has reviewed the unaudited consolidated results of the Group for 1H FY2021 and confirmed that the preparation of such complied with applicable accounting principles and practices adopted by the Company and the requirements of the Stock Exchange, and adequate disclosure had been made.

BOARD OF DIRECTORS

As at the date of this report, the Directors are:

Executive Directors:

Mr. Arnold Ip Tin Chee

Mr. Chang Sean Pey

Ms. Leung Churk Yin Jeanny

Independent Non-executive Directors:

Mr. Chao Tien Yo

Mr. Chan Sun Kwong

Mr. Lee Shu Yin

By order of the Board of
ALTUS HOLDINGS LIMITED
Arnold Ip Tin Chee
Chairman and Executive Director

Hong Kong, 6 November 2020

This report will remain on the website of GEM of the Stock Exchange at <http://www.hkgem.com> for at least 7 days from the date of its publication. This report will also be published and remained on website of the Company at <http://www.altus.com.hk>.