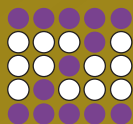




# Interim 中期報告 Report 2021/22



**Thiz Technology Group Limited**

**即時科研集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

*(於開曼群島註冊成立之有限公司)*

(Stock Code 股份代號 : 8119)

## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, 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.**

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*This report, for which the directors (the “Directors”) of Thiz Technology Group Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) for the purpose of giving information with regard to Thiz Technology Group Limited. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: 1. the information contained in this report is accurate and complete in all material respects and not misleading; 2. there are no other matters the omission of which would make any statement in this report misleading; and 3. all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

## SUMMARY

- The Group recorded a turnover of approximately HK\$18,245,000 for the six months ended 30 September 2021.
- Profit attributable to shareholders was approximately HK\$9,684,000.
- The directors of the Company (the “Directors”) do not recommend the payment of an interim dividend for the six months ended 30 September 2021.

## RESULTS

The board of Directors (the “Board”) of Thiz Technology Group Limited (the “Company”) announces the unaudited consolidated interim results (“interim accounts”) of the Company and its subsidiaries (together the “Group”) for the three months and six months ended 30 September 2021 together with the comparative unaudited figures for the corresponding periods in 2020 as follows:

### UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (RESTATED)

		For the three months ended 30 September		For the six months ended 30 September	
		2021	2020	2021	2020
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	3	9,542	7,466	18,245	14,601
Cost of sales and services		(2,244)	(2,411)	(3,319)	(2,638)
Gross profit		7,298	5,055	14,926	11,963
Other revenue and gain	3	27	(184)	125	(159)
Selling and distribution expenses		(7)	(7)	(8)	(25)
General and administrative expenses		(1,723)	(2,045)	(4,518)	(3,979)
Finance costs		(470)	(330)	(825)	(679)
Profit before taxation	4	5,125	2,489	9,700	7,121
Taxation	5	–	51	(16)	51
<b>Profit for the period</b>		<b>5,125</b>	<b>2,540</b>	<b>9,684</b>	<b>7,172</b>
Currency translation differences		96	–	1,579	(55)
<b>Total comprehensive income</b>		<b>5,221</b>	<b>2,540</b>	<b>11,263</b>	<b>7,117</b>

		For the three months ended 30 September		For the six months ended 30 September	
		2021	2020	2021	2020
Notes		HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Profit attributable to:</b>					
	Owners of the Company	5,125	2,540	9,684	7,172
	Non-controlling interests	—	—	—	—
		<u>5,125</u>	<u>2,540</u>	<u>9,684</u>	<u>7,172</u>
<b>Total comprehensive income attributable to:</b>					
	Owners of the Company	5,221	2,540	11,263	7,117
	Non-controlling interests	—	—	—	—
		<u>5,221</u>	<u>2,540</u>	<u>11,263</u>	<u>7,117</u>
<b>Earnings per share:</b>					
	– Basic and diluted (in cents)	1.83	0.90	3.45	2.56

# UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 September 2021 <i>HK\$'000</i>	At 31 March 2021 <i>HK\$'000</i>
	<i>Notes</i>		
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		642	163
Investment properties		80,199	69,518
		<u>80,841</u>	<u>69,681</u>
<b>Current assets</b>			
Trade receivables, other receivables, deposits and prepayments	7	11,281	11,028
Cash and bank balances		35,378	27,722
		<u>46,659</u>	<u>38,750</u>
<b>Current liabilities</b>			
Other payables, deposits received and accruals		6,892	6,838
Contract liabilities		140	300
Lease liabilities		3,906	4,366
		<u>10,938</u>	<u>11,504</u>
<b>Net current assets</b>		<u>35,721</u>	<u>27,246</u>
<b>Total assets less current liabilities</b>		<b>116,562</b>	<b>96,927</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		6,222	6,207
Lease liabilities		17,438	9,081
		<u>23,660</u>	<u>15,288</u>
<b>Net assets</b>		<u><b>92,902</b></u>	<u><b>81,639</b></u>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital		280,750	280,750
Reserves		(187,817)	(199,080)
Equity attributable to owners of the Company		<u>92,933</u>	<u>81,670</u>
Non-controlling interests		(31)	(31)
<b>Total equity</b>		<u><b>92,902</b></u>	<u><b>81,639</b></u>

# UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended	
	30 September	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash generated from operating activities	11,629	2,761
Net cash used in investing activities	–	–
Net cash used in financing activities	<u>(3,973)</u>	<u>(1,949)</u>
Net increase in cash and cash equivalents	7,656	812
Cash and cash equivalents as at 1 April	<u>27,722</u>	<u>26,296</u>
Cash and cash equivalents as at 30 September	<u><u>35,378</u></u>	<u><u>27,108</u></u>
Analysis of the balances of cash and cash equivalents:		
Cash and bank balances	<u><u>35,378</u></u>	<u><u>27,108</u></u>

# **UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share Capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Capital redemption reserve <i>HK\$'000</i>	Special reserve <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>	Non- Controlling interests <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
Balance as at 1 April 2020	280,750	16,618	84	360	(3,005)	(222,282)	72,525	(31)	72,494
Other comprehensive income	-	-	-	-	(55)	-	(55)	-	(55)
Profit for the period	-	-	-	-	-	7,172	7,172	-	7,172
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Balance at 30 September 2020	280,750	16,618	84	360	(3,060)	(215,110)	79,642	(31)	79,611
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Balance at 1 April 2021	280,750	16,618	84	360	2,401	(218,543)	81,670	(31)	81,639
Other comprehensive income	-	-	-	-	1,579	-	1,579	-	1,579
Profit for the period	-	-	-	-	-	9,684	9,684	-	9,684
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Balance at 30 September 2021	280,750	16,618	84	360	3,980	(208,859)	92,933	(31)	92,902
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## **1. General information**

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (Cap.22 Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 6 December 2000. The Group is principally engaged in (i) property leasing; (ii) trading business; and (iii) the information technology industry as a developer and provider of a range of solutions pertaining to Linux-based systems and others. The Group has expanded its scope of services to provide Fintech solutions and related post contract support services.

## **2. Basis of preparation**

The unaudited consolidated results of the Group have been prepared in accordance with the new Hong Kong Financial Reporting Standards (“HKFRS”) and Hong Kong Accounting Standards (“HKAS”) (collectively “HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the GEM Listing Rules. They have also been prepared under the historical convention, except for investment properties, which are carried at fair value.

The accounting policies adopted in preparing the unaudited consolidated results are consistent with those applied in the preparation of the Group’s annual financial statements for the year ended 31 March 2021.

The Group has not early adopted any new standards or interpretations that have been issued but are not yet effective.

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions and to assess the performance.

The Group has three reportable segments. Each of the Group’s reportable segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other business segments. Details of the business segments are summarised as follows:

- (a) the trading business segment that engages in the trading of computer accessories and household goods;
- (b) software development segment which provides solutions pertaining to Linux-based software and hardware products and other technical support services. The Group has expanded its scope of services to provide Fintech solutions and related post contract support services; and
- (c) the property leasing segment that engages in property leasing in the People’s Republic of China (the “PRC”).



### 3. Revenue, other income and gain (Restated)

Revenue represents the invoiced value of trading income, software development income and rental income, after allowances for returns and discounts and net of value added tax. An analysis of the Group's turnover, other income and gain is as follows:

	For the three months ended 30 September		For the six months ended 30 September	
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue:				
Software development income	6,261	5,647	11,243	10,629
Rental income	3,179	1,429	6,806	3,149
Trading business	102	390	196	823
	<u>9,542</u>	<u>7,466</u>	<u>18,245</u>	<u>14,601</u>
Other revenue and gain:				
Fair value gain/(loss) on investment properties	-	(203)	66	(203)
Interest income	18	14	44	32
Sundry income	9	5	15	12
	<u>27</u>	<u>(184)</u>	<u>125</u>	<u>(159)</u>
	<u><b>9,569</b></u>	<u><b>7,282</b></u>	<u><b>18,370</b></u>	<u><b>14,442</b></u>

### 4. Profit before taxation (Unaudited) (Restated)

	For the three months ended 30 September		For the six months ended 30 September	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit before taxation is arrived at after charging:				
Cost of sales and services	2,244	2,411	3,319	2,638
Depreciation of property, plant and equipment	8	14	18	28
Depreciation of right-of-use assets	657	87	934	173
Finance costs	470	330	825	679
Staff costs (including Directors)	494	1,243	2,104	2,274
Legal and professional fees	224	251	747	515

## 5. Taxation

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for the period and taxation for other jurisdictions is calculated on the rates prevailing in the relevant jurisdiction.

Deferred tax assets in respect of the deductible temporary differences have not been recognised in the financial statements owing to the absence of objective evidence in respect of the availability of sufficient taxable profits that are expected to arise to offset against the deductible temporary differences.

## 6. Earnings per share

The calculation of basic earnings per share for the six months ended 30 September 2021 is based on the profit attributable to owners of the Company of HK\$9,684,000 (2020 profit: HK\$7,172,000) and the weighted average of 280,750,261 (2020: 280,750,261).

## 7. Trade receivables

The ageing analysis of the Group's trade receivables net of allowance for doubtful debts, based on the transaction date was as follows:

	<b>30 September 2021</b> <b>(Unaudited)</b> <b>HK\$'000</b>	31 March 2021 (Audited) HK\$'000
0 – 30 days	<b>1,287</b>	2,656
31 – 60 days	–	2,074
61 – 90 days	<b>72</b>	2,056
91 – 180 days	<b>528</b>	–
181 – 360 days	<b>153</b>	–
Over 360 days	–	–
	<hr/>	<hr/>
	<b>2,040</b>	6,786
	<hr/> <hr/>	<hr/> <hr/>

## **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2021 (2020: Nil).

## **BUSINESS REVIEW**

### **Leasing business**

The Group's leasing of office premises in Shanghai, the PRC, was not significantly affected by the COVID-19 epidemic and turnover increased substantially during the period under review as compared to the same period last year due to the diversification of sublease management business, including the lease management business of office premises in Shanghai and Shenzhen.

The Shanghai government has continued to tighten regulation of fast-growing industries, yet it remains strong growth in the market demand. Some of the previously vacated space on the market has been adsorbed by the demand for more newly established and expanded companies. In the flexible office sector, in addition to the domestic flexible office and business centre operators that already own a certain market share, more domestic and local brands have entered the market, and even though these products are welcomed by some projects with poor occupancy rates, the market is becoming increasingly competitive. Product differentiation, flexible leasing, professional operation and value-added services are the keys to success. Domestic investors and owner-occupiers continue to dominate the office investment market in Shenzhen and continue to dominate the market activity.

### **Software business**

The Group's software business was not significantly affected by the COVID-19 epidemic and turnover was in line with the same period last year.

### **Trading business**

In response to the new supply in the office market in Shanghai, the Group's office-related decoration trading business was a diversified source of income, however, its turnover of trading business decreased as compared with the same period last year due to the impact of the COVID-19 epidemic.

## **Prospects**

The office market in Shanghai will maintain a significant amount of supply scheduled for delivery during the year, yet there will also be instances of delayed entry into the market due to poor pre-letting rates and other reasons. With a planned supply of 3 million square meters over the next two years, the annual vacancy rate is expected to fall by 2 percentage points based on the estimation of current absorption levels.

Shenzhen's economy will continue to grow in the future, which provides a positive outlook for the stable development of the local office market. However, the large supply in 2021 and its potential impact on the market should not be overlooked, the city vacancy rate may rise again as a result, putting pressure on rental growth.

Looking ahead, we will actively respond to the challenging market environment under the epidemic and have full confidence in the future. The Group will continue to review its existing businesses from time to time and strive to improve the operational and financial position of the Group's businesses by actively identifying potential businesses and investment opportunities to broaden its source of income.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Financial review**

The Group's consolidated turnover for the six months ended 30 September 2021 amounted to approximately HK\$18,245,000 increased around 25% as compared to last year (2020 (Restated): HK\$14,601,000). During the period under review, profit from operations for the period was HK\$9,684,000, compared to profit from operations of HK\$7,172,000 in the corresponding period of last year.

Gross profit for the Group increased from HK\$11,963,000 in 2020 to HK\$14,926,000 in 2021, due to the increase of rental income with higher profit margin.

Total operating costs were approximately HK\$4,526,000 (2020: HK\$4,004,000). Compare to the corresponding period of last year, the operating costs have increased by 13%, due to the increase of staff costs and professional fees.

Profit attributable to owners of the Company and earnings per share for the period were HK\$9,684,000 (2020 profit: HK\$7,172,000) and HK\$3.45 cents (2020 profit: HK\$2.56 cents) respectively.

## **Liquidity and financial resources**

As at 30 September 2021, the Group had current assets amounted to HK\$46,659,000, of which HK\$35,378,000 were cash and bank deposits. Current liabilities of HK\$10,938,000 mainly comprised of other payables, deposits received and accruals. The current ratio of the Group was approximately 4.3. The Group had net current assets of approximately HK\$35,721,000 as at 30 September 2021.

## **SUSPENSION OF TRADING**

Reference was made to the announcements (the “Announcements”) of the Company dated 15 October 2020, 22 October 2020, 14 January 2021, 14 April 2021, 14 July 2021 and 15 October 2021, respectively, in relation to, among other things, (i) the suspension of trading on the Stock Exchange; (ii) the resumption guidance given by the Stock Exchange; and (iii) the quarterly update on suspension of trading. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

According to the resumption guidance to the Company, as stated in the Announcements, the Company is required to demonstrate compliance with Rule 17.26 of the GEM Listing Rules.

On 21 September 2021, the Company has submitted a resumption plan to the Stock Exchange. The Company will continue to take appropriate measures to fulfill the resumption guidance imposed by the Stock Exchange.

At the request of the Company, trading in the Shares has been suspended with effect from 9:00 a.m. on 15 October 2020 and will continue to be suspended until further notice.

## Segmental information (Unaudited) (Restated)

### (a) Business segments (Restated)

The following table presents revenue and profit or loss information of the Group's business segments for the six months ended 30 September 2021.

	Trading business		Rental income		Software development		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:–								
Sales to external customers	<u>196</u>	<u>823</u>	<u>6,806</u>	<u>3,149</u>	<u>11,243</u>	<u>10,629</u>	<u>18,245</u>	<u>14,601</u>
Segment results	<u>58</u>	<u>601</u>	<u>5,187</u>	<u>2,577</u>	<u>6,527</u>	<u>5,638</u>	<u>11,772</u>	<u>8,816</u>
Interest income							44	32
Unallocated income							15	(246)
Unallocated expenses							<u>(1,306)</u>	<u>(802)</u>
Profit from operations							10,525	7,800
Finance costs							<u>(825)</u>	<u>(679)</u>
Profit before taxation							9,700	7,121
Taxation							<u>(16)</u>	<u>51</u>
Profit for the period							<u>9,684</u>	<u>7,172</u>
Attributable to:								
Owners of the Company							9,684	7,172
Non-controlling interests							<u>–</u>	<u>–</u>
							<u>9,684</u>	<u>7,172</u>

**(b) Geographical segments (Unaudited) (Restated)**

The following table presents revenue information of the Group's geographical segments for the six months ended 30 September 2021.

	Taiwan		PRC		Hong Kong		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020
	(HK\$'000)							
Segment revenue:–								
Sales to external customers	<u>5,311</u>	<u>5,002</u>	<u>12,314</u>	<u>7,079</u>	<u>620</u>	<u>2,520</u>	<u>18,245</u>	<u>14,601</u>

**Employee information**

As at 30 September 2021, the Group had approximately 32 employees spreading over Hong Kong, PRC and Taiwan.

The staff were remunerated based on their work performance, professional experience and prevailing marketing practices. In addition to the basic salaries and retirement schemes, the Group also offered staff benefits including medical insurance, share options, performance bonus and sales commission.

**Capital commitments and contingent liabilities**

As at 30 September 2021, the Group had no material capital commitments and contingent liabilities.

**Foreign exchange risk**

The Group's main operations are in the PRC and Taiwan and its income and expenses are transacted in RMB, USD and NT\$ respectively. Accordingly, it has no significant exposure to foreign exchange risk.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES OF THE COMPANY

As at 30 September 2021, the interests or short positions of the directors and chief executive in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”), Chapter 571 of the Laws of Hong Kong), which were notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rule 5.61 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:–

### (a) Long positions in ordinary shares of HK\$1.0 of the Company

Name of Directors	Total number of shares held	Percentage of shareholding
Mr. Wong Hoi Wong (“Mr. Wong”) ( <i>Note</i> )	1,508,600	0.54%

*Note:* These 1,508,600 shares are registered in name of Eaglemax International Investment Limited. As at 30 September 2021, Mr. Wong held the entire issued share capital of Eaglemax International Investment Limited. By virtue of SFO, Mr. Wong has interest of such shares.

### (b) Short positions in the shares and underlying shares of the Company

Save as disclosed herein, as at 30 September 2021, none of the directors has short positions in the shares or underlying shares of equity derivatives of the Company.

Save as disclosed herein, as at 30 September 2021, none of the directors had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have taken under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rule 5.61 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.



## SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 September 2021, the following persons (not being the directors and chief executives of the Company) had interests or short positions in the shares, underlying shares or debentures of 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 under Section 336 of the SFO as follows:–

Name of Shareholder	Number of Shares Held	Approximate percentage of issued share capital
Wang, Ying Fang	54,009,090	19.24%
Extra Bright Trading Limited ( <i>Note 1</i> )	46,279,750	16.48%

*Note:*

1. Extra Bright Trading Limited is owned by Advanced Enterprises Limited. Advanced Enterprises Limited is wholly owned by Chang Wei Min. Chang Wei Min is deemed to be interested in all the Shares held by Extra Bright Trading Limited under the SFO.

Save as disclosed above, as at 30 September 2021, there was no person (not being the directors and chief executives of the Company) who had any interests or short positions in the shares, underlying shares and debentures of 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 under Section 336 of the SFO.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading “Directors’ and Chief Executives’ Interests in Securities of the Company”, at no time during the six months ended 30 September 2021 was the Company or any of its subsidiaries a party to any arrangements to enable any director or their respective spouse or children under 18 years of age to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

## COMPETING INTERESTS

None of the directors or the management shareholders (as defined in the GEM Listing Rules) of the Company or their respective associates had any interest in a business which competed or might compete with business of the Group.

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

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the six months ended 30 September 2021.

## **AUDIT COMMITTEE**

The Company has established an Audit Committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The Audit Committee comprises three independent non-executive directors, namely Ms. Chen Yun Jung, Mr. Chu Meng Chi and Ms. Chan Mei Sze. The Audit Committee is chaired by Mr. Chu Meng Chi. The primary duties of the Audit Committee are to supervise the financial reporting process and internal control of the Company. The Audit Committee has reviewed the unaudited results of the Group for the six months ended 30 September 2021 and has provided advice and comment thereon.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company applied the principles and complied with all the code provisions as set out in the Code on Corporate Governance Practices (the Code) contained in Appendix 15 of the GEM Listing Rules throughout the Period, save for the deviations discussed below.

## **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

Under the code provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and Chief Executive Officer should be clearly established and set out in writing.

Mr. Wong Hoi Wong is both the Chairman and Chief Executive Officer of the Company who is responsible for managing the Board and the Group business. The Board considers that, with the present board structure and scope of business of the Group, there is no imminent need to separate the roles into two individuals as Mr. Wong is perfectly capable of distinguishing the priority of these roles in which he has been acting. However, the Board will continue to review the effectiveness of the Group corporate governance structure to assess whether the separation of the positions of Chairman and Chief Executive Officer is necessary.

## CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code for securities transactions by the Directors set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding securities transactions by Directors. The Company confirmed that, having made specific enquiry from all Directors, the Directors have complied with the required standard of dealings and its code of conduct regarding securities transactions by the Directors for the six months ended 30 September 2021.

By Order of the Board

**Wong Hoi Wong**

*Chairman*

Hong Kong, 12 November 2021

*As at the date hereof, the board of directors of the Company comprises an executive director, namely Mr. Wong Hoi Wong, and three independent non-executive directors, namely Ms. Chen Yun Jung, Mr. Chu Meng Chi and Ms. Chan Mei Sze.*