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EASYKNIT INTERNATIONAL HOLDINGS LIMITED

永義國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1218)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

FINANCIAL HIGHLIGHTS

	For the six months ended 30 September		
	2022 (unaudited)	2021 (unaudited)	Change
Revenue (HK\$'000)	50,871	173,125	(70.6)%
Gross profit (HK\$'000)	42,137	91,417	(53.9)%
Gross profit margin	82.8%	52.8%	30.0%
(Loss) profit for the period attributable to owners of the Company (HK\$'000)	(25,103)	998,734	N/A
Basic/Diluted (loss) earnings per share (HK\$)	(0.34)	12.18	N/A
		As at	
	30 September 2022 (unaudited)	31 March 2022 (audited)	Change
Total assets (HK\$'000)	8,932,509	8,919,158	0.1%
Total liabilities (HK\$'000)	3,997,788	3,981,641	0.4%
Net asset value (HK\$'000)	4,934,721	4,937,517	(0.1)%
Net asset value per share (HK\$)	66.7	66.7	—

RESULTS

The board of directors (the “**Board**” or the “**Directors**”) of Easyknit International Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 September 2022 (the “**Period**”), together with comparative figures for the six months ended 30 September 2021 (the “**2021 Period**”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

		Six months ended 30 September	
		2022	2021
	Note	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue			
Sales of properties		8,390	119,644
Rental income		25,597	33,622
Interest income from loan financing		6,981	10,921
Building management		9,903	8,938
		<u> </u>	<u> </u>
Total revenue	3	50,871	173,125
Cost of properties sold and services rendered		<u>(8,734)</u>	<u>(81,708)</u>
Gross profit		42,137	91,417
Other income, gains and losses		22,524	10,432
Distribution and selling expenses		(3,527)	(15,924)
Administrative expenses		(52,270)	(45,531)
Other expenses		(2,566)	(311)
Gain on changes in fair value of investment properties		80,392	38,378
Net loss on changes in fair value of financial assets at fair value through profit or loss (“FVTPL”)		(67,158)	(46,774)
Loss on revaluation of intangible assets		(5,847)	—
Release on disposal of debt instruments at fair value through other comprehensive income (“FVTOCI”)		(68)	(1,683)
Reversal of impairment loss (impairment loss) on financial assets, net			
— Loans receivable		3,326	(3,736)
— Debt instruments at FVTOCI		(1,848)	(4,135)
— Debt instruments at amortised cost		—	(54)

Six months ended 30 September

		2022	2021
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Gain on bargain purchase on acquisition of a subsidiary		—	1,676,151
Loss on remeasurement of interest in an associate		—	(656,380)
Share of results of an associate		—	(1,250)
Share of results of a joint venture		(4)	(4)
Finance costs		<u>(19,827)</u>	<u>(15,236)</u>
(Loss) profit before tax	4	(4,736)	1,025,360
Taxation	5	<u>(3,659)</u>	<u>(5,088)</u>
(Loss) profit for the period		<u>(8,395)</u>	<u>1,020,272</u>
Other comprehensive expense:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Share of other comprehensive income (expense) of an associate:			
Share of FVTOCI reserve of an associate		—	33
Reclassification of translation reserve to profit or loss upon deemed disposal of interest in an associate		—	(570)
Reclassification of FVTOCI reserve to profit or loss upon deemed disposal of interest in an associate		<u>—</u>	<u>(12,707)</u>
		—	(13,244)
Exchange differences arising on translation of financial statements of foreign operations		(53,000)	5,919
Change in fair value of debt instruments at FVTOCI		(2,497)	(12,496)
Release on disposal of debt instruments at FVTOCI		68	1,683
Impairment loss on debt instruments at FVTOCI included in profit or loss, net		<u>1,848</u>	<u>4,135</u>
Other comprehensive expense for the period		<u>(53,581)</u>	<u>(14,003)</u>
Total comprehensive (expense) income for the period		<u>(61,976)</u>	<u>1,006,269</u>

Six months ended 30 September

	2022	2021
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
(Loss) profit for the period attributable to:		
Owners of the Company	(25,103)	998,734
Non-controlling interests	16,708	21,538
	<u>(8,395)</u>	<u>1,020,272</u>
Total comprehensive (expense) income for the period attributable to:		
Owners of the Company	(65,470)	984,138
Non-controlling interests	3,494	22,131
	<u>(61,976)</u>	<u>1,006,269</u>
Basic and diluted (loss) earnings per share	<u>7</u> <u>HK\$(0.34)</u>	<u>HK\$12.18</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2022

	30 September	31 March
	2022	2022
<i>Notes</i>	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Non-current assets		
Property, plant and equipment	200,210	203,234
Right-of-use assets	1,172	1,082
Intangible asset	2,530	7,063
Investment properties	2,451,707	2,423,573
Interest in a joint venture	48	52
Financial assets at FVTPL	41,286	43,274
Debt instruments at FVTOCI	370	—
Debt instruments at amortised cost	22,576	40,936
Loans receivable	78,186	93,949
8		
Deferred tax assets	12,063	13,559
Other receivables	6,000	—
Deposits	285	285
	2,816,433	2,827,007
Current assets		
Properties held for development for sale	4,529,075	4,418,372
Properties held for sale	782,647	789,228
Trade and other receivables	178,967	165,375
9		
Financial assets at FVTPL	192,701	362,400
Loans receivable	138,042	152,031
8		
Debt instruments at FVTOCI	2,166	4,884
Debt instrument at amortised cost	31,438	15,436
Bank balances and cash	261,040	184,425
	6,116,076	6,092,151

		30 September 2022	31 March 2022
	<i>Note</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
Current liabilities			
Trade and other payables	<i>10</i>	115,102	153,104
Contract liabilities		20,153	16,534
Amount due to a non-controlling shareholder		163,814	159,114
Tax payable		64,139	65,112
Lease liabilities		1,047	398
Secured bank borrowings		1,444,577	1,206,455
		<u>1,808,832</u>	<u>1,600,717</u>
Net current assets		<u>4,307,244</u>	<u>4,491,434</u>
Total assets less current liabilities		<u>7,123,677</u>	<u>7,318,441</u>
Non-current liabilities			
Deferred tax liabilities		21,351	23,955
Secured bank borrowings		2,167,443	2,356,249
Lease liabilities		162	720
		<u>2,188,956</u>	<u>2,380,924</u>
TOTAL ASSETS		<u>4,934,721</u>	<u>4,937,517</u>
Capital and reserves			
Share capital		7,399	7,399
Reserves		3,396,362	4,170,307
Equity attributable to owners of the Company		3,403,761	4,177,706
Non-controlling interests		1,530,960	759,811
TOTAL EQUITY		<u>4,934,721</u>	<u>4,937,517</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

1. BASIS OF PREPARATION

The condensed consolidated financial statements of Easyknit International Holdings Limited (the “**Company**”; the Company and its subsidiaries are referred to as the “**Group**”) 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 (the “**HKICPA**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Stock Exchange.

On 25 July 2022, Goodco Development Limited, a wholly-owned subsidiary of the Company, converted all convertible notes issued by Eminence Enterprise Limited (“**Eminence**”), a non-wholly owned subsidiary of the Company, and a total of 400,786,666 Eminence ordinary shares of HK\$0.01 each were allotted. On 20 April 2022 and 26 September 2022, Eminence issued 186,280,000 and 607,400,000 ordinary shares of HK\$0.01 each by placing to not less than six places not connected with the Group, respectively. Accordingly, the Group’s equity interest over Eminence decreased from 74.76% as at 1 April 2022 to 51.60% as at 30 September 2022. During the current interim period, the above changes in the Company’s ownership interest in Eminence do not result in the Company losing control of Eminence.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair value, as appropriate.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2022.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to Conceptual Framework
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 HKFRSs 2018–2020 cycle

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

3. SEGMENT INFORMATION

Information reported to the Group’s chief executive officer, being the chief operating decision maker (the “**CODM**”), for the purposes of resources allocation and assessment of segment performance focuses on types of goods delivered or services provided. This is also the basis of organisation, whereby the management has chosen to organise the Group around differences in products and services.

The Group’s operating and reportable segments under HKFRS 8 “Operating Segments” are (i) property investment, (ii) property development, (iii) investment in securities and others and (iv) loan financing.

The following is an analysis of the Group's revenue and results by operating and reportable segment for the period under review:

Segment revenue and results

Six months ended 30 September 2022

	Property investment <i>HK\$'000</i> (Unaudited) <i>(note)</i>	Property development <i>HK\$'000</i> (Unaudited)	Investment in securities and others <i>HK\$'000</i> (Unaudited)	Loan financing <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Segment revenue					
External	<u>35,500</u>	<u>8,390</u>	<u>—</u>	<u>6,981</u>	<u>50,871</u>
Segment results	<u>87,420</u>	<u>(10,649)</u>	<u>(66,829)</u>	<u>8,310</u>	18,252
Unallocated corporate income					4,002
Unallocated corporate expenses					(4,593)
Other expenses					(2,566)
Share of results of a joint venture					(4)
Finance costs					<u>(19,827)</u>
Loss before taxation					<u>(4,736)</u>

Six months ended 30 September 2021

	Property investment <i>HK\$'000</i> (Unaudited) <i>(note)</i>	Property development <i>HK\$'000</i> (Unaudited)	Investment in securities and others <i>HK\$'000</i> (Unaudited)	Loan financing <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Segment revenue					
External	<u>42,560</u>	<u>119,644</u>	<u>—</u>	<u>10,921</u>	<u>173,125</u>
Segment results	<u>73,647</u>	<u>13,077</u>	<u>(63,116)</u>	<u>1,127</u>	24,735
Unallocated corporate income					419
Unallocated corporate expenses					(2,764)
Other expenses					(311)
Gain on bargain purchase on acquisition of a subsidiary					1,676,151
Loss on remeasurement of interest in an associate					(656,380)
Share of results of an associate					(1,250)
Share of results of a joint venture					(4)
Finance costs					<u>(15,236)</u>
Profit before taxation					<u>1,025,360</u>

Note: Rental income generated from properties held for development for sale (included in property development segment) was included in property investment segment.

Segment profit (loss) represents the result of each segment without allocation of share of results of an associate and a joint venture, gain on bargain purchase on acquisition of a subsidiary, loss on remeasurement of interest in an associate, other expenses, finance costs, and unallocated corporate income and expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

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

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Segment assets		
Property investment	2,472,415	2,448,508
Property development	5,563,360	5,451,292
Investment in securities and others	263,972	411,691
Loan financing	228,596	252,175
	<hr/>	<hr/>
Total segment assets	8,528,343	8,563,666
Interest in a joint venture	48	52
Bank balances and cash	261,040	184,425
Unallocated financial assets at FVTPL	34,712	63,984
Unallocated corporate assets	108,366	107,031
	<hr/>	<hr/>
Consolidated assets	8,932,509	8,919,158
Segment liabilities		
Property investment	28,017	46,567
Property development	252,668	245,895
Investment in securities and others	4,126	11,544
Loan financing	3,430	13,441
	<hr/>	<hr/>
Total segment liabilities	288,241	317,447
Secured bank borrowings	3,612,020	3,562,704
Tax payable	64,139	65,112
Unallocated corporate liabilities	33,388	36,378
	<hr/>	<hr/>
Consolidated liabilities	3,997,788	3,981,641

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

- all assets are allocated to operating and reportable segments other than interest in a joint venture, unallocated financial assets at FVTPL, bank balances and cash and other assets.
- all liabilities are allocated to operating and reportable segments other than secured bank borrowings, tax payable and other liabilities.

4. (LOSS) PROFIT BEFORE TAX

	Six months ended 30 September	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
 (Loss) profit before taxation has been arrived at after charging:		
Interest on lease liabilities	16	20
Interest on bank borrowings	49,234	26,723
Less: Amount capitalised in the cost of qualifying assets	(29,423)	(11,507)
	19,827	15,236
 Depreciation of property, plant and equipment	 3,603	 2,970
Depreciation of right-of-use assets	260	316
Share-based payment (<i>note (a)</i>)	—	581
Total staff costs (including directors' emoluments)	31,592	25,576
 and after crediting:		
Dividend income from listed investments	9,739	6,637
Bank and other interest income	2,329	2,190
Government grants (<i>note (b)</i>)	1,135	—

Notes:

- (a) On 30 August 2021, the Company granted share options to eligible persons to subscribe for a total of 365,000 ordinary shares of HK\$0.1 each in the share capital of the Company, subject to acceptance of the eligible persons and upon the terms and conditions of the share option scheme adopted by the Company on 5 July 2012. Among the share options granted, 146,000 share options were granted to directors of the Company who are also substantial shareholders of the Company and 219,000 share options were granted to employees of the Company who are also associates of the substantial shareholders of the Company. During the six months ended 30 September 2021, the fair value of the share options amounting to HK\$581,000 that vest immediately at the date of grant was recognised in profit or loss. No share options are exercised during the year ended 31 March 2022 and current interim period.
- (b) The Group recognised government grants of approximately HK\$1,135,000 in respect of Covid-19-related subsidies, which are related to Employment Support Scheme provided by the Hong Kong Government for the six months ended 30 September 2022 (2021: nil).

5. TAXATION

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
The tax charge comprises:		
Current tax:		
Hong Kong	532	4,094
People's Republic of China ("PRC")	1,607	811
Other jurisdiction	129	332
	<u>2,268</u>	<u>5,237</u>
(Over)under provision in prior years:		
Hong Kong	(79)	(6)
PRC	—	107
Other jurisdiction	(27)	58
	<u>(106)</u>	<u>159</u>
	<u>2,162</u>	<u>5,396</u>
Deferred taxation	<u>1,497</u>	<u>(308)</u>
	<u>3,659</u>	<u>5,088</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries in the PRC is 25%.

Taxation arising in other jurisdiction is calculated at the rates prevailing in the relevant jurisdiction.

6. DIVIDEND

No dividends were paid, declared and proposed in respect of both interim periods.

7. BASIC AND DILUTED (LOSS) EARNINGS PER SHARE

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

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(Loss) earnings for the purpose of calculating basic and diluted (loss) earnings per share ((loss) profit for the period attributable to owners of the Company)	<u><u>(25,103)</u></u>	<u><u>998,734</u></u>
Weighted average number of shares for the purpose of calculating basic and diluted (loss) earnings per share	<u><u>73,988,403</u></u>	<u><u>82,018,157</u></u>

During the six months ended 30 September 2022, the computation of diluted loss per share (six months ended 30 September 2021: diluted earnings per share) did not assume the exercise of the Company’s share options because the exercise prices of the share options outstanding were higher than average market price of the shares.

The computation of diluted loss per share for the six months ended 30 September 2022 (six months ended 30 September 2021: diluted earnings per share) does not assume the conversion of Eminence’s outstanding convertible notes since their exercise would result in decrease in loss per share for the period (six months ended 30 September 2021: increase in earnings per share).

8. LOANS RECEIVABLE

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Fixed-rate loans receivable	309,648	342,252
Variable-rate loans receivable	2,606	3,080
	312,254	345,332
Less: Impairment allowance	(96,026)	(99,352)
	<u>216,228</u>	<u>245,980</u>
Analysed as:		
Current portion	138,042	152,031
Non-current portion	78,186	93,949
	<u>216,228</u>	<u>245,980</u>
Secured	137,310	153,948
Unsecured	78,918	92,032
	<u>216,228</u>	<u>245,980</u>

No aged analysis is disclosed, as in the opinion of the directors of the Company, the aged analysis does not give additional value in view of the nature of business of loan financing.

During the six months ended 30 September 2022, reversal of allowance for loans receivable of HK\$3,326,000 was recognised in profit or loss (six months ended 30 September 2021: allowance for loans receivable of HK\$3,736,000).

9. TRADE AND OTHER RECEIVABLES

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Trade and lease receivables (<i>note (a)</i>):		
0–60 days	1,999	6,280
61–90 days	371	—
Over 90 days	648	275
	3,018	6,555
Prepayments	11,267	1,020
Interest receivable	992	1,032
Escrow deposits for properties held for development for sale	20,161	16,541
Accounts receivable from margin financing	9,666	24,093
Other receivables and deposits	24,868	12,974
Refundable stamp duty (<i>note (b)</i>)	108,995	103,160
Staff loans (<i>note (c)</i>)	6,000	—
	184,967	165,375
Analysed as:		
Current portion	178,967	165,375
Non-current portion	6,000	—
	184,967	165,375

Notes:

- (a) The Group did not grant any credit period to its tenants in property investment segment. The aged analysis of trade receivables is determined based on invoice date which approximates revenue recognition date.
- (b) In accordance with the provisions of the Hong Kong Stamp Duty Ordinance, the Group will apply for refund of the stamp duty paid when the property redevelopment project commences. At 30 September 2022, the amount is included in the Group's current assets in the condensed consolidated statement of financial position as it is expected that the refund of stamp duty will be received within twelve months from the end of the reporting period.
- (c) During the six months ended 30 September 2022, the Group entered into several loan agreements with the staffs. Pursuant to the loan agreements, the staff loans are unsecured with fixed interest rate of 2% per annum and shall be repayable in 2 years.

10. TRADE AND OTHER PAYABLES

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Trade payables (<i>note (a)</i>):		
0–60 days	26,871	20,567
Over 90 days	<u>—</u>	<u>88</u>
	26,871	20,655
Retention payable (<i>note (b)</i>)	27,947	27,078
Rental deposits received and rental received in advance	17,929	23,880
Interest payable	10,412	6,479
Guarantee money received (<i>note (c)</i>)	—	10,000
Accruals and other payables	25,928	58,818
Other taxes payable	<u>6,015</u>	<u>6,194</u>
	<u>115,102</u>	<u>153,104</u>

Notes:

- (a) The aged analysis of trade payable is determined based on the invoice date at the end of the reporting period. The average credit period on the purchases of goods is 30 days.
- (b) Retention payable is withheld from subcontractors for construction works and will be released within twelve months upon completion of their works.
- (c) The amount represents money received from a borrower of the loan financing business as security for loan granted. During the six months ended 30 September 2022, the amount was refunded to the borrower as the secured loan was fully repaid.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group was principally engaged in property development, property investment, investment in securities and others and loan financing businesses which property development and property investment are the core businesses of the Group.

FINANCIAL RESULTS

For the Period, the Group's revenue amounted to approximately HK\$50,871,000, representing a decrease of approximately HK\$122,254,000 or approximately 70.6% as compared to an amount of approximately HK\$173,125,000 for the 2021 Period.

The loss for the Period attributable to the Company's owners was approximately HK\$25,103,000 (2021 Period: profit of approximately HK\$998,734,000). The gross profit margin for the Period was approximately 82.8%, compared to the 2021 Period of approximately 52.8%, there was an increase of approximately 30.0%.

The basic and diluted loss per share amounted to HK\$0.34 for the Period, as compared with earnings per share of HK\$12.18 for the same period last year.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the Period (2021 Period: nil).

BUSINESS REVIEW

The review of each business segment of the Group is set out below.

Property Development

Revenue recognised in this business segment during the Period amounted to approximately HK\$8,390,000 (2021 Period: HK\$119,644,000). Review on existing major projects of the Group is set out below:

Project Waterloo Road

The Group, through its wholly-owned subsidiary, owns the site located at Nos. 93, 93A, 95 and 95A Waterloo Road, Kowloon, Hong Kong which has a site area of approximately 9,800 square feet (the “**Waterloo Project**”).

The Waterloo Project is being redeveloped into a luxurious residential accommodation with club house facilities and car parks, and the estimated gross floor area is approximately 48,965 square feet. This project will offer total of 56 units comprises diversified unit layouts including studio flats to 4-bedroom flats and special unit flats. This project is expected to be launched sales in the first quarter of 2023.

Project Chatham Road North

The Group, through its wholly-owned subsidiary, owns the site located at Nos. 470, 472, 474, 476 and 478 Chatham Road North, Kowloon, Hong Kong with a total site area of approximately 4,653 square feet (“**Chatham Road North Building**”).

The Chatham Road North Building will be redeveloped into a composite building with residential and commercial use. The estimated gross floor area after redevelopment is expected to be approximately 41,827 square feet. The foundation works are currently undergoing at the site. This project is expected to be completed in late 2024.

Inverness Road Property — “Ayton”

“Ayton” is a completed residential project located at Nos. 14–20 Inverness Road, Kowloon Tong, Kowloon, Hong Kong developed and wholly-owned by the Group. It consists of two 8-storey residential blocks comprising 60 residential units, 29 car parking spaces and 3 motor parking spaces. The total saleable area of approximately 40,742 square feet. The Group has launched its first phase of the sale of “Ayton” in May 2020.

As at the date of this announcement, 33 units and 2 car parks released were sold and the aggregate contracted sales amounted to approximately HK\$532,285,000. During the Period, 1 unit among the transactions have been completed (2021 Period: 5 units and 2 car parks) and a revenue of approximately HK\$8,390,000 (2021 Period: HK\$119,644,000) has been recorded for sale of properties.

Property Investment

As at 30 September 2022, the Group's portfolio of investment properties comprised of residential, commercial and industrial units located in Hong Kong, Singapore and the People's Republic of China (the "PRC").

During the Period, the gross rental and building management income of the Group was approximately HK\$35,500,000 (2021 Period: approximately HK\$42,560,000), representing an approximately 16.6% decrease over the 2021 Period. The decrease in rental and building management income was primarily attributable to certain properties held for development were demolished for redevelopment as well as decrease in market rent.

As at 30 September 2022, the occupancy rate of residential units, commercial units and industrial units of the Group's investment properties were 100%, 99.2% and 90.7% (2021 Period: 100%, 99.2% and 99.4%) respectively. A gain on changes in fair value of investment properties of approximately HK\$80,392,000 (2021 Period: approximately HK\$38,378,000) was recognised during the Period. The segment reported a gain of approximately HK\$87,420,000 for the Period (2021 Period: approximately HK\$73,647,000), representing an increase of approximately HK\$13,773,000 compared to the 2021 Period.

Investment in securities and others

The Group invested in a diversified portfolio of investments including listed and unlisted equity securities, equity-linked notes, bonds and other investment products based on (i) potential return on investment in terms of capital appreciation and dividend payment for the targeted holding period; (ii) risks exposure in comparison with the Group's risk tolerance level at the prevailing time; and (iii) diversification of the existing investment portfolio.

As at 30 September 2022, the Group's financial assets at fair value through profit or loss amounted to approximately HK\$233,987,000 (31 March 2022: approximately HK\$405,674,000). There were no investments held by the Group of which value was more than 5% of the total assets of the Group. The Group recorded a loss in the securities investment segment of approximately HK\$66,829,000 during the Period (2021 Period: loss of approximately HK\$63,116,000).

As at 30 September 2022, details of the Group's financial assets are set out as follows:

Nature of investments	As at 30 September 2022				For the Period		
	Number of shares held	Investment Cost <i>HK\$'000</i>	Fair value <i>HK\$'000</i>	Approximate percentage to Group's total assets	Dividend/ Interest income <i>HK\$'000</i>	Fair value gain/(loss) <i>HK\$'000</i>	Realised gain/(loss) <i>HK\$'000</i>
Equity Investments							
Best Food Holding Company Limited (stock code: 1488)	95,830,000	85,991	62,423	0.7%	—	(16,798)	—
Ping An Insurance (Group) Company of China, Ltd. (stock code: 2318)	858,460	66,143	33,652	0.4%	1,389	(14,715)	—
Others	N/A	105,463	76,068	0.8%	8,350	(12,142)	(23,723)
Investment in limited partnership		19,515	27,132	0.3%	—	(128)	—
Others	N/A	27,442	34,712	0.4%	—	348	—
Total:		<u>304,554</u>	<u>233,987</u>	<u>2.6%</u>	<u>9,739</u>	<u>(43,435)</u>	<u>(23,723)</u>

Loan Financing

The loan financing business of the Group is operated by Planetic International Limited (“**Planetic**”, a wholly-owned subsidiary of the Company) and City China International Limited (“**City China**”, a wholly-owned subsidiary of Eminence Enterprise Limited (“**Eminence**”, Stock Code: 616), a non-wholly owned subsidiary of the Company), which are both a licensed money lender carrying on business under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). For the Period, the Group recorded an interest income from the loan financing business amounted to approximately HK\$6,981,000 (2021 Period: approximately HK\$10,921,000), representing approximately 13.7% of the total revenue of the Group. The decrease in interest income was primarily due to certain borrowers had repaid their principal of borrowings. Profit derived from loan financing business was approximately HK\$8,310,000 for the Period (2021 Period: approximately HK\$1,127,000).

The target customer groups of the business are individuals and corporate entities that have short-term funding needs and could provide sufficient collaterals for their borrowings. The Group's clientele is primarily acquired through business referrals and introductions from the Company's directors, senior management, business partners or clients.

As at 30 September 2022, the gross carrying amount of loans receivable amounting to HK\$312,254,000 (31 March 2022: HK\$345,332,000) of which 40% (31 March 2022: 45%) were secured by marketable securities with fair values of HK\$27,060,000 (31 March 2022: HK\$36,900,000) or properties with fair values of HK\$294,985,000 (31 March 2022: HK\$251,707,000) or nil guaranteed money (31 March 2022: HK\$10,000,000). The Group is not permitted to sell or repledge the collaterals, if any, in the absence of default by the borrowers. In addition, the gross carrying amount of unsecured loan receivable amounting to HK\$77,651,000 (31 March 2022: HK\$60,158,000) are with personal guarantee. The largest borrower of the Group by itself and together with the other four largest borrowers of the Group accounted for approximately 15% (31 March 2022: 20%) and 48% (31 March 2022: 56%) respectively of the Group's loans receivable at 30 September 2022.

During the Period, the range of interest rate on the Group's fixed-rate loans receivable was 2.5% to 16% (2021 Period: 2.3% to 16%) per annum and the range of interest rate on the Group's variable-rate loans receivable was prime rate less 1% to prime rate (2021 Period: prime rate less 1% to prime rate) per annum. The Group has credit policies, guidelines and procedures in place which cover key internal controls of a loan transaction including due diligence, credit appraisal, proper execution of documentations, continuous monitoring and collection and recovery. The due diligence procedures included conducting research on the borrowers' background, evaluating its current business operations and financial conditions, market reputation and creditability, and conducting financial analysis and recoverability analysis. To minimise credit or investment risks, the Group will typically require guarantees, including collaterals with expected realised value exceeding the loan or investment amount, post-dated cheques, and/or personal guarantees and corporate guarantees.

The Group generally provides short-term loans. For the new and renewal loans during the Period, 83% was with a term within 1 year, and 17% was more than 1 year but not more than 2 years. The repayment terms and conditions are determined from the factors including the liquidity needs of the borrowers, the Group's funding and cash flows management strategies, and the terms and rates of the prevailing market.

After drawdown of loan, the loan agreement will be filed with the loan documents properly. The Group maintains regular contact with the borrowers and carries out periodical review to assess the recovery of the loan based on the business development, financial status, repayment ability including such as recent settlement record and any litigations and bankruptcy orders against borrowers. The Group will take all necessary legal actions against the relevant clients to follow up the settlement of the outstanding loans.

The Group performs impairment assessment under expected credit loss (“ECL”) model on loans receivable which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition. In particular, the following information is being considered when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the loans receivable’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the borrower;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the borrower’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the borrower;
- an actual or expected significant adverse change in the regulatory, economic, or technological environments of the borrower that results in a significant decrease in the borrower’s ability to meet its debt obligations.

At 30 September 2022, the reversal of impairment loss allowance recognised in profit or loss amounted to approximately HK\$3,326,000 (2021 Period: impairment loss approximately HK\$3,736,000) in its loan financing business.

Below was the discloseable transaction of the Group on loan financing business during the Period:

Extension of financial assistance to Supreme Sino

On 13 September 2021, Planetec as lender entered into a loan agreement with Supreme Sino Holdings Limited (“**Supreme Sino**”) as borrower (a company incorporated in Hong Kong with limited liability), pursuant to which Planetec had agreed to provide a loan in a principal amount of HK\$8,500,000 to Supreme Sino for a term of 3 months at an interest rate of 3% per annum (the “**SS Loan I**”).

On 12 November 2021, Planetic entered into another loan agreement with Supreme Sino, pursuant to which Planetic had agreed to provide a loan in an aggregate principal amount of HK\$50,000,000 to Supreme Sino (comprising the principal and accrued interest of SS Loan I) for a term of 6 months at an interest rate of 9% per annum (the “**SS Loan II**”). The SS Loan II is secured by a share charge over the then entire issued share capital of Supreme Sino, a first legal charge over all the title, rights and interest in commercial properties located in Mongkok, Kowloon, Hong Kong (with the then market value of approximately HK\$91,000,000) owned by Supreme Sino and a personal guarantee by the sole director and the sole shareholder of the wholly-owned beneficial owner of Supreme Sino. On 11 May 2022, the parties entered into a supplemental loan agreement to extend the repayment date of the SS Loan II to 29 December 2022 at the same interest rate.

The provision and the extension of the SS Loan II constitute discloseable transactions under the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for the Company, details of which were set out in the announcements of the Company dated 12 November 2021 and 11 May 2022 respectively.

LISTED SUBSIDIARY

Eminence, the major listed subsidiary of the Company, and its subsidiaries (collectively the “**Eminence Group**”) was engaged in property development, property investment comprising the ownership and rental of investment properties, investment in securities and others and loan financing businesses.

Investment in Eminence Shares

As at 1 April 2022, the Group, through Ace Winner Investment Limited, Landmark Profits Limited and Goodco Development Limited (“**Goodco**”) (all of which were wholly-owned subsidiaries of the Company), held an aggregate of 696,370,840 shares of Eminence, representing approximately 74.76% of the then total issued share capital of Eminence.

(a) Eminence Placing completed in April 2022

On 20 April 2022, Eminence completed a placing of a total of 186,280,000 Eminence shares at the placing price of HK\$0.10 per placing share to not less than six allottees who and whose beneficial owners are independent third parties (the “**Eminence Placing I**”). For more details, please refer to the announcements of Eminence dated 30 March 2022 and 20 April 2022 respectively.

Immediately upon the completion of the Eminence Placing I, the shareholding percentage of the Group in Eminence was decreased from 74.76% to 62.30%.

(b) Adjustment of conversion price and exercise of Eminence Convertible Notes

As at 1 April 2022, the total outstanding principal amount of convertible notes held by Goodco is HK\$97,280,000 which entitles Goodco to convert into a total of 389,120,000 Eminence shares, details as follows:

Issue date	Outstanding principal amount	Number of Shares	Conversion price HK\$	Annual Interest	Maturity Date
2017.05.11	HK\$16,000,000	64,000,000	0.25	4%	2024.08.28
2017.09.26	HK\$11,280,000	45,120,000	0.25	4%	2024.08.28
2019.08.28 (“2019 CN”)	HK\$70,000,000	280,000,000	0.25	4%	2024.08.28
Total	<u>HK\$97,280,000</u>	<u>389,120,000</u>			

Following the completion of Eminence Placing I, Eminence has issued shares for cash at a price which is less than 95% of its current market price. Pursuant to the terms and conditions of the 2019 CN, the conversion price of 2019 CN has been adjusted from HK\$0.25 to HK\$0.24 per Eminence share and the total number of Eminence shares would be allotted and issued upon full conversion of the 2019 CN increased from 280,000,000 Eminence shares to 291,666,666 Eminence shares.

Goodco fully exercised the conversion rights under the aforesaid Eminence convertible notes which was completed on 25 July 2022. Immediately upon the completion of the conversion of the Eminence convertible notes, the Group held an aggregate of 1,097,157,506 shares of Eminence, representing approximately 72.25% of the total issued share capital of Eminence.

As at 30 September 2022, the Group does not hold any convertible notes of Eminence.

(c) Eminence Placing completed in September 2022

On 26 September 2022, Eminence completed a placing of a total of 607,400,000 Eminence shares at the placing price of HK\$0.068 per placing share to not less than six allottees who and whose beneficial owners are independent third parties (the “**Eminence Placing II**”). For more details, please refer to the announcements of Eminence dated 27 July 2022, 16 August 2022, 26 September 2022 and the circular dated 23 August 2022 respectively.

Immediately upon completion of the Eminence Placing II, the shareholding percentage of the Group in Eminence was decreased from 72.25% to 51.60%. Eminence remains as a subsidiary of the Company.

Performance of Eminence Group during the Period

The financial results of Eminence Group during the Period are highlighted as below:

	For the six months ended		Change
	30 September	2021	
	2022	2021	
	(Unaudited)	(Unaudited)	
Revenue			
Property investment (<i>HK\$'000</i>)	24,487	31,268	(21.7)%
Loan financing (<i>HK\$'000</i>)	1,899	5,168	(63.3)%
Total revenue (<i>HK\$'000</i>)	26,386	36,436	(27.6)%
Gross profit (<i>HK\$'000</i>)	24,949	34,913	(28.5)%
Profit attributable to owners of Eminence (<i>HK\$'000</i>)	63,412	81,785	(22.5)%
Earnings per share (<i>HK cents</i>)			
— Basic	5.02	8.78	(42.8)%
— Diluted	4.47	6.66	(32.9)%

As at 30 September 2022 and the date of this announcement, the development land portfolio held by Eminence Group as below:

Location	Intended Usage	Approximate site area (square feet)	Anticipated year of completion
Nos. 646, 648, 648A Castle Peak Road, Kowloon, Hong Kong	Industrial	9,206	2025
No. 121 King Lam Street, Kowloon, Hong Kong	Industrial	5,483	2023
Nos. 11, 13 and 15 Matheson Street, Causeway Bay, Hong Kong	Commercial	2,857	2023
Nos. 1B–1E Davis Street and Nos. 93 and 95 Catchick Street, Kennedy Town, Hong Kong	Residential	7,122	2025

As at 30 September 2022, Eminence Group's portfolio of investment properties comprised of residential, commercial and industrial units located in Hong Kong, the PRC and Singapore. During the Period, Eminence Group recorded rental and management fee income of approximately HK\$24,487,000 (2021 Period: approximately HK\$31,268,000) and fair value gain of approximately HK\$69,192,000 arising from change in fair value of investment properties.

For more detailed business and financial performance of Eminence Group, please refer to its interim results announcement for the six months ended 30 September 2022.

LIQUIDITY AND FINANCIAL RESOURCES

The Group financed its operations through internally generated cash flow and bank borrowings. As at 30 September 2022, the Group's bank borrowings amounted to approximately HK\$3,612,020,000 (31 March 2022: approximately HK\$3,562,704,000). The gearing ratio of the Group, calculated as a ratio of total bank borrowings to total equity, for the Period was approximately 0.73 (31 March 2022: approximately 0.72).

As at 30 September 2022, the Group has net current assets of approximately HK\$4,307,244,000 (31 March 2022: approximately HK\$4,491,434,000). Current ratio was approximately 3.4 (31 March 2022: approximately 3.8). The bank balances and cash as at 30 September 2022 was approximately HK\$261,040,000 (31 March 2022: approximately HK\$184,425,000), representing an increase of approximately 41.5% or approximately HK\$76,615,000 compared to 31 March 2022.

The maturity profile of the Group's secured bank borrowings is set out below:

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Carrying amount repayable as follows (based on the scheduled repayment dates set out in the loan agreements):		
— within a period not exceeding one year	1,444,577	1,206,455
— within a period of more than one year but not exceeding two years	879,875	888,846
— within a period of more than two years but not exceeding five years	1,067,935	1,237,338
— within a period of more than five years	219,633	230,065
	3,612,020	3,562,704
Less: Amount due within one year shown under current liabilities	(1,444,577)	(1,206,455)
Amount due after one year shown under non-current liabilities	<u>2,167,443</u>	<u>2,356,249</u>

The Group's secured bank borrowings carry interest at HIBOR plus 1.0% to HIBOR plus 1.825%, LIBOR plus 0.8% to LIBOR plus 1.0% (31 March 2022: HIBOR plus 1.0% to HIBOR plus 1.825%, LIBOR plus 0.8% to LIBOR plus 1.0%) per annum, with effective interest ranging from 3.06% to 5.01% (31 March 2022: 1.24% to 2.11%) per annum.

CHARGES OF ASSETS

As at 30 September 2022, bank loans of the Group in the aggregate amount of approximately HK\$3,612,020,000 (31 March 2022: approximately HK\$3,562,704,000) which were secured by leasehold properties, investment properties, properties held for development for sale, properties held for sale, life insurance policies, listed equity securities in Hong Kong, perpetual bonds and debt instruments at fair value through other comprehensive income of the Group having a net book value of approximately HK\$7,574,569,000 (31 March 2022: approximately HK\$7,464,811,000). In addition, a credit facility granted by a bank for a property development project in Hong Kong was secured by pledge of 300,000,000 Eminence shares with fair value of HK\$24,300,000 (31 March 2022: HK\$37,200,000) held by a subsidiary of the Group.

TREASURY POLICY

The Group diversifies its source of funds including internal generated cash flow and interest-bearing bank borrowings during the Period to generate source of funds for its business operations. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

EXPOSURE ON FOREIGN EXCHANGE FLUCTUATIONS

Most of the Group's revenues, payments and bank borrowings are denominated in Hong Kong dollars United States dollars, Singapore dollars and Renminbi. During the Period, the Group did not have significant exposure to fluctuations in exchange rates and thus, no financial instrument for hedging purposes was employed. The Directors considered the risk of exposure to the currency fluctuation to be minimal.

CONTINGENT LIABILITIES

As at 30 September 2022, the Group did not have any significant contingent liabilities (31 March 2022: nil).

CAPITAL EXPENDITURE

For the Period, the Group invested approximately HK\$574,000 (2021 Period: approximately HK\$986,000) on the acquisition of property, plant and equipment, and not invested on additions of investment properties (2021 Period: HK\$1,432,000).

CAPITAL COMMITMENTS

As at 30 September 2022, the Group had capital commitments in respect of capital expenditure contracted for but not provided of approximately HK\$19,635,000 (31 March 2022: HK\$20,339,000).

EVENTS AFTER REPORTING PERIOD

Land Resumption in the PRC by subsidiary of Eminence

On 5 October 2022, a land resumption agreement was entered into between the People's Government of Zhili Town, Wuxing District, Huzhou City, Zhejiang Province, the PRC and a wholly-owned subsidiary of Eminence which is a non-wholly owned subsidiary of the Company, pursuant to which, among other things, the Huzhou Government shall resume, and the Eminence subsidiary shall surrender, an industrial complex in Huzhou City, Zhejiang Province, the PRC with the compensation amount of RMB386,982,000 (equivalent to approximately HK\$441,159,000). An exemption has been granted by the Stock Exchange that the entering into the land resumption agreement does not constitute a transaction for the Company and Eminence, details of which were set out in the announcement jointly published by the Company and Eminence dated 5 October 2022.

Disposal of property in Singapore by subsidiary of Eminence

On 4 November 2022, the purchasers, independent third parties, accepted and exercised the option granted by the vendor which is a wholly-owned subsidiary of Eminence and a non-wholly owned subsidiary of the Company, to purchase a property in Singapore at S\$12,500,000 (equivalently to approximately HK\$68,750,000). The disposal constitutes a discloseable transaction for the Company and a major transaction for Eminence under the Listing Rules, details of which were set out in the announcement jointly published by the Company and Eminence dated 4 November 2022 and the circular of Eminence dated 25 November 2022.

PROSPECTS

The continued uncertainty over the Pandemic, together with the spread of inflationary pressure around the world and the adjustment to the Hong Kong base rate in response to the US Federal Reserve interest rate hike, overall residential prices in Hong Kong recorded a decline. The mortgage loans approved in the second half year of 2022 dropped and those financing secondary-market transactions plummeted over 30%. Despite this, the residential prices still stood at the historical high. With the Pandemic situation under control and the leadership of the new government, the sentiment in property market is expected to reverse in 2023.

Affected by rising interest rates and the increasing number of new flats in the market, residential home prices have come under increased downward pressure. Under the rolled out targeted measures taken by the Hong Kong Government to boost domestic consumption, we have seen some sequential improvement in overall Hong Kong economy since the second quarter in 2022. Total employment and the labour force participation rate have also picked up since June 2022, pressure on the labour market are likely to ease further alongside a pick-up in local economic activities. As the fifth wave of the local epidemic receded, the transaction volume in the housing market picked up in the second quarter in 2022 on pent-up demand. The primary residential market is expected to remain robust, due to resilient local demand. Ongoing concerns regarding Covid-19 undoubtedly prompt a degree of hesitancy about market conditions in Hong Kong, the Group remains cautiously optimistic to its residential property development project, Waterloo Project, which is expected to launch sales in the first quarter of 2023.

As Hong Kong's pandemic situation stabilizes, the economic sentiment is recovering. The positive business outlook will see leasing demand strengthen in the retail and industrial property sectors and result in moderate rental and capital value growth with rents poised to stabilize in the remaining of 2022 and onward after a sharp decline from 2019 to 2021. The Group will continue to monitor the market changes closely whilst keep looking for opportunity in property acquisition to strengthen the real estate business.

Looking ahead, the Group is confident in its business development. The Group will continue to monitor the market changes closely and focusing its efforts in the development of its existing principal businesses while exploring other opportunities with a view to providing steady and favourable returns for its shareholders and strengthen every segment of its business.

EMPLOYEES

As at 30 September 2022, the Group had 91 employees (30 September 2021: 93). Staff costs (including Directors' emoluments) amounted to approximately HK\$31,592,000 for the Period (2021 Period: approximately HK\$25,576,000). The Group remunerates its employees based on individual performance, experience and prevailing industry practice. The Group provides a defined contribution to Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all eligible employees of the Group in Hong Kong.

CORPORATE GOVERNANCE

The Company's corporate governance practices are based on the principles and the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules. During the Period, the Company has fully complied with the code provisions of the CG Code, except for the deviations disclosed herein.

Code Provision C.2.1

The roles of president and chief executive officer should be separate and should not be performed by the same individual

Ms. Koon Ho Yan Candy serves as president as well as chief executive officer of the Company. The Board considers this arrangement to be appropriate for the Company as it preserves the consistent leadership which is conducive to making effective planning and better execution of long-term strategies consistently. The Board is of the view that a balance of power and authority is adequately ensured by the operations and governance of the Board which comprises experienced and high caliber individuals, with half of them being independent non-executive Directors of the Company. The Company will continue to review the existing structure when and as it becomes appropriate.

Code Provision D.2.5

The issuer should have an internal audit function

The Group does not have an internal audit function. The Board considered that the current risk management and internal control processes are adequate to meet the needs of the Group in its current business environment and nothing has come to its attention to cause the Board to believe the Group's risk management and internal control systems are inadequate. The Board was of the view that there is no immediate need to set up an internal audit function within the Group, however, shall review the need for one on annual basis.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by directors of the Company. Having made specific enquiry with the existing Directors of the Company, all of them confirmed that they have complied with the required standards set out in the Model Code throughout the Period.

The Company also adopted a code on no less exacting terms than the Model Code to regulate dealings in the securities of the Company by certain employees of the Group who are considered to be likely in possession of inside information in relation to the Company or its securities.

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 listed securities during the Period.

REVIEW OF INTERIM RESULTS

The audit committee of the Board has reviewed the Group’s unaudited condensed consolidated financial information for the Period, including the accounting principles and practices adopted by the Group and financial reporting matters.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement has been published on the Company’s website at www.easyknit.com and the Stock Exchange’s website at www.hkexnews.hk respectively. The interim report of the Company for the Period containing all information required by the Listing Rules will be despatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board
EASYKNIT INTERNATIONAL HOLDINGS LIMITED
KOON Ho Yan Candy
President and Chief Executive Officer

Hong Kong, 29 November 2022

As at the date hereof, the Board comprises Ms. Koon Ho Yan Candy, Ms. Lui Yuk Chu and Mr. Tse Wing Chiu Ricky as executive Directors; and Mr. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Lau Chak Hang Charles as independent non-executive Directors.