



LUXKING GROUP HOLDINGS LIMITED

(Incorporated in Bermuda)

HALF YEAR FINANCIAL STATEMENT ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

The directors are pleased to announce the unaudited operating results of the Group for the six months ended 31 December 2019.

UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

1(a)(i) Income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group Six months ended 31.12.2019 RMB'000	Group Six months ended 31.12.2018 RMB'000	+ / (-) %
Revenue	229,470	199,612	15.0%
Cost of sales	(207,093)	(182,190)	13.7%
Gross profit	22,377	17,422	28.4%
Other income (Note 1)	2,973	296	n/m
Selling and distribution costs	(8,488)	(8,639)	(1.7%)
Administrative expenses	(15,698)	(13,891)	13.0%
Other operating expenses	(63)	(9)	n/m
Finance costs	(2,830)	(2,999)	(5.6%)
Loss before income tax	(1,729)	(7,820)	(77.9%)
Income tax expense	(1,812)	(1,519)	19.3%
Loss for the period	(3,541)	(9,339)	(62.1%)

1(a)(ii) A statement of profit or loss and other comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group Six months ended 31.12.2019 RMB'000	Group Six months ended 31.12.2018 RMB'000	+ / (-) %
Loss for the period	(3,541)	(9,339)	(62.1%)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of financial statements of foreign operations	84	251	(66.5%)
Total comprehensive income attributable to the owners of the Company	(3,457)	(9,088)	(62.0%)

1(a)(iii) Loss before income tax is arrived at after charging/(crediting): -

	Group Six months ended 31.12.2019 RMB'000	Group Six months ended 31.12.2018 RMB'000	+ / (-) %
Property, plant and equipment written-off	47	-	n/m
Depreciation of property, plant and equipment	6,556	8,068	(18.7%)
Depreciation of right-of-use assets	1,429	56	n/m
Bad debts written-off	17	-	n/m
Inventories write-down	321	-	n/m
Interest expenses	2,830	2,999	(5.6%)
Net foreign exchange loss	260	931	(72.1%)

Note 1:

Other income comprises the following items: -

	Group Six months ended 31.12.2019 RMB'000	Group Six months ended 31.12.2018 RMB'000	+ / (-) %
Interest income	15	26	(42.3%)
Net gain on sale of raw materials	24	158	(84.8%)
Write-back of impairment of trade receivables	2,934	107	n/m
Others	-	5	n/m
	2,973	296	n/m

n/m = not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at	As at	As at	As at
	31.12.2019	30.6.2019	31.12.2019	30.6.2019
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	64,279	70,243	-	-
Investment property	435	435	-	-
Right-of-use assets	13,768	7,388	-	-
Interests in subsidiaries	-	-	103,842	105,448
Deposits for acquisition of land use rights	-	4,100	-	-
	78,482	82,166	103,842	105,448
Current assets				
Inventories	41,483	53,855	-	-
Trade and bills receivables	117,972	117,815	-	-
Prepayments, deposits and other receivables	16,821	12,378	15	12
Restricted bank deposits	1,138	1,109	-	-
Cash and bank balances	18,366	19,248	-	-
	195,780	204,405	15	12
TOTAL ASSETS	274,262	286,571	103,857	105,460
EQUITY AND LIABILITIES				
Equity attributable to the owners of the Company				
Share capital	133,557	133,557	133,557	133,557
Reserves	(28,337)	(24,880)	(30,214)	(29,503)
Total equity	105,220	108,677	103,343	104,054
Current liabilities				
Trade payables	32,010	34,073	-	-
Accrued expenses and other payables	12,978	14,221	514	1,406
Lease liabilities	2,335	-	-	-
Bank borrowings, secured	112,767	111,998	-	-
Other borrowings	-	12,525	-	-
Income tax payables	752	977	-	-
	160,842	173,794	514	1,406
Non-current liabilities				
Deferred income	8,200	4,100	-	-
Total liabilities	169,042	177,894	514	1,406
TOTAL EQUITY AND LIABILITIES	274,262	286,571	103,857	105,460

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31.12.2019		As at 30.6.2019	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
112,767	-	113,123	11,400

Details of any collateral

The Group's bank borrowings of RMB112,767,000 represent:

- (i) bank loans granted by China Construction Bank and Bank of Communications in the People's Republic of China (the "PRC");
- (ii) export and invoice finance granted by Industrial and Commercial Bank of China Limited, China Construction Bank and Bank of Communications in the PRC;
- (iii) short term bank loans granted by CTBC Bank Co. Ltd. in Hong Kong; and
- (iv) invoice finance granted by CTBC Bank Co. Ltd. in Hong Kong.

As at 31 December 2019, the Group's bank borrowings were secured by corporate guarantees executed by the Company, a subsidiary of the Company and Mr Leung Chee Kwong, director of the Company, the pledge of certain of the Group's property, plant and equipment, the Group's entire land use rights, the Group's restricted bank deposits and the land use rights of a substantial shareholder's related company.

As at 31 December 2019, these bank borrowings bear fixed interest rates ranging from 3.7% to 6.3% per annum and floating interest rates at 3.9% per annum.

- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group Year ended 31.12.2019	Group Year ended 31.12.2018
Cash flows from operating activities		
Loss before income tax	(1,729)	(7,820)
Adjustments for:		
Interest income	(15)	(26)
Interest expenses	2,830	2,999
Depreciation of right-of-use assets	1,429	56
Depreciation of property, plant and equipment	6,556	8,068
Bad debts written-off	17	-
Write-back from impairment of trade receivables	(2,934)	(107)
Inventories write-down	321	-
Property, plant and equipment written-off	47	-
Operating profit before working capital changes	6,522	3,170
Decrease/(increase) in inventories	12,064	(8,648)
Decrease in trade and bills receivables	2,511	18,029
(Increase)/decrease in prepayments, deposits and other receivables	(3,931)	1,214
Decrease in trade and bills payables	(2,064)	(3,205)
Decrease in accrued expenses, deposits received and other payables	(1,267)	(466)
Cash generated from operations	13,835	10,094
Interest received	15	26
Income taxes paid	(2,041)	(1,402)
Net cash generated from operating activities	11,809	8,718
Cash flows from investing activities		
Decrease/(increase) in deposit for acquisition of land use rights	4,100	(2,700)
Increase in restricted bank deposits	(29)	(53)
Purchases of property, plant and equipment	(584)	(112)
Proceed from disposal of property, plant and equipment	9	-
Purchase of land use rights	(4,100)	-
Net cash used in investing activities	(604)	(2,865)
Cash flows from financing activities		
Interest on bank borrowings and other borrowings	(2,830)	(2,999)
Increase in deferred income	4,100	-
Repayment of lease liabilities	(1,374)	-
Net proceeds/(repayments) of bank borrowings	327	1,842
Repayments of other borrowings	(12,525)	(9,000)
Net cash used in financing activities	(12,302)	(10,157)
Net decrease in cash and cash equivalents	(1,097)	(4,304)
Cash and cash equivalents at beginning of year	19,248	18,638
Effect of foreign exchange rate changes, net	215	73
Cash and cash equivalents at end of year	18,366	14,407
Analysis of balances of cash and cash equivalents		
Cash and bank balances	18,366	14,407

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Exchange reserve RMB'000	Retained profits/ (Accumulated losses) RMB'000	Total equity RMB'000
At 1.7.2018	133,557	33,961	11,599	(16,831)	10,317	172,603
Loss for the period	-	-	-	-	(9,339)	(9,339)
Other comprehensive income, net of income tax						
- Exchange gain on translation of financial statements of foreign operations	-	-	-	251	-	251
Total comprehensive income for the period	-	-	-	251	(9,339)	(9,088)
At 31.12.2018	133,557	33,961	11,599	(16,580)	978	163,515
At 1.7.2019	133,557	33,961	11,599	(15,558)	(54,882)	108,677
Loss for the period	-	-	-	-	(3,541)	(3,541)
Other comprehensive income, net of income tax						
- Exchange gain on translation of financial statements of foreign operations	-	-	-	84	-	84
Total comprehensive income for the period	-	-	-	84	(3,541)	(3,457)
At 31.12.2019	133,557	33,961	11,599	(15,474)	(58,423)	105,220

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Company

	Share capital RMB'000	Share premium RMB'000	Exchange reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
At 1.7.2018	133,557	33,961	(34,747)	(29,112)	103,659
Loss for the period	-	-	-	(2,234)	(2,234)
Other comprehensive income, net of income tax					
- Exchange gain on translation of the Company's financial statements to RM	-	-	4,024	-	4,024
Total comprehensive income for the period	-	-	4,024	(2,234)	1,790
At 31.12.2018	133,557	33,961	(30,723)	(31,346)	105,449
At 1.7.2019	133,557	33,961	(30,340)	(33,124)	104,054
Loss for the period	-	-	-	(2,609)	(2,609)
Other comprehensive income, net of income tax					
- Exchange gain on translation of the Company's financial statements to RM	-	-	1,898	-	1,898
Total comprehensive income for the period	-	-	1,898	(2,609)	(711)
At 31.12.2019	133,557	33,961	(28,442)	(35,733)	103,343

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Not applicable

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Ordinary shares	
	As at 31.12.2019	As at 30.6.2019
Total number of issued shares	12,650,000	12,650,000

(There were no treasury shares)

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
 (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in item 5 below, the same accounting policies and methods of computations used in the audited financial statements for the year ended 30 June 2019 have been applied to the financial statements for the current year.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted all the applicable new and amended International Financial Reporting Standards ("IFRS") that are effective during the period. The impact of the adoption of IFRS 16 Leases ("IFRS 16") have been summarised in below. The other new or amended IFRSs that are effective from 1 July 2019 did not have any significant impact on the Group's accounting policies.

Under the new IFRS 16, an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset) and the corresponding liability for the obligation to make lease payments (i.e. the lease liability) are recognised (“ROU”). Interest expense on the lease liability and the depreciation expense on the ROU asset are recognised separately in the income statement.

The Group has recognised the lease liabilities at the date of 1 July 2019 for leases previously classified as operating leases applying IAS 17 and measured those lease liabilities at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate at 1 July 2019.

The Group has elected to recognise all the right-of-use assets at 1 July 2019 for leases previously classified operating leases under IAS 17 as if IFRS 16 had been applied and discounted using the lessee’s incremental borrowing rate at the date of initial application. For all these right-of-use assets, the Group has applied IAS 36 Impairment of Assets at 1 July 2019 to assess if there was any impairment as on that date.

ROU assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

The following tables summarised the impact of transition to IFRS 16 on statement of financial position as of 30 June 2019 to that of 1 July 2019 as follows (increase/(decrease)):

	RMB’000
Statement of financial position as at 1 July 2019	
Land use rights	(7,388)
Right-of-use assets	10,568
Lease liabilities	3,180

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group Six months ended 31.12.2019 RMB	Group Six months ended 31.12.2018 RMB
Basic loss per ordinary share	(0.28)	(0.74)

Basic loss per ordinary share for six months ended 31 December 2019 are calculated based on the loss attributable to the owners of the Company of approximately RMB3,541,000 (HY2019: RMB9,339,000) divided by 12,650,000 (HY2019: 12,650,000) ordinary shares in issue during the year.

Diluted loss per share for six months ended 31 December 2019 and 2018 are the same as the basic loss per share, as the Group has no dilutive potential shares during both years.

7. Net assets value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the: -

- (a) current financial period reported on; and
- (b) immediately preceding financial year.

	Group		Company	
	As at	As at	As at	As at
	31.12.2019	30.6.2019	31.12.2019	30.6.2019
	RMB	RMB	RMB	RMB
Net assets value per ordinary share	8.32	8.59	8.17	8.23

Net assets value per ordinary share is calculated based on the issued ordinary shares of 12,650,000 ordinary shares as at 31 December 2019 and 30 June 2019.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

(a) Review of profit and loss

HY2020 vs HY2019

Group Revenue

Group revenue increased 15.0% from RMB199.6 million in HY2019 to RMB229.5 million in HY2020, attributed to a broad-based sales growth across the Group's business segments.

The biaxially oriented polypropylene films ("BOPP films") segment posted a 12.3% increase in sales from RMB87.1 million to RMB97.8 million in HY2020. This was attributed mainly to a moderate pick-up in demand from customers in the domestic market.

Sales of industrial specialty tapes ("IS tapes") also improved 23.1% from RMB63.5 million in HY2019 to RMB78.2 million in HY2020. The Group recorded higher sales of IS tapes in domestic and overseas markets as a result of its continual efforts to gain market share, expand customer base and broaden product range.

Sales of general purpose tapes ("General tapes") increased 9.1% from RMB49.0 million in HY2019 to RMB53.5 million in HY2020 on the back of higher demand in the domestic and overseas markets.

As a result, the IS tapes segment's revenue contribution expanded to 34.1% in HY2020 (31.8% in HY2019). The BOPP films segment accounted for 42.6% of total sales (43.6% in HY2019), while the General tapes segment contributed to 23.3% of Group revenue in HY2020 (24.6% in HY2019).

In terms of revenue by geographical markets, sales to the domestic market increased 14.5% from RMB159.9 million in HY2019 to RMB183.1 million in HY2020. This was driven by higher sales of BOPP films, IS tapes and General tapes. Sales to overseas markets also gained 16.9% from RMB39.7 million in HY2019 to RMB46.4 million in HY2020 on the back of higher export sales of IS tapes and General tapes. As a result, the domestic market accounted for 79.8% of Group revenue in HY2020 (80.1% in HY2019) with the remaining 20.2% derived from overseas markets (19.9% in HY2019).

Group Gross Profit and Gross Profit Margin

The Group's gross profit increased 28.4% from RMB17.4 million to RMB22.4 million in HY2020. Gross profit margin increased to 9.8% in HY2020 from 8.7% in HY2019, in spite of continued pressure on average selling prices. The increase in gross profit margin was attributed mainly to higher capacity

utilisation, a shift in product mix, and the Group's initiatives to improve production efficiency and cost management.

Other Income

Other income increased from RMB0.3 million in HY2019 to RMB3.0 million in HY2020. Around RMB2.9 million was related to recovery of trade receivables that were previously impaired.

Selling and Distribution Costs, Administrative and Other Operating Expenses

Selling and distribution costs decreased 1.7% from RMB8.6 million in HY2019 to RMB8.5 million in HY2020, due mainly to lower export fees.

Administrative expenses increased 13.0% from RMB13.9 million to RMB15.7 million in HY2020. This was due mainly to higher staff salaries and bank charges, as well as administrative expenses incurred for the set-up of a new manufacturing facility in Hubei.

The Group incurred other operating expenses of around RMB0.1 million in HY2020, due mainly to bad debts written off and loss on disposal of property, plant and equipment.

Finance Costs

Finance costs declined 5.6% from RMB3.0 million in HY2019 to RMB2.8 million in HY2020 due mainly to a decrease in other borrowings.

Income Tax

Income tax expense of RMB1.8 million for HY2020 included payment of certain taxes allocated by the local provincial government.

Group Net Profit / Loss

As a result of the aforesaid factors, the Group narrowed its loss after tax by 62.1% to RMB3.5 million for HY2020, compared to RMB9.3 million in HY2019.

(b) Review of Financial Position as at 31 December 2019

Non-current assets decreased from RMB82.2 million as at 30 June 2019 to RMB78.5 million as at 31 December 2019, due mainly to the net effect of depreciation of property, plant and equipment, and the recognition of right-of-use assets which also included the acquisition of land use rights in Hubei, PRC.

Deposits amounting to RMB4.1 million as at 30 June 2019 for the acquisition of land use rights in Hubei were reclassified to right-of-use assets as at 31 December 2019 upon completion of land registration. Following the adoption of the IFRS 16 Leases, the Group's operating leases are recognised on the balance sheet as right-of-use assets and lease liabilities. As at 31 December 2019, the right-of-use assets stood at RMB13.8 million.

Inventories decreased from RMB53.9 million as at 30 June 2019 to RMB41.5 million as at 31 December 2019 due mainly to better inventory control. Trade and bills receivables increased slightly from RMB117.8 million as at 30 June 2019 to RMB118.0 million as at 31 December 2019. Debtor turnover days (annualised) shortened to around 94 days from 114 days in FY2019. Prepayments, deposits and other receivables increased from RMB12.4 million as at 30 June 2019 to RMB16.8 million as at 31 December 2019, the increase was due mainly to certain prepayments and deposits paid for the new plant project in Hubei, the PRC.

Cash and bank balances decreased slightly from RMB19.2 million as at 30 June 2019 to RMB18.4 million as at 31 December 2019. This was due mainly to net cash generated from operating activities of RMB11.8 million, offset by net cash used in investing activities, interest payment, repayment of lease liabilities and repayment of other borrowings.

Total borrowings declined from RMB124.5 million as at 30 June 2019 to RMB112.8 million as at 31 December 2019, due mainly to repayment of other borrowings of RMB12.5 million.

Trade payables decreased marginally from RMB34.1 million as at 30 June 2019 to RMB32.0 million as at 31 December 2019. Accrued expenses and other payables decreased from RMB14.2 million as at 30 June 2019 to RMB13.0 million as at 31 December 2019 due to settlement of outstanding expenses and payables. The Group recognised lease liabilities of RMB2.3 million as at 31 December 2019.

Income tax payables reduced slightly from RMB1.0 million as at 30 June 2019 to RMB0.8 million as at 31 December 2019. The Group recorded deferred income of RMB8.2 million as at 31 December 2019 which arose from a local government grant for its new plant in Hubei, the PRC.

Group Cash Flows

Net cash generated from operating activities in HY2020 amounted to RMB11.8 million. This was derived primarily from operating profit before working capital changes of RMB6.5 million and net working capital inflows of around RMB7.3 million, offset partially by payment of income taxes.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's financial results for HY2020 are in line with the profit guidance announcement on 17 February 2020.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The business environment for the Group is expected to remain challenging in the second half of FY2020 due to uncertainties arising from the COVID-19 outbreak, as well as ongoing global trade tensions. The PRC's economy is also expected to slowdown.

As directed by PRC authorities in response to the COVID-19 situation, enterprises had to remain closed for an extended period after the Chinese New Year holidays. While some factories are gradually restarting operations, companies (including the Group's customers and suppliers) are experiencing difficulties to resume full production. This is due to travel restrictions on workers and logistical issues which are disrupting the supply chains.

Although the Group's factory in Zhongshan has resumed operations on 10 February 2020 upon receiving approval from municipal authorities, some of its employees are currently unable to return to work as a result of the travel curbs.

Despite these difficulties, the Group has managed to resume almost full production. The Group remains in active discussions with its customers and is closely monitoring the situation.

Given the uncertainty regarding the severity and timeframe of the COVID-19 outbreak, there may be a negative impact on the Group's performance for FY2020 which may not be ascertained at this juncture. In addition, the Group's plan to set up a new manufacturing facility in Hubei Province will be inevitably delayed.

The Group will keep a close watch on the situation including updates and/or directives issued by the municipal authorities and shall keep shareholders informed of material developments.

11. If a decision regarding dividend has been made: -

- (a) Whether an interim (final) ordinary dividend has been declared (recommended).

No dividend has been declared or recommended for the current financial period reported on.

- (b) (i) Amount per share : Not applicable
(ii) Previous corresponding period : Not applicable

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable

- (d) The date the dividend is payable.

Not applicable

- (e) The date on which Registrable Transfers received by the company (up to 5:00 pm) will be registered before entitlements to the dividend are determined.

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the six months ended 31 December 2019 since the Group incurred loss for the period.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There was no IPT mandate has been obtained under Rule 920(1)(a)(ii) in HY2020.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

Pursuant to Rule 720(1) of the Listing Manual, the Company has procured undertakings from all its directors and executive officers.

Negative assurance confirmation on the interim financial results under Rule 705(5)

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited half year financial results of the Group as at 31 December 2019 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Angeline Chiang
Company Secretary

26 February 2020