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Fortis HOLDINGS LIMITED

(中 建 富 通 集 團 有 限 公 司)

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 00138)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

CHAIRMAN'S STATEMENT

On behalf of the Board, I report the interim results of the Group for the six months ended 30 June 2022.

RESULTS

Amidst difficult operating environment, the Group recorded net loss attributable to owners of the parent of HK\$17 million, representing a decrease of 79.3% as compared to net loss of HK\$82 million for the first half of last year. This significant reduction in reported loss was mainly attributable to recognise a gain of approximately HK\$93 million of legal proceedings in relation to the intended sale and purchase of a commercial development project in Hong Kong and the car park development at the same premises that initiated by the Group against Party A and Party B in 2013. The abovementioned legal proceedings were settled in March 2022.

INTERIM DIVIDEND

In view of current adverse situation, the Group intends to conserve cash resources to combat the difficulties and challenges going forward. Therefore, the Board did not recommend the payment of interim dividend for the six months ended 30 June 2022 (30 June 2021: nil).

BUSINESS REVIEW

During the six months ended 30 June 2022, the Group was principally engaged in: (i) property business; (ii) securities business; (iii) Blackbird Group's multi-faceted automotive business; (iv) investment in collectible precision devices; and (v) cultural entertainment business.

PROPERTY BUSINESS

Hong Kong Property Business

The outbreak of the fifth wave of the COVID-19 pandemic from January 2022 onwards and soaring interest rates posed uncertainties in the recovery of the property market in Hong Kong.

Our property business recorded an operating loss of HK\$12 million, as compared with an operating loss of HK\$3 million for the corresponding period last year. The current period's operating loss was primarily attributable to the unrealised fair value losses on our investment properties of HK\$8 million, whereas unrealised fair value gains of HK\$2 million was recognised in last year's corresponding period.

SECURITIES BUSINESS

In the first half of 2022, the Company's financial assets at fair value through profit or loss mainly represented investment in 536,671,000 shares of GBA Consolidated Shares (equivalent to 53,667,100,000 shares in GBA prior to its share consolidation effective 20 July 2022), held for trading purposes. These shares representing approximately 29.19% (31 December 2021: 29.19%) of the total number of issued shares of GBA as at the date of this announcement. The GBA Group is principally engaged in property development business, finance business and automobile business.

In 2021, the Company intended to realise its investment in GBA so as to better allocate its resources to focus on its other principal businesses and to generate cash flow and improve its financial position. On 15 November 2021, certain members of the Group entered into a sale and purchase agreement (the "Agreement") with Top Pioneer Holdings Limited (the "Purchaser"), an independent third party, under which the Group has agreed to sell all its 29.19% shareholdings in GBA to the Purchaser. The transactions contemplated under the Agreement as amended and supplemented by the supplemental agreement dated 14 December 2021 was approved by the Shareholders in the special general meeting held on 17 January 2022.

Subsequent to the abovementioned special general meeting, the Company had entered into further Supplemental Agreements to the Agreement. The Agreement was further amended and supplemented by the Supplemental Agreements entered into by the parties to the Agreement.

As at the date of this announcement, a total of 18,000,000,000 (prior to the share consolidation of GBA effective 20 July 2022) of the sale shares were transferred from the second vendor to the Purchaser; and the Company received a deposit in the aggregate amount of HK\$60 million from the Purchaser.

As at the date of this announcement, the transactions contemplated under the Agreement as amended and supplemented by the supplemental agreement dated 14 December 2021 and the Supplemental Agreements (the "Proposed Transactions") have not yet been completed. In addition, the Company proposes to hold a special general meeting for the Shareholders to approve the variation of terms under the fifth supplemental agreement dated 16 May 2022 and the sixth supplemental agreement dated 4 July 2022, details of which may refer to the Company's announcements dated 16 May 2022, 4 July 2022 and 28 July 2022.

In the event the Proposed Transactions proceed to completion, the Company will cease to have any shareholding interest in GBA.

During the first half of 2022, save for the Proposed Transactions, the Company did not trade any shares of GBA and did not receive any dividend from these securities. Our securities business

recorded operating loss of less than HK\$1 million in the first half of the current period, same as last year's first half.

BLACKBIRD GROUP

The Blackbird Group, under the leadership of its chairman and chief executive officer (“CEO”), Mr. TK Mak, is principally engaged in (i) the official dealership of Ferrari in Hong Kong and Macau, including the repair and servicing business; (ii) the official importership of Maserati in Hong Kong and Macau, also including the repair and servicing business; (iii) classic cars trading and investment business; and (iv) car logistics business. Despite the challenging environment, the management is very pleased with the continuing development of the Blackbird Group's multi-faceted automotive operations.

Ferrari Business

2022 represents the fifth year of Blackbird Concessionaires' official Ferrari dealership operations in Hong Kong and Macau. During the first half year under review, Ferrari's new model launch programme continued with the global unveiling of the 296 GTS, the convertible version of the company's highly acclaimed V6 hybrid sports car. Blackbird Concessionaires expects to launch this model in Hong Kong during the second half of 2022.

Deliveries of new cars continued. Ferrari's Roma GT model is proving to be very popular with both existing clients and new customers with a strong order book, as is the new 296 GTB hybrid sports car.

Our Ferrari after-sales centre in Kwai Chung, which occupies about 70,000 square feet, continues to perform very well. This facility is equipped to provide a full range of services including, but not limited to, repairing and maintenance, painting, body shop, restoration, pre-delivery inspection service and car storage. The facility continues to be very well received and strongly supported by customers.

Maserati Business

In the first half of 2021, the Group's subsidiary, Blackbird Tridente, was appointed as the official importer and distributor for Maserati and the provider of after-sales services in Hong Kong and Macau. The management considers that this importership appointment represents another major milestone for the Blackbird Group in the development of its automotive business.

During the first half year of 2022, Blackbird Tridente opened its new 8,400 square feet Maserati showroom in Causeway Bay, Hong Kong. In addition, Maserati launched its all-new SUV model, the Grecale, and received a number of orders immediately. The Company expects the Grecale to sell well in Hong Kong and Macau given its attractive combination of styling, technology, efficient power trains including a hybrid, and competitive pricing.

Classic Cars Trading and Investment Business

In the current period, the classic and investment car market continued to be affected by the global economic slowdown due to the COVID-19 pandemic. However, the management remains cautiously optimistic regarding the long-term improvement of the classic cars market. The Company will continue to monitor market trends to capitalise on both sales and investment opportunities.

Car Logistics Business

The Group's car logistics business performed well during the first half of this year with a good operating margin. A new contract was signed with Ferrari in April 2022 as the Company became the dedicated roadside rescue and recovery service to Hong Kong Ferrari owners. In addition, the Company's call centre is generating additional opportunities. Work also continued in support of local importers, distributors, dealers, roadside assistance and insurance companies, racing organisations and private owners.

INVESTMENT IN COLLECTIBLE PRECISION DEVICES

The Watch Manual division has received increasing commercial support for its well-regarded print publication and online platforms from key brands and partners. It has a stable readership with a very high degree of engagement, and a number of strategic projects are in progress with regional activations. Mr. TK Mak, the chairman and the CEO of the Blackbird Group, continues on the watch advisory board for Phillips auction house, maintaining our position in the luxury watch industry, and generating considerable international exposure for the Blackbird Group with a highly anticipated third collaboration in 2022, Phillips x Blackbird: The Third Instalment, where he will curate key pieces from the 20th century that have defined contemporary art, design, watches, sports cars, and fashion.

CULTURAL ENTERTAINMENT BUSINESS

Due to the restrictions on public gatherings and cross-border travel, the operating environment of cultural entertainment segment remained difficult as very few concerts, shows, and entertainment events were performed in the first six months of 2022. Given the adverse situation, the cultural entertainment segment continued its cost reduction measures and recorded an operating loss of HK\$6 million in the current period under review as compared with an operating loss of HK\$9 million for the corresponding period last year.

OUTLOOK

Looking forward, the local and global economic outlook remains highly uncertain and challenging. The COVID-19 pandemic, rising inflation and interest hike, the prolonged Sino-US trade conflict and geopolitical tensions will continue to pose challenges to local and global economic recovery.

Despite the current challenging environment, Blackbird's Ferrari business continues to perform well. We are also happy at the pace that Maserati business has grown so far and believe the Maserati business will contribute a stream of significant revenue to the Group and open up a new avenue for growth of income and profit. We are committed to continue to build up and grow the Blackbird Automotive Group to become one of the global leaders in the automotive sector in the near future.

In the existing adverse circumstance, we will conserve our cash and continue our on-going cost savings initiatives. We will retain our strength and lay the groundwork for the recovery to come. With our resilient and experienced management, we consider that we can withstand the impact caused by these unprecedented challenges. We will try to turn risks into opportunities and continue to pursue our core strategy of achieving long-term sustainable growth for the Company and enhancing long-term value to our Shareholders.

APPRECIATION

On behalf of the Board, I wish to thank the directors, the management and all our employees for their dedication, loyalty and hard work to meet the challenges during the period. I also want to thank our Shareholders, investors, bankers, customers, suppliers and landlords for their continued encouragement and strong support to the Company throughout these unprecedented times.

Mak Shiu Tong, Clement
Chairman

Hong Kong, 31 August 2022

FINANCIAL REVIEW

OVERVIEW OF FIRST HALF OF 2022 FINANCIAL RESULTS

HK\$ million	Six months ended 30 June		% increase/ (decrease)
	2022 (Unaudited)	2021 (Unaudited)	
Revenue	394	282	39.7%
Loss before tax	(19)	(84)	(77.4%)
Tax expenses	-	-	N/A
Loss for the period	(19)	(84)	(77.4%)
Attributable to:			
Owners of the parent	(17)	(82)	(79.3%)
Non-controlling interests	(2)	(2)	-
Loss for the period	(19)	(84)	(77.4%)
Loss per share attributable to ordinary equity holder of the parent			
- Basic	(HK\$0.020)	(HK\$0.094)	(78.7%)
- Diluted	(HK\$0.020)	(HK\$0.094)	(78.7%)
Dividend per share	Nil	Nil	N/A

Review on Financial Results

The Group's revenue for 1H22 of HK\$394 million was HK\$112 million or 39.7% higher than 1H21, driven mainly by the sale of classic and investment grade Ferrari cars.

In 1H22, the Group recorded a net loss attributable to owners of the parent of HK\$17 million as compared with a net loss of HK\$82 million in 1H21. This notable reduction in loss arose mainly as a result of recognising a gain of approximately HK\$93 million of legal proceedings in relation to the intended sale and purchase of a commercial development project in Hong Kong and the car park development at the same premises that initiated by the Group against Party A and Party B in 2013. The abovementioned legal proceedings were settled in March 2022.

Net loss attributable to non-controlling interests represented share of net loss by the minority shareholders of the cultural entertainment business.

ANALYSIS BY BUSINESS SEGMENT

HK\$ million	Revenue for the six months ended 30 June				
	2022		2021		% increase/ (decrease)
	Amount (Unaudited)	Relative %	Amount (Unaudited)	Relative %	
Property investment and holding	5	1.3%	4	1.4%	25.0%
Ferrari business	202	51.3%	202	71.6%	-
Maserati business	18	4.5%	-	0.0%	N/A
Classic cars trading and logistics business	132	33.5%	46	16.3%	187.0%
Cultural entertainment business	15	3.8%	12	4.3%	25.0%
Other operations	22	5.6%	18	6.4%	22.2%
Total	394	100.0%	282	100.0%	39.7%

HK\$ million	Operating profit/(loss) for the six months ended 30 June		
	2022 (Unaudited)	2021 (Unaudited)	% increase/ (decrease)
Property investment and holding	(12)	(3)	300.0%
Securities business	.*	.*	N/A
Ferrari business	5	(6)	N/A
Maserati business	(9)	-	N/A
Classic cars trading and logistics business	(9)	(7)	28.6%
Classic cars investment	.*	(2)	(100.0%)
Cultural entertainment business	(6)	(9)	(33.3%)
Other operations	63	(14)	N/A
Total	32	(41)	N/A

* less than HK\$1 million operating loss

Property investment and holding

In 1H22, the property investment segment achieved revenue of HK\$5 million (1H21: HK\$4 million) and recorded operating loss of HK\$12 million as compared with loss of HK\$3 million in the corresponding period last year. The higher loss for the current period under review was primarily attributable to the unrealised fair value losses on our investment property portfolio of HK\$8 million, whereas there was net fair value gains of HK\$2 million in the last corresponding period.

Securities business

This business segment recorded an operating loss of less than HK\$1 million during the current period as well as the same period last year.

Ferrari business

In 1H22, the Ferrari business continued to perform well and recorded revenue of HK\$202 million. Meanwhile, the Ferrari service centre in Kwai Chung continued to perform well during the COVID-19 pandemic. The Ferrari business recorded an operating profit of HK\$5 million in 1H22 as opposed to an operating loss of HK\$6 million in 1H21. The improvement in operating loss was primarily due to cost savings.

Maserati business

The Maserati business generated a revenue of HK\$18 million in 1H22. This new business recorded an operating loss of HK\$9 million, mainly as a result of one-off start-up costs. We believe this business will open up for the Group a new avenue of income and profit growth in the coming years.

Classic cars trading and logistics business

Given these unprecedented times, the classic cars trading and logistics segments incurred an operating loss of HK\$9 million (1H21: operating loss of HK\$7 million).

Classic cars investment

The operating loss of the classic cars investment was less than HK\$1 million, as compared with an operating loss of HK\$2 million in the corresponding period last year. The decrease in segment's operating loss was mainly due to the gain on disposal of a classic car held for investment in April 2022 in amount of HK\$7 million offset in part by the unrealised fair value losses of HK\$5 million on classic cars held for investment.

Cultural entertainment business

This business segment recorded a total revenue of HK\$15 million, represented 25.0% increased from HK\$12 million in 1H21. Operating loss was HK\$6 million (1H21: operating loss of HK\$9 million). The decrease in operating loss was primarily led by cost savings.

Other operations

Other operations mainly comprise investment of collectible precision devices, the multimedia business, artist management and other new ventures which are in the development and start-up stage. The other operations' revenue rose by 22.2% to HK\$22 million in 1H22. This segment recorded an operating profit of HK\$63 million, as opposed to an operating loss of HK\$14 million in the last corresponding period. It was attributable to the gain of approximately HK\$93 million of legal proceedings in relation to the intended sale and purchase of a commercial development project in Hong Kong and the car park development at the same premises, offset in part by the unrealised fair value losses of HK\$9 million on the collectible precision devices held for investment.

ANALYSIS BY GEOGRAPHICAL SEGMENT

HK\$ million	Revenue for the six months ended 30 June				
	2022 Amount (Unaudited)	Relative %	2021 Amount (Unaudited)	Relative %	% increase/ (decrease)
Hong Kong, Macau and Mainland	276	70.0%	250	88.7%	10.4%
Rest of the world	118	30.0%	32	11.3%	268.8%
Total	<u>394</u>	<u>100.0%</u>	<u>282</u>	<u>100.0%</u>	39.7%

Most of the Group's revenue was generated in Hong Kong, Macau and Mainland in 1H22 and 1H21. The revenue from these regions of HK\$276 million was HK\$26 million or 10.4% higher than 1H21, mainly led by increase of sale of Maserati cars. The revenue from rest of the world increased by 268.8% as a result of sale of a number of classic cars held for trading in the current period.

CAPITAL STRUCTURE AND GEARING RATIO

HK\$ million	30 June 2022		31 December 2021	
	Amount (Unaudited)	Relative %	Amount (Audited)	Relative %
Bank borrowings	1,569	43.8%	1,623	47.7%
Other borrowings	116	3.2%	117	3.5%
Lease liabilities	45	1.2%	42	1.2%
Bonds	250	7.0%	-	-
Total borrowings	<u>1,980</u>	<u>55.2%</u>	<u>1,782</u>	<u>52.4%</u>
Equity attributable to owners of the parent	<u>1,606</u>	<u>44.8%</u>	<u>1,621</u>	<u>47.6%</u>
Total capital employed	<u>3,586</u>	<u>100.0%</u>	<u>3,403</u>	<u>100.0%</u>

The Group's gearing ratio was 55.2% as at 30 June 2022, slightly higher than the gearing ratio of 52.4% as at 31 December 2021. The Group continued to maintain a reasonable gearing ratio in difficult times.

Total outstanding borrowings were HK\$1,980 million as at 30 June 2022 (31 December 2021: HK\$1,782 million). Most of the Group's outstanding borrowings are long-term bank loans.

As at 30 June 2022, the maturity profile of the total borrowings of the Group falling due within one year, in the second to the fifth years and beyond five years amounted to HK\$489 million, HK\$1,171 million and HK\$320 million, respectively (31 December 2021: HK\$1,508 million*, HK\$139 million and HK\$135 million, respectively). There was no material effect of seasonality on the Group's borrowing requirements.

* See elaboration in the section headed "LIQUIDITY AND FINANCIAL RESOURCES" below of this announcement.

LIQUIDITY AND FINANCIAL RESOURCES

HK\$ million	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Current assets	1,391	1,303
Current liabilities	906	1,879
Net current assets/(liabilities)	<u>485</u>	<u>(576)</u>

The Group's net current assets as at 30 June 2022 was HK\$485 million, reflecting a high liquidity of the Group's financial position.

As at 31 December 2021, the Group's net current liabilities of HK\$ 576 million was primarily due to the reclassification of approximately HK\$1,051 million bank borrowings from non-current liabilities to current liabilities. The reclassification was resulted from non-compliance of a debt covenant related to the amount of shareholders' fund under certain facilities agreements entered into by the Group with one of its bankers, which was made known to the banker by the Group before 31 December 2021. Subsequently, the bank revised the debt covenant, upon which the Group rectified the non-compliance. The bank borrowings of approximately HK\$1,051 million was reclassified back to non-current liabilities as a result of the rectification of the non-compliance.

The Group derives its working capital mainly from cash on hand, net cash generated from operating activities and bank borrowings. The Board expects that the Group will rely on net cash from operating activities, additional borrowings (if required) and sale of non-core assets to meet demand of working capital and capital expenditure, if any.

CAPITAL COMMITMENTS

As at 30 June 2022, capital commitment of the Group amounted to approximately HK\$10 million (31 December 2021: HK\$5 million). The Group intends to finance the capital commitment by internal resources.

TREASURY MANAGEMENT

The Group employs a prudent approach to cash management and risk control. To achieve better risk control and efficient fund management, the Group's treasury activities are centralised.

The objective of the Group's treasury policies is to minimise risks and exposures due to the fluctuations in foreign currency exchange rates and interest rates. The Group did not have any significant interest rate risk in 1H22 as the interest rates currently remain at relative low level.

The Group did not have any significant exchange risk in the 1H22. We will continue to monitor the currency exposure but we have no intention to enter into any high-risk exchange derivatives.

ACQUISITION AND DISPOSAL OF MATERIAL SUBSIDIARIES AND ASSOCIATES

The Group did not acquire or dispose of any material subsidiaries and associates during the period under review.

CHARGES ON ASSETS

As at 30 June 2022, certain assets of the Group with a net book value of HK\$2,255 million (31 December 2021: HK\$2,274 million) and time deposit of HK\$40 million (31 December 2021: HK\$40 million) were pledged to secure the Group's banking facilities.

CONTINGENT LIABILITIES

As at 30 June 2022, the contingent liabilities which were not provided for in the Group's financial information were as follows:

Litigations

During 2017 and in or about August 2018, various property purchasers initiated legal proceedings against a subsidiary of the Company (the "**Relevant Subsidiary**") concerning alleged misrepresentations on the part of the Relevant Subsidiary in relation to certain properties sold by the Relevant Subsidiary. In September 2018, the Court ordered that all individual legal proceedings against the Relevant Subsidiary were consolidated into one legal proceedings. Based on the existing legal documents and advice of the legal advisor of the Company, the Directors are of the opinion that there is a reasonably good chance of success in the defence by the Relevant Subsidiary. In the opinion of the Directors, no provision is considered necessary for the claims arising from the legal proceedings at the end of the reporting period.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group as at 30 June 2022 was 304 (31 December 2021: 271). The Group's remuneration policy is built on principle of equality, motivating, performance-oriented and market-competitive remuneration package to employees. Remuneration packages are normally reviewed on an annual basis. Apart from salary payments, other staff benefits include provident fund contributions, medical insurance coverage and performance related bonuses. Share options may also be granted to eligible employees and persons of the Group. As at 30 June 2022, there were no outstanding share options issued by the Company (31 December 2021: nil).

SHARE OPTION SCHEME

The 2021 Scheme

At the annual general meeting of the Company held on 23 June 2021, an ordinary resolution was passed by the Shareholders to adopt the new 2021 Scheme. Unless otherwise cancelled or amended, the 2021 Scheme will be valid for 10 years from the date of adoption which is 23 June 2021.

As at 30 June 2022, there was no share option under the 2021 Scheme remain outstanding and exercisable. No share options were granted, exercised, lapsed or cancelled by the Company under the 2021 Scheme during the six months ended 30 June 2022.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the listed Shares during the six months ended 30 June 2022.

CORPORATE GOVERNANCE

The Company has always recognised the importance of the shareholders' transparency and accountability. It is the belief of the Board that the Shareholders can maximise their benefits from good corporate governance. The Company is committed to maintaining and ensuring high standards of corporate governance in the interests of the Shareholders.

In the opinion of the Directors, the Company has complied with all the Code Provisions under the CG Code throughout the six months from 1 January 2022 to 30 June 2022, except for the minor deviations from the following Code Provisions of the CG Code:

Code Provision C.2.1: the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing; and

Code Provision B.2.2: every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Detailed information of such deviations and their respective considered reasons as well as other information on the corporate governance practices of the Company have been disclosed in the 2021 annual report of the Company issued in April 2022 and will be disclosed in the 2022 interim report of the Company, which will be despatched to the Shareholders on or before 30 September 2022.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted its code of conduct regarding the securities transactions by the Directors on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry of all existing Directors, they confirmed that they have complied with the required standard set out in the Model Code adopted by the Company throughout the six months ended 30 June 2022.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed in the announcements of the Company dated 4 July 2022 and 28 July 2022 regarding the disposal of shares in GBA and particulars of events after the reporting period have been stated in Note 14 of this announcement, there is no significant event of the Group occurred after the six months ended 30 June 2022.

REVIEW OF INTERIM RESULTS

The audit committee of the Company has reviewed the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2022.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement of the Company for the six months ended 30 June 2022 is published on the websites of the Company at www.cct-fortis.com/eng/investor/announcements.php and the Stock Exchange at www.hkexnews.hk. The 2022 interim report of the Company will be dispatched to the Shareholders and made available on the websites of the Company and the Stock Exchange on or before 30 September 2022.

BOARD OF DIRECTORS

As at the date of this announcement, the executive Directors are Mr. Mak Shiu Tong, Clement and Ms. Cheng Yuk Ching, Flora; and the independent non-executive Directors are Mr. Chen Li, Mr. Chow Siu Ngor and Mr. Lau Ho Kit, Ivan.

By Order of the Board
CCT FORTIS HOLDINGS LIMITED
Mak Shiu Tong, Clement
Chairman

Hong Kong, 31 August 2022

INTERIM RESULTS

The Board is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 June 2022 together with the comparative figures for the corresponding period in 2021 as follows:

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2022

HK\$ million	Notes	Six months ended 30 June	
		2022 (Unaudited)	2021 (Unaudited)
REVENUE	3	394	282
Cost of sales		<u>(329)</u>	<u>(235)</u>
Gross profit		65	47
Other income and gains		109	11
Selling and distribution expenses		(6)	(5)
Administrative expenses		(122)	(104)
Other expenses and losses		(33)	-
Finance costs		(32)	(32)
Share of loss of an associate		<u>-</u>	<u>(1)</u>
LOSS BEFORE TAX	5	(19)	(84)
Income tax expenses	6	<u>-</u>	<u>-</u>
LOSS FOR THE PERIOD		<u>(19)</u>	<u>(84)</u>
Attributable to:			
Owners of the parent		(17)	(82)
Non-controlling interests		(2)	(2)
		<u>(19)</u>	<u>(84)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic	8	<u>(HK\$0.020)</u>	<u>(HK\$0.094)</u>
Diluted	8	<u>(HK\$0.020)</u>	<u>(HK\$0.094)</u>

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2022

HK\$ million	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
LOSS FOR THE PERIOD AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(19)	(84)
Attributable to:		
Owners of the parent	(17)	(82)
Non-controlling interests	(2)	(2)
	(19)	(84)

Condensed Consolidated Statement of Financial Position

30 June 2022

HK\$ million	<i>Notes</i>	30 June 2022 (Unaudited)	31 December 2021 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	9	710	732
Investment properties		1,643	1,651
Goodwill		17	17
Intangible asset		-	3
Investment in an associate		-	-
Classic cars held for investment		111	173
Collectible precision devices held for investment		158	167
Other receivables		1	1
Deferred tax assets		1	1
Total non-current assets		<u>2,641</u>	<u>2,745</u>
Current assets			
Inventories		94	78
Stock of classic cars held for sale		131	89
Trade receivables	10	260	247
Investment in a film		80	80
Prepayments and other receivables		507	456
Financial assets at fair value through profit or loss	11	256	256
Pledged time deposits		40	40
Cash and cash equivalents		23	57
Total current assets		<u>1,391</u>	<u>1,303</u>
Total assets		<u>4,032</u>	<u>4,048</u>

Condensed Consolidated Statement of Financial Position *(continued)*

30 June 2022

HK\$ million	<i>Note</i>	30 June 2022 (Unaudited)	31 December 2021 (Audited)
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Issued capital		87	87
Reserves		<u>1,519</u>	<u>1,534</u>
		1,606	1,621
Non-controlling interests		<u>7</u>	<u>9</u>
Total equity		<u>1,613</u>	<u>1,630</u>
Non-current liabilities			
Interest-bearing bank and other borrowings		1,241	274
Convertible bonds		-	243
Bonds		250	-
Deferred tax liabilities		<u>22</u>	<u>22</u>
Total non-current liabilities		<u>1,513</u>	<u>539</u>
Current liabilities			
Trade payables	12	50	46
Tax payable		3	3
Other payables and accruals		364	322
Interest-bearing bank and other borrowings		<u>489</u>	<u>1,508</u>
Total current liabilities		<u>906</u>	<u>1,879</u>
Total liabilities		<u>2,419</u>	<u>2,418</u>
Total equity and liabilities		<u>4,032</u>	<u>4,048</u>
Net current assets/(liabilities)		<u>485</u>	<u>(576)</u>
Total assets less current liabilities		<u>3,126</u>	<u>2,169</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Listing Rules and with Hong Kong Accounting Standards (“**HKAS**”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The unaudited interim condensed consolidated financial information should be read in conjunction with the audited annual consolidated financial statements of the Group for the year ended 31 December 2021 (the “**2021 Annual Report**”).

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s 2021 Annual Report, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) for the first time for the current period’s financial information.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual Improvements to HKFRSs 2018-2020	<i>Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41</i>

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 3 replace a reference to the previous Framework for the Preparation and Presentation of Financial Statements with a reference to the Conceptual Framework for Financial Reporting issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

- (b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2022. Since there was no sale of items produced while making property, plant and equipment available for use on or after 1 January 2022, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.
- (d) Annual Improvements to HKFRSs 2018-2020 sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are applicable to the Group are as follows:

HKFRS 9 Financial Instruments: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.

HKFRS 16 Leases: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

3. REVENUE

An analysis of revenue is as follows:

HK\$ million	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Revenue from contracts with customers		
Ferrari business	202	202
Maserati business	18	-
Classic cars trading and logistics business	132	46
Cultural entertainment business	15	12
Other operations	22	18
	<u>389</u>	<u>278</u>
Revenue from other sources		
Rental income from investment properties	<u>5</u>	<u>4</u>
Total revenue	<u>394</u>	<u>282</u>

3. REVENUE (continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

For the six months ended 30 June 2022 (Unaudited)

HK\$ million	Timing of revenue recognition		
	Goods transferred at a point in time	Services transferred over time	Total
Ferrari business	164	38	202
Maserati business	9	9	18
Classic cars trading and logistics business	118	14	132
Cultural entertainment business	-	15	15
Other operations	5	17	22
Total	<u>296</u>	<u>93</u>	<u>389</u>

For the six months ended 30 June 2021 (Unaudited)

HK\$ million	Timing of revenue recognition		
	Goods transferred at a point in time	Services transferred over time	Total
Ferrari business	168	34	202
Maserati business	-	-	-
Classic cars trading and logistics business	32	14	46
Cultural entertainment business	-	12	12
Other operations	13	5	18
Total	<u>213</u>	<u>65</u>	<u>278</u>

3. REVENUE (continued)

Revenue from contracts with customers (continued)

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of Ferrari cars

The performance obligation is satisfied upon delivery of Ferrari cars and payment in advance is normally required for customers.

Sale of Maserati cars

The performance obligation is satisfied upon delivery of Maserati cars and payment in advance is normally required for customers.

Sale of classic cars

The performance obligation is satisfied upon delivery of the classic cars and payment is generally due within 30 days from delivery, except for new customers, where payment in advance is normally required.

Provision of car logistics and after-sale services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 90 days upon completion of services.

Sale of stage audio and lighting equipment

The performance obligation is satisfied upon delivery of the stage audio and lighting equipment to customers and payment is generally due within 30 to 90 days from delivery.

Leasing of stage audio and lighting equipment and provision of stage technical and engineering services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 90 days upon completion of services. The service contracts are project based, usually less than 1 year and do not contain variable consideration.

Provision of advertising services under other operations

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 90 days upon completion of services.

All the amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised within one year.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has the following reportable operating segments:

- (a) the property investment and holding segment which represents investment and holding of properties;
- (b) the securities business segment representing the trading in securities and holding of securities, financial assets and treasury products;
- (c) Ferrari business segment representing sale and distribution of Ferrari cars and provision of after-sale services as official dealer of Ferrari in Hong Kong and Macau;
- (d) Maserati business segment representing the import and distribution of Maserati cars and provision of after-sale services as official importer of Maserati in Hong Kong and Macau;
- (e) classic cars trading and logistics segment representing the trading and sale of classic cars and car logistics business;
- (f) classic cars investment segment which is acquisition of classic cars for long-term investment purpose;
- (g) cultural entertainment business segment representing film operations, stage audio, lighting and engineering operations;
- (h) other operations segment which is engaged in supportive business and start-up business including multimedia operations, the running of a classic car service centre, artist management, magazine publication and investment in collectible precision devices.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that non-lease-related finance costs, share of profits/losses of an associate and head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets and corporate and other unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude deferred tax liabilities and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

4. OPERATING SEGMENT INFORMATION *(continued)*

For the six months ended 30 June 2022 (Unaudited)

HK\$ million	Property investment and holding	Securities business	Ferrari business	Maserati business	Classic cars trading and logistics	Classic cars investment	Cultural entertainment business	Other operations	Reconciliations	Total
Segment revenue:										
Sales to external customers	5	-	202	18	132	-	15	22	-	394
Other revenue	-	-	3	-	1	7	1	97	-	109
	<u>5</u>	<u>-</u>	<u>205</u>	<u>18</u>	<u>133</u>	<u>7</u>	<u>16</u>	<u>119</u>	<u>-</u>	<u>503</u>
Operating (loss)/profit	(12)	-*	5	(9)	(9)	-*	(6)	63	-	32
Finance costs										(32)
Reconciled items:										
Corporate and other unallocated expenses										(19)
Share of loss of an associate										-
Loss before tax										<u>(19)</u>
Income tax expenses										-
Loss for the period										<u>(19)</u>
Other segment information:										
Expenditure for non-current assets	-	-	3	16	1	-	-	5	-	25
Depreciation and amortisation	(4)	-	(23)	(2)	(2)	-	(4)	(10)	-	(45)
Other material non-cash items:										
Fair value losses on investment properties, net	(8)	-	-	-	-	-	-	-	-	(8)
Fair value losses on classic cars held for investment, net	-	-	-	-	-	(5)	-	-	-	(5)
Fair value losses on collectible precision devices held for investment, net	-	-	-	-	-	-	-	(9)	-	(9)
As at 30 June 2022 (Unaudited)										
Segment assets										
Reconciled items:	1,649	790	241	93	193	115	147	332	-	3,560
Corporate and other unallocated assets	-	-	-	-	-	-	-	-	472	472
Total assets	<u>1,649</u>	<u>790</u>	<u>241</u>	<u>93</u>	<u>193</u>	<u>115</u>	<u>147</u>	<u>332</u>	<u>472</u>	<u>4,032</u>
Segment liabilities										
Reconciled items:	954	327	367	83	71	-	47	95	-	1,944
Corporate and other unallocated liabilities	-	-	-	-	-	-	-	-	475	475
Total liabilities	<u>954</u>	<u>327</u>	<u>367</u>	<u>83</u>	<u>71</u>	<u>-</u>	<u>47</u>	<u>95</u>	<u>475</u>	<u>2,419</u>

* operating loss less than HK\$1million

4. OPERATING SEGMENT INFORMATION *(continued)*

For the six months ended 30 June 2021 (Unaudited)

HK\$ million	Property investment and holding	Securities business	Ferrari business	Maserati business	Classic cars trading and logistics	Classic cars investment	Cultural entertainment business	Other operations	Reconciliations	Total
Segment revenue:										
Sales to external customers	4	-	202	-	46	-	12	18	-	282
Other revenue	-	-	1	-	-	-	-	4	-	5
	<u>4</u>	<u>-</u>	<u>203</u>	<u>-</u>	<u>46</u>	<u>-</u>	<u>12</u>	<u>22</u>	<u>-</u>	<u>287</u>
Operating loss	(3)	-*	(6)	-	(7)	(2)	(9)	(14)	-	(41)
Finance costs									-	(32)
Reconciled items:										
Corporate and other unallocated expenses	-	-	-	-	-	-	-	-	-	(10)
Share of loss of an associate	-	-	-	-	-	-	-	(1)	-	(1)
Loss before tax										<u>(84)</u>
Income tax expenses										-
Loss for the period										<u>(84)</u>
Other segment information:										
Expenditure for non-current assets	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation	(4)	-	(23)	-	(2)	-	(4)	(7)	-	(40)
Other material non-cash items:										
Fair value gains on investment properties, net	2	-	-	-	-	-	-	-	-	2
As at 31 December 2021 (Audited)										
Segment assets	1,657	790	232	60	150	177	154	342	-	3,562
Reconciled items:										
Corporate and other unallocated assets	-	-	-	-	-	-	-	-	486	486
Total assets	<u>1,657</u>	<u>790</u>	<u>232</u>	<u>60</u>	<u>150</u>	<u>177</u>	<u>154</u>	<u>342</u>	<u>486</u>	<u>4,048</u>
Segment liabilities	956	315	406	40	69	-	55	96	-	1,937
Reconciled items:										
Corporate and other unallocated liabilities	-	-	-	-	-	-	-	-	481	481
Total liabilities	<u>956</u>	<u>315</u>	<u>406</u>	<u>40</u>	<u>69</u>	<u>-</u>	<u>55</u>	<u>96</u>	<u>481</u>	<u>2,418</u>

* less than HK\$1million

4. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information

(a) *Revenue from external customers*

HK\$ million	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Hong Kong, Macau and Mainland	276	250
Rest of the world	118	32
	<u>394</u>	<u>282</u>

The revenue information above is based on the final locations where the Group's products/services were sold/provided to customers.

(b) *Non-current assets*

HK\$ million	30 June 2022	31 December 2021
	(Unaudited)	(Audited)
Hong Kong Macau and Mainland	2,539	2,623
Rest of the world	100	120
	<u>2,639</u>	<u>2,743</u>

The non-current assets information is based on the location of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

For the six months ended 30 June 2022, a customer of the classic cars segment contributed HK\$44 million, representing 11% of the Group's total revenue.

For the six months ended 30 June 2021, a customer of the classic cars segment contributed HK\$32 million, representing 11% of the Group's total revenue.

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

HK\$ million	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Cost of classic cars sold	112	31
Cost of Ferrari business	167	170
Cost of Maserati business	15	-
Cost of cultural entertainment business	16	16
Cost of automotive service provided	8	8
Cost of other operations	11	10
Depreciation and amortisation	45	40

6. INCOME TAX

No Hong Kong profits tax has been provided for the six months ended 30 June 2022 and 2021 as the Group had no profits chargeable to Hong Kong profits tax during those periods. During the six months ended 30 June 2022 and the corresponding period in 2021, the Group had no profit subject to foreign tax outside of Hong Kong and no provision had been made for overseas tax.

7. DIVIDENDS

The Board did not declare an interim dividend for the six months ended 30 June 2022 (30 June 2021: nil).

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic and diluted loss per share are based on:

HK\$ million	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation	(17)	(82)
Interest on convertible bonds	-	8
Loss attributable to ordinary equity holders of the parent before interest on convertible bonds, used in the diluted loss per share calculation	<u>(17)</u>	<u>(74)</u>
	Number of shares	
	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	873,111,452	873,111,452
Effect of dilution – weighted average number of ordinary shares of convertible bonds	-	347,500,000
Weighted average number of ordinary shares in issue during the period used in the diluted loss per share calculation	<u>873,111,452</u>	<u>1,220,611,452</u>

No adjustment has been made to the basic loss per share presented for the six months ended 30 June 2022 in respect of a dilution as the Group did not have any potential diluted ordinary shares during the period.

For the six months ended 30 June 2021, as the diluted loss per share amount is decreased when taking into account of the convertible bonds, the convertible bonds had an anti-dilutive effect on the basic loss per share and were ignored in the calculation of diluted loss per share. Therefore, the diluted loss per share amounts are based on the loss for the period of HK\$82 million and the weighted average number of ordinary shares of 873,111,452 in issue during the six months ended 30 June 2021. The aforesaid convertible bonds were redeemed by the Company on 29 April 2022.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2022, the Group acquired property, plant and equipment of approximately HK\$25 million including right-of-use assets of approximately HK\$21 million (six months ended 30 June 2021: nil).

10. TRADE RECEIVABLES

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

HK\$ million	30 June 2022 (Unaudited)		31 December 2021 (Audited)	
	Balance	Percentage	Balance	Percentage
Within 180 days	47	18	36	15
181 to 365 days	3	1	4	2
1 to 2 years	3	1	1	-
Over 2 years	207	80	206	83
	<u>260</u>	<u>100</u>	<u>247</u>	<u>100</u>

The credit period for most business of the Group is generally one month. The credit term granted to the customers of the securities business is up to 365 days.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

HK\$ million	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Financial assets at fair value through profit or loss	<u>256</u>	<u>256</u>

12. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

HK\$ million	30 June 2022 (Unaudited)		31 December 2021 (Audited)	
	Balance	Percentage	Balance	Percentage
Current to 30 days	14	28	13	28
31 to 60 days	1	2	11	24
61 to 90 days	5	10	12	26
Over 90 days	30	60	10	22
	<u>50</u>	<u>100</u>	<u>46</u>	<u>100</u>

13. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform to the current period presentation.

14. EVENT AFTER THE REPORTING PERIOD

On 13 July 2022, the Group through an indirect wholly-owned subsidiary of the Company entered into a provisional agreement for sale and purchase with an independent third party to sell Ocean Investment Limited, an indirect wholly-owned subsidiary of the Company, at the total cash consideration of HK\$107 million. The sole asset of Ocean Investment Limited is a shop which is located at the 18th Floor of Emperor Watch and Jewellery Centre, No.8 Russell Street, Causeway Bay, Hong Kong.

GLOSSARY OF TERMS

GENERAL TERMS

“Blackbird Concessionaires”	Blackbird Concessionaires Limited, a company incorporated in Hong Kong with limited liability, being a wholly-owned subsidiary of the Company under the Blackbird Group
“Blackbird” or “Blackbird Group”	The Blackbird group established by the Company, which is engaged in the multi-faceted automotive business including the Ferrari dealership, Maserati importership, investment and trading of classic cars, car logistics operations and investment in collectible precision devices and other new business ventures
“Blackbird Tridente”	Blackbird Tridente Company Limited, a company incorporated in Hong Kong with limited liability, being a wholly-owned subsidiary of the Company under the Blackbird Group
“Board”	The board of Directors
“CG Code”	The Corporate Governance Code as contained in Appendix 14 to the Listing Rules
“Chairman”	The chairman of the Company
“China” or “PRC”	The People’s Republic of China
“Company”	CCT Fortis Holdings Limited (stock code: 00138), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	The director(s) of the Company from time to time
“GBA”	GBA Holdings Limited (stock code: 00261), a company incorporated in Bermuda with limited liability, the shares of which are listed in the Main Board of the Stock Exchange
“GBA Group”	GBA and its subsidiaries, from time to time
“GBA Consolidated Shares”	the consolidation of every one hundred (100) shares of par value of HK\$0.01 each in the issued share capital of GBA into one (1) consolidated share of par value of HK\$1.00, effective 20 July 2022
“Group”	The Company and its subsidiaries, from time to time
“HK” or “Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“INED(s)”	Independent non-executive Director(s)

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	The Macau Special Administrative Region of the PRC
“Mainland”	The mainland of the PRC
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
“N/A”	Not applicable
“Share(s)”	Ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	Holder(s) of the issued Share(s)
“Supplemental Agreements”	together, the second supplemental agreement dated 26 January 2022, the third supplemental agreement dated 15 March 2022, the fourth supplemental agreement dated 6 May 2022, the fifth supplemental agreement dated 16 May 2022 and the sixth supplemental agreement dated 4 July 2022; further particulars of each of them are set out in the announcements of the Company dated 26 January 2022, 15 March 2022, 6 May 2022, 16 May 2022 and 4 July 2022 respectively
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US”	The United States of America
“%”	Per cent.
Financial Terms	
“Net Current Assets/ (Liabilities)”	Current assets less current liabilities
“Loss Per Share”	Loss attributable to ordinary equity holders of the parent divided by weighted average number of ordinary shares in issue during the period
“Gearing Ratio”	Total borrowings (representing bank borrowings, bonds, other borrowings and lease liabilities) divided by total capital employed (i.e. total Shareholders’ fund plus total borrowings)
“Operating Profit/(Loss)”	Operating profit/(loss) before interest, tax and unallocated income and expenses
“1H21”	First half of 2021
“1H22”	First half of 2022