

**8088 Investment Holdings Limited**

**八零八八投資控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8088)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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\* For identification purposes only

## **ABOUT 8088 INVESTMENT HOLDINGS LIMITED**

8088 Investment Holdings Limited (formerly known as AID Life Science Holdings Limited) (the “Company” and, together with its subsidiaries, the “Group”) is a strategic investment group listed on GEM (stock code: 8088).

The Group is engaged in the business of strategic investment.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **OVERVIEW**

During the year under review, the Group continued to operate its strategic investment business. The Company will continue to leverage on (i) the extensive and solid existing business networks of the Group; (ii) big data and artificial intelligence capabilities of the Group for multi-platform data integration and analysis and programmatic monitoring and analysis; (iii) partnership with major content libraries and websites; (iv) the market climate in the outbound digital marketing industry in the People’s Republic of China (the “PRC”); and (v) the experienced management team of the Group, and to look for more business opportunities in outbound digital marketing solutions and customised marketing solutions business in China and overseas, and strive for financial performance and growth in order to reap greater returns for the shareholders of the Company.

#### **(a) Disposal of Investments**

*Disposal of 13.77% equity interest in Brave Entertainment Co., Ltd.*

On 2 July 2021, Shiny Diamond Limited (the “Vendor”), a wholly-owned subsidiary of the Company and Mr. Dong-Cheol Kang (the “Purchaser”) entered into the sales and purchase agreement, pursuant to which the Vendor has agreed to sell (the “Disposal”) and the Purchaser has agreed to purchase 55,010 common stock (the “Target Shares”) of Brave Entertainment Co., Ltd. (the “Target”), a company incorporated in Korea with limited liability and owned as to approximately 13.77% by the Group prior to the Disposal, for a cash consideration of HK\$4,198,500.

The Purchaser, Mr. Dong-Cheol Kang, is a director and a shareholder of the Target, he is also a shareholder of HVM Brave Co., Ltd., an insignificant subsidiary of the Company (as defined under Rule 20.08 of the of the GEM Listing Rules) and save and except for the Purchaser's directorship and shareholding in the Target and shareholding in HVM Brave Co., Ltd., the Purchaser is an independent third party.

The Disposal is expected to accrue a gain before tax of approximately HK\$4,100,000, which is calculated based on the cash consideration of HK\$4,198,500 less the zero carrying amount of the Target Shares as at 31 March 2021 and other related costs and expenses.

The Disposal was completed on 30 July 2021.

**(b) Impact of outbreak of Coronavirus Disease 2019 (“COVID-19”)**

As a result of outbreak of COVID-19 in early 2020, there were significant changes of business environment and have caused the global economy, in particular the investment industry, remain fragile and uncertain. Governments in different regions have imposed social distancing measures and believed that the pandemic would not be eradicated without effective treatment and vaccination. The Group, therefore, has closely monitored its investments and the impact of governmental pandemic response policies to the economic environment and have plans in place in response to any possible outcome. The impact to the individual investment, if any, are set forth in the below paragraphs.

**(c) Selective Existing Investment Portfolio**

The Group had financial assets at fair value through profit or loss in aggregate amount of approximately HK\$188.9 million and HK\$200.4 million as at 31 December 2021 and 2020 respectively, representing approximately 82% and 76% of the total assets of the Group as at the respective reporting dates. The following table sets out the Group's major investments as at 31 December 2021 and 2020:

Name of investments	As at 31 December 2021		As at 31 December 2020	
	Fair value at reporting date <i>HK\$'000</i>	Approximate percentage of the total assets of the Group	Fair value at reporting date <i>HK\$'000</i>	Approximate percentage of the total assets of the Group
AID Partners Autonomous, LP (the "Partnership") ( <i>Note (iii)</i> ) — unlisted shares	183,601	79%	187,613	71%
China Creative Digital Entertainment Limited (“China Creative”) ( <i>Note (iv)</i> ) — listed shares	1,327	1%	1,628	1%
Other investments	3,957	2%	11,199	4%
	<u>188,885</u>	<u>82%</u>	<u>200,440</u>	<u>76%</u>

Except for investments in the Partnership, as at 31 December 2021 and 2020, none of the Group's individual investment amounted to 5% or more of the total assets of the Group.

(i) *Complete Star Limited (“CSL”)*

CSL is principally engaged in the development and operation of mobile games. During 2021, it continued and maintained its mobile game portfolio including the Star Girl franchise. Star Girl is a fashion role-playing game (“RPG”) targeting female users in which players create a virtual female celebrity and determine her career, appearance and social life while interacting with the game world and other players. Since its release, the Star Girl franchise has accumulated a strong user base with over 100 million downloads globally. However, growth in mobile games sector has slowed down as smartphone penetration in major economies are reported at their near-saturation levels, leaving mobile apps and games developers to face stiffer competition within the market.

(ii) *Honestway Global Group Limited (“HGGL”)*

HGGL and its subsidiaries (the “HGGL Group”) are principally engaged in mobile games and online media content distribution in the PRC. Since early 2018, the Mainland Chinese authorities has introduced a new regulatory regime for digital games, aimed at mitigating addiction and inappropriate contents. However, approval of titles had been slow and the game publishing industry fails to return to its pre-2018 levels. As a result, HGGL Group entered sharing economy business in 2019 by installing facilities for shared use at college and university campuses. However, revenue fell short of management’s initial expectation because of sporadic outbreaks of the COVID-19 pandemic across Mainland China since 2020 had much disrupted ordinary commerce and the normal opening of college and university campuses.

HGGL is also engaged in outbound digital marketing solutions and customised marketing solutions business through its wholly-owned subsidiary, Rich Channel Inc Limited (“Rich Channel”). The management team of HGGL has well-established experience in providing digital marketing solutions and related services such as creative content production and data analysis and management of marketing campaigns, the Group’s management considered that it would be viable and beneficial for HGGL to further expand into outbound digital marketing solutions and customised marketing solutions business in the Mainland China and overseas to take advance of the market growth potential in Mainland China. However, this new business suffered a setback since the suspension trading in the shares of the Company in July 2021; in view of the suspension of trading in the shares of the Company and the potential delisting of the shares of the Company on the Stock Exchange, the customers and business partners of the Group had expressed doubts over the stability and the future prospects of the Group and had therefore affected their confidence towards placing orders with Rich Channel. Furthermore, the recent large scale outbreak of Omicron variant COVID-19 in Mainland China will likely to cause major disruption to the planned expansion in outbound digital market solutions in the near future due to lock-downs and various other travel restrictions.

*(iii) The Partnership*

The principal activities of the Partnership was the holding of equity investments in financial and emerging technologies. On 10 July 2020, the shareholders of the Company passed an ordinary resolution at the extraordinary general meeting to approve the disposal of the entire share capital of AID Partners Autonomous GP Ltd (the “General Partner”) to an independent third party. Upon completion on 13 July 2020, the General Partner, the Partnership and its subsidiaries have ceased to be accounted for as subsidiaries of the Group; as a result, the interest in the Partnership is accounted for as a financial asset at fair value through profit or loss.

Fair value losses of HK\$4,012,000 (2020: HK\$66,975,000) was recognised for the year ended 31 December 2021 in relation to the interest in the Partnership. The investment cost of the Partnership is HK\$254,588,000. The Partnership had made a distribution of HK\$18,437,000 (2020: Nil) during the year ended 31 December 2021. No dividend received from the Partnership during the years ended 31 December 2021 and 2020. The Group’s equity interest was approximately 82.3% of total equity of the Partnership as at 31 December 2021 and 2020.

*(iv) China Creative (stock code: 8078)*

China Creative is principally engaged in entertainment business and artiste management services. The outbreak of novel coronavirus disease (COVID-19) seriously undermined the economies of the PRC mainland and Hong Kong and further weakened the entertainment consumption since 2020. The prolonged impact of COVID-19 pandemic (especially the recent spread of Omicron) may still affect the future growth of the business of China Creative. Despite of the cultural and entertainment industry in the mainland China was under tremendous challenges for the coming year, China Creative will invest more resources in media content creation, movie production and movie distribution business segments. In view of the rapid global development in media contents and the rising popularity of new media platforms among the mobile and internet users, China Creative hope to continue developing the quality media contents with the advantages of the existing platform resources and to thrive in the cultural and entertainment business.

Fair value losses of HK\$301,000 (2020: HK\$874,000) was recognised for the year ended 31 December 2021 in relation to the investment in listed shares of China Creative. The Group’s shareholding were approximately 7.72% and 11.1% of issued share capital of China Creative as at 31 December 2021 and 2020 respectively.

(v) *Shenzhen Hooenergy Technology Company Limited\** (深圳滙能新能源科技有限公司, “Hooenergy”)

Hooenergy is engaged in the development and operation of electric vehicle (“EV”) charging piles in the PRC. According to a research published by China Electric Vehicle Charging Infrastructure Promotion Alliance (中國電動汽車充電基礎設施促進聯盟) in January 2022, Hooenergy is one of the top ten charging pile operators in the PRC. In 2021, more than 3 million of EVs were registered in the PRC, representing 180% increase on a year-on-year basis. In order to achieve net zero carbon emissions by 2060, the PRC government has continued to provide subsidies to the EV owners, which in turn boost the number of EVs and the demand of charging facilities.

(vi) *GeneSort*

GeneSort is a company incorporated in Israel principally engaged in advanced personalised molecular diagnostic services for cancer evaluation and cure. GeneSort aims to harness cutting edge technologies to elucidate the genetic DNA profile of patients, with particular focus on cancer and hereditary diseases.

GeneSort was conducting research and development (“R&D”) in various DNA analytical and sampling techniques for more efficient detection of tumors, however, being a company in R&D stage, it relies on the ability to obtain new funding in order to realise its R&D objectives. Unfortunately, the company encountered significant difficulty in obtaining new funds during the pandemic. Its management is hoping to renew the efforts in seeking new funds when the economic situation improves.

\* *For identification purpose only*

## **FINANCIAL REVIEW**

### **Financial Results**

Revenue for the year under review increased to HK\$20.0 million from HK\$4.0 million for last year, while total operating expenses (being administrative and operating expenses) for the year under review decreased to HK\$28.7 million from HK\$38.0 million for last year.

Fair value losses on financial assets at fair value through profit or loss of HK\$2.6 million (2020: HK\$142.0 million) was recognised in profit or loss for the year under review.

No gain on the disposal of subsidiaries (2020: HK\$2.5 million) was recognised in profit or loss for the year under review.

Other income for the year under review decreased to HK\$6.3 million from HK\$26.0 million for last year due to bad debt recovery of HK\$13.1 million incurred for last year.

Finance income for the year under review of HK\$41.1 million (2020: Nil) was recognised in profit or loss, mainly represent gains on borrowings waived for the year under review.

Finance costs for the year under review decreased to HK\$12.0 million from HK\$18.6 million for last year, mainly represent the effective interest expense of borrowings of the Company with a principal amount of HK\$184 million.

As a result, the Group reported a profit attributable to owners of the Company for the year under review of HK\$18.7 million as compared to a loss of HK\$205.6 million for last year.

### **Segment Results**

The chief operating decision makers, which are collectively the Executive Directors of the Company, identify the Group has only one operating segment, which is strategic investment.

No separate analysis of segment information is presented by the Group for the year ended 31 December 2021 as all of the Group's revenue, results, assets and liabilities are related to the strategic investment business.

## Financial Position and Resources

### *Significant Capital Assets and Investments*

Other than the significant investments disclosed in the section of “Management Discussion and Analysis — Business Review”, the Group acquired property, plant and equipment totalling HK\$26,000 during the year under review.

### *Liquidity*

As at 31 December 2021, the Group had cash and bank balances of HK\$29.5 million and net current assets of HK\$24.2 million, decreased from HK\$30.3 million and increased from net current liabilities of HK\$170.1 million as at 31 December 2020, respectively. As at 31 December 2021, current assets and current liabilities of the Group were HK\$36.0 million (31 December 2020: HK\$54.2 million) and HK\$11.8 million (31 December 2020: HK\$224.4 million) respectively. Accordingly, the Group’s current ratio was 3.1 (31 December 2020: 0.2).

### *Gearing*

The Group monitors capital on the basis of gearing ratio. This ratio is calculated as net debts divided by total capital. Net debts are calculated as total borrowings (including convertible bonds and borrowings) less cash and cash equivalents. Total capital is calculated as “equity” as shown in the consolidated statement of financial position plus net debts.

The gearing ratios at 31 December 2021 and 2020 were as follows:

	<b>2021</b>	2020
	<b>HK\$’000</b>	HK\$’000
Convertible bonds	–	214,995
Borrowings	<b>164,042</b>	–
Less: Cash and cash equivalents	<b>(29,510)</b>	(30,292)
Net debts	<b>134,532</b>	184,703
Total equity	<b>54,287</b>	35,038
Total capital	<b>188,819</b>	219,741
Gearing ratio	<b>71%</b>	84%

The decrease in gearing ratio as at 31 December 2021 was mainly due to the repayment of debts and waiver of borrowings from borrower during the year.

### *Charges*

There were no significant charges on the Group's investments and assets as at 31 December 2021.

### *Commitments and Contingent Liabilities*

The Group had no material capital commitments and contingent liabilities as at 31 December 2021.

### *Equity Structure*

As at 31 December 2021, the total issued share capital of the Company was 554,857,005 ordinary shares, increased from 549,982,005 ordinary shares as at 31 December 2020 due to the issuance of remuneration shares as compensation for consultancy service during the year under review.

Neither the Company, nor any of its subsidiaries, has purchased or sold any of the Company's listed securities during the year under review.

As at 31 December 2021, the Company had 560,097 share options outstanding under the Company's 2002 Share Option Scheme of which were all exercisable.

As at 31 December 2021, the Company had 32,626,750 share options outstanding under the Company's 2014 Share Option Scheme of which were all exercisable. The Company can grant a further 54,023,200 options pursuant to the existing shareholder mandate limit.

### **EMPLOYEE INFORMATION**

As at 31 December 2021, the Group had 26 full-time employees (2020: 26) across the entire Group. Employee remuneration (including directors' remuneration) totalled HK\$14.0 million (2020: HK\$14.8 million). The remuneration packages of the Group's Directors and employees are kept at a competitive level to attract, retain and motivate Directors and employees of the quality required to run the Group successfully. In general, remuneration consists of a combination of a fixed salary paid in cash and a performance linked bonus paid in cash and options. A portion of the bonus may be deferred subject to the achievement of certain pre-determined targets and conditions. The Group's remuneration policies and practices are reviewed annually and benchmarked against sectors of financial and banking institutions.

## **MATERIAL ACQUISITIONS AND DISPOSALS**

During the year under review, other than the disposal of investments mentioned in “Business Review” section above, the Group made no other significant acquisition or disposal of subsidiaries or affiliated companies.

## **APPLICATION OF A REVIEW BY THE LISTING REVIEW COMMITTEE AND SUSPENSION OF TRADING**

On 12 March 2021, the Company received a letter from the Stock Exchange notifying the Company of its decision that the Company has failed to carry out a business with a sufficient level of operations and assets of sufficient value to support its operations under Rule 17.26 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (“GEM Listing Rules”) to warrant the continued listing of its shares and that trading in the Company’s shares will be suspended on 24 March 2021 under Rule 9.04(3) of the GEM Listing Rules (the “Decision”).

Under Rule 9.14A(1) of the GEM Listing Rules, the Stock Exchange may cancel the listing of the Company’s shares if trading of the Company’s shares is suspended for a continuous period of 12 months.

On 19 March 2021, the Company has made a written submission to the GEM Listing Committee of the Stock Exchange (the “GEM Listing Committee”) to request for a hearing for review of the Decision (the “Review Hearing”). As the Decision is subject to review by the GEM Listing Committee, trading in Company’s shares was not suspended on 24 March 2021 pending the outcome of the Review Hearing. The Review Hearing was held on 22 June 2021. On 6 July 2021, the Company received a letter from the Stock Exchange notifying the Company that the GEM Listing Committee, having considered all the submissions (both written and oral) made by the Company and the Listing Division of the Stock Exchange, decided to uphold the Decision to suspend trading in the shares of the Company (the “GLC Decision”).

Under Chapter 4 of the GEM Listing Rules, the Company has the right to have the GLC Decision referred to the GEM Listing Review Committee of the Stock Exchange (the “GEM Listing Review Committee”) for review within seven business days from the date of the GLC Decision. Trading in the Company’s shares will be suspended after the expiry of seven business days from the date of the GLC Decision (i.e. 16 July 2021), unless the Company applies for a review of the GLC Decision.

On 15 July 2021, after careful consideration of the relevant factors pertaining to the prospect of success for a review of the GLC Decision, the Board has decided not to apply for a further review of the GLC Decision by the GEM Listing Review Committee. Therefore, trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:00 a.m. on 16 July 2021. On 19 July 2021, the Company had been notified by the Stock Exchange the guidance for resumption of trading in shares of the Company.

For details, please refer to announcements of the Company dated 12 March 2021, 19 March 2021, 3 May 2021, 6 July 2021, 15 July 2021, 19 July 2021, 15 October 2021 and 14 January 2022.

Quarterly announcements will be made by the Company updating the status on resumption of trading in the shares of the Company and further announcement(s) will be made by the Company as and when appropriate and in compliance with the requirements under the GEM Listing Rules.

## **CONTRACTUAL ARRANGEMENTS**

The Group, through its wholly-owned subsidiary HGGL, indirectly owned a wholly-foreign-owned-enterprise, 深圳八零八八科技有限公司 (“WFOE”), which has entered into the corresponding contractual arrangements to control and operate a foreign restricted business, namely 上海威搜游科技有限公司 (“VSOYOU”) under the relevant PRC laws and regulations (the “Contractual Arrangements”).

## **PARTICULARS OF VSOYOU AND ITS REGISTERED OWNERS, AND A SUMMARY OF THE MAJOR TERMS OF THE CONTRACTUAL AGREEMENTS**

VSOYOU is a company with limited liability established in the PRC, its registered owners are 張永鋒先生 (Mr. Zhang Yong Feng\*) and 陳曉萍女士 (Ms. Chen Xiao Ping\*). A summary of the major terms of the Contractual Arrangements has been published on the website of the Company.

## **DESCRIPTION OF VSOYOU’S BUSINESS ACTIVITIES AND THEIR SIGNIFICANCE TO THE GROUP**

VSOYOU and its subsidiaries are primarily engaged in the development and operation of mobile-online games business in the PRC. The net asset value of VSOYOU was approximately HK\$3,510,000 and HK\$5,091,000 as at 31 December 2021 and 2020, respectively, which represents approximately 6.5% and 14.5% of the Group’s net assets as at 31 December 2021 and 2020, respectively. The revenue of VSOYOU was approximately HK\$1,783,000 and HK\$2,433,000 for the year ended 31 December 2021 and 2020, respectively, which represents approximately 9% and 60% of the Group’s revenue for the year ended 31 December 2021 and 2020, respectively. The net loss of VSOYOU was approximately HK\$2,713,000 and HK\$8,622,000 for the year ended 31 December 2021 and 2020, respectively.

## **REASON FOR USING THE CONTRACTUAL ARRANGEMENTS**

As advised by the PRC legal adviser of the Company, VSOYOU is primarily engaged in the development and operation of mobile-online games business and is considered to be engaged in the provision of value-added telecommunication services and internet cultural business. Pursuant to the applicable PRC laws and regulations, the said business of VSOYOU is subject to prohibition on foreign investment. Shareholders of VSOYOU are required to be PRC domestic natural persons, enterprise legal persons or other social organisations and foreign investors are not allowed to directly invest in VSOYOU. As such, the Group cannot acquire the equity interest in VSOYOU at that time. Having regard to such foreign investment restrictions, the Contractual Arrangements were designed to provide WFOE and, thus the Group with effective control over the financial and operational policies of VSOYOU and (to the extent permitted by PRC laws and regulations) the right to acquire the equity interest in VSOYOU.

## **RISKS ASSOCIATED WITH THE CONTRACTUAL ARRANGEMENTS AND ACTIONS TAKEN BY THE COMPANY TO MITIGATE THE RISKS**

WFOE does not have any direct equity ownership in VSOYOU and will have to rely on the Contractual Arrangements to control, operate, and be entitled to the economic benefits and risks arising from the value-added telecommunication services and internet cultural business in the PRC conducted through VSOYOU. However, there are risks involved with the operations of WFOE's business under the Contractual Arrangements, as the case may be.

- (i) There is no assurance that the Contractual Arrangements could comply with future changes in the regulatory requirements in the PRC and the PRC government may determine that the Contractual Arrangements do not comply with applicable regulations.
- (ii) The Contractual Arrangements may not be as effective in providing control over and entitlement to the economic interests in VSOYOU as direct ownership.
- (iii) Potential conflicts of interest among WFOE, VSOYOU and existing shareholder(s) of VSOYOU may exist.
- (iv) The Contractual Arrangements may be subject to scrutiny of the PRC tax authorities and additional tax may be imposed.
- (v) WFOE's ability to acquire the entire equity interests in or assets of VSOYOU may be subject to various limitations and substantial costs.
- (vi) Certain terms of the Contractual Arrangements may not be enforceable under the PRC laws.

In light of the above risks associated with the Contractual Arrangements, the Group has adopted a set of procedures, systems and internal control measures to ensure the sound and effective operation of the Group and the implementation of the Contractual Arrangements. Such procedures, systems and internal control measures include (i) regular discussions of matters relating to compliance and regulatory enquiries from governmental authorities, if any, by the board of directors of the Company at board meetings; and (ii) retaining legal adviser and/or other professional to assist the Group to deal with specific issues arising from the Contractual Arrangements, if so required.

#### **MATERIAL CHANGE OR UNWINDING OF THE CONTRACTUAL ARRANGEMENTS**

There was no material change or unwinding of the Contractual Arrangements since the date of the Contractual Arrangements were entered into up to the date of this announcement.

## RESULTS

The board of directors (the “Board”) of the Company submit herewith the consolidated results of the Group for the year ended 31 December 2021, together with the comparative audited figures of the corresponding period in 2020, as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the year ended 31 December 2021*

	<i>Notes</i>	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue	3	<b>19,978</b>	4,023
Cost of sales	6	<b>(17,839)</b>	(2,893)
<b>Gross profit</b>		<b>2,139</b>	1,130
Administrative and operating expenses	6	<b>(28,657)</b>	(37,990)
Impairment losses on trade receivables		<b>(784)</b>	(2,645)
Impairment losses on other receivables		<b>(4,270)</b>	(3,294)
Impairment losses on interest in an associate		–	(839)
Impairment losses on amounts due from/ loans to an associate		<b>(1,249)</b>	(29,589)
Other income	4	<b>6,326</b>	26,029
Other gains/(losses) — net	5	<b>15,844</b>	(139,426)
<b>Operating loss</b>		<b>(10,651)</b>	(186,624)
Finance income	7	<b>41,051</b>	–
Finance costs	8	<b>(12,048)</b>	(18,587)
Share of results of an associate accounted for using the equity method		–	(619)
<b>Profit/(loss) before income tax</b>		<b>18,352</b>	(205,830)
Income tax credit	9	<b>175</b>	205
<b>Profit/(loss) for the year</b>		<b>18,527</b>	(205,625)

	<i>Notes</i>	<b>2021</b> <b>HK\$'000</b>	2020 <i>HK\$'000</i>
Profit/(loss) attributable to:			
Owners of the Company		<b>18,669</b>	(205,593)
Non-controlling interests		<u>(142)</u>	<u>(32)</u>
		<u><b>18,527</b></u>	<u>(205,625)</u>
<b>Earnings/(loss) per share attributable to owners of the Company:</b>			
	<i>10</i>		
Basic earnings/(loss) per share ( <i>HK Cents</i> )		<u><b>3.38</b></u>	<u>(37.52)</u>
Diluted earnings/(loss) per share ( <i>HK Cents</i> )		<u><b>3.38</b></u>	<u>(37.52)</u>

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Profit/(loss) for the year</b>	<b>18,527</b>	<b>(205,625)</b>
<b>Other comprehensive income:</b>		
<b>Items that may be reclassified to profit or loss:</b>		
Exchange differences on translation of foreign operations	116	214
Other comprehensive income for the year, net of tax	116	214
<b>Total comprehensive income/(loss) for the year</b>	<b>18,643</b>	<b>(205,411)</b>
<b>Total comprehensive income/(loss) for the year</b>		
<b>Attributable to:</b>		
Owners of the Company	18,779	(205,376)
Non-controlling interests	(136)	(35)
	<b>18,643</b>	<b>(205,411)</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	<i>Notes</i>	<b>2021</b> <b>HK\$'000</b>	2020 <i>HK\$'000</i>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>189</b>	1,078
Right-of-use assets		<b>3,101</b>	5,541
Intangible assets		<b>3,353</b>	3,400
Financial assets at fair value through profit or loss		<b>187,558</b>	198,812
		<b>194,201</b>	208,831
<b>Current assets</b>			
Trade and other receivables	<i>11</i>	<b>5,164</b>	22,269
Financial assets at fair value through profit or loss		<b>1,327</b>	1,628
Tax recoverable		<b>–</b>	50
Cash and cash equivalents		<b>29,510</b>	30,292
		<b>36,001</b>	54,239
<b>Non-current liabilities</b>			
Borrowings		<b>164,042</b>	–
Lease liabilities		<b>70</b>	3,672
		<b>164,112</b>	3,672

	<i>Notes</i>	<b>2021</b> <b>HK\$'000</b>	2020 <i>HK\$'000</i>
<b>Current liabilities</b>			
Contract liabilities		<b>2,269</b>	–
Trade and other payables	<i>12</i>	<b>5,583</b>	5,370
Lease liabilities		<b>3,945</b>	3,580
Convertible bonds		–	214,995
Tax payable		<b>6</b>	415
		<u><b>11,803</b></u>	<u>224,360</u>
<b>Net current assets/(liabilities)</b>		<u><b>24,198</b></u>	<u>(170,121)</u>
<b>Total assets less current liabilities</b>		<u><b>218,399</b></u>	<u>38,710</u>
<b>Net assets</b>		<u><b>54,287</b></u>	<u>35,038</u>
<b>EQUITY</b>			
Share capital		<b>8,656</b>	8,580
Reserves		<b>45,035</b>	25,726
		<u><b>53,691</b></u>	<u>34,306</u>
Equity attributable to owners of the Company		<b>53,691</b>	34,306
Non-controlling interests		<b>596</b>	732
		<u><b>54,287</b></u>	<u>35,038</u>

## NOTES TO THE FINANCIAL STATEMENTS

*For the year ended 31 December 2021*

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 21 February 2000 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and, its principal place of business is 22/F., New World Tower II, 18 Queen's Road Central, Central, Hong Kong. The Company's shares have been listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 17 April 2000. The Company and its subsidiaries are together referred to as the Group hereinafter.

The Company acts as the holding company of the Group. The Group is principally engaged in the business of strategic investment.

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK\$'000), unless otherwise stated.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"). In addition, the consolidated financial statements include applicable disclosures requirements of the Hong Kong Companies Ordinance Cap. 622 and the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("GEM Listing Rules").

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments), which are measured at fair value.

*(a) New and amended Standards, Interpretations and Framework issued that are applicable to accounting periods beginning on or after 1 January 2021*

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2021:

- Covid-19-Related Rent Concessions — amendments to IFRS 16
- Interest Rate Benchmark Reform Phase 2 — amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The adoption of new and amended Standards and Framework ("Amendments") does not have any significant change to the accounting policies or any significant impact on the results and financial position of the Group.

(b) *New and amended Standards, Interpretations issued that are not yet effective and have not been early adopted by the Group*

A number of new Amendments that are relevant to the Group but not yet effective for the financial year beginning at 1 January 2021 and have not been early adopted by the Group are as follow:

		<b>Effective for annual years beginning on or after</b>
Amendments to IFRS 16	Covid-19 Rent Concession Beyond 30 June 2021	1 April 2021
IFRS 17	Insurance Contracts	1 January 2023
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before intended use	1 January 2022
Amendments to IFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract	1 January 2022
Amendment to Annual Improvements Project	Annual improvements to IFRSs 2018–2020	1 January 2022
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The directors of the Company have assessed the financial impact on the Group of the adoption of the above new Amendments to existing standards. These Amendments are not expected to have a material impact on the Group in the future reporting periods and on foreseeable future transactions. The Group intends to adopt the above new Amendments to existing standards when they become effective.

### 3. REVENUE

Revenue represents the (i) sales of in-app purchase items, (ii) advertising income, (iii) game publishing service income, (iv) real-time video streaming income, (v) shared use facilities income and (vi) outbound digital marketing income. An analysis of revenue is as follows:

	<b>2021</b>	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Sales of in-app purchase items	<b>331</b>	1,488
Advertising income	<b>25</b>	102
Game publishing service income	–	6
Real-time video streaming income	<b>1,700</b>	1,424
Shared use facilities income	<b>84</b>	1,003
Outbound digital marketing income	<b>17,838</b>	–
	<u><b>19,978</b></u>	<u>4,023</u>

### 4. OTHER INCOME

	<b>2021</b>	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Bank interest income	<b>2</b>	284
Interest income on loan to an independent third party	<b>471</b>	470
Interest income on a loan to a shareholder of an investee	–	3,460
Interest income on loans to an associate	<b>1,223</b>	1,223
Interest income on loaned securities to an investee	<b>4,270</b>	3,294
License fee income from a related company	–	351
Bad debt recovery	<b>4</b>	13,144
Reversal of impairment losses on other receivables	<b>355</b>	873
Written off of trade payables	–	1,568
Others	<b>1</b>	1,362
	<u><b>6,326</b></u>	<u>26,029</u>

### 5. OTHER GAINS/(LOSSES) — NET

	<b>2021</b>	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Fair value losses on financial assets at fair value through profit or loss, net	<b>(2,589)</b>	(142,032)
Investment gain on financial assets at fair value through profit or loss	<b>18,437</b>	–
Gains on disposal of subsidiaries	–	2,505
Foreign exchange (losses)/gains, net	<b>(4)</b>	101
	<u><b>15,844</b></u>	<u>(139,426)</u>

## 6. EXPENSES BY NATURE

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Auditor's remuneration:		
— audit services	700	700
— non-audit services	196	520
Cost of sales	17,839	2,893
Employee benefit expense (including directors' remuneration)	14,004	14,847
Amortisation of intangible assets	101	1,997
Depreciation of property, plant and equipment	918	1,367
Depreciation of right-of-use assets	2,977	2,770
Written off of trade receivables	–	1,544
Consultancy service settled by remuneration shares	606	2,260
Others	9,155	11,985
	<u>46,496</u>	<u>40,883</u>

## 7. FINANCE INCOME

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Gains on borrowings waived	41,051	–
	<u>41,051</u>	<u>–</u>

## 8. FINANCE COSTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Effective interest expense on convertible bonds		
— wholly repayable within five years	1,897	17,900
Interest expenses on lease liabilities	450	687
Interest expenses on borrowings	9,701	–
	<u>12,048</u>	<u>18,587</u>

## 9. INCOME TAX CREDIT

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Hong Kong		
— Current tax for the year	–	415
— Over-provision in respect of prior years	(175)	(72)
The PRC		
— Over-provision in respect of prior years	–	(216)
Total current income tax (credit)/expense	<u>(175)</u>	<u>127</u>
Deferred tax credit	<u>–</u>	<u>(332)</u>
<b>Income tax credit</b>	<b><u>(175)</u></b>	<b><u>(205)</u></b>

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.

Accordingly, for the years ended 31 December 2021 and 2020, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million. The profits of group entities not qualified for the two-tiered profits tax rates regime continue to be taxed at a flat rate of 16.5%.

The Group's subsidiaries operating in the PRC are subject to PRC Enterprise Income Tax at the tax rate of 25% (2020: 25%).

Taxes on profits assessable elsewhere have been calculated at the rates prevailing in the relevant jurisdictions for the years ended 31 December 2021 and 2020.

## 10. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

### (a) Basic

Basic earnings/(loss) per share is calculated by dividing profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2021	2020
<i>(HK\$'000)</i>		
Profit/(loss) attributable to owners of the Company	<u>18,669</u>	<u>(205,593)</u>
<i>(Number of shares)</i>		
Weighted average number of ordinary shares	<u>552,893,649</u>	<u>548,010,694</u>
<i>(HK cents)</i>		
Basic earnings/(loss) per share attributable to the owners of the Company	<u>3.38</u>	<u>(37.52)</u>

### (b) Diluted

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion/exercise of all potentially dilutive ordinary shares. The Company has one (2020: two) category of potentially dilutive ordinary shares: share options (2020: remuneration shares and share options). For the remuneration shares and share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares for the period) based on the monetary value of the subscription rights attached to outstanding remuneration shares and share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

For the years ended 31 December 2021 and 2020, diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share as the exercise of potential ordinary shares in relation to the outstanding share options (2020: remuneration shares and share options) would have anti-dilutive effects to the basic earnings/(loss) per share.

## 11. TRADE AND OTHER RECEIVABLES

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade receivables	<b>5,236</b>	5,980
Less: provision for impairment of trade receivables	<b>(3,554)</b>	(3,981)
	<u>1,682</u>	<u>1,999</u>
Trade receivables, net	<b>1,682</b>	1,999
Other receivables	<b>15,123</b>	21,715
Less: provision for impairment of other receivables	<b>(14,232)</b>	(10,317)
	<u>891</u>	<u>11,398</u>
Other receivables, net	<b>891</b>	11,398
Loan to an independent third party	–	6,824
	<u>–</u>	<u>6,824</u>
Trade receivables, net	<b>1,682</b>	1,999
Other receivables, net	<b>891</b>	11,398
Loan to an independent third party	–	6,824
Rental and other deposits	<b>1,259</b>	1,193
Prepayments	<b>1,332</b>	855
	<u>1,332</u>	<u>855</u>
At end of the year	<b>5,164</b>	22,269
	<u>5,164</u>	<u>22,269</u>

As at 31 December 2021 and 2020, ageing analysis of trade receivables based on invoice date and net of impairment losses is as follows:

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current	<b>942</b>	237
0–30 days	<b>74</b>	14
31–60 days	<b>5</b>	14
61–90 days	<b>1</b>	7
Over 90 days	<b>660</b>	1,727
	<u>660</u>	<u>1,727</u>
	<b>1,682</b>	1,999
	<u>1,682</u>	<u>1,999</u>

## 12. TRADE AND OTHER PAYABLES

	<b>2021</b>	2020
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Trade payables	<b>2,745</b>	2,490
Other payables	<b>1,361</b>	1,568
Accrued charges	<b>1,477</b>	1,312
	<u><b>5,583</b></u>	<u>5,370</u>

As at 31 December 2021 and 2020, the ageing analysis of trade payables based on invoice date is as follows:

	<b>2021</b>	2020
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
0–30 days	<b>88</b>	105
31–60 days	<b>67</b>	165
61–90 days	<b>26</b>	21
Over 90 days	<b>2,564</b>	2,199
	<u><b>2,745</b></u>	<u>2,490</u>

## 13. DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2021 (2020: nil).

## **FINAL DIVIDEND**

The Board does not recommend the payment of a final dividend for the year ended 31 December 2021 (2020: Nil).

## **CORPORATE GOVERNANCE REPORT**

### **CORPORATE GOVERNANCE PRACTICES**

During the year ended 31 December 2021, the Company has complied with the code provisions (“Code Provisions”) as set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules, except for the following deviations:

#### **Code Provision A.2.1**

Code Provision A.2.1 provides that the roles of the Chairman and Chief Executive Officer (“CEO”) should be separate and should not be performed by the same individual.

The Company has not appointed CEO and Chairman. Up to the date of this announcement, the role and function of CEO and Chairman have been performed by the two Executive Directors of the Company collectively.

#### **Code Provision E.1.2**

Code Provision E.1.2 provides that the Chairman of the Board should attend the annual general meeting to answer questions at the annual general meeting. The Company has not appointed the Chairman of the Company. Ms. Chan Suet Ngan (“Ms. Chan”) and Mr. Hu Kenneth had attended the meeting and Ms. Chan had chaired the annual general meeting and answer any questions from shareholders.

## **DIRECTORS’ SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules.

Having made specific enquiries of all Directors of the Company, the Company is satisfied that the Directors of the Company have complied with the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules, and with the Company’s code of conduct regarding Directors’ securities transactions.

## DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2021, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of 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 notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules relating to securities transactions by Directors, were as follows:

### (i) Interests in the ordinary shares of the Company (the “Share(s)”)

Name of Directors	Personal interest	Corporate interest	Family interest	Aggregate long position in Shares	Approximate percentage of the issued share capital of the Company
Ms. Chan Suet Ngan	19,850	–	–	19,850	0.003%
Mr. Hu Kenneth ( <i>Note</i> )	–	–	630,000	630,000	0.11%
Mr. Yuen Kwok On (“Mr. Yuen”)	99,000	–	–	99,000	0.01%

*Note:*

1. Ms. Qian Alexandra Gaochuan (“Ms. Qian”), the spouse of Mr. Hu Kenneth holds 630,000 Shares. Accordingly, Mr. Hu Kenneth is deemed to be interested in 630,000 Shares.

## (ii) Interests in the underlying Shares

### *Outstanding share options*

Name of Directors	Date of grant (dd/mm/yyyy)	Exercise price (HK\$)	Exercise period (Notes)	Balance as at 1 January 2021	Granted during the year	Exercised during the year	Cancelled/ lapsed during the year	Balance as at 31 December 2021
Ms. Chan Suet Ngan	01/04/2016	4.94	(1)	200,000	-	-	-	200,000
	19/05/2017	1.56	(2)	600,000	-	-	-	600,000
				<u>800,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>800,000</u>
Mr. Hu Kenneth (Note 3)	01/04/2016	4.94	(1)	400,000	-	-	-	400,000
	19/05/2017	1.56	(2)	2,800,000	-	-	-	2,800,000
				<u>3,200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,200,000</u>
Mr. Yuen	01/04/2016	4.94	(1)	150,000	-	-	-	150,000
	19/05/2017	1.56	(2)	100,000	-	-	-	100,000
				<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>

#### *Notes:*

- (1) Divided into two tranches exercisable from 1 October 2016 and 1 April 2017, respectively to 31 March 2026.
- (2) Exercisable from 19 May 2017 to 18 May 2027.
- (3) Ms. Qian, the spouse of Mr. Hu Kenneth, holds 200,000 share options and 1,400,000 share options at an exercise of HK\$4.94 per share and HK\$1.56 per share respectively, to subscribe for Shares.

### **(iii) Short positions**

None of the Directors held short positions in the shares and underlying shares of the Company or any Associated Corporation.

Save as disclosed above, as at 31 December 2021, none of the Directors or chief executives of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provision of the SFO), or which were recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules relating to securities transactions by Directors.

### **SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS**

As at 31 December 2021, the following persons, other than the Directors or chief executive of the Company, had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is expected, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

(i) **Interests in the Shares and underlying Shares**

<b>Name</b>	<b>Aggregate long position in Shares</b>	<b>Aggregate long position in underlying Shares</b>	<b>Approximate percentage of the issued share capital of the Company</b>
<b>Substantial Shareholders</b>			
Mr. Wu King Shiu, Kelvin (“Mr. Wu”) <i>(Notes 1 and 2)</i>	119,484,282	5,294,200	22.48%
Ms. Li Mau <i>(Notes 1 and 2)</i>	119,484,282	5,294,200	22.48%
AID Cap II <i>(Note 1)</i>	104,939,882	–	18.91%
AID Partners GP2, Ltd. <i>(Note 1)</i>	104,939,882	–	18.91%
Billion Town Limited <i>(Note 1)</i>	104,939,882	–	18.91%
Leader Fortune International Limited <i>(Note 1)</i>	104,939,882	–	18.91%
Hong Kong HNA Holding Group Co. Limited <i>(Note 3)</i>	66,141,232	–	11.92%
Mr. Wong Kwok Ho (“Mr. Wong”) <i>(Notes 4 and 5)</i>	42,308,200	4,500,000	8.43%
Ms. Chau Mui <i>(Notes 4 and 5)</i>	42,308,200	4,500,000	8.43%
Mr. David Tin	45,454,400	–	8.19%
Abundant Star Ventures Limited <i>(Note 1)</i>	45,454,545	–	8.19%
Vantage Edge Limited <i>(Note 1)</i>	34,090,937	–	6.14%

*Notes:*

1. Mr. Wu owns 6,264,400 Shares. Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited own 25,394,400 Shares, 45,454,545 Shares and 34,090,937 Shares, respectively. Mr. Wu is deemed to have interests in 25,394,400 Shares, 45,454,545 Shares and 34,090,937 Shares of which Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited were deemed to be interested by virtue of the SFO since Mr. Wu indirectly owns 100% through Billion Town Limited, of the issued share capital of AID Partners GP2, Ltd.. AID Partners GP2, Ltd. is the general partner of AID Partners Capital II, L.P. (“AID Cap II”). AID Cap II is interested in the entire issued share capital of Leader Fortune International Limited, which is interested in the entire issued share capital of Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited. Further, Mr. Wu is interested in 1,344,200 share options, 3,500,000 share options and 450,000 share options at an exercise price of HK\$3.20 per Share, HK\$4.94 per Share and HK\$1.56 per Share, respectively, to subscribe for Shares. Ms. Li Mau, as the spouse of Mr. Wu, is deemed to be interested in these Shares and underlying Shares for the purpose of the SFO.

2. Billion Express Consultants Limited (“Billion Express”) owns 8,280,000 Shares. The entire issued share capital of Billion Express is wholly-owned by Ms. Li Mau. Mr. Wu, as the spouse of Ms. Li Mau, is deemed to be interested in these Shares held by Billion Express for the purpose of the SFO.
3. Hong Kong HNA Holding Group Co. Limited is wholly-owned by HNA Holdings International Co., Ltd. (“HNA Holdings”). HNA Holdings is wholly-owned by HNA Logistics Group Co., Ltd. (“HNA Logistics”). HNA Logistics is owned as to 51.38% by HNA Holding Group Co., Ltd. and 21.61% by HNA Group Co., Ltd.. HNA Holding Group Co., Ltd. is owned as to 96.06% by HNA Group Co., Ltd.. HNA Group Co., Ltd. is owned as to approximately 70% by Hainan Traffic Administration Holding Co., Ltd. (“Hainan Traffic”). Hainan Traffic is owned as to approximately 50% by Sheng Tang Development (Yangpu) Co. Limited (“Sheng Tang”). Sheng Tang is owned as to 35% by Tang Dynasty Development Co. Limited (“Tang Dynasty”) and 65% by Hainan Province Cihang Foundation. Tang Dynasty is owned as to approximately 98% by Pan-American Aviation Holding Company, which is in turn 100% beneficially owned by Cihang Sino-Western Cultural and Educational Exchange Foundation Limited.
4. Mr. Wong owns 16,839,200 Shares and is interested in 4,500,000 share options at an exercises price of HK\$1.56 per Share to subscribe for Shares. Mr. Wong is deemed to be interested in 24,375,000 Shares as mentioned in Note 5 below. Ms. Chau Mui, as the spouse of Mr. Wong, owns 1,094,000 Shares and is deemed to be interested in all Shares and underlying shares held by Mr. Wong.
5. Sky March Limited (“Sky March”) entered into a consulting service agreement with the Company dated 5 May 2017 (the “Consulting Service Agreement”), pursuant to which the Company has issued 97,500,000 Shares (4,875,000 Shares adjusted upon the Share Consolidation), 97,500,000 Shares (4,875,000 Shares adjusted upon the Share Consolidation), 4,875,000 Shares, 4,875,000 Shares and 4,875,000 Shares to Sky March on 25 May 2017, 28 May 2018, 28 May 2019, 28 May 2020 and 28 May 2021 respectively in accordance with the terms and conditions of the Consulting Service Agreement. Mr. Wong is interest in these Shares through his 100% interest in Sky March.

## **(ii) Short positions**

No person held short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

Save as disclosed above, as at 31 December 2021, the Directors of the Company were not aware of any other person who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, as at 31 December 2021, no other person had interests which were recorded in the register required to be kept under section 336 of the SFO.

## **AUDIT COMMITTEE**

The Company established an Audit Committee on 31 March 2000 with the written terms of reference. The terms of reference are available on the Company's website ([www.8088inc.com](http://www.8088inc.com)). The Audit Committee comprises three Independent Non-Executive Directors, Mr. Yuen Kwok On (Chairman), Mr. Yau Chung Hang and Mr. Ip Wing Wai. The duties of the Audit Committee include: managing the relationship with the Group's external auditor, reviewing the financial information of the Company, and overseeing the Company's financial reporting process, risk management and internal control systems. The Audit Committee reports its work, findings and recommendations to the Board after each meeting. The Audit Committee meets at least quarterly with the most recent meeting held on 25 March 2022. The annual results for the year ended 31 December 2021 have been reviewed by the Audit Committee.

## **SCOPE OF WORK OF INDEPENDENT AUDITOR**

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of other comprehensive income and consolidated statement of financial position and the related notes thereto for the year ended 31 December 2021 as set out in this announcement have been agreed by the Group's independent auditor, Linksfeld CPA Limited ("Linksfeld"), to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2021. The work performed by Linksfeld in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standard on Review Engagements or International Standards on Assurance Engagements issued by the International Auditing and Assurance Standards Board and consequently no assurance has been expressed by Linksfeld on this announcement.

## **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

The Company has not redeemed any of its shares during the years ended 31 December 2021 and 2020. Neither the Company, nor any of its subsidiaries, has purchased or sold any of the Company's listed securities during the years ended 31 December 2021 and 2020.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This announcement is published on the Company's website at [www.8088inc.com](http://www.8088inc.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). The Company's 2021 annual report will be despatched to shareholders of the Company and available on the above websites in due course.

The financial information set out above does not constitute the Group's statutory financial statements for the financial year ended 31 December 2021. Instead, it has been derived from the Group's audited consolidated financial statements for the financial year ended 31 December 2021, which will be included in the Company's 2021 annual report.

By Order of the Board  
**8088 Investment Holdings Limited**  
**Chan Suet Ngan**  
*Executive Director*

Hong Kong, 25 March 2022

*As at the date of this announcement, the Directors are:*

*Executive Directors:* Chan Suet Ngan and Hu Kenneth

*Independent Non-Executive Directors:* Yuen Kwok On, Yau Chung Hang and Ip Wing Wai

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement in this announcement misleading.*

*This announcement will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at [www.8088inc.com](http://www.8088inc.com).*