



KAISA CAPITAL INVESTMENT HOLDINGS LIMITED
佳兆業資本投資集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 936)

INTERIM REPORT 2021



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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Kwok Ying Shing (*Chairman*)
Mr. Zhao Yi (*Chief Executive Officer*)
Ms. Kwok Hiu Yan
Ms. Lee Kin Ping Gigi
Mr. Zhou Puzhang
Mr. Chen Zefeng

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Xu Xiaowu
Mr. Li Yongjun
Mr. Diao Yingfeng

COMPANY SECRETARY

Ms. Poon Yuk Ching Ada

AUTHORISED REPRESENTATIVES

Mr. Zhao Yi
Ms. Poon Yuk Ching Ada

PRINCIPAL BANKERS

Hong Kong
Standard Chartered Bank (Hong Kong) Limited
Bank of China (Hong Kong) Limited
United Overseas Bank Limited
The Bank of East Asia, Limited
Singapore
United Overseas Bank Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

AUDIT COMMITTEE

Mr. Xu Xiaowu (*Chairman*)
Mr. Li Yongjun
Mr. Diao Yingfeng

REMUNERATION COMMITTEE

Mr. Li Yongjun (*Chairman*)
Mr. Kwok Ying Shing
Mr. Diao Yingfeng

NOMINATION COMMITTEE

Mr. Kwok Ying Shing (*Chairman*)
Mr. Xu Xiaowu
Mr. Li Yongjun

REGISTERED OFFICE

Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3610, 36/F., The Center,
99 Queen's Road Central,
Central, Hong Kong

AUDITOR

Grant Thornton Hong Kong Limited

WEBSITE

<https://kaisa-capital.com>

LISTING INFORMATION

Place of Listing

Main Board of The Stock Exchange of Hong Kong Limited

Stock Code

936

Board Lot

10,000 shares



INDEPENDENT REVIEW REPORT

To the Board of Directors of Kaisa Capital Investment Holdings Limited (formerly known as Eagle Legend Asia Limited)

(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial report of Kaisa Capital Investments Holdings Limited (formerly known as Eagle Legend Asia Limited) (the “Company”) and its subsidiaries (together, the “Group”) set out on pages 5 to 36, which comprises the condensed consolidated statement of financial position as at 30 June 2021, and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and other explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on the interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with Hong Kong Accounting Standard 34. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

Except as explained in the following paragraph, we conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

INDEPENDENT REVIEW REPORT *(Continued)*

Basis for Qualified Conclusion

In our review's report dated 26 August 2020 on the interim financial report for the six months ended 30 June 2020, we expressed disclaimer of conclusion due to, amongst other matters, a limitation in the scope of relating to our review of assets classified as held for sale of approximately HK\$569,390,000 and liabilities associated with assets classified as held for sale of approximately HK\$32,581,000 of Best Earnest Investments Limited (佳誠投資有限公司) ("Best Earnest") and its subsidiaries (the "Best Earnest Group") at 24 June 2020 (the "Disposal Date"), loss on disposal of subsidiaries of approximately HK\$68,272,000 for the six months ended 30 June 2020, loss for the six months ended 30 June 2020 of the Best Earnest Group of approximately HK\$1,234,000 and the related disclosure.

The Group has dispute with the non-controlling shareholders of its 80% owned subsidiary, Guangdong Dahe Biological Technologies Limited (廣東大合生物科技股份有限公司) ("Guangdong Dahe"). As such, management of the Group was not allowed access to complete sets of management and accounting records of Guangdong Dahe and we were unable to complete our review of the loss from the discontinued operations of approximately HK\$1,234,000, for the six months ended 30 June 2020, and the related disclosures.

In addition, due to the dispute between the Group and the non-controlling shareholders of Guangdong Dahe, we were unable to complete our review of assets classified as held for sale of approximately HK\$569,390,000 and liabilities associated with assets classified as held for sale of approximately HK\$32,581,000 of the Best Earnest Group at 24 June 2020, loss on disposal of subsidiaries of approximately HK\$68,272,000 for the six months ended 30 June 2020, and the related disclosures.

Our review conclusion on the interim financial report for the six months ended 30 June 2021 is also modified because of the possible effects of the abovementioned matter on the comparability of the corresponding figures in the condensed consolidated statement of profit or loss and other comprehensive income and condensed consolidated statement of cash flows.

Qualified Conclusion

Except for the Basis for Qualified Conclusion on our review, nothing has come to our attention that causes us to believe that the interim financial report are not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34.

Grant Thornton Hong Kong Limited

Certified Public Accountants

Level 12

28 Hennessy Road

Wanchai

Hong Kong

24 August 2021

Ng Ka Kong

Practising Certificate No.: P06919

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2021

	Notes	Six months ended 30 June	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Continuing operations			
Revenue	6	94,774	54,770
Cost of sales and services		(39,650)	(20,760)
Gross profit		55,124	34,010
Other income and gains	7	9,477	1,371
Selling and distribution expenses		(1,114)	(1,153)
Administrative expenses		(25,374)	(27,355)
Other operating expenses	8	(29,148)	(23,626)
Finance costs	9	(4,973)	(12,130)
Profit/(Loss) before income tax	10	3,992	(28,883)
Income tax (expense)/credit	12	(579)	439
Profit/(Loss) for the period from continuing operations		3,413	(28,444)
Discontinued operations			
Loss for the period from discontinued operations	11	–	(1,234)
Loss on disposal of subsidiaries	23	–	(68,272)
Loss for the period from discontinued operations		–	(69,506)
Profit/(Loss) for the period		3,413	(97,950)
Continuing operations			
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		159	(1,141)
Other comprehensive income/(loss) for the period from continuing operations		159	(1,141)
Discontinued operations			
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		–	(8,481)
Translation reserve released upon disposal of subsidiaries		–	9,042
Other comprehensive income for the period from discontinued operations		–	561
Other comprehensive income/(loss) for the period		159	(580)
Total comprehensive income/(loss) for the period		3,572	(98,530)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*

for the six months ended 30 June 2021

	Notes	Six months ended 30 June	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Profit/(Loss) for the period attributable to:			
Owners of the Company			
– Continuing operations		3,881	(28,428)
– Discontinued operations		–	(68,901)
Profit/(Loss) for the period attributable to owners of the Company		3,881	(97,329)
Non-controlling interests			
– Continuing operations		(468)	(16)
– Discontinued operations		–	(605)
Loss for the period attributable to non-controlling interests		(468)	(621)
		3,413	(97,950)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		4,040	(92,888)
Non-controlling interests		(468)	(5,642)
		3,572	(98,530)
Earnings/(Loss) per share from continuing and discontinued operations			
– Basic and diluted (HK cents)	14	0.37	(9.18)
Earnings/(Loss) per share from continuing operations			
– Basic and diluted (HK cents)	14	0.37	(2.68)
Loss per share from discontinued operations			
– Basic and diluted (HK cents)	14	–	(6.50)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2021

	Notes	As at 30 June 2021 HK\$'000 (Unaudited)	As at 31 December 2020 HK\$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	15	150,993	138,810
Right-of-use assets	15	139,297	130,585
Intangible assets	16	4,392	2,466
Deferred tax assets		98	101
Deposits		–	1,097
Trade receivables	18	322	298
		295,102	273,357
Current assets			
Properties under development	17	109,911	95,598
Inventories and consumables		9,076	11,561
Trade receivables	18	57,739	64,224
Prepayments, deposits and other receivables		13,330	10,960
Financial asset at fair value through profit or loss		18,505	–
Cash and cash equivalents		19,448	29,953
		228,009	212,296
Current liabilities			
Trade payables	19	45,060	58,704
Receipt in advance, accruals and other payables		65,888	60,941
Contract liabilities		3,759	4,720
Bank borrowings	20	14,208	7,797
Loan from intermediate holding company		10,000	–
Other loans	21	83,000	83,000
Lease liabilities		43,969	36,143
Tax payable		500	440
		266,384	251,745
Net current liabilities		(38,375)	(39,449)
Total assets less current liabilities		256,727	233,908

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

as at 30 June 2021

	<i>Notes</i>	As at 30 June 2021 HK\$'000 (Unaudited)	As at 31 December 2020 HK\$'000 (Audited)
Non-current liabilities			
Bank borrowings	20	92,179	65,363
Lease liabilities		31,503	39,072
Deferred tax liabilities		2,197	2,197
		125,879	106,632
Net assets			
		130,848	127,276
EQUITY			
Share capital		10,600	10,600
Reserves		120,248	116,208
Equity attributable to the owners of the Company			
		130,848	126,808
Non-controlling interests		–	468
Total equity			
		130,848	127,276

Kwok Ying Shing
Executive Director

Zhao Yi
Executive Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2021

	Share capital HK\$'000 (Unaudited)	Share premium HK\$'000 (Unaudited)	Statutory reserve HK\$'000 (Unaudited)	Merger reserve HK\$'000 (Unaudited)	Capital reserve HK\$'000 (Unaudited)	Translation reserve HK\$'000 (Unaudited)	Accumulated losses HK\$'000 (Unaudited)	Equity attributable to the owners of the Company HK\$'000 (Unaudited)	Non-controlling interests HK\$'000 (Unaudited)	Total equity HK\$'000 (Unaudited)
At 1 January 2020 (audited)	10,600	346,824	6,293	120,985	-	158	(249,323)	235,537	255,041	490,578
Loss for the period	-	-	-	-	-	-	(97,329)	(97,329)	(621)	(97,950)
Other comprehensive loss for the period:										
Exchange differences arising on translating foreign operations	-	-	-	-	-	(4,601)	-	(4,601)	(5,021)	(9,622)
Translation reserve released upon disposal of subsidiaries	-	-	-	-	-	9,042	-	9,042	-	9,042
Total comprehensive loss for the period	-	-	-	-	-	4,441	(97,329)	(92,888)	(5,642)	(98,530)
Transactions with equity holders in their capacity as owners:										
Disposal of subsidiaries (Note 24)	-	-	(6,293)	-	-	-	6,293	-	(248,907)	(248,907)
At 30 June 2020 (unaudited)	10,600	346,824	-	120,985	-	4,599	(340,359)	142,649	492	143,141
At 1 January 2021 (audited)	10,600	346,824	2,378	120,985	17,537	5,792	(377,308)	126,808	468	127,276
Profit for the period	-	-	-	-	-	-	3,881	3,881	(468)	3,413
Other comprehensive income for the period:										
Exchange differences arising on translating foreign operations	-	-	-	-	-	159	-	159	-	159
Total comprehensive income for the period	-	-	-	-	-	159	3,881	4,040	(468)	3,572
Transactions with equity holders in their capacity as owners:										
Deregistration of a subsidiary	-	-	-	-	-	(4,105)	4,105	-	-	-
At 30 June 2021 (unaudited)	10,600	346,824	2,378	120,985	17,537	1,846	(369,322)	130,848	-	130,848

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2021

	Six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Cash flows from operating activities		
Cash generated from/(used in) operations	13,218	(89,404)
Interest paid	(2,604)	(3,055)
Tax paid	(550)	(56)
<i>Net cash generated from/(used in) operating activities</i>	10,064	(92,515)
Cash flows from investing activities		
Interest received	512	1
Purchase of property, plant and equipment	(40,863)	(9,043)
Acquisition of a subsidiary, net of cash acquired	(2,474)	1,092
Proceeds from disposal of property, plant and equipment	2,649	–
Proceeds from disposal of discontinued operation	–	138,000
<i>Net cash (used in)/generated from investing activities</i>	(40,176)	130,050
Cash flows from financing activities		
Repayment of principal portion of lease liabilities	(22,927)	(5,356)
Repayment of bank borrowings	(5,083)	(1,030)
Repayment of amounts due to related companies	–	(100,000)
Proceed from amount due to a related company	–	60,000
Proceed from amount due to intermediate holding company	10,000	–
Proceed from bank borrowing	37,344	7,472
<i>Net cash generated from/(used in) financing activities</i>	19,334	(38,914)
Net decrease in cash and cash equivalents	(10,778)	(1,379)
Cash and cash equivalents at 1 January	29,953	25,326
Effect of exchange rates changes on cash and cash equivalents	273	(93)
Cash and cash equivalents at 30 June	19,448	23,854

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

For the six months ended 30 June 2021

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Kaisa Capital Investment Holdings Limited (formerly known as Eagle Legend Asia Limited) (the “Company”) is an exempted company with limited liability incorporated in the Cayman Islands. Pursuant to a special resolution passed on 8 June 2021 and approved by the Registrar of Companies in the Cayman Islands, with effect from 11 June 2021, the Company’s name was changed from “Eagle Legend Asia Limited” to “Kaisa Capital Investment Holdings Limited”. The Chinese name of the Company was changed from “鵬程亞洲有限公司” to “佳兆業資本投資集團有限公司”. The address of its registered office is located at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business in Hong Kong is located at Unit 3610, 36/F., The Center, 99 Queen’s Road Central, Central, Hong Kong. The Company is an investment company and its subsidiaries (collectively known as the “Group”) are principally engaged in (i) trading of construction machinery and spare parts, leasing of the construction machinery under operating leases and providing repair and maintenance services in respect of the construction machinery (“Construction Equipment Business”) and (ii) property development (“Property Development Business”).

The Company’s issued shares (the “Shares”) have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 19 July 2010. The immediate and ultimate holding company of the Company was Harbour Luck Investments Limited (“Harbour Luck”), which was incorporated in Hong Kong with limited liability, for the period from 1 January 2021 to 29 April 2021. Pursuant to the completion of an acquisition from Mighty Empire Group Limited (“Mighty Empire Group”) on the Company, the immediate holding company of the Company has been changed to Mighty Empire Group and the ultimate holding company of the Company has been changed to Kaisa Group Holdings Ltd (“Kaisa Group”) with effect from 29 April 2021. Mighty Empire Group was incorporated in the British Virgin Islands (“BVI”). Kaisa Group was incorporated in the Cayman Islands and its issued shares are listed on the Main Board of the Stock Exchange.

The interim financial report for the six months ended 30 June 2021 (the “Interim Financial Report”) have been prepared in accordance with the Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure provisions of the Main Board Listing Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

As at the end of the reporting period, the Group’s current liabilities exceeded its current assets by approximately HK\$38,375,000. The Directors consider that the Group will be able to meet its financial obligations as they fall due for the next twelve months from 30 June 2021, on the basis that Mighty Empire Group, the major shareholder of the Company (the “Shareholder”) will continue to provide the Group with the necessary financial support. The Directors are of the opinion that, in the absence of unforeseen adverse circumstances, the Group will have sufficient financial resources to finance its working capital requirements for the next twelve months from the reporting period. Accordingly, the financial statements have been prepared on a going concern basis.

The preparation of the Interim Financial Report in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in Note 4.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2021

1. GENERAL INFORMATION AND BASIS OF PREPARATION *(Continued)*

The Interim Financial Report is presented in Hong Kong Dollars (“HK\$”), unless otherwise stated. The Interim Financial Report contains condensed consolidated interim financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in the financial position and the performance of the Group since the 2020 annual financial statements (“2020 Annual Financial Statements”). The Interim Financial Report and notes do not include all the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRSs”) and should be read in conjunction with the 2020 Annual Financial Statements.

2. ACCOUNTING POLICIES

The accounting policies and methods of computation used in the preparation of the Interim Financial Report are consistent with those used in the 2020 Annual Financial Statements.

3. ADOPTION OF AMENDED HKFRSs

Amended HKFRSs that are effective for annual periods beginning or after 1 January 2021

In the current period, the Group has applied for the first time the following amended HKFRSs issued by the HKICPA, which are relevant to the Group’s operations and effective for the Group’s consolidated financial statements for the annual period beginning on 1 January 2021:

Amendments to HKFRS 9, HKAS 39,
HKFRS 7, HKFRS 4 and HKFRS 16

Interest Rate Benchmark Reform – Phase 2

In addition, on 1 January 2021, the Group has early adopted the Amendment to HKFRS 16 “Covid-19-Related Rent Concessions beyond 30 June 2021” which will be mandatorily effective for the Group for financial year beginning on or after 1 April 2021.

Amendment to HKFRS 16 “Covid-19-Related Rent Concessions beyond 30 June 2021”

The amendment extends the availability of the practical expedient in paragraph 46A of HKFRS 16 so that it applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions as stated in paragraph 46B of HKFRS 16 for applying the practical expedient are met.

A lessee that chooses to apply this practical expedient would be required to apply it consistently to all lease contracts with similar characteristics and in similar circumstances, irrespective of whether the contract became eligible for the practical expedient as a result of the lessee applying this amendment or Amendment to HKFRS 16 “Covid-19-Related Rent Concessions”.

The Group has elected to early adopt the amendment. There is no impact on the opening balance of equity as at 1 January 2021.

The adoption of the amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2021

3. ADOPTION OF AMENDED HKFRSs *(Continued)*

Issued but not yet effective HKFRSs

As at the date of the authorisation of these condensed consolidated interim financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 17	Insurance Contracts and related amendments ²
Amendments to HKFRS 3	Reference to the Conceptual Framework ⁴
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to HKAS 8	Definition of Accounting Estimates ²
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ¹
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ¹
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018-2020 ¹
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combinations ⁴

1 Effective for annual periods beginning on or after 1 January 2022

2 Effective for annual periods beginning on or after 1 January 2023

3 Effective date not yet determined

4 Effective for business combination/common control combination for which the acquisition/combination date is on or after the beginning of the first annual period beginning on or after 1 January 2022

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's condensed consolidated interim financial statements.

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing the Interim Financial Report, the significant judgements made by management of the Company ("the Management") in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2020 Annual Financial Statements.

5. SEGMENT INFORMATION

The Group's operating businesses are structured and managed separately according to the geographic location of their operations. Each of the Group's operating segments represents a strategic business unit that offers products and services from which are subject to risks and returns that are different from those of the other operating segments.

The Plantation Business (the "Disposal Group") was discontinued and classified as held for sale as at 31 December 2019. Information about the discontinued operations is provided in Note 11.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2021

5. SEGMENT INFORMATION *(Continued)*

On 24 April 2020, the Group acquired a land for property development. The Group considered that property development is an individual operating segment.

The Chief Operating Decision-Maker identified construction equipment business, property development business and plantation business as reportable segments.

Segment assets include all assets but exclude corporate assets which are not directly attributable to the business activities of any operating segment and are not allocated to a segment, which primarily applies to the Group's headquarter. Segment liabilities exclude corporate liabilities, other loans and loan from intermediate holding company which are not directly attributable to the business activities of any operating segment and are not allocated to a segment.

(a) Information regarding the Group's reportable segments as provided to the Group's executive Directors is set out below:

	Unaudited Continuing operations										
	Construction Equipment Business					Inter segment elimination	Sub-total	Property Development Business		Other	Total
	Hong Kong HK\$'000	Singapore HK\$'000	Vietnam HK\$'000	Macau HK\$'000	PRC HK\$'000			Hong Kong HK\$'000	Hong Kong HK\$'000		
Six months ended 30 June 2021											
Revenue											
From external customers	22,652	38,411	-	-	33,711	-	94,774	-	-	94,774	
From inter segment	7,774	-	-	-	-	(7,774)	-	-	-	-	
Reportable segment revenue	30,426	38,411	-	-	33,711	(7,774)	94,774	-	-	94,774	
Reportable segment (loss)/profit	(3,937)	2,328	136	25	2,440	-	992	(53)	(351)	588	
Gain on disposal of financial assets at fair value through profit or loss ("FVTPL")							453	-	-	453	
Fair value gain in financial assets at FVTPL							6,240	-	-	6,240	
Interest income from financial assets at FVTPL							512	-	-	512	
Interest on other loans							(2,058)	-	-	(2,058)	
Interest on loan from intermediate holding company							(311)	-	-	(311)	
Unallocated corporate expenses											
- Corporate staff costs							(1,413)	-	-	(1,413)	
- Others							(598)	-	-	(598)	
Profit/(loss) for the period							3,817	(53)	(351)	3,413	

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2021

5. SEGMENT INFORMATION *(Continued)*

- (a) Information regarding the Group's reportable segments as provided to the Group's executive Directors is set out below: *(Continued)*

	Unaudited										
	Construction Equipment Business						Inter segment elimination	Property Development Business	Other		Total
	Hong Kong HK\$'000	Singapore HK\$'000	Vietnam HK\$'000	Macau HK\$'000	PRC HK\$'000	Sub-total HK\$'000		Hong Kong HK\$'000	Hong Kong HK\$'000	HK\$'000	
As at 30 June 2021											
Reportable segment assets	80,056	199,522	-	145	105,851	-	385,574	111,236	2,498	499,308	
Other unallocated segment asset							23,803	-	-	23,803	
Total assets							409,377	111,236	2,498	523,111	
Reportable segment liabilities	71,730	77,051	-	5	95,607	-	244,393	51,702	799	296,894	
Other loans							83,000	-	-	83,000	
Loan from intermediate holding company							10,000	-	-	10,000	
Other unallocated segment liabilities							2,369	-	-	2,369	
Total liabilities							339,762	51,702	799	392,263	

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2021

5. SEGMENT INFORMATION *(Continued)*

- (a) Information regarding the Group's reportable segments as provided to the Group's executive Directors is set out below: *(Continued)*

	Unaudited												Total HK\$'000		
	Continuing operations						Discontinued operations								
	Construction Equipment Business					Inter segment elimination HK\$'000	Property Development Business		Plantation Business						
	Hong Kong HK\$'000	Singapore HK\$'000	Vietnam HK\$'000	Macau HK\$'000	PRC HK\$'000		Hong Kong HK\$'000	Sub-total HK\$'000	Hong Kong HK\$'000	PRC HK\$'000	Sub-total HK\$'000				
Six months ended 30 June 2020															
Revenue															
From external customers	20,026	30,726	-	-	4,018	-	54,770	-	54,770	-	-	-	54,770		
From inter segment	988	-	-	-	-	(988)	-	-	-	-	-	-	-		
Reportable segment revenue	21,014	30,726	-	-	4,018	(988)	54,770	-	54,770	-	-	-	54,770		
Reportable segment (loss)/profit	(9,565)	57	(49)	(20)	(1,122)	-	(10,699)	(1,401)	(12,100)	(1,234)	-	(1,234)	(13,334)		
Loss on disposal of subsidiaries							-	-	-				(68,272)	(68,272)	
Interest on other loans							(9,075)	-	(9,075)				-	(9,075)	
Unallocated corporate expenses															
- Corporate staff costs							(3,405)	-	(3,405)				-	(3,405)	
- Others							(3,864)	-	(3,864)				-	(3,864)	
Loss for the period							(27,043)	(1,401)	(28,444)				(69,306)	(97,950)	
	Audited														
	Construction Equipment Business					Inter segment elimination HK\$'000	Property Development Business								
	Hong Kong HK\$'000	Singapore HK\$'000	Vietnam HK\$'000	Macau HK\$'000	PRC HK\$'000		Hong Kong HK\$'000	Sub-total HK\$'000	Hong Kong HK\$'000	Sub-total HK\$'000					
As at 31 December 2020															
Reportable segment assets	96,809	193,598	48	148	83,868	(2,510)	371,961	99,075	99,075			471,036			
Other unallocated segment asset									14,617				14,617		
Total assets									386,578				485,653		
Reportable segment liabilities	61,761	76,998	581	43	76,070	-	215,453	40,649	40,649			256,102			
Other loans									83,000				83,000		
Other unallocated segment liability									19,275				19,275		
Total liabilities									317,728				358,377		

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2021

5. SEGMENT INFORMATION *(Continued)*

- (b) In the following table, revenue is disaggregated by primary geographical markets of which the external customers are from. The table also includes a reconciliation of the disaggregated revenue within the Group's reportable segments.

	For the six months ended 30 June							
	Continuing operations				Discontinued operations			
	Construction Equipment Business		Property Development Business		Plantation Business		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
Primary geographical markets								
Hong Kong (place of domicile)	22,652	20,026	-	-	-	-	22,652	20,026
Singapore	33,026	26,327	-	-	-	-	33,026	26,327
PRC	33,711	4,019	-	-	-	-	33,711	4,019
Sri Lanka	-	88	-	-	-	-	-	88
Korea	942	832	-	-	-	-	942	832
Holland	-	1,202	-	-	-	-	-	1,202
Indonesia	-	65	-	-	-	-	-	65
United Arab Emirates	-	2,211	-	-	-	-	-	2,211
Vietnam	154	-	-	-	-	-	154	-
Thailand	1,046	-	-	-	-	-	1,046	-
Israel	1,413	-	-	-	-	-	1,413	-
Australia	1,830	-	-	-	-	-	1,830	-
Total	94,774	54,770	-	-	-	-	94,774	54,770

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2021

6. REVENUE

	Six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Continuing operations		
Revenue from contract with customers within the scope of HKFRS 15:		
Sales of machinery	10,419	6,777
Sales of spare parts	173	1,266
Service income	13,205	11,554
	23,797	19,597
Revenue from other sources:		
Rental income from leasing of owned machinery and right-of-use assets	39,252	31,523
Rental income from subleasing of plant and machinery	31,725	3,650
	70,977	35,173
	94,774	54,770

In the following table, revenue is disaggregated by timing of revenue recognition. The table also includes revenue from other sources and a reconciliation of the disaggregated revenue within the Group's reportable segments.

	For the six months ended 30 June							
	Continuing operations				Discontinued operations			
	Construction Equipment Business		Property Development Business		Plantation Business		Total	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Timing of revenue recognition								
At a point in time	10,592	8,043	-	-	-	-	10,592	8,043
Transferred over time	13,205	11,554	-	-	-	-	13,205	11,554
	23,797	19,597	-	-	-	-	23,797	19,597
Revenue from other sources	70,977	35,173	-	-	-	-	70,977	35,173
	94,774	54,770	-	-	-	-	94,774	54,770

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2021

7. OTHER INCOME AND GAINS

	Six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Continuing operations		
Gain on disposal of financial assets at FVTPL	453	–
Fair value gain in financial assets at FVTPL	6,240	–
Interest income from financial assets at FVTPL	512	–
Bank interest income	–	1
Gain on disposal of property, plant and equipment	37	3
Recovery of impairment loss on trade receivables, net	19	305
Recovery of impairment loss on other receivables, net	–	1
Government subsidy	247	813
Others	1,969	248
	9,477	1,371

8. OTHER OPERATING EXPENSES

	Six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Continuing operations		
Depreciation of property, plant and equipment	13,284	13,122
Depreciation of right-of-use assets	15,041	10,222
Amortisation of intangible assets	823	282
	29,148	23,626

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2021

9. FINANCE COSTS

	Six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Continuing operations		
Interest charges on financial liabilities stated at amortised cost:		
– Bank borrowings	488	206
– Other loans	2,058	9,075
– Lease liabilities	2,116	1,403
– Amounts due to related companies	–	1,446
– Loan from intermediate holding company	311	–
	4,973	12,130

10. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(Loss) before income tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Continuing operations		
Depreciation of property, plant and equipment	13,284	13,122
Depreciation of right-of-use assets	15,041	10,122
Amortisation of intangible assets	823	282
Recovery of impairment loss of trade receivables and other receivables, net	(19)	(306)
Leases charges in respect of the premise and plant and machinery (Note)	17,616	3,269
Employee costs, included in cost of sales and services and administrative expenses		
– Wages, salaries and bonus	16,593	19,973
– Contribution to defined contribution plans	1,379	1,137
Exchange loss, net	45	2,922

Note: The premise and plant and machinery are determined as short-term lease with lease term of 12 months or less from lease commencement date.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2021

11. DISCONTINUED OPERATIONS

Management have repeatedly made verbal and written requests to Guangdong Dahe Biological Technologies Limited (廣東大合生物科技股份有限公司) (“Guangdong Dahe”) and paid physical on-site visits, the Company has been refused access to Guangdong Dahe’s plantation site from 28 December 2019. The Company has been unable to have access to the complete sets of books and records together with the supporting documents of Guangdong Dahe since 1 December 2019. The financial results of Guangdong Dahe for the period from 1 January 2019 to 30 November 2019 was included in the consolidated accounts of the Group for the year ended 31 December 2019. In addition, the assets and liabilities of Guangdong Dahe are de-consolidated from the balance sheet of the Group and separately shown as assets classified as held for sale and liabilities associated with assets held for sale, respectively (Note 22). On 20 December 2019, the Board resolved to dispose of the Plantation Business.

On 24 February 2020, the Group and a purchaser, who is one of the shareholders of Best Earnest Investments Limited (佳誠投資有限公司) (“Best Earnest”) and the Company, (the “Purchaser”) entered into an agreement, pursuant to which the Group conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the shares of Best Earnest for a total consideration of HK\$230,000,000 (the “Disposal”). The Disposal was completed on 24 June 2020.

Further details of the Disposal were disclosed in the Company’s circular dated 7 May 2020 and the Company’s announcements dated 24 February, 6 and 19 March, 22 May as well as 8 and 10 July 2020, respectively.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2021

11. DISCONTINUED OPERATIONS *(Continued)*

Analysis of loss for the period from discontinued operations

The results of the discontinued operations included in the condensed consolidated statement of profit or loss and other comprehensive income and condensed consolidated statement of cash flows are set out below:

	From 1 January 2020 to 24 June 2020 HK\$'000 (unaudited)
Revenue	–
Cost of sales	–
Gross profit	–
Gain arising from changes in fair value less costs to sell of biological assets	–
Other income	–
Selling and distribution expenses	–
Administrative expenses	(1,234)
Other operating expenses	–
Finance costs	–
Loss before income tax	(1,234)
Income tax expense	–
Loss after income tax from discontinued operations	(1,234)
Loss for the period from discontinued operations	(1,234)
Other comprehensive income	
<i>Item that may be reclassified subsequently to profit or loss:</i>	
Exchange differences on translating foreign operations	(8,481)
Translation reserve release upon disposal of subsidiaries	9,042
Other comprehensive income for the period from discontinued operations	561
Total comprehensive loss for the period from discontinued operations	(673)
Operating cash outflows	(1,594)
Investing cash inflows	–
Financing cash inflows	36
Total cash outflows	(1,558)

The carrying amounts of the assets and liabilities of Best Earnest and its subsidiaries (the “Best Earnest Group”), mainly includes Guangdong Dahe, have been classified and accounted for as a disposal group held for sale as at Disposal Date. For details, please refer to Note 22.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2021

12. INCOME TAX (EXPENSE)/CREDIT

	Six months ended 30 June					
	Continuing operations		Discontinued operations		Total	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Current tax						
– Provision for the period	(500)	–	–	–	(500)	–
– (Under)/over-provision for PRC enterprise income tax	(76)	132	–	–	(76)	132
Deferred tax						
– Current year	(3)	307	–	–	(3)	307
Total income tax (expense)/credit	(579)	439	–	–	(579)	439

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any taxation under the jurisdictions of the Cayman Islands and the BVI.

Hong Kong and Singapore profit tax and Macau complementary tax have not been provided as the Group has no assessable profits in respective jurisdictions for the periods.

PRC enterprise income tax (“EIT”) has been provided on the estimated assessable profits of subsidiaries operating in the PRC at 25% (2020: 25%).

According to the PRC tax law, its rules and regulations, enterprises that engage in certain qualifying agricultural business are eligible for certain tax benefits, including full EIT exemption on profit derived from such business. For a subsidiary of the Group engaged in qualifying agricultural business in the PRC, it is entitled to full exemption of EIT for the periods.

13. INTERIM DIVIDEND

No interim dividend has been paid or declared by the Company for the Period (2020: Nil).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2021

14. EARNINGS/(LOSS) PER SHARE

(i) Basic earnings/(loss) per Share

Basic earnings/(loss) per Share is calculated by dividing the results attributable to owners of the Company by the weighted average number of ordinary Shares in issue during the Period:

	Six months ended 30 June	
	2021	2020
Basic and diluted earnings/(loss) per Share from continuing operations (HK cents)	0.37	(2.68)
Basic and diluted loss per Share from discontinued operations (HK cents)	–	(6.50)
Basic and diluted earnings/(loss) per Share from continuing and discontinued operations (HK cents)	0.37	(9.18)

Diluted earnings/(loss) per Share equals to basic earnings/(loss) per Share, as there were no potential dilutive ordinary Shares issued during the periods ended 30 June 2020 and 2021.

(ii) Reconciliations of earnings/(loss) used in calculating earnings/(loss) per Share

	Six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Basic and diluted earnings/(loss) per Share		
Profit/(loss) attributable to owners of the Company		
– Continuing operations	3,881	(28,428)
– Discontinued operations	–	(68,901)
	3,881	(97,329)

(iii) Weighted average number of Shares used as the denominator

	Six months ended 30 June	
	2021	2020
Weighted average number of ordinary Shares used as the denominator in calculating basic earnings/(loss) per Share	1,060,000,000	1,060,000,000

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2021

15. CAPITAL EXPENDITURES

During the Period, the Group incurred capital expenditures of approximately HK\$54,144,000 (2020: approximately HK\$10,150,000) which were mainly related to the additions of property, plant and equipment and right-of-use assets.

16. INTANGIBLE ASSETS

	Construction licenses HK\$'000
As at 1 January 2021 (audited)	2,466
Acquisition of subsidiaries (Note 24)	2,749
Amortisation	(823)
As at 30 June 2021 (unaudited)	4,392
As at 1 January 2020 (audited)	–
Addition (Note)	3,288
Amortisation	(822)
As at 31 December 2020 (audited)	2,466

Note:

The Group acquired a company (the "Target Company") during the six months ended 30 June 2020 (the "Acquisition"). On Acquisition date, the Target Company was inactive and had construction licenses. The Target Company had approximately HK\$1,092,000 cash and cash equivalents only on the Acquisition date. The Acquisition was recognised as acquisition of assets. Construction licenses were recognised as intangible assets. The consideration of the Acquisition was approximately HK\$4,380,000.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2021

17. PROPERTIES UNDER DEVELOPMENT

	As at 30 June 2021 HK\$'000 (Unaudited)	As at 31 December 2020 HK\$'000 (Audited)
Within normal operating cycle included under current assets	109,911	95,598

The properties under development are all located in Hong Kong. No provision for impairment was made during six months ended 30 June 2021. The properties under development are expected to be completed and available for sale in more than 12 months' time.

The properties under development include costs of acquiring rights to use certain lands, which are located in Hong Kong, for property development over fixed periods. Land-use rights are held on leases of 50 years.

As at 30 June 2021 and 31 December 2020, HK\$85,900,000 was pledged as collateral for bank borrowings (Note 20).

18. TRADE RECEIVABLES

	As at 30 June 2021 HK\$'000 (Unaudited)	As at 31 December 2020 HK\$'000 (Audited)
Trade receivables, gross	59,385	66,072
Less: Loss allowance	(1,324)	(1,550)
Trade receivables, net	58,061	64,522
Less: non-current portion	(322)	(298)
Current portion	57,739	64,224

The Group's trading terms with its existing customers are mainly on credit. The credit period is, in general, ranging from 0 to 60 days (2020: 0 to 60 days) or based on the terms agreed in the relevant sales and rental agreements.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2021

18. TRADE RECEIVABLES *(Continued)*

The ageing analysis of trade receivables as at the reporting date, net of impairment, based on invoice date, is as follows:

	As at 30 June 2021 HK\$'000 (Unaudited)	As at 31 December 2020 HK\$'000 (Audited)
0-30 days	30,699	17,101
31-60 days	9,220	12,597
61-90 days	6,818	9,669
Over 90 days	11,324	25,155
	58,061	64,522

The movement in the loss allowance for trade receivables during the period is as follows:

	As at 30 June 2021 HK\$'000	As at 30 June 2020 HK\$'000
As at 1 January (audited)	1,550	930
Impairment loss recognised	423	96
Recovery of impairment	(442)	(401)
Net exchange differences	(207)	(8)
As at 30 June	1,324	617

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2021

19. TRADE PAYABLES

The credit period is, in general, ranging from 30 to 60 days or based on the terms agreed in the relevant purchase agreements.

The ageing analysis of trade payables as at the reporting date, based on the invoice date, is as follows:

	As at 30 June 2021 HK\$'000 (Unaudited)	As at 31 December 2020 HK\$'000 (Audited)
0-30 days	8,523	28,526
31-60 days	5,417	11,335
61-90 days	4,042	5,711
Over 90 days	27,078	13,132
	45,060	58,704

20. BANK BORROWINGS

	As at 30 June 2021 HK\$'000 (Unaudited)	As at 31 December 2020 HK\$'000 (Audited)
Bank borrowings repayable:		
Within one year	14,208	7,797
More than one year, but not exceeding two years	15,175	8,489
More than two years, but not exceeding five years	77,004	51,665
More than five years	–	5,209
	106,387	73,160
Portion classified as current liabilities	(14,208)	(7,797)
Non-current portion	92,179	65,363

Bank borrowings denominated in Singapore dollars and Renminbi bore interest at variable interest rates with effective interest rate at 2.4% to 6.3% (as at 31 December 2020 (audited): 2.4% to 6.3%) per annum.

As at 30 June 2021, the Group's banking facilities were secured by a building of the Group carried at cost with an amount of approximately HK\$29,326,000 (at 31 December 2020: approximately HK\$30,763,000), property, plant and equipment of approximately HK\$22,437,000 (at 31 December 2020: HK\$6,773,000) and land-use rights of the Group carried at cost with an amount of approximately HK\$85,900,000 (at 31 December 2020: HK\$85,900,000) in properties under development.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2021

20. BANK BORROWINGS *(Continued)*

No provision for the obligation of the Company and certain subsidiaries under corporate guarantees have been made as the Directors considered that it is not probable that the repayment of bank borrowings would be in default.

As at 31 December 2020 and 30 June 2021, the relevant loan agreements of outstanding bank borrowings did not contain a clause that provided the lender with an unconditional right to demand repayment at any time at its own discretion.

21. OTHER LOANS

On 28 August 2018, the Company entered into an unsecured other loan agreement with Harbour Luck, a Shareholder until 29 April 2021, in relation to the loan of HK\$173,000,000 bearing interest at 10% per annum and repayable on demand. The loan, if drawn down, will be used for fulfilment of financial obligations of the Group. On 28 August 2018, HK\$173,000,000 was drawn down by the Company.

On 30 November 2018, the Company entered into an unsecured other loan agreement with Harbour Luck in relation to the loan of HK\$5,000,000 bearing interest at 10% per annum and repayable on demand. The loan, if drawn down, will be used for financing the daily operations of the Group. On 3 December 2018, HK\$5,000,000 was drawn down by the Company.

On 26 February 2019, the Company further entered into an unsecured other loan agreement with Harbour Luck in relation to the loan of HK\$2,500,000 bearing interest at 10% per annum and repayable on demand. The loan, if drawn down, will be used for financing the daily operations of the Group. On 27 February 2019, HK\$2,500,000 was drawn down by the Company.

On 24 April 2019, the Company further entered into an unsecured other loan agreement with Harbour Luck in relation to the loan of HK\$2,500,000 bearing interest at 10% per annum and repayable on demand. The loan, if drawn down, will be used for financing the daily operations of the Group. On 25 April 2019, HK\$2,500,000 was drawn down by the Company.

On 6 August 2020, the Company entered into a supplementary agreement with Harbour Luck that Harbour Luck agreed to adjust the annual interest rate from 10% to 5% for loan balance of HK\$183,000,000, starting from the date of drawn down, and Harbour Luck agreed to waive the interest receivables from the Company for any parts which exceed the reassessed interest receivables. The waiver balance of HK\$17,537,000 has been included in the capital reserve of the Company as a deemed contribution from shareholder.

On 10 August 2020, amount of HK\$100,000,000 was repaid to Harbour Luck.

Mr. Zeng Li who is the sole director of Harbour Luck. Mr. Zeng Li was also a Director and resigned on 6 December 2019.

Other loans were not secured by any assets of the Group. In the opinion of the Directors, the other loans were granted to the Company on normal commercial terms or better to the Company.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2021

22. ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

As referred to in Note 11, the Company has been refused access to Guangdong Dahe's plantation site from 28 December 2019. The Company has been unable to have access to the complete sets of books and records together with the supporting documents of Guangdong Dahe since 1 December 2019. On 20 December 2019, the Board resolved to dispose the Plantation Business.

On 24 February 2020, the Group and a purchaser, who is one of the shareholders of Best Earnest and the Company, (the "Purchaser") entered into an agreement, pursuant to which the Group conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the shares of Best Earnest for a total consideration of HK\$230,000,000 (the "Disposal"). The Disposal was completed on 24 June 2020 (the "Disposal Date"). Further details of the Disposal were disclosed in the Company's circular dated 7 May 2020 and the Company's announcements dated 24 February, 6 and 19 March, 22 May as well as 8 and 10 July 2020, respectively. Based on the latest available financial information, the net assets disposed of on the Disposal Date were set out as follows:

	24 June 2020 HK\$'000
Property, plant and equipment	220,608
Right-of-use assets	1,078
Inventories and consumables	147,465
Biological assets	6,142
Trade receivables	26,154
Prepayments, deposits and other receivables	7,902
Cash and cash equivalents	85,340
Goodwill	74,701
Assets classified as held for sale	569,390
Trade payables	12,458
Receipt in advance, accruals and other payables	10,956
Lease liabilities	1,125
Deferred government grant	8,042
Liabilities associated with assets classified as held for sale	32,581
Net assets classified as held for sale	536,809

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2021

23. DISPOSAL OF SUBSIDIARIES

As disclosed in Note 11, on 20 December 2019, the board of directors of the Company resolved to dispose the Plantation Business. The carrying amounts of the assets and liabilities of Best Earnest Group, mainly includes Guangdong Dahe, have been classified and accounted for as a disposal group held for sale as at 31 December 2019. The disposal of Best Earnest Group was completed on 24 June 2020. For details, please refer to Note 22.

	HK\$'000
<hr/>	
Loss on disposal of subsidiaries:	
Consideration received	230,000
Net assets disposed of	(536,809)
Non-controlling interests	248,907
Less: Translation reserve	(9,042)
Less: Transaction costs attributable to the disposal	(1,328)
	<hr/>
Net loss on disposal	(68,272)
	<hr/>
Cash inflow arising on disposal:	
Consideration received	230,000
Bank balances and cash disposed of	(85,340)
	<hr/>
Net cash inflow	144,660
	<hr/>

Consideration of HK\$138,000,000 was received during the six months ended 30 June 2020. The net cash inflow during the six months ended 30 June 2020 was HK\$52,660,000. Consideration receivable of HK\$92,000,000, which is included in prepayments, deposits and other receivables on 30 June 2020, is subsequently settled after 30 June 2020.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2021

24. ACQUISITION OF SUBSIDIARIES

During the period ended 30 June 2021, the Group entered into an agreement to acquire 100% equity interest in Victor-Oasis Holdings Limited and its subsidiary (collectively, the “Victor-Oasis Group”) from an independent third party at a total cash of HK\$2,750,000 which is principally engaged in construction service. The Directors were of the view that the acquisition constitutes acquisition of business.

The following table summarises the consideration paid for acquisition, the aggregate amounts of fair value of the assets acquired and liabilities assumed of Victor-Oasis Group at the acquisition date.

The revenue and loss after taxation of HK\$Nil and HK\$76,000 respectively included in the consolidated financial statements were contributed by Victor-Oasis Group from the date of acquisition to 30 June 2021.

	HK\$'000
Trade receivable	921
Cash and cash equivalents	1
Trade payables	(921)
Total identifiable net assets at fair value	1
Less: non-controlling interest	–
Identifiable net assets acquired	1
Intangible assets	2,749
Total consideration	2,750
Purchase consideration settled in cash	(2,475)
Cash and bank balances in a subsidiary acquired	1
Net cash outflow on acquisition of a subsidiary	(2,474)

Consideration of HK\$2,475,000 was paid during the six months ended 30 June 2021. The net cash outflow during the six months ended 30 June 2021 was HK\$2,474,000. Consideration payable of HK\$275,000, which is included in receipt in advance, accruals and other payables on 30 June 2021.

If the acquisition had occurred on 1 January 2021, the Group’s revenue would have been HK\$94,774,000 and profit for the period from continuing operations would have been HK\$3,354,000 for the period ended 30 June 2021. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2021, nor is it intended to be a projection of future results.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2021

25. COMMITMENTS

25.1 Lease commitment – as lessor

The Group had future aggregate minimum lease receipts in respect of machineries owned by the Group under non-cancellable operating leases as follows:

	As at 30 June 2021 HK\$'000 (Unaudited)	As at 31 December 2020 HK\$'000 (Audited)
Within one year	92,025	27,208
In the second to fifth years, inclusive	26,192	2,295
	118,217	29,503

The Group had future aggregate minimum lease receipts in respect of machineries sublet by the Group under non-cancellable operating leases as follows:

	As at 30 June 2021 HK\$'000 (Unaudited)	As at 31 December 2020 HK\$'000 (Audited)
Within one year	34,512	23,237
In the second to fifth years, inclusive	1,899	746
	36,411	23,983

In prior period, the Group leased its machinery under operating leases arrangements which run for an initial period of one to two years. All leases were on a fixed rental basis and did not include contingent rentals. The terms of leases generally required the lessee to pay security deposits.

At 30 June 2021 and 31 December 2020, the total future minimum lease payments related to short-term leases were as follows:

	As at 30 June 2021 HK\$'000 (Unaudited)	As at 31 December 2020 HK\$'000 (Audited)
Within one year	31,412	15,666

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2021

25. COMMITMENTS *(Continued)*

25.2 Capital commitment

	As at 30 June 2021 HK\$'000 (Unaudited)	As at 31 December 2020 HK\$'000 (Audited)
Acquisition of property, plant and equipment – contracted but not provided for	39,331	4,029
Acquisition of property development activities – contracted but not provided for	28,720	38,689
	68,051	42,718

26. RELATED PARTY TRANSACTIONS

26.1 Significant related party transaction during the Period

In addition to those related party transactions and balances disclosed elsewhere in the condensed consolidated interim financial statements, the Group had the following transactions with its related parties during the Period:

Related party relationships	Type of transaction	Six months ended 30 June	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Former immediate and ultimate holding company of the Company	Interest expense on other loans	2,058	9,075
Subsidiaries of the beneficial owner	Interest expenses on amounts due to related companies	–	1,446
Loan from intermediate holding company	Interest expenses on loan from intermediate holding company	311	–

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2021

26. RELATED PARTY TRANSACTIONS *(Continued)*

26.1 Significant related party transaction during the Period *(Continued)*

During the six months ended 30 June 2020, the Group had entered into a loan agreement with a related company to obtain loan of HK\$60,000,000 with interest-bearing at 15% per annum. The loan was fully settled during the six months ended 30 June 2020.

During the six months ended 30 June 2021, the Group entered into a loan agreement with intermediate holding company to obtain loan of HK\$10,000,000 with interest-bearing at 8% per annum.

The terms and conditions of the other loans related to former immediate and ultimate holding company are set out in Note 21.

The transactions were conducted in the normal course of business at prices and terms mutually agreed by the Group and the related parties.

26.2 Key management personnel compensations

The remuneration of the Directors and other members of key management during the Period was as follows:

	Six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Directors and other members of key management:		
Short-term employee benefits	895	4,727
Post employment benefits	24	63
	919	4,790

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2021

27. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The table below analyses the Group's financial instruments carried at fair value for the six months ended 30 June 2021 by level of inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices, and not using significant unobservable inputs (Level 2).
- Inputs for the asset or liability that are not based on observable market data (significant unobservable inputs) (Level 3).

Disclosures of level in fair value hierarchy:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
As at 30 June 2021			
Financial assets at fair value through profit or loss			
– Listed debt investment	18,505	–	–

There were no transfers among Levels 1, 2 and 3 during the period ended 30 June 2021.

The carrying amounts of the Group's other financial assets and liabilities carried at cost or amortised cost are not materially different from their fair values as at 30 June 2021 and 31 December 2020.

28. APPROVAL OF THE INTERIM FINANCIAL REPORT

The interim financial report for six months ended 30 June 2021 were approved and authorised for issue by the Board on 24 August 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

The board of directors of Kaisa Capital Investment Holdings Limited (the “Company”, the “Directors” and the “Board”, respectively) has resolved not to declare the payment of an interim dividend in respect of the six months ended 30 June 2021 (the “Period”) (six months ended 30 June 2020: Nil).

OVERALL GROUP RESULTS

For the Period, the Group generated revenue from continuing operations of approximately HK\$94.8 million (six months ended 30 June 2020: approximately HK\$54.8 million) with a profit from continuing operations of approximately HK\$3.4 million for the Period (six months ended 30 June 2020: loss of approximately HK\$28.4 million).

The increase in the revenue from continuing operations for the Period was mainly attributable to the increase in rental income from subleasing of plant and machinery.

Revenue from sales of machinery of approximately HK\$10.4 million was recorded for the Period, representing an increase of approximately 54% of the amount we achieved in the six months ended 30 June 2020. This was due to the increase in demands of new cranes in Hong Kong and Singapore.

Our rental income increased to approximately HK\$71.0 million for the Period, representing an increase of approximately 102% as compared with approximately HK\$35.2 million for the six months ended 30 June 2020.

Sales of spare parts of approximately HK\$0.2 million was recorded for the Period, representing a decrease of approximately 86% from the amount of HK\$1.3 million recorded for the same period in 2020. The decrease was mainly due to the change in market demand of spare parts for the machinery.

Service income was recorded at approximately HK\$13.2 million for the Period, approximately 14% higher than that of approximately HK\$11.6 million for the same period in 2020. This was due to the increase in demand for services including chargeable climbing and dismantling activities during the Period.

As at 30 June 2021, the Group had one property development project under development in Hong Kong and it was commenced in the second quarter of 2020. There was no sale of property recorded during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

The Group's Property Project as at 30 June 2021

Project name	Location/ Postal address	Interests Attributable to the Group	Total Site Area (sq. ft.)	Status	Estimated year of completion <i>(Note)</i>	Usage
Mong Kok	Lot No. 11238 at Reclamation Street and Shanghai Street, Mong Kok, Kowloon, Hong Kong	100%	2,718	Under development	February 2024	Residential

Note: The estimated year of completion is made based on the present situation and progress of the project.

Analysis of Properties Under Development as at 30 June 2021

Project name	Total GFA* (sq. ft.)	GFA under development/ completed (sq. ft.)	Total Saleable GFA* (sq. ft.)	Accumulated GFA* sold as at 30 June 2021 (sq. ft.)	Accumulated GFA* delivered as at 30 June 2021 (sq. ft.)	Average Selling Price (HK\$/sq. ft.)
Mong Kok	22,594	0	12,279	0	0	0

* GFA means gross floor area

Overall, the Group incurred total administrative and other operating expenses from continuing operations of approximately HK\$54.5 million for the Period, representing an increase of approximately 7% over the amount incurred in the six months ended 30 June 2020.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

OUTLOOK

The Group has acquired 35 tower cranes in recent years and will continue to further invest in new equipment to maintain the continuous growth of its machinery leasing business through replacing old and new equipment and machineries. The Group has leveraged on its traditional machinery leasing business as a starting point to extend its industrial chain to downstream sectors, while at the same time gradually extended its business towards construction and real estate, having acquired a general building contractor (RGBC) licence in early 2021 and successfully bid for a residential site on Reclamation Street and Shanghai Street in Mongkok, Hong Kong in 2020. By prioritising the use of tower cranes of the Group for construction projects that may be awarded in the future, prioritising the Group in being employed as the general building contractor for real estate projects that may be awarded in the future, and increased bidding of public and private housing and construction projects, co-development in machinery, construction and property businesses will be achieved, synergy effect of the whole industrial chain will be realised and the market competitiveness of the Group will be enhanced.

The construction industry has been growing steadily owing to the continued support of the Hong Kong Government. According to the latest “Construction Expenditure Forecast” from the Construction Industry Council, it is projected that the annual overall construction expenditure in Hong Kong could reach HK\$225 billion to HK\$315 billion by year 2029/30, which includes expenditure from the construction of public and private housing, hospital development and redevelopment projects, development and expansion of new towns and new development areas, etc. A number of short-, medium- and long-term development projects, such as housing projects, urban infrastructure, commercial building development, interior decoration, building maintenance, heritage revitalization and greening projects, are currently underway in Hong Kong, giving a strong impetus to the further development of the construction industry. The Group has set up a construction project management team to start off by undertaking the Group’s own investment projects, commencing construction work as a general building contractor that focus mainly on the general construction business in renovation works and superstructure works, while undertaking private building construction business and actively bidding for government public buildings. With the introduction of the construction business and the promotion of turnkey construction, the Group’s business will reach a new scale of development. At the same time, the Group will continue to evaluate property projects in Hong Kong, Singapore and Mainland China and seek opportunities to acquire additional land reserves, which will inject more vibrancy to the Group’s future development.

SUBSEQUENT EVENT AFTER REPORTING PERIOD

The Group did not have any material subsequent event after the reporting period and up to the date of this report.



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2021, the Group had cash and cash equivalents of approximately HK\$19.5 million (As at 31 December 2020: approximately HK\$30.0 million).

As at 30 June 2021, the Group's total assets amounted to approximately HK\$523.1 million, representing an increase of approximately HK\$37.5 million as compared to those of 31 December 2020.

The Group's gearing ratio as at 30 June 2021 was 2.1 (As at 31 December 2020: 1.8), which is calculated by dividing the total debts (sum of carrying amounts of other loans, bank borrowings, loan from intermediate holding company and lease liabilities) by the total equity as at the respective dates.

During the Period and as at 30 June 2021, more than half of the revenue and part of assets and liabilities of the Group were denominated in currencies other than Hong Kong dollar. In particular, the revenue generated from our rental operations in Singapore was primarily denominated in Singapore dollar. Purchases of tower cranes, spare parts and accessories from suppliers were usually denominated in Euro or United States dollar. For foreign currency purchases, hedging arrangements against foreign exchange fluctuations may be entered into. However, no hedging arrangement was undertaken for revenue generated from our Singapore and the PRC operations.

As at 30 June 2021, the Group had net current liabilities of approximately HK\$38.4 million (As at 31 December 2020: net current liabilities of approximately HK\$39.4 million).

The Group generally finances its ordinary operations with internally generated resources or banking facilities. The interest rates of most of the borrowings and finance lease arrangements are charged by reference to prevailing market rates.

The debts (including other loans, bank borrowings, loan from intermediate holding company and lease liabilities) of the Group were denominated in HK\$, Renminbi and Singapore dollar, of which approximately HK\$151.2 million is repayable within one year after 30 June 2021 (At 31 December 2020: approximately HK\$126.9 million) and approximately HK\$123.7 million is repayable in more than one year (As at 31 December 2020: approximately HK\$104.4 million).

CAPITAL STRUCTURE

As at 30 June 2021, the Company's share capital comprised 1,060,000,000 issued ordinary shares with par value of HK\$0.01 each (the "Shares", each, a "Share"). There was no change in the share capital of the Company during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

INVESTMENT POSITION AND PLANNING

During the Period, the Group spent approximately HK\$54.1 million for acquisition of plant and equipment and right-of-use assets (2020: approximately HK\$10.2 million).

Pursuant to a resolution passed in the board of management's meeting of Manta-Vietnam Construction Equipment Leasing Limited ("Manta-Vietnam"), a company incorporated in Vietnam and an indirect 67%-owned subsidiary of the Company (the "Board of Management") held on 10 January 2013, the Board of Management resolved to liquidate Manta-Vietnam (the "Liquidation"). A notification of the dissolution of Manta-Vietnam was issued on 29 April 2021.

PLEDGE OF GROUP ASSETS AND CONTINGENT LIABILITIES

As at 30 June 2021, the Group's banking facilities were secured by the Group's estate right title benefit and interest of the leasehold land with a carrying amount of HK\$85.9 million (As at 31 December 2020: approximately HK\$85.9 million), a building of the Group with an aggregate carrying amount of approximately HK\$29.3 million (As at 31 December 2020: approximately HK\$30.8 million), property, plant and equipment of approximately HK\$22.4 million (As at 31 December 2020: HK\$6.7 million), and corporate guarantees executed by the Company and certain subsidiaries.

As at 30 June 2021, the Group's lease liabilities were secured by property, plant and equipment of approximately HK\$59.6 million (As at 31 December 2020: approximately HK\$65.5 million).

As at 30 June 2021, the Group, and the Company did not have any significant contingent liabilities (As at 31 December 2020: Nil).

EMPLOYMENT AND REMUNERATION POLICY

As at 30 June 2021, the Group had a total of 106 (As at 31 December 2020: 109) employees in Hong Kong, Singapore and the PRC. The Group has not had any significant problems with its employees or disruptions due to labour disputes nor has it experienced difficulties in the recruitment and retention of experienced staff. The Group remunerates its employees based on industry practices. Its staff benefits, welfare and statutory contributions, if any, are made in accordance with individual performance of the staff and prevailing labour laws of its operating entities. Periodic in-house training is provided to the employees to enhance the knowledge of the workforce.

SIGNIFICANT INVESTMENTS / MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in this report, the Group had not made any significant investments or material acquisitions and disposals of subsidiaries, associates or joint ventures during the Period.

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, the Group did not have other plans for material investments and capital assets as at 30 June 2021.

DISCLOSURE OF ADDITIONAL INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2021, none of the Directors or the chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")), which were required to be: (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, recorded in the register referred therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code") notified to the Company and the Stock Exchange.

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

As at 30 June 2021, so far as is known to the Directors, the following entities or persons other than the Directors and the chief executive of the Company, had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

Long position in the Shares

Name of Shareholders	Capacity/Nature of interests	Number of Shares interested/held	Approximate percentage of the Company's issued Shares <i>(Note 1)</i>
Substantial Shareholders:			
Mighty Empire Group Limited ("Mighty Empire")	Beneficial owner and a concert party to an agreement	600,020,000 <i>(Note 4)</i>	56.60%
Kaisa Group Holdings Limited ("Kaisa Group")	Interest of a controlled corporation	600,020,000 <i>(Notes 2 and 4)</i>	56.60%
Excel Range Investments Limited ("Excel Range")	Beneficial owner and a concert party to an agreement	600,020,000 <i>(Note 4)</i>	56.60%
Ms. Kwok Hiu Ting ("Ms. Kwok HT")	Interest of a controlled corporation	600,020,000 <i>(Notes 3 and 4)</i>	56.60%
Ms. Kwok Hiu Yan ("Ms. Kwok HY")	Interest of a controlled corporation	600,020,000 <i>(Notes 3 and 4)</i>	56.60%
Ms. Kwok Ho Lai ("Ms. Kwok HL")	Interest of a controlled corporation	600,020,000 <i>(Notes 3 and 4)</i>	56.60%
Other Person:			
Mr. He Xiao Yang	Beneficial owner	100,000,000	9.43%

DISCLOSURE OF ADDITIONAL INFORMATION *(Continued)*

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES *(Continued)*

Notes:

1. The percentage represents the total number of the Shares interested divided by the number of issued Shares of 1,060,000,000 as at 30 June 2021.
2. 324,420,000 Shares, representing approximately 30.60% of the issued share capital of the Company, are held by Mighty Empire which is wholly and beneficially owned by Kaisa Group. Therefore, Kaisa Group is deemed to be interested in the same parcel of Shares held by Mighty Empire under the SFO.
3. Excel Range holds 275,600,000 Shares, representing approximately 26.00% of the issued share capital of the Company, which is owned as to one-third by Ms. Kwok HT, Ms. Kwok HY and Ms. Kwok HL. Under the SFO, Ms. Kwok HT, Ms. Kwok HY and Ms. Kwok HL is each deemed to be interested in the Shares held by Excel Range.
4. Excel Range entered into a deed of undertaking on 28 April 2021 (the "Acting in Concert Undertaking") in favour of Mighty Empire pursuant to which Excel Range irrevocably and unconditionally undertook to Mighty Empire, among other things, that it will act in concert with Mighty Empire with respect to the Company. The Acting in Concert Undertaking took effect on 29 April 2021. By virtue of the SFO, Mighty Empire, Kaisa Group, Excel Range, Ms. Kwok HT, Ms. Kwok HY and Ms. Kwok HL are deemed to be interested in the respective Shares held by Mighty Empire and Excel Range which are 600,020,000 Shares in aggregate, representing approximately 56.6% of the total number of Shares in issue.

Save as disclosed above, as at 30 June 2021, so far as is known by or otherwise notified to the Directors, no other entity or person (other than a Director or the chief executive of the Company) had interests and short positions in the Shares and underlying Shares as required to be recorded in the register to be kept by the Company under section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Period was the Company or any of its holding companies and subsidiaries a party to any arrangement to enable the Directors or the chief executive of the Company or any of their spouse or children under the age of 18 to acquire benefits by means of the acquisition of Shares in, or debentures of the Company or any other body corporate.

SHARE OPTION SCHEME

At the extraordinary general meeting held on 30 July 2015, the Company adopted a new share option scheme (the "Share Option Scheme") to replace the old share option scheme adopted on 25 June 2010 (the "Old Scheme") for the purpose of providing an incentive and/or a reward to eligible participants for their contribution to, and continuing efforts to promote the interest of, the Group. The eligible participants include (a) full-time or part-time employees of the Group (including any directors, whether executive or non-executive and whether independent or not, of the Group); (b) any business or joint venture partners, contractors, agents or representatives, consultants, advisers, suppliers, producers or licensors, customers, licensees (including any sub-licensee) or distributors, landlords or tenants (including any sub-tenants) of the Group; and (c) any person who, in the sole discretion of the Board, has contributed or may contribute to the Group. Further details of the Share Option Scheme are set out in the Company's circular dated 13 July 2015.

DISCLOSURE OF ADDITIONAL INFORMATION *(Continued)*

SHARE OPTION SCHEME *(Continued)*

The principal terms of the Share Option Scheme are as follows:

- (i) The total number of Shares which may be allotted and issued upon exercise in full of the options to be granted under the Share Option Scheme (the “Share Option(s)”) and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of Shares in issue on the adoption date (i.e. 30 July 2015), unless the Company obtains the approval of the shareholders of the Company (the “Shareholders”) in general meeting for refreshing the 10% limit under the Share Option Scheme provided that options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled and lapsed in accordance with the such schemes or exercised options) will not be counted for the purpose of calculating such 10% limit. The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company, must not, in aggregate, exceed 30% of the total number of Shares in issue from time to time.
- (ii) No Share Option shall be granted to any eligible participant if any further grant of options would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including such further grant would exceed 1% of the total number of Shares in issue with the substantial shareholders (as defined in the Listing Rules) of the Company, the independent non-executive Directors (the “INEDs”) and their respective associates (as defined in the Listing Rules) being subject to 0.1% of the total number of Shares in issue and a total value of HK\$5 million of the Shares.
- (iii) A Share Option may be accepted by an eligible participant not later than 21 days from the date of grant. Upon acceptance of the Share Option, a consideration of HK\$10.00 shall be paid by the grantee to the Company.
- (iv) A Share Option may be exercised in whole or in part in accordance with the terms of the Share Option Scheme at any time during the period to be determined and notified by the Board, which shall not be later than 10 years from the date of grant but subject to the provisions for early termination as contained in the Share Option Scheme. There is no specified minimum period for which a Share Option must be held or the performance target which must be achieved before a Share Option can be exercised.
- (v) The subscription price shall be determined by the Board, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of grant, which must be a business day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Share.
- (vi) The Share Option Scheme remains valid for a period of 10 years commencing on 30 July 2015.

As at 30 June 2021 and the date of this report, no Share Option has been granted under the Old Scheme.

No Share Option has been granted under the Share Option Scheme since its adoption and therefore, as at 30 June 2021 and the date of this report, there were no outstanding Share Options granted under the Share Option Scheme and no Share Option was exercised and cancelled or lapsed during the Period.

The total number of Shares available for issue under the Share Option Scheme is 80,000,000, representing 7.55% of the issued Shares as at the date of this report.

DISCLOSURE OF ADDITIONAL INFORMATION *(Continued)*

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has, throughout the Period, complied with all the code provisions as set out in the Corporate Governance Code as contained in Appendix 14 to the Listing Rules (the “CG Code”).

CHANGE OF COMPANY NAME, STOCK SHORT NAMES, COMPANY LOGO AND COMPANY WEBSITE ADDRESS

On 30 April 2021, the Board announced the proposed change of its registered English name from “Eagle Legend Asia Limited” to “Kaisa Capital Investment Holdings Limited”, and its Chinese name from “鵬程亞洲有限公司” to “佳兆業資本投資集團有限公司”. On 8 June 2021, the special resolution for change of the Company’s name was duly passed by the shareholders of the Company (the “Shareholders”) at its extraordinary general meeting. The Certificate of Incorporation on Change of Name was issued by the Registrar of Companies in the Cayman Islands on 11 June 2021, and the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 12 July 2021.

Following the change of the Company’s name, the stock short names for trading in the Shares on the Stock Exchange has been changed from “EAGLE LEGEND” to “KAISA CAPITAL” in English and from “鵬程亞洲” to “佳兆業資本” in Chinese with effect from 21 July 2021. The stock code of the Company on the Stock Exchange remains unchanged. Further, the Company’s logo has been changed and the Company’s website has been changed to “<https://kaisa-capital.com>”. The Board considers that the change of Company name would establish a fresh corporate identity which provides Shareholders and investors with a new image that the Company is a subsidiary of Kaisa Group Holdings Ltd. and better reflect the Group’s long-term business plan and development.

Please refer to the Company’s announcements/notice dated 30 April, 7 May, 8 June and 16 July 2021 and circular dated 7 May 2021 for further details.

CHANGES IN COMPOSITION OF THE BOARD AND BOARD COMMITTEES

The changes in information of the Directors since the date of the Company’s 2020 annual report are set out below:

1. Mr. Guo Peineng has resigned as an executive Director, the deputy chairman of the Board and has ceased to be the chairman of the nomination committee of the Board (the “Nomination Committee”) and Mr. Chen Huajie has resigned as an executive Director, all with effect from 16 July 2021;
2. Mr. Kwok Ying Shing has been appointed as an executive Director, the chairman of the Board, the chairman of the Nomination Committee and a member of the remuneration committee of the Board (the “Remuneration Committee”), and Ms. Kwok Hiu Yan, Ms. Lee Kin Ping Gigi, Mr. Zhou Puzhang and Mr. Chen Zefeng have been appointed as executive Directors, all with effect from 16 July 2021; and
3. Mr. Zhao Yi, an executive Director and chief executive officer of the Company, has ceased to be a member of the Remuneration Committee; and the annual director’s fee of Mr. Zhao was changed to HK\$300,000.

DISCLOSURE OF ADDITIONAL INFORMATION *(Continued)*

AUDIT COMMITTEE

The audit committee of the Board (the “Audit Committee”) was established with written terms of reference on 25 June 2010. In order to comply with the relevant code provisions of the CG Code, the written terms of reference had been revised on 27 March 2012 and were further revised on 31 December 2015, 22 March 2017 and 24 December 2018.

Currently, the members of the Audit Committee comprises three INEDs, namely Mr. Xu Xiaowu (chairman of the Audit Committee), Mr. Li Yongjun and Mr. Diao Yingfeng.

REVIEW OF FINANCIAL INFORMATION

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal controls and financial reporting matters, including the review of the unaudited condensed consolidated financial statements of the Group for the Period (the “Unaudited Financial Statements”) with the Board and the independent auditor of the Company (the “Independent Auditor”).

The Independent Auditor has reviewed the Unaudited Financial Statements in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

During the Period, the Company had no disclosure obligation pursuant to Rule 13.21 of the Listing Rules.

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

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

DIRECTORS’ AND CONTROLLING SHAREHOLDERS’ INTERESTS IN COMPETING BUSINESS

None of the Directors, the controlling Shareholders (as defined under the Listing Rules) or their respective close associates (as defined under the Listing Rules) (a) had interests in any business apart from the Group’s business which competed or was likely to compete, either directly or indirectly, with the businesses of the Group; and (b) had or might have any other conflicts of interest with the Group during the Period.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct governing the securities transactions by the Directors. In response to a specific enquiry made by the Company on each of the Directors, all Directors have confirmed that they had complied with the required standards as set out in the Model Code throughout the Period.

By Order of the Board
Kaisa Capital Investment Holdings Limited
Kwok Ying Shing
Chairman and Executive Director

Hong Kong, 24 August 2021

As at the date of this report, the Board comprises Mr. Kwok Ying Shing, Mr. Zhao Yi, Ms. Kwok Hiu Yan, Ms. Lee Kin Ping Gigi, Mr. Zhou Puzhang and Mr. Chen Zefeng as executive Directors; and Mr. Xu Xiaowu, Mr. Li Yongjun and Mr. Diao Yingfeng as INEDs.