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This report, for which the directors (the “Directors”, each a “Director”) of Cornerstone Technologies 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.

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Liang Zihao *(Co-Chairman)*

Mr. Li Man Keung Edwin
(Vice Chairman)

Mr. Sam Weng Wa Michael

Mr. Lau Wai Yan Lawson

Mr. Pan Wenyuan

NON-EXECUTIVE DIRECTOR

Mr. Wu Jianwei *(Co-Chairman)*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tam Ka Hei Raymond

Mr. Yuen Chun Fai

Ms. Zhu Xiaohui

COMPLIANCE OFFICER

Mr. Liang Zihao

AUTHORISED REPRESENTATIVES

Mr. Liang Zihao

Mr. Chu Pui Ki Dickson

AUDIT COMMITTEE

Mr. Yuen Chun Fai *(Chairman)*

Mr. Tam Ka Hei Raymond

Ms. Zhu Xiaohui

REMUNERATION COMMITTEE

Ms. Zhu Xiaohui *(Chairman)*

Mr. Liang Zihao

Mr. Tam Ka Hei Raymond

NOMINATION COMMITTEE

Mr. Tam Ka Hei Raymond *(Chairman)*

Mr. Liang Zihao

Mr. Yuen Chun Fai

Ms. Zhu Xiaohui

COMPANY SECRETARY

Mr. Chu Pui Ki Dickson *(CPA)*

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MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Electric vehicle charging business

Since the commencement of electric vehicle (“EV”) business in August 2020 through acquisition of the entire interest of Cornerstone EV Charging Service Limited (“Cornerstone EV” or “Cornerstone Charging”), our service points covered numbers of residential and commercial sites with affordable monthly subscription fee plan and energy based charging scheme.

As per Hong Kong Roadmap on Popularization of Electric Vehicles issued by the Environmental Protection Department in March 2021, the government is determined to drive Hong Kong towards the vision of “Zero Carbon Emissions. Clean Air. Smart City”. To achieve carbon neutrality before 2050, the government identified key measures including, i) E-private cars, ii) E-commercial vehicles, iii) government fleet, iv) charging network, v) maintenance services, and vi) battery recycling.

For private charging facilities, the government targeted to have at least 150,000 parking spaces in private and commercial buildings equipped with EV charging infrastructure before 2025. HK\$2 billion EV-charging at Home Subsidy Scheme (“EHSS”) has been launched to assist car park of private residential buildings to install EV charging-enabling infrastructure (“EVCEI”) application in October 2020. Because of the overwhelming responses, EHSS further increased to HK\$3.5 billion in February 2022. This highly anticipated programme has its first construction started in May 2022. Cornerstone Technologies has been awarded this first main contractor contract and it is a vote of confidence in our capability in EV projects.

As at end-June 2022, more than 273 application were received covering over 115,000 parking spaces. Projects will continue to be awarded in the next few years. To aggressively target the EHSS opportunity, we have entered into a HK\$150,000,000 green facility agreement with GAW Capital in support of finance payments in relation to the projects awarded under EHSS.

Cornerstone Technologies is ready to be one of the most active players in this market.

There are also residential buildings which may not be eligible for the EHSS or would want to speed up on EV-charging deployment and Cornerstone has been investing in these projects to offer monthly subscription service for the EV owners. For the six months ended 30 June 2022, Cornerstone Charging has signed exclusive EV charging projects in 15 residential car parks, including 7 estates managed by People's Place, in Hong Kong. The total number of parking spaces under exclusivity has exceeded 7,800.

While Cornerstone Charging has been focusing on "Destination Charging", allowing users to charge their EVs at home, we have now made "Opportunity Charging" available for those who need to charge up while they are on the go. In the first 6 months of 2022, We have expanded our public charging network in 16 locations, including popular destinations like O'South Coast. We will continue to expand the network in the coming months with Asia World Expo and other projects amongst the locations to come.

Apart from our own charging network, we are also providing leading one-stop EV-charging solutions to our partners. We have implemented industry leading License Plate Recognition System (LPRS) and parking system integration for the Admiralty Car Park operated by Wilson Parking, providing the most advanced touch-less EV Charging and parking payment experience. We have also supported Kowloon Motor Bus ("KMB") to launch their new generation of electric bus this year by deploying 200kWh fast charging infrastructure in their 5 depots, with a comprehensive Supervisory Control and Data Acquisition (SCDA) software platform.

The Hong Kong Government has allocated HK\$120 million for a three-year programme to gradually increase the number of chargers in government car parks from 1,100 at end-2020 to 1,800 by 2022. The government further targets to have at least 5,000 chargers provided by the government by 2025, and plans to double the number in the future. We have been a core part of this programme as supplier of chargers as well as a technology solution provider. During the six months ended 30 June 2022, Cornerstone Charging developed and launched the mobile app “EV-Charging Easy” (the “Mobile APP”) for the Hong Kong Government. The Mobile APP provides users a convenient way to receive real-time electric vehicle charger availability for the electric vehicle charging network opened for public use. The successful launching of this Mobile APP is a proof of the capability of the Company’s system development and data integration capability.

We are also building strong partnerships with car brands, providing convenient charging solutions including home-charger installation service, public charging network chargers and car brand sponsored charging credits at the Cornerstone Charging wallet. We have signed partnership agreements with 6 leading EV brands from Europe, Korea, Japan and China this year and will continue to broaden and strengthen the partnerships. We aim to become Hong Kong’s leading EV-driver ecosystem that will connect EV-drivers, brands and charger providers in one place.

Printing business

Our printing business enters its fourth decade, we must evolve to meet the financial sector’s new paradigms and to offer our valuable clients an even broader spectrum of services. To underpin our rapidly growing business, our printing business therefore be repositioned and rebranded, starting the new journey by naming as Elegance Financial Communications Limited. The office was relocated from Sheung Wan Shun Tak Centre to Grand Millennium Plaza in June 2022, a brand new, spacious and innovative office where also on top of Sheung Wan MTR station and our in-house printing production factory located at 7th Floor, Oceanic Industrial Centre, 2 Lee Lok Street, Hong Kong, with a usable area of approximately 32,000 sq. feets, as well as our in-house translation team in Hong Kong, which enables us to maintain timely and responsive printing and translation services to our commercial and financial printing customers.

OUTLOOK

The migration to electric vehicle is a global trend adopted by countries to reduce carbon emission. With world-class innovative technology and solutions, the successful business model of Cornerstone Charging in Hong Kong will be replicated and expanded to other countries in Southeast Asia like Cambodia. Pursuant to the announcement dated 31 March 2022 and further announcement dated 25 July 2022, Cornerstone Charging entered into a shareholders' agreement (the "Shareholders' Agreement") pursuant to which Cornerstone Charging and GC Power Limited, an affiliate company of Golden Cambodia Century Limited agreed to form the Cambodia joint venture ("Cambodia JV") to principally engage in the business development of the EV Business in Cambodia and other related activities. The Cambodia JV is accounting as a subsidiary of the Group and consolidated its financial results into the consolidated financial statement of the Group.

The formation of Cambodia JV marks the first milestone of the Cornerstone Charging's overseas expansion. The Company is committed to continuously invest in the EV Business in Hong Kong and Southeast Asia.

FINANCIAL REVIEW

Revenue

During the six months ended 30 June 2022 (the “Period”), the Company and its subsidiaries (collectively the “Group”) generate revenue from the provision of printing services in Hong Kong which are classified into (i) commercial printing services; (ii) financial printing services; and (iii) others services. Commercial printing services refer to printing services for our customers’ needs of commercial paper printing products and the book publisher’s needs of textbooks and leisure reading materials (such as novels, essays and articles). Financial printing services range from designing the cover, layout and artwork of the document, typesetting, translation, uploading, printing, and/or distribution services for listing applicants in respect of listing on the Stock Exchange and listed companies on the Stock Exchange pursuant to the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) or the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”). Others services primarily comprise standalone ad hoc design and/or translation work ordered by corporate customers (which is not related to listing matters) on a case-by-case basis. During the Period, revenue is also generated from electric vehicle charging business, which can be classified into (i) sales of electric vehicle charging system to customers directly; (ii) maintenance fee income for provision of maintenance services on electric vehicle chargers installed by the Hong Kong Government as government tender won; and (iii) subscription fee income of the charging revenue of electric vehicle at public and private carparks.

The following table sets forth a breakdown of our revenue by service categories for the periods indicated.

	Six months ended 30 June	
	2022	2021
	HK\$'000	<i>HK\$'000</i>
Commercial printing services	15,185	19,187
Financial printing services	11,336	10,418
Other services	695	1,116
	<hr/>	
Printing business	27,216	30,721
	<hr/>	
Sales of electric vehicle charging systems	9,829	2,897
Maintenance fee income	160	-
Subscription fee income	289	99
	<hr/>	
Electric vehicle charging business	10,278	2,996
	<hr/>	
Total	37,494	33,717

Our revenue increased by approximately 11.3%, from approximately HK\$33.7 million for the six months ended 30 June 2021 to approximately HK\$37.5 million for the Period. As illustrated in the table above, such increase was mainly due to the increase in revenue from sales of electric vehicle charging systems of approximately HK\$6.9 million, which was partially offset by the decrease in revenue from commercial printing services of approximately HK\$4.0 million.

Printing business

Commercial printing services

Revenue from commercial printing services decreased by approximately 20.8%, from approximately HK\$19.2 million for the six months ended 30 June 2021 to approximately HK\$15.2 million for the Period. Such decrease was mainly attributable to the decrease in sales orders from existing customers.

Financial printing services

Revenue from financial printing services increased by approximately 8.7%, from approximately HK\$10.4 million for the six months ended 30 June 2021 to approximately HK\$11.3 million for the Period.

The increase in revenue from financial printing services was mainly attributable to the increase in revenue from printing of financial reporting documents and compliance documents resulting from the increase in number of customers during the Period.

Other services

Revenue from other services decreased by approximately 36.4%, from approximately HK\$1.1 million for the six months ended 30 June 2021 to approximately HK\$0.7 million for the Period, resulting from the decrease in income from ad hoc design and artwork services.

Electric vehicle charging business

Sales of electric vehicle charging systems

The Group recorded a revenue of approximately HK\$9.8 million for the Period (2021: approximately HK\$2.9 million) from sales of electric vehicle charging systems. Such increase was mainly attributable to recognition of revenue from EHSS in May 2022 and increase in revenue from supply and installation of electric vehicle chargers.

Maintenance fee income

The Group recorded a revenue of approximately HK\$160,000 for the Period (2021: nil) from the provision of maintenance services on electric vehicle chargers installed by the Hong Kong Government as government tender won.

Subscription fee income

The Group recorded a revenue of approximately HK\$289,000 for the Period (2021: approximately HK\$99,000) from subscription fee income of the charging revenue of electric vehicle at public and private car parks.

Cost of services

Our cost of services mainly comprises direct labour cost, cost of raw materials, depreciation, electricity and water and production overheads.

The cost of services incurred in relation to the printing business increased by approximately 12.3%, from approximately HK\$23.5 million for the six months ended 30 June 2021 to approximately HK\$26.4 million for the Period. Such increase was mainly attributable to the increase in subcontracting, paper and labour costs.

The cost of services incurred in relation to the electric vehicle charging business increased by approximately 2.1 times, from approximately HK\$2.7 million for the six months ended 30 June 2021 to approximately HK\$8.5 million for the Period. Such increase was in line with the increase in revenue from the electric vehicle charging business.

Gross profit and gross profit margin

The following table sets forth a breakdown of the Group's gross profit and gross profit margin for the periods indicated:

	Six months ended 30 June 2022		
	Electric vehicle		Total <i>HK\$'000</i>
	Printing business <i>HK\$'000</i>	charging business <i>HK\$'000</i>	
Revenue	27,216	10,278	37,494
Cost of services	(26,392)	(8,493)	(34,885)
Gross profit	824	1,785	2,609
Gross profit margin	3.0%	17.4%	7.0%

	Six months ended 30 June 2021		
	Electric vehicle		Total <i>HK\$'000</i>
	Printing business <i>HK\$'000</i>	charging business <i>HK\$'000</i>	
Revenue	30,721	2,996	33,717
Cost of services	(23,500)	(2,670)	(26,170)
Gross profit	7,221	326	7,547
Gross profit margin	23.5%	10.9%	22.4%

Our gross profit decreased by approximately 65.3%, from approximately HK\$7.5 million for the six months ended 30 June 2021 to approximately HK\$2.6 million for the Period. The decrease in the overall gross profit margin from approximately 22.4% for the six months ended 30 June 2021 to approximately 7.0% for the Period was primarily due to the decrease in revenue from the printing business without a proportionate decrease in cost of services.

Other income

Our other income increased by approximately 2.2 times, from approximately HK\$0.5 million for the six months ended 30 June 2021 to approximately HK\$1.6 million for the Period, primarily due to the recognition of government grant of HK\$1.0 million during the Period.

Selling expenses

Our selling expenses refer to expenses incurred on a regular basis for the selling activities of our Group.

Our selling expenses decreased by approximately 25.0%, from approximately HK\$1.2 million for the six months ended 30 June 2021 to approximately HK\$0.9 million for the Period.

Administrative and other operating expenses

Our administrative and other operating expenses primarily comprise staff costs and benefits for our administrative staff, rental and rates for our office for financial printing services, depreciation, office expenses, directors' remuneration, repairs and maintenance of our office premises, IT maintenance and others.

Our administrative and other operating expenses increased by approximately 46.2%, from approximately HK\$32.9 million for the six months ended 30 June 2021 to approximately HK\$48.1 million for the Period. Such increase was mainly attributable to the increase in staff costs resulting from the expansion of the electric vehicle charging business.

Research and development expenses

Our research and development expenses mainly included staff costs, office rental and other material costs incurred for our internal projects.

Our research and development expenses increased from approximately HK\$241,000 for the six months ended 30 June 2021 to approximately HK\$623,000 for the Period.

Finance costs

Our finance costs mainly represent interests on bank borrowings, promissory note and lease liabilities.

Our finance costs increased by approximately 116.7%, from approximately HK\$0.6 million for the six months ended 30 June 2021 to approximately HK\$1.3 million for the Period, mainly attributable to the increase in interest on lease liabilities in respect of new leases of office commencing from 1 December 2021 and 15 December 2021 respectively.

Income tax credit

The Group's entities established in the Cayman Islands and the British Virgin Islands are exempted from income tax of the jurisdiction, respectively.

For the Period, the assessable profits of one of the Hong Kong incorporated subsidiary of the Group (as elected by the management of the Group) is subject to the two-tiered profits tax rates regime, under which the first HK\$2 million of assessable profits will be taxed at 8.25% and assessable profits above HK\$2 million will be taxed at 16.5%. The Hong Kong Profits Tax of other Hong Kong incorporated subsidiaries of the Group is calculated at the standard tax rate of 16.5% of the respective estimated assessable profits for the Period (2021: 16.5%).

For the Period and the six months ended 30 June 2021, we recorded an income tax credit of approximately HK\$351,000 and HK\$343,000 respectively.

Loss and total comprehensive expense for the period

We recorded a loss and total comprehensive expense of approximately HK\$47.1 million for the Period (2021: approximately HK\$26.5 million).

The loss-making position of the Group for the Period was mainly attributable to (1) the decrease in gross profit from the printing business; and (2) the incurrence of additional administrative and other operating expenses due to the expansion of the electric vehicle charging business.

EVENTS AFTER REPORTING PERIOD

Saved as disclosed in this report, no material subsequent event has occurred in relation to the Company or the Group after 30 June 2022 and up to the date of this report.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in Note 20 to the Condensed Consolidated Financial Statements, the Group did not have any significant investments, material acquisitions nor disposals of subsidiaries and affiliated companies during the Period.

CHARGE ON ASSETS AND CONTINGENT LIABILITIES

Save as the charge on investment in shares of Group companies held by certain subsidiaries of the Group in relation to the term facility of HK\$150,000,000, the Group did not have any charge on its assets and any contingent liabilities as at 30 June 2022.

CHANGE OF ADDRESS OF HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

With effect from 15 August 2022, the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited (the “Branch Share Registrar”), will change its address from Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong to:

17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

All telephone and facsimile numbers of the Branch Share Registrar will remain unchanged.

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE (THE “PLACING”)

On 30 September 2021, the Company entered into a placing agreement (the “Placing Agreement”) with VBG Capital Limited (“VBG Capital”), pursuant to which VBG Capital has agreed to procure on a best effort basis not less than six placees who and whose ultimate beneficial owners shall be third parties independent of the Company and its connected persons and their respective associates, to subscribe for up to 72,000,000 placing shares at the placing price of HK\$0.70 per placing share in up to two or more tranches within a certain period subject to the terms and conditions of the Placing Agreement. The terms of the Placing Agreement, including the maximum aggregate placing shares and the placing price, were subsequently revised by supplemental agreement entered into between the Company and VBG Capital on 9 November 2021, 29 November 2021 and 13 January 2022 respectively. The closing price quoted on the Stock Exchange per ordinary share of the Company as at the date of the Placing Agreement was HK\$1.01.

Completion of the Placing took place on 31 May 2022 upon which an aggregate of 39,520,000 placing shares, with a total nominal value of HK\$395,200, have been successfully placed at the placing price of HK\$0.62 per placing share pursuant to the terms and conditions of the Placing Agreement (as revised by the supplemental agreements). The placing shares were issued and allotted pursuant to the specific mandate approved by the shareholders at the Company's extraordinary general meeting held on 11 April 2022. The reason for issuing the placing shares was that it will provide immediate funding to the Company to (i) invest in research and development activities in EV charging business; (ii) undertake future investment opportunities in the EV charging business sector which would, by nature, involve substantial amount of cash to undertake acquisitions of assets/business and/or in capital expenditures; (iii) sustain commercial and financial printing business operation; and (iv) serve as the working capital and general corporate purposes for the Group.

The gross proceeds and net proceeds from the Placing amounted to approximately HK\$24.5 million and HK\$23.3 million respectively and the net issue price was approximately HK\$0.59 per placing share. The net proceeds were intended to be used for EV charging business development, commercial and financial printing business operation, and as general working capital of the Group. As at 30 June 2022, the net proceeds from the Placing were fully utilised in accordance with the intended use.

For details of the Placing, please refer to the announcements of the Company dated 30 September 2021, 4 October 2021, 9 November 2021, 29 November 2021, 13 January 2022 and 31 May 2022, and the circular of the Company dated 21 March 2022.

SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE IN RELATION TO SETTLEMENT OF LOAN (THE “1ST SUBSCRIPTION”)

On 30 December 2021, the Company as debtor entered into a deed of settlement of debts (the “Deed”) with the creditors (the “Creditors”), who are substantial shareholders and/or Directors of the Company, pursuant to which the Company has conditionally agreed to issue and allot to the Creditors (or their nominee(s)) an aggregate of 45,316,000 subscription shares at the subscription price of HK\$0.62 per subscription share. The subscription amount payable by the Creditors under the Deed shall be satisfied by capitalizing the loan in the amount of approximately HK\$28.1 million due to the Creditors from the Company.

Completion of the 1st Subscription took place on 31 May 2022 upon which an aggregate of 45,316,000 subscription shares, with a total nominal value of HK\$453,160, had been issued and allotted to the Creditors at the subscription price of HK\$0.62 per subscription share pursuant to the terms and conditions of the Deed. The subscription shares were issued and allotted pursuant to the specific mandate approved by the shareholders at the Company’s extraordinary general meeting held on 11 April 2022.

As at 30 June 2022, proceeds from the loan of HK\$28.1 million were utilised as operating expenses of the electric vehicle charging business i.e. staff costs, rent and inventory costs.

For details of the 1st Subscription, please refer to the announcements of the Company dated 30 December 2021 and 31 May 2022, and the circular of the Company dated 21 March 2022.

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE (THE “2ND SUBSCRIPTION”)

On 27 June 2022, the Company and Golden Ponder Holdings Limited (“Golden Ponder”) entered into a subscription agreement (the “2nd Subscription Agreement”), pursuant to which Golden Ponder has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue and allot, an aggregate of 32,320,000 new ordinary shares at the subscription price of HK\$0.62 per subscription share. The closing price quoted on the Stock Exchange per ordinary share of the Company as at the date of the 2nd Subscription Agreement was HK\$0.75.

Completion of the 2nd Subscription took place on 13 July 2022 upon which an aggregate of 32,300,000 subscription shares, with a total nominal value of HK\$323,000, had been issued and allotted to Golden Ponder at the subscription price of HK\$0.62 per subscription share pursuant to the terms and conditions of the 2nd Subscription Agreement. The subscription shares were issued and allotted pursuant to the general mandate granted to the Directors by the shareholders at the Company’s annual general meeting held on 30 June 2021. The reason for issuing the subscription shares was that it provided a good opportunity to strengthen the capital base of the Company.

The gross proceeds and net proceeds from the 2nd Subscription were approximately HK\$20.0 million and HK\$19.5 million respectively and the net issue price was approximately HK\$0.60 per subscription share. The net proceeds were intended to be used for EV charging business development and general working capital of the Group.

For details of the 2nd Subscription, please refer to the announcements of the Company dated 27 June 2022 and 13 July 2022.

USE OF PROCEEDS FROM THE 2ND SUBSCRIPTION

The following table sets forth the status of use of net proceeds from the 2nd Subscription (the "Net Proceeds"):

	Intended use of the Net Proceeds	Utilised Net Proceeds as at 30 June 2022	Unutilised Net Proceeds as at 30 June 2022	Expected timeline for the Net Proceeds to be fully utilised
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
EV charging business development	13,500	8,105	5,395	By 30 June 2023
Working capital purpose	6,000	4,343	1,657	By 30 June 2023
Total	19,500	12,448	7,052	

SUPPLEMENTAL AGREEMENTS IN RELATION TO THE GREEN FACILITY AGREEMENT AND THE SUBSCRIPTION AGREEMENTS FOR THE PROPOSED ISSUE OF UNLISTED WARRANTS UNDER SPECIFIC MANDATE

Reference is made to the announcement (the “Announcement”) of the Company dated 31 March 2022 in relation to the entering into by the Company of (i) the Green Facility Agreement for the term facility of HK\$150,000,000, (ii) the Subscription Agreement A for the issue and subscription of an aggregate of 153,000,000 Warrants comprising 120,000,000 Warrants (Tranche 1 Warrants) and 33,000,000 Warrants (Tranche 2 Warrants) and (iii) the Subscription Agreement B for the issue and subscription of 27,000,000 Warrants (Subscriber B Warrants). Unless otherwise stated, capitalised terms used in this subsection shall have the same meanings as those defined in the Announcement.

Pursuant to Subscription Agreement A, and as disclosed in the Announcement, the Company shall issue an aggregate of 153,000,000 Warrants comprising 120,000,000 Warrants (Tranche 1 Warrants) and 33,000,000 Warrants (Tranche 2 Warrants) to Steady Flake Limited (Subscriber A).

Pursuant to Subscription Agreement B, and as disclosed in the Announcement, the Company shall issue an aggregate of 27,000,000 Warrants (Subscriber B Warrants) to Seed Lock Limited (Subscriber B).

Pursuant to the Green Facility Agreement, and as disclosed in the Announcement, the rate of interest on each Loan under the Green Loan Facility shall be 10% per annum.

On 24 May 2022, the Company:

- (i) as issuer entered into Supplemental Agreement (1) with Subscriber A as subscriber pursuant to which the parties have agreed, amongst other things, that the obligations of the parties for the issue and subscription of Tranche 2 Warrants shall be suspended indefinitely and the issue and subscription of Tranche 2 Warrants will not proceed;

- (ii) as issuer entered into Supplemental Agreement (2) with Subscriber B as subscriber pursuant to which the parties have agreed, amongst other things, that the obligations of the parties for the issue and subscription of Subscriber B Warrants shall be suspended indefinitely and the issue and subscription of Subscriber B Warrants will not proceed; and
- (iii) as borrower, Captain Source Limited (a company managed and controlled by Gaw Capital) as lender, Arranger and Green Loan Advisor, the Guarantors, and the Administrative Parties, entered into Supplemental Agreement (3), under which the rate of interest on each Loan under the Green Loan Facility will be raised to 20% per annum after 15 months from the date of Supplemental Agreement (3).

Save and except the above amendments, all other terms and conditions contained in (a) Subscription Agreement A in respect of the issue and subscription of Tranche 1 Warrants and (b) the Green Facility Agreement shall remain unchanged and in full force and effect. For more details of the amendments, please refer to the Announcement, the announcement of the Company dated 24 May 2022 and the circular of the Company dated 8 July 2022.

The specific mandate which authorises the Directors to allot, issue and deal with the Tranche 1 Warrant Shares upon full exercise of the Tranche 1 Warrants was approved by the shareholders of the Company at an extraordinary general meeting of the Company held on 29 July 2022.

DIVIDENDS

The board of Directors (the “Board”) does not recommend the payment of an interim dividend for the Period.

OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICE

The corporate governance practice of the Group are based on the principles and the code provisions in the Corporate Governance Code (the “Code”) as set out in Appendix 15 to the GEM Listing Rules. During the Period, the Company had complied with all the applicable code provisions of the Code.

COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “Standard of Dealings”) as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he has complied with the Standard of Dealings from 1 January 2022 and up to the date of this report.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Scheme”), the principal terms of which are summarised in the section headed “Appendix IV — Statutory and General Information — D. Share Option Scheme” in the prospectus of the Company dated 30 April 2018.

During the Period, 2,000,000 share options had been granted (2021: 28,428,000) by the Company and 48,000 share options (2021: nil) had been exercised, and the number of share options outstanding as at 30 June 2022 was 22,900,000. For details of movements of the share options during the Period, please refer to Note 9 to the condensed consolidated financial statements in this report.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraphs headed "Directors' and chief executives' interests and/or short positions in shares, underlying shares and debentures of the Company or any associated corporation" below and "Share option scheme" above, at no time during the Period was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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

Other than the Placing, the 1st Subscription and the 2nd Subscription as disclosed in this report, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2022, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

Long position in the shares or underlying shares of the Company

Name of Directors/chief executives of the Company	Capacity	Number of shares or underlying shares held	Percentage of issued share capital
Mr. Wu Jianwei ("Mr. Wu")	Beneficial owner/Interest of controlled corporation	259,795,225 (Note 1)	37.02%
	Beneficial owner	4,400,000 (Note 6)	0.63%
Mr. Liang Zihao ("Mr. Liang")	Beneficial owner/Interest of controlled corporation	249,311,225 (Note 2)	35.53%
	Beneficial owner	4,400,000 (Note 6)	0.63%
Mr. Lau Wai Yan Lawson ("Mr. Lau")	Beneficial owner/Interest of controlled corporation	30,302,703 (Note 3)	4.32%
	Beneficial owner	1,100,000 (Note 6)	0.16%
Mr. Pan Wenyuan ("Mr. Pan")	Interest of controlled corporation	27,096,000 (Note 4)	3.86%
Mr. Li Man Keung Edwin ("Mr. Li")	Beneficial owner/Interest of controlled corporations	104,304,613 (Note 5)	14.86%
	Beneficial owner	4,400,000 (Note 6)	0.63%
Mr. Sam Weng Wa Michael	Beneficial owner	440,000 (Note 6)	0.06%
Mr. Tam Ka Hei Raymond	Beneficial owner	440,000 (Note 6)	0.06%
Mr. Yuen Chun Fai	Beneficial owner	440,000 (Note 6)	0.06%
Ms. Zhu Xiaohui	Beneficial owner	440,000 (Note 6)	0.06%
Mr. Yip Shiu Hong	Beneficial owner	5,997,905	0.85%
Mr. Ng Sze Chun	Beneficial owner	2,998,953	0.43%

Notes:

1. 235,603,225 Shares are held by Global Fortune Global Limited ("Global Fortune") which is owned as to 51% by Mr. Wu. Mr. Wu is deemed to be interested in the Shares in which Global Fortune is interested under the SFO. Mr. Wu also directly holds 24,192,000 Shares.
2. 235,603,225 Shares are held by Global Fortune which is owned as to 49% by Mr. Liang. Mr. Liang is deemed to be interested in the Shares in which Global Fortune is interested under the SFO. Mr. Liang also directly holds 13,708,000 Shares.
3. 22,802,703 Shares are held by Cornerstone Wealth Holdings Limited ("Cornerstone Wealth") which is wholly owned by Mr. Lau. Mr. Lau is deemed to be interested in the Shares in which Cornerstone Wealth is interested under the SFO. Mr. Lau also directly holds 7,500,000 Shares.
4. Mr. Pan owns 100% of the issued share capital of Silver Rocket Limited ("Silver Rocket"). Mr. Pan is deemed to be interested in the Shares in which Silver Rocket is interested under the SFO.
5. 17,392,000 Shares and 81,000,000 Shares are held by Tanner Enterprises Group Limited ("Tanner Enterprises") and Glorytwin Limited ("Glorytwin") respectively. Mr. Li owns 100% of the issued share capital of Tanner Enterprises, which in turn owns 100% of the issued share capital of Glorytwin. Mr. Li is deemed to be interested in the Shares in which Tanner Enterprises and Glorytwin are interested under the SFO. Mr. Li also directly holds 5,912,613 Shares.
6. These shares were the shares which would be allotted and issued upon exercise in full of the share options granted to such Director under the share option scheme of the Company.

Save as disclosed above, as at 30 June 2022, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which was required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2022, the interests and short positions of the substantial shareholders of the Company (other than the Directors and the chief executives of the Company) in the shares and underlying shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to Section 336 of the SFO, to be entered in the register to therein, were as follows:

Long positions in the shares or underlying shares of the Company

Name of substantial shareholders	Capacity	Number of shares held	Percentage of issued share capital
Global Fortune	Beneficial owner <i>(Note 1)</i>	235,603,225	33.58%
Tanner Enterprises	Beneficial owner/Interest of controlled corporation <i>(Note 2)</i>	98,392,000	14.02%
Glorytwin	Beneficial owner <i>(Note 2)</i>	81,000,000	11.54%

Notes:

- Global Fortune is legally and beneficially owned as to 51% and 49% by Mr. Wu and Mr. Liang respectively. Therefore by virtue of the SFO, Mr. Wu and Mr. Liang are deemed to be interested in all the shares held by Global Fortune.
- Glorytwin is legally and beneficially owned as to 100% by Tanner Enterprises. Therefore by virtue of the SFO, Tanner Enterprises is deemed to be interested in all the shares held by Glorytwin.

Save as disclosed above, as at 30 June 2022, the Directors were not aware of any other persons/entities (other than the Directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

INTERESTS IN COMPETING BUSINESS

For the Period, none of the Directors or any of their respective close associates (as defined under the GEM Listing Rules) were engaged in any business that competes or may compete, directly or indirectly, with the business of the Group or have any other conflicts of interest with the Group nor were they aware of any other conflicts of interest which any such persons had or may have with the Group.

AUDIT COMMITTEE

The Company established the Audit Committee on 19 April 2018 with written terms of reference in compliance with the code provisions of the Code. The primary duties of the Audit Committee are, among others, (i) to assist the Board in providing an independent view of the effectiveness of our Group's financial reporting process, internal control and risk management systems; (ii) to oversee the audit process; (iii) to make recommendations to the Board on the appointment and removal of external auditors; (iv) to monitor any continuing connected transaction; (v) to ensure the compliance with relevant laws and regulations and performance of the corporate governance functions delegated by the Board; and (vi) to perform other duties and responsibilities as assigned by the Board. The Audit Committee comprises of three independent non-executive Directors, namely Mr. Yuen Chun Fai (chairman of the Audit Committee), Mr. Tam Ka Hei Raymond and Ms. Zhu Xiaohui.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the Period and is of the opinion that the preparation of such statements complied with applicable accounting standards and that adequate disclosures have been made in respect thereof.

BOARD OF DIRECTORS

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

Executive Directors:

Mr. Liang Zihao (*Co-Chairman*)

Mr. Li Man Keung Edwin (*Vice Chairman*)

Mr. Sam Weng Wa Michael

Mr. Lau Wai Yan Lawson

Mr. Pan Wenyuan

Non-executive Director:

Mr. Wu Jianwei (*Co-Chairman*)

Independent Non-executive Directors:

Mr. Tam Ka Hei Raymond

Mr. Yuen Chun Fai

Ms. Zhu Xiaohui

By Order of the Board
Cornerstone Technologies Holdings Limited
Liang Zihao
Co-Chairman and Executive Director

Hong Kong, 12 August 2022

The board of Directors (the “Board”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2022, together with the comparative unaudited figures for the corresponding period in 2021, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	Note	Three months ended 30 June		Six months ended 30 June	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	3	25,778	19,328	37,494	33,717
Cost of services		(21,401)	(14,571)	(34,885)	(26,170)
Gross profit		4,377	4,757	2,609	7,547
Other income	4	1,442	312	1,576	530
Selling expenses		(493)	(580)	(903)	(1,154)
Administrative and other operating expenses		(29,966)	(18,356)	(48,128)	(32,910)
Research and development expenses		(353)	(162)	(623)	(241)
Finance costs	5	(642)	(268)	(1,301)	(619)
Loss on disposal of subsidiary	20	(646)	-	(646)	-
Loss before tax	6	(26,281)	(14,477)	(47,416)	(26,847)
Income tax credit	7	133	309	351	343
Loss and total comprehensive expense for the period		(26,148)	(14,168)	(47,065)	(26,504)

	Three months ended 30 June		Six months ended 30 June	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Note	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss) Profit and total comprehensive (expense) income for the period attributable to:				
Owners of the Company	(26,241)	(14,025)	(46,889)	(26,361)
Non-controlling interests	93	(143)	(176)	(143)
	(26,148)	(14,168)	(47,065)	(26,504)
	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
Loss per share attributable to owners of the Company				
Basic and diluted	8	(2.34)	(7.52)	(4.60)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note	At 30 June 2022 HK\$'000 (Unaudited)	At 31 December 2021 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	11	18,910	15,261
Right-of-use assets		50,782	53,683
Other intangible assets		18,022	18,626
Goodwill		30,080	30,080
Deposits	13	6,323	6,747
Deferred tax assets		-	4
		124,117	124,401
Current assets			
Inventories	12	8,926	7,494
Trade and other receivables, prepayments and deposits	13	42,056	21,437
Tax recoverable		-*	60
Bank balances and cash		10,394	16,622
		61,376	45,613
Current liabilities			
Contract liabilities		1,145	722
Trade and other payables	14	43,132	16,937
Amount due to related party	17	671	-
Bank borrowings	15	-	67
Lease liabilities	16	10,080	11,042
Loan from shareholders	17	4,100	28,100
		59,128	56,868

		At 30 June 2022 HK\$'000 (Unaudited)	At 31 December 2021 HK\$'000 (Audited)
Net current assets (liabilities)		2,248	(11,255)
Total assets less current liabilities		126,365	113,146
Non-current liabilities			
Lease liabilities	16	43,424	44,037
Provisions	18	2,760	2,760
Deferred tax liabilities		4,330	4,681
		50,514	51,478
NET ASSETS		75,851	61,668
Capital and reserves			
Share capital	19	7,017	6,078
Reserves		69,645	56,225
Equity attributable to owners of the Company		76,662	62,303
Non-controlling interests		(811)	(635)
TOTAL EQUITY		75,851	61,668

* Represents amount less than HK\$1,000

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Attributable to owners of the Company							Non-controlling interests HK\$'000	Total equity HK\$'000
	Reserves					Total HK\$'000			
	Share capital HK\$'000	Share premium HK\$'000 (Note i)	Capital reserve HK\$'000 (Note ii)	Share-based	Accumulated losses HK\$'000				
				payments reserve HK\$'000					
At 1 January 2021 (Audited)	4,805	71,267	17,802	–	(30,418)	63,456	–	63,456	
Issue of shares pursuant to share placing	497	18,856	–	–	–	19,353	–	19,353	
Issue of shares pursuant to share subscription	696	27,154	–	–	–	27,850	–	27,850	
Recognition of equity-settled share based payment	–	–	–	6,194	–	6,194	–	6,194	
Loss and total comprehensive expense for the period	–	–	–	–	(26,361)	(26,361)	(143)	(26,504)	
At 30 June 2021 (Unaudited)	5,998	117,277	17,802	6,194	(56,779)	90,492	(143)	90,349	
At 1 January 2022 (Audited)	6,078	122,157	17,802	8,048	(91,782)	62,303	(635)	61,668	
Issue of shares pursuant to share subscription (Note 19)	453	27,643	–	–	–	28,096	–	28,096	
Issue of shares pursuant to share placing (Note 19)	395	24,107	–	–	–	24,502	–	24,502	
Issue of emolument shares to chief executive officer (Note 19)	60	5,338	–	–	–	5,398	–	5,398	
Issue of emolument shares to chief operating officer (Note 19)	30	2,669	–	–	–	2,699	–	2,699	
Issue of shares upon exercise of share options (Note 19)	1	25	–	–	–	26	–	26	
Recognition of equity-settled share based payment	–	–	–	527	–	527	–	527	
Loss and total comprehensive expense for the period	–	–	–	–	(46,889)	(46,889)	(176)	(47,065)	
At 30 June 2022 (Unaudited)	7,017	181,939	17,802	8,575	(138,671)	76,662	(811)	75,851	

Notes:

- (i) Share premium represents the excess of the net proceeds from issuance of the Company's share over its par value. Under the laws of the Cayman Islands and the Company's Articles of Association, it is distributable to the Company's shareholders, provided that immediately following the date on which the dividend is proposed to be distributed, the Company remains able to pay our debts as and when they fall due in the ordinary course of business.

- (ii) Capital reserve represents the aggregate amount of the issued share capital of the entities now comprising the Group less consideration paid to acquire the relevant interests (if any) in relation to the group reorganisation.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Net cash used in operating activities	(40,998)	(23,622)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,382)	(1,081)
Purchase of other intangible assets	-	(91)
Proceeds from disposal of property, plant and equipment	-	1
Development cost paid	-	(3,727)
Net cash outflow from disposal of subsidiary (Note 20)	(336)	-
Net cash used in investing activities	(6,718)	(4,898)
FINANCING ACTIVITIES		
Repayment of bank borrowings	(67)	(100)
Repayment of lease liabilities	(4,110)	(6,472)
Proceeds from issue of placing shares	24,502	-
Proceeds from issue of subscription shares	-	27,850
Proceeds from issue of shares pursuant to exercise of share options	26	-
Proceeds from receipt in advance for placing of shares	20,038	-
Transaction costs attributable to issue of shares	(475)	-
Repayment of promissory note	-	(5,159)
Commission paid to a placing agent	(1,225)	(498)
Interest paid	(1,301)	(564)
Advance from shareholders	4,100	-
Net cash from financing activities	41,488	15,057
Net decrease in cash and cash equivalents	(6,228)	(13,463)
Cash and cash equivalents at beginning of period	16,622	33,205
Cash and cash equivalents at end of period, represented by bank balances and cash	10,394	19,742

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 24 January 2017. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") by way of placing and public offer on 11 May 2018. The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company's principal place of business is situated at Office Units 1107-11, 11th Floor, New East Ocean Centre, No. 9 Science Museum Road, Kowloon, Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of printing, typesetting and translation services, and electric vehicle charging business in Hong Kong.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2022 (the "Condensed Consolidated Financial Statements") are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Condensed Consolidated Financial Statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the Condensed Consolidated Financial Statements are consistent with those adopted in preparing the annual financial statements of the Group for the year ended 31 December 2021 (the "2021 Annual Report"), except for the new and revised HKFRSs issued by the HKICPA that are effective for the current accounting period of the Group. At the date of authorisation of the Condensed Consolidated Financial Statements, the Group has not early adopted the new and revised HKFRSs that have been issued but are not yet effective for the current period.

The Condensed Consolidated Financial Statements have not been audited by the Company's auditors but have been reviewed by the audit committee of the Company (the "Audit Committee").

Adoption of new/revised HKFRSs

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA which are effective for the Group's financial year beginning on 1 January 2022:

Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018–2020

The application of the amendments to HKFRSs has had no material impact on the Group's financial performance and position for the current and prior periods and/or on the disclosures set out in the Condensed Consolidated Financial Statements.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Condensed Consolidated Financial Statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates. In preparing the Condensed Consolidated Financial Statements, the significant judgements made by the management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the 2021 Annual Report.

3. REVENUE AND SEGMENT INFORMATION

Segment information

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focus on the types of services provided.

The Group's reportable and operating segments under HKFRS 8 "Operating Segments" are as follows:

- (a) Provision of printing, typesetting and translation services; and
- (b) Provision of electric vehicle charging solution services and sales of electric vehicle charging systems.

Revenue

(i) Disaggregation of revenue from contracts with customers

	Three months ended		Six months ended	
	30 June		30 June	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<u>Printing business</u>				
- Commercial printing services	9,830	9,536	15,185	19,187
- Financial printing services	8,917	7,220	11,336	10,418
- Other services (Note)	329	202	695	1,116
	19,076	16,958	27,216	30,721
<u>Electric vehicle charging business</u>				
- Sales of electric vehicle charging systems	6,393	2,319	9,829	2,897
- Maintenance fee income	160	-	160	-
- Subscription fee income	149	51	289	99
	6,702	2,370	10,278	2,996
Total	25,778	19,328	37,494	33,717

Note: Other services included ad hoc design and artwork, and/or translation services, etc.

(ii) **Segment information**

Six months ended 30 June 2022 (unaudited)

	Printing business HK\$'000	Electric vehicle charging business HK\$'000	Total HK\$'000
Revenue from external customers	27,216	10,278	37,494
Segment results	(11,567)	(18,335)	(29,902)
Unallocated expenses			(17,514)
Income tax credit			351
Loss for the period			(47,065)
Segment assets	76,086	70,814	146,900
Unallocated assets			38,593
Total assets			185,493
Segment liabilities	(59,859)	(22,313)	(82,172)
Unallocated liabilities			(27,470)
Total liabilities			(109,642)
Other segment information:			
Addition to property, plant and equipment	111	6,271	6,382
Cost of services	26,392	8,493	34,885
Depreciation of property, plant and equipment	1,888	828	2,716
Depreciation of right-of-use assets	5,967	1,705	7,672
Amortisation of other intangible assets	-	604	604

Six months ended 30 June 2021 (unaudited)

	Printing business HK\$'000	Electric vehicle charging business HK\$'000	Total HK\$'000
Revenue from external customers	30,721	2,996	33,717
Segment results	(3,933)	(15,584)	(19,517)
Unallocated expenses			(7,330)
Income tax credit			343
Loss for the period			(26,504)
Segment assets	59,250	34,197	93,447
Unallocated assets			38,967
Total assets			132,414
Segment liabilities	(36,273)	(5,345)	(41,618)
Unallocated liabilities			(447)
Total liabilities			(42,065)

Other segment information:

Addition to property, plant and equipment	133	948	1,081
Additions to other intangible assets	-	3,818	3,818
Cost of services	23,500	2,670	26,170
Depreciation of property, plant and equipment	2,589	681	3,270
Depreciation of right-of-use assets	5,122	739	5,861
Impairment of property, plant and equipment	401	-	401
Amortisation of other intangible assets	-	549	549

Three months ended 30 June 2022 (unaudited)

	Printing business HK\$'000	Electric vehicle charging business HK\$'000	Total HK\$'000
Revenue from external customers	19,076	6,702	25,778
Segment results	(2,975)	(8,771)	(11,746)
Unallocated expenses			(14,537)
Income tax credit			133
Loss for the period			(26,150)
Segment assets	76,086	70,814	146,900
Unallocated assets			38,593
Total assets			185,493
Segment liabilities	(59,859)	(22,313)	(82,172)
Unallocated liabilities			(27,470)
Total liabilities			(109,642)
Other segment information:			
Addition to property, plant and equipment	11	1,808	1,819
Cost of services	16,075	5,326	21,401
Depreciation of property, plant and equipment	923	463	1,366
Depreciation of right-of-use assets	2,784	754	3,538
Amortisation of other intangible assets	-	302	302

Three months ended 30 June 2021 (unaudited)

	Printing business HK\$'000	Electric vehicle charging business HK\$'000	Total HK\$'000
Revenue from external customers	16,958	2,370	19,328
Segment results	(1,710)	(8,544)	(10,254)
Unallocated expenses			(4,224)
Income tax credit			309
Loss for the period			(14,169)
Segment assets	59,250	34,197	93,447
Unallocated assets			38,967
Total assets			132,414
Segment liabilities	(36,273)	(5,345)	(41,618)
Unallocated liabilities			(447)
Total liabilities			(42,065)

Other segment information:

Addition to property, plant and equipment	91	537	628
Additions to other intangible assets	-	1,458	1,458
Cost of services	12,400	2,171	14,571
Depreciation of property, plant and equipment	1,285	357	1,642
Depreciation of right-of-use assets	2,561	369	2,930
Impairment of property, plant and equipment	401	-	401
Amortisation of other intangible assets	-	280	280

The Company is an investment holding company and the principal place of the Group's operation is in Hong Kong. All of the Group's revenue from external customers during the reporting periods is derived from Hong Kong and all of the Group's assets and liabilities are located in Hong Kong.

Information about major customers

Revenue from customers which individually contributed 10% or more of the total revenue of the Group is as follows:

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Customer A	7,621	7,399

4. OTHER INCOME

	Three months ended 30 June		Six months ended 30 June	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Government subsidies <i>(Note)</i>	1,000	-	1,000	-
Gain on disposal of property, plant and equipment, net	-	-	-	1
Gain on disposal of right-of-use assets and lease liabilities on early termination of leases	97	-	97	-
Interest income	52	30	111	61
Sundry income	293	282	368	468
	1,442	312	1,576	530

Note: During the six months ended 30 June 2022, the Group recognised wage subsidies of approximately HK\$1,000,000 (2021: nil) granted from the Employment Support Scheme under Anti-Epidemic Fund of the Hong Kong Government.

5. FINANCE COSTS

	Three months ended		Six months ended	
	30 June		30 June	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest on bank borrowings	3	8	11	16
Interest on lease liabilities	639	260	1,290	548
Interest on promissory note	-	-	-	55
	642	268	1,301	619

6. LOSS BEFORE TAX

This is stated after charging (crediting):

	Three months ended		Six months ended	
	30 June		30 June	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Staff costs (including directors' emoluments)				
- Salaries and other benefits	24,465	13,058	39,945	24,723
- Contributions to defined contribution plans	515	403	975	672
Total staff costs	24,980	13,461	40,920	25,580
Other items:				
Auditor's remuneration	191	205	396	409
Cost of inventories (<i>Note</i>)	21,401	14,571	34,885	26,710
Depreciation of property, plant and equipment	1,366	1,642	2,716	3,270
Depreciation of right-of-use assets	3,538	2,930	7,672	5,861
Amortisation of other intangible assets	302	280	604	549
Exchange loss, net	6	2	11	5
Reversal of impairment loss recognised on trade receivables	(179)	-	(813)	(605)
Impairment loss recognised on property, plant and equipment	-	401	-	401
Gain on disposal of property, plant and equipment, net	-	-	-	(1)
Gain on disposal of right-of-use assets and lease liabilities on early termination of leases	(97)	-	(97)	-
Equity-settled share-based payment expense	35	3,600	527	6,194

Note: During the six months ended 30 June 2022, cost of inventories included approximately HK\$15.0 million (2021: approximately HK\$14.6 million) relating to the aggregate amount of certain staff costs, depreciation of property, plant and equipment and right-of-use assets and operating lease charges, which were included in the respective amounts as disclosed above.

7. INCOME TAX CREDIT

	Three months ended		Six months ended	
	30 June		30 June	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax — Hong Kong Profits Tax:				
Provision for the period	-	(65)	-	(32)
Deferred taxation	(133)	(244)	(351)	(311)
	(133)	(309)	(351)	(343)

The Group's entities established in the Cayman Islands and the British Virgin Islands are exempted from income tax.

Under the two-tiered profits tax rates regime, Hong Kong Profits Tax is calculated at the rate of 8.25% on the first HK\$2,000,000 of the estimated assessable profits of the qualifying group entity and 16.5% on the remaining amount of the estimated assessable profits for the six months ended 30 June 2022. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% (2021: 16.5%).

8. LOSS PER SHARE

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

	Three months ended 30 June		Six months ended 30 June	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<i>Loss:</i>				
Loss for the purpose of calculating basic and diluted loss per share (loss for the period attributable to owners of the Company)	(26,241)	(14,025)	(46,889)	(26,361)
	'000	'000	'000	'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

Number of shares:

Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	639,772	599,791	623,870	572,811
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Diluted loss per share for the six months ended 30 June 2022 is the same as the basic loss per share as the share options of the Company outstanding as at 30 June 2022 had an anti-dilutive effect on the basic loss per share.

The computation of diluted loss per share for the six months ended 30 June 2021 does not assume the exercise of outstanding share options of the Company since the outstanding options have not been vested as of 30 June 2021.

9. SHARE-BASED PAYMENT TRANSACTION

Pursuant to the share option scheme adopted by the Company on 19 April 2018 (the "Share Option Scheme"), an aggregate of 30,428,000 share options were granted to eligible participants of the Group on 28 January 2021 and 17 June 2022. The movements of share options under the Share Option Scheme during the six months ended 30 June 2022 are as follows:

Category/Name of grantees	Date of grant	Exercise price (HK\$)	Vesting date	Exercise period	Number of share options					Balance as at 30 June 2022
					Balance as at 1 January 2022	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	
Directors/Substantial shareholders										
Liang Zihao	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	4,400,000	-	-	-	-	4,400,000
Sam Weng Wa Michael	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	440,000	-	-	-	-	440,000
Li Man Keung Edwin	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	4,400,000	-	-	-	-	4,400,000
Lau Wai Yan Lawson	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	1,100,000	-	-	-	-	1,100,000
			1 April 2022	1 April 2022 to 27 January 2031	3,300,000	-	-	-	(3,300,000)	-
					4,400,000	-	-	-	(3,300,000)	1,100,000
Wu Jianwei	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	4,400,000	-	-	-	-	4,400,000
Tam Ka Hei Raymond	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	440,000	-	-	-	-	440,000
Yuen Chun Fai	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	440,000	-	-	-	-	440,000
Zhu Xiaohui	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	440,000	-	-	-	-	440,000
Sub-total					19,360,000	-	-	-	(3,300,000)	16,060,000

Category/Name of grantees	Date of grant	Exercise price (HK\$)	Vesting date	Exercise period	Number of share options						
					Balance as at 1 January 2022	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Balance as at 30 June 2022	
Employees											
In aggregate	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	2,040,000	-	(48,000)	(48,000)	-	1,964,000	
In aggregate	28 January 2021	0.54	1 April 2022	1 April 2022 to 27 January 2031	4,284,000	-	-	-	(3,168,000)	1,116,000	
In aggregate	17 June 2022	0.85	16 June 2023	16 June 2023 to 16 June 2032	-	1,700,000	-	-	-	1,700,000	
Sub-total					6,344,000	1,700,000	(48,000)	(48,000)	(3,168,000)	4,780,000	
Consultants											
In aggregate	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	1,740,000	-	-	-	-	1,740,000	
In aggregate	17 June 2022	0.85	16 June 2023	16 June 2023 to 16 June 2032	-	300,000	-	-	-	300,000	
Sub-total					1,740,000	300,000	-	-	-	2,040,000	
Total					27,464,000	2,000,000	(48,000)	(48,000)	(6,448,000)	22,900,000	

Note: The weighted average closing price of the shares immediately before the date on which the options were exercised was HK\$0.90.

The estimated fair value of the share options granted to employees and consultants of the Company on 17 June 2022 is HK\$834,700, which was arrived at based on the valuation carried out by Royson Valuation Advisory Limited, an independent qualified professional valuer not connected with the Group.

Equity-settled share-based payments amounted to approximately HK\$527,000 (2021: approximately HK\$6,194,000) were charged to administrative and other operating expenses during the six months ended 30 June 2022.

10. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2022 (2021: nil).

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2022, the Group acquired property, plant and equipment of approximately HK\$6.4 million (2021: approximately HK\$1.1 million).

12. INVENTORIES

	At	At
	30 June	31 December
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Raw materials	3,624	3,080
Work in progress	888	1,014
Finished goods	4,414	3,400
	8,926	7,494

13. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	At 30 June 2022 HK\$'000 (Unaudited)	At 31 December 2021 HK\$'000 (Audited)
Trade receivables	21,787	7,644
Other receivables	9,070	2,386
Prepayments	11,199	10,694
Deposits	6,323	7,460
	26,592	20,540
Total	48,379	28,184
Analysed as:		
Non-current assets	6,323	6,747
Current assets	42,056	21,437
	48,379	28,184

The Group normally grants credit terms of up to 60 days from the date of issuance of invoices. The credit period provided to customers can varies based on a number of factors including nature of operations, the Group's relationship with the customer and the customer's credit profile.

The following is an ageing analysis of trade receivables based on invoice date at the dates indicated:

	At 30 June 2022 HK\$'000 (Unaudited)	At 31 December 2021 HK\$'000 (Audited)
Within 30 days	8,727	3,350
31 to 60 days	5,677	2,952
61 to 90 days	5,147	570
Over 90 days	2,236	772
	21,787	7,644

The ageing analysis of trade receivables which are past due but not impaired at the dates indicated is as follows:

	At 30 June 2022 HK\$'000 (Unaudited)	At 31 December 2021 HK\$'000 (Audited)
Neither past due nor impaired	10,342	3,352
Past due:		
Within 30 days	4,895	2,961
31 to 60 days	4,323	556
61 to 90 days	921	55
Over 90 days	1,306	720
	11,445	4,292
Total	21,787	7,644

14. TRADE AND OTHER PAYABLES

	At 30 June 2022 HK\$'000 (Unaudited)	At 31 December 2021 HK\$'000 (Audited)
Trade payables	11,114	4,866
Accruals and other payables	10,348	8,279
Receipts in advance for placing of shares	–	2,000
Receipts in advance for subscription of shares	20,039	–
Deposits received	1,631	1,792
	32,018	12,071
Total	43,132	16,937

The Group is normally granted with credit terms of up to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

The following is an ageing analysis of trade payables based on invoice date at the dates indicated:

	At 30 June 2022 HK\$'000 (Unaudited)	At 31 December 2021 HK\$'000 (Audited)
Within 30 days	8,865	3,942
31 to 60 days	1,860	490
61 to 90 days	208	434
Over 90 days	181	–
	11,114	4,866

15. BANK BORROWINGS

Details of bank borrowings of the Group at the dates indicated are as follows:

	At	At
	30 June	31 December
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Bank borrowings — secured	—	67
Carrying amounts of bank borrowings that contain a repayment on demand clause (shown under current liabilities) but repayable:		
Within one year	—	67
More than one year, but not exceeding two years	—	—
Amounts shown under current liabilities	—	67

The bank borrowings contain a repayment on demand clause and the amounts due are presented based on scheduled repayment dates set out in the loan agreements. The bank borrowings are drawn under banking facilities of a subsidiary and bear a flat interest rate of 0.55% per month. The banking facilities are secured and guaranteed by personal guarantees given by Lau Wai Yan Lawson, an executive Director.

All of the banking facilities are subject to the fulfilment of covenants relating to a subsidiary's ratios based on its statement of financial position, as are commonly found in lending arrangements with financial institutions. If the subsidiary were to breach the covenants, the drawn down facilities would become repayable on demand. In addition, the subsidiary's loan agreements contain clauses which give the lender the right at its sole discretion to demand immediate repayment at any time irrespective of whether the subsidiary has complied with the covenants and met the scheduled repayment obligations.

The Group regularly monitors its compliance with these covenants and has made payments according to the schedule of the loans and does not consider it probable that the bank will exercise its discretion to demand repayment so long as the Group continues to meet these requirements. As at 31 December 2021, none of the covenants relating to drawn down facilities had been breached.

16. LEASE LIABILITIES

	At 30 June 2022 HK\$'000 (Unaudited)	At 31 December 2021 HK\$'000 (Audited)
Lease liabilities payable:		
Within one year	10,080	11,042
Within a period of more than one year but not more than two years	11,419	9,643
Within a period of more than two years but not more than five years	29,425	29,298
Within a period of more than five years	2,580	5,096
	53,504	55,079
<i>Less:</i> Amount due for settlement within 12 months shown under current liabilities	(10,080)	(11,042)
Amount due for settlement after 12 months shown under non-current liabilities	43,424	44,037

17. RELATED PARTY TRANSACTIONS

In addition to that disclosed in Note 20 to the Condensed Consolidated Financial Statements, the Group had the following material related party transactions during the six months ended 30 June 2022:

(a) Loan from shareholders

Details of loan from shareholders are as follows:

Name of related parties	At	At
	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Mr. Wu Jianwei	-	15,000
Mr. Liang Zihao	1,100	8,500
Mr. Li Man Keung Edwin	3,000	2,600
Mr. Pan Wenyuan	-	2,000
	4,100	28,100

The amounts were unsecured, interest free and repayable on demand.

On 20 December 2021, each of Mr. Wu Jianwei, Mr. Liang Zihao, Mr. Li Man Keung Edwin and Mr. Pan Wenyuan (collectively the "Creditors"), who is director and shareholder of the Company, entered into a loan agreement with the Company with no fixed term, interest rate and security.

On 30 December 2021, the Company as debtor entered into a deed of settlement of debts (the "Deed") with the Creditors, pursuant to which the Company has conditionally agreed to issue and allot to the Creditors (or their nominee(s)) an aggregate of 45,316,000 subscription shares at the subscription price of HK\$0.62 per subscription share. The subscription amount payable by the Creditors under the Deed shall be satisfied by capitalising the loan in the amount of approximately HK\$28.1 million due to the Creditors from the Company.

Completion of the subscription took place on 31 May 2022 upon which a total of 45,316,000 subscription shares had been issued and allotted to the Creditors at the subscription price of HK\$0.62 per subscription share pursuant to the terms and conditions of the Deed.

(b) Remuneration for key management personnel (including directors) of the Group

	Six months ended	
	30 June	2021
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Salaries, allowances and benefits in kind	7,224	4,605
Contributions to defined contribution retirement scheme	82	164
Equity-settled share-based payment expense	322	5,356
Emolument shares	8,097	-
	15,725	10,125

(c) Amount due to related party

	At	At
	30 June	31 December
	2022	2021
	HK\$'000	HK\$'000
Name of related party	(Unaudited)	(Audited)
Teamco Translation Limited ("Teamco")	671	-

Teamco is wholly owned by Lau Wai Yan Lawson, an executive Director, as at 30 June 2022. The amount was unsecured, interest-free and repayable on demand.

18. PROVISIONS

	At	At
	30 June	31 December
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Reinstatement provisions	2,760	2,760
Analysed as:		
Non-current liabilities	2,760	2,760
Current liabilities	-	-
	2,760	2,760

19. SHARE CAPITAL

	<i>Note</i>	Number of shares '000	Amount HK\$'000
Ordinary shares of HK\$0.01 each			
Authorised:			
At 31 December 2021 (Audited) and			
30 June 2022 (Unaudited)		100,000,000	1,000,000
Issued and fully paid:			
At 1 January 2021 (Audited)			
		480,541	4,805
Issue of shares pursuant to share placing	<i>(i)</i>	49,625	497
Issue of shares pursuant to share subscription	<i>(ii)</i>	77,625	776
At 31 December 2021 and 1 January 2022			
(Audited)		607,791	6,078
Issue of shares pursuant to share subscription	<i>(iii)</i>	45,316	453
Issue of shares pursuant to share placing	<i>(iv)</i>	39,520	395
Issue of emolument shares to chief executive officer	<i>(v)</i>	5,997	60
Issue of emolument shares to chief operating officer	<i>(vi)</i>	2,999	30
Issue of shares upon exercise of share options	<i>(vii)</i>	48	1
At 30 June 2022 (Unaudited)		701,671	7,017

Notes:

- (i) On 4 January 2021, an aggregate of 49,625,000 placing shares were successfully placed at the placing price of HK\$0.40 per placing share pursuant to the terms and conditions of the placing agreement.
- (ii) On 10 March 2021, an aggregate of 69,625,000 subscription shares were issued and allotted to the subscribers on at the subscription price of HK\$0.40 per subscription share pursuant to the terms and conditions of the subscription agreement. In addition, on 6 December 2021, an aggregate of 8,000,000 subscription shares have been issued and allotted to the subscribers at the subscription price of HK\$0.62 per subscription share pursuant to the terms and conditions of the subscription agreement.
- (iii) On 31 May 2022, an aggregate of 45,316,000 subscription shares were issued and allotted to the creditors at the subscription price of HK\$0.62 per subscription share for settlement of the shareholders' loan due to the Creditors by the Company pursuant to the Deed.
- (iv) On 31 May 2022, an aggregate of 39,520,000 placing shares were successfully placed at the placing price of HK\$0.62 per placing share pursuant to the terms and conditions of the placing agreements.
- (v) On 31 May 2022, the Company issued and allotted 5,997,905 shares to Mr. Yip Shiu Hong in relation to his appointment as chief executive officer of the Company.
- (vi) On 31 May 2022, the Company issued and allotted 2,998,953 shares to Mr. Ng Sze Chun in relation to his appointment as chief operating officer of the Company.
- (vii) During the six months ended 30 June 2022, share options were exercised at subscription price of HK\$0.54 per ordinary share, resulting in the issue of 48,000 ordinary shares for proceeds of HK\$25,920.

20. LOSS ON DISPOSAL OF SUBSIDIARY

During the six months ended 30 June 2022, Elegance Finance Printing Services Limited, an indirect wholly-owned subsidiary of the Company, completed the disposal of a 100% equity interest in Teamco to Lau Wai Yan Lawson, an executive Director, for nominal proceeds of HK\$1 realising a net loss on disposal of approximately HK\$646,000. The principal activity of Teamco was provision of translation services.

Analysis of assets and liabilities over which the control was lost:

	<i>HK\$'000</i>
	(Unaudited)
Property, plant and equipment	16
Trade receivables and prepayments	393
Amounts due from group entities	827
Income tax receivable	60
Deferred tax assets	6
Cash and cash equivalents	336
Trade payables	(180)
Other payables and accrued expenses	(812)
	<hr/>
Net assets disposed of	646
	<hr/>
Consideration	-
Net assets disposed of	646
	<hr/>
Loss on disposal of subsidiary	646
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Cash consideration received	-
Less: Cash and cash equivalents disposed of	336
	<hr/>
Net cash outflow arising on disposal	336
	<hr/>

21. RETIREMENT BENEFITS SCHEME

Defined contribution plans

The Group joins the Occupational Retirement Schemes Ordinance Scheme (the “ORSO Scheme”) and the Mandatory Provident Fund Scheme (the “MPF Scheme”) for their qualifying employees in Hong Kong. The ORSO Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Occupational Retirement Schemes Ordinance. The assets of the ORSO Scheme are held separately from those of the Group in funds under the control of independent trustees. Under the rules of the ORSO Scheme, the Group and its employees are each required to make contribution to the ORSO Scheme at rates specified in the rules of the ORSO Scheme. The obligation of the Group with respect of the ORSO Scheme is to make the required contribution under the ORSO Scheme. The retirement benefits costs charged to the consolidated statement of comprehensive income represent contributions payable to the ORSO Scheme by the Group.

The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employer and its employees are both required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions. Except for voluntary contribution, no forfeited contribution under the MPF Scheme is available to reduce the contribution payable in future years. The cap of contribution amount is HK\$1,500 per employee per month.

22. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, the Group has no significant events subsequent to 30 June 2022 and up to the date of this report.

23. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Condensed Consolidated Financial Statements were approved and authorised for issue by the Board on 12 August 2022.

