VPOWER GROUP INTERNATIONAL HOLDINGS LIMITED
偉能集團國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1608)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023

HIGHLIGHTS

- Revenue decreased 43.7% to HK$998.1 million. Among which, revenue from SI business was HK$590.1 million and revenue from IBO business was HK$408.0 million, representing a decrease of 34.9% and 52.9% respectively.
- Gross profit decreased 66.6% to HK$136.4 million with a gross profit margin of 13.7%.
- Loss attributable to the owners of the Company was HK$327.7 million, which was mainly due to a decrease of gross profit, an increase in share of losses of joint ventures and an increase in finance cost and other expenses.

The board of directors (the "**Board**") of VPower Group International Holdings Limited (the "**Company**") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2023, together with comparative figures of the corresponding period in 2022 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

		Six months ended 30 June	
		2023	2022
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
REVENUE	*4*	**998,123**	1,772,030
Cost of sales		**(861,757)**	(1,363,597)
Gross profit		**136,366**	408,433
Other income and gains, net	*4*	**3,347**	6,615
Selling and distribution expenses		**(8,174)**	(8,226)
Administrative expenses		**(198,785)**	(165,122)
Other expenses, net		**(79,779)**	(31,724)
Finance costs		**(134,752)**	(109,642)
Share of profits or losses from joint ventures		**(63,692)**	(9,827)
PROFIT/(LOSS) BEFORE TAX	*5*	**(345,469)**	90,507
Income tax credit/(expense)	*6*	**17,929**	(16,121)
PROFIT/(LOSS) FOR THE PERIOD		**(327,540)**	74,386
Attributable to:			
Owners of the Company		**(327,704)**	60,650
Non-controlling interests		**164**	13,736
		(327,540)	74,386
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*8*		
Basic		**HK(12.19) cents**	HK2.25 cents
Diluted		**HK(12.19) cents**	HK2.25 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
PROFIT/(LOSS) FOR THE PERIOD	**(327,540)**	74,386
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges:		
Changes in fair value of hedging instruments arising during the period	**(72)**	6,518
Reclassification adjustments included in the consolidated statement of profit or loss	**(7,785)**	1,460
	(7,857)	7,978
Exchange differences on translation of foreign operations	**10,385**	(13,588)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**2,528**	(5,610)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**(325,012)**	68,776
Attributable to:		
Owners of the Company	**(325,176)**	55,040
Non-controlling interests	**164**	13,736
	(325,012)	68,776

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	**30 June 2023 (Unaudited)** ***HK$'000***	31 December 2022 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*9*	**2,360,770**	2,463,736
Right-of-use assets		**97,644**	101,509
Other intangible assets		**41,794**	39,674
Interests in joint ventures	*10*	**1,633,851**	1,736,089
Deposits and other receivables		**5,790**	5,227
Deferred tax assets		**42,184**	15,070
Total non-current assets		**4,182,033**	4,361,305
CURRENT ASSETS			
Inventories		**980,102**	1,169,538
Trade and bills receivables	*11*	**2,737,172**	2,903,136
Prepayments, deposits, other receivables and other assets		**241,496**	310,743
Derivative financial instruments		**—**	7,857
Tax recoverable		**5,983**	1,425
Restricted cash		**12,222**	11,981
Pledged deposits		**4,288**	22,996
Cash and cash equivalents		**111,878**	122,347
Total current assets		**4,093,141**	4,550,023
CURRENT LIABILITIES			
Trade and bills payables	*12*	**1,843,677**	2,045,924
Other payables and accruals		**494,133**	409,732
Contract liabilities		**110,159**	227,539
Derivative financial instruments		**5,616**	2,361
Interest-bearing bank and other borrowings	*13*	**2,889,146**	2,921,234
Lease liabilities		**12,537**	14,764
Tax payable		**4,314**	6,353
Provision for restoration		**4,047**	3,523
Total current liabilities		**5,363,629**	5,631,430
NET CURRENT LIABILITIES		**1,270,488**	1,081,407
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,911,545**	3,279,898

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2023

	30 June 2023 (Unaudited) *HK$'000*	31 December 2022 (Audited) *HK$'000*
NON-CURRENT LIABILITIES		
Other payables	**—**	40,738
Lease liabilities	**87,552**	88,061
Provision for restoration	**1,457**	2,960
Deferred tax liabilities	**7,491**	8,082
Total non-current liabilities	**96,500**	139,841
Net assets	**2,815,045**	3,140,057
EQUITY		
Equity attributable to owners of the Company		
Share capital	**270,169**	270,169
Reserves	**2,544,059**	2,869,235
	2,814,228	3,139,404
Non-controlling interests	**817**	653
Total equity	**2,815,045**	3,140,057

NOTES:

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The principal place of business of the Company is located at Units 2701–05, 27/F, Office Tower 1, The Harbourfront, 18–22 Tak Fung Street, Hung Hom, Kowloon, Hong Kong.

During the six months ended 30 June 2023, the Group was principally engaged in the design, integration, sale and installation of engine-based electricity generation units and the provision of distributed power solutions, including the design of, investment in, building and operation of distributed power generation stations.

In the opinion of the directors, the immediate holding company of the Company is Energy Garden Limited, a company incorporated in the British Virgin Islands, and the ultimate holding company of the Company is Sunpower Global Limited, a company also incorporated in the British Virgin Islands.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2023 have been prepared in accordance with the Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated.

Going Concern Basis

For the six months ended 30 June 2023, the Group incurred a net loss of HK$327.5 million and the Group had net current liabilities of HK$1,270.5 million as at 30 June 2023. The current liabilities included (i) bank and other borrowings of HK$2,889.1 million repayable within 12 months from the end of the reporting period; and (ii) trade and other payables due to a sub-contractor which is also a joint venture partner of one of the Group's joint ventures (the "**Sub-contractor**") of HK$1,710.5 million, of which an amount of HK$1,537.4 million was overdue as at 30 June 2023. The Group's cash and cash equivalents amounted to HK$111.9 million as at 30 June 2023. Subsequent to the end of the reporting period and as at the latest practicable date, in ascertaining information for finalising these financial statements in August 2023, except for a bank borrowing amount of HK$98.8 million outstanding as at 30 June 2023, the Group has obtained waiver confirmations in writing from the relevant banks on its non-compliance with certain financial covenants, which are either valid for 6 months or in the opinion of the directors of the Company, will be extended by the relevant banks until the original maturity dates of bank borrowings. As a result, the management expects that these bank borrowings will be repayable in accordance with the original maturity dates as set out in the relevant loan agreements.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. In view of such circumstances, the directors of the Company have been undertaking plans and measures to improve the Group's liquidity and financial position, including, *inter alia*:

(i) actively negotiating with the existing banks on the terms and financial covenants of loan agreements and, where appropriate, obtaining waivers on the non-compliance with financial covenants under existing loan agreements;

(ii) communicating with banks on the renewal of existing bank borrowings and refinancing arrangements;

(iii) discussing with the Sub-contractor for the settlement terms of the overdue balances, including the extension for repayment or debt capitalisation;

(iv) implementing measures to speed up the collection of outstanding trade and other receivables;

(v) considering divestment of certain non-current assets; and

(vi) exploring other debt or equity financing arrangements.

The directors of the Company have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than 12 months from 30 June 2023. They are of the opinion that, taking into account of the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within the next 12 months from 30 June 2023. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

Basis of Consolidation

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2023 do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022.

Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") for the first time for the current period's financial information.

HKFRS 17	*Insurance Contracts*
Amendments to HKFRS 17	*Insurance Contracts*
Amendment to HKFRS 17	*Initial Application of HKFRS 17 and HKFRS 9 — Comparative Information*
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to HKAS 8	*Definition of Accounting Estimates*
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to HKAS 12	*International Tax Reform — Pillar Two Model Rules*

The nature and impact of the new and revised HKFRSs that are applicable to the Group are described below:

(a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

(b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments did not have material impact on the Group's interim condensed consolidated financial information.

(d) Amendments to HKAS 12 *International Tax Reform — Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

3. OPERATING SEGMENT INFORMATION

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

(a) the system integration ("**SI**") segment designs, integrates, sells and installs engine-based electricity generation units; and

(b) the investment, building and operating ("**IBO**") segment designs, invests in, builds and operates distributed power generation stations to provide distributed power solutions.

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

Segment assets exclude deferred tax assets, derivative financial instruments, tax recoverable, restricted cash, pledged deposits, cash and cash equivalents, and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude derivative financial instruments, interest-bearing bank and other borrowings, tax payable, deferred tax liabilities, and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

For the six months ended 30 June 2023 (unaudited)

	SI *HK$'000*	IBO *HK$'000*	Total *HK$'000*
Segment revenue:			
Sales to external customers	**590,141**	**407,982**	**998,123**
Intersegment sales	**11,647**	**—**	**11,647**
	601,788	**407,982**	**1,009,770**
Reconciliation:			
Elimination of intersegment sales			**(11,647)**
Revenue			**998,123**
Segment results	**(24,499)**	**(116,229)**	**(140,728)**
Reconciliation:			
Elimination of intersegment results			**(1,010)**
Bank interest income			**770**
Corporate and unallocated expenses, net			**(71,470)**
Finance costs (other than interest on lease liabilities)			**(133,031)**
Loss before tax			**(345,469)**
Segment assets	**3,510,642**	**3,742,465**	**7,253,107**
Reconciliation:			
Corporate and unallocated assets			**1,022,067**
Total assets			**8,275,174**
Segment liabilities	**2,232,034**	**305,782**	**2,537,816**
Reconciliation:			
Corporate and unallocated liabilities			**2,922,313**
Total liabilities			**5,460,129**

For the six months ended 30 June 2022 (unaudited)

	SI *HK$'000*	IBO *HK$'000*	Total *HK$'000*
Segment revenue:			
Sales to external customers	905,760	866,270	1,772,030
Intersegment sales	2,491	—	2,491
	908,251	866,270	1,774,521
Reconciliation:			
Elimination of intersegment sales			(2,491)
Revenue			1,772,030
Segment results	125,045	114,374	239,419
Reconciliation:			
Elimination of intersegment results			(169)
Bank interest income			1,328
Corporate and unallocated expenses, net			(42,357)
Finance costs (other than interest on lease liabilities)			(107,714)
Profit before tax			90,507
Year ended 31 December 2022 (audited)			
Segment assets	3,853,241	3,988,437	7,841,678
Reconciliation:			
Corporate and unallocated assets			1,069,650
Total assets			8,911,328
Segment liabilities	2,282,857	539,641	2,822,498
Reconciliation:			
Corporate and unallocated liabilities			2,948,773
Total liabilities			5,771,271

Geographical information

(a) ***Revenue from external customers***

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Hong Kong and Mainland China	**87,335**	72,111
Other Asian countries	**462,966**	1,090,118
Latin America	**309,808**	597,738
Other countries	**138,014**	12,063
	998,123	1,772,030

The revenue information above is based on the locations of the customers.

(b) ***Non-current assets***

	As at	As at
	30 June	31 December
	2023	2022
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Hong Kong and Mainland China	**1,547,209**	1,667,677
Other Asian countries	**1,727,846**	1,862,740
Latin America	**514,057**	477,075
Other countries	**349,645**	336,448
	4,138,757	4,343,940

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets and financial assets.

4. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

For the six months ended 30 June 2023 (unaudited)

Segments	**SI**	**IBO**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Total revenue from contracts with customers	**590,141**	**407,982**	**998,123**

For the six months ended 30 June 2022 (unaudited)

Segments	SI	IBO	Total
	HK$'000	*HK$'000*	*HK$'000*
Total revenue from contracts with customers	905,760	866,270	1,772,030

An analysis of other income and gains, net is as follows:

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Bank interest income	**770**	1,328
Government grants*	**209**	636
Gain on disposal of items of property, plant and equipment, net	**—**	380
Others	**2,368**	4,271
	3,347	6,615

* A subsidiary was qualified as a high-and-new technology enterprise in Mainland China and it received various related government grants. There are no unfulfilled conditions or contingencies relating to these grants.

5. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment*	**121,722**	139,040
Depreciation of right-of-use assets	**7,893**	8,589
Amortisation of intangible assets	**—**	1,439
Write-down of inventories to net realisable value#	**67,665**	—
Fair value loss on derivative financial instruments#	**2,882**	5,162
Foreign exchange difference, net#	**9,094**	23,401
Impairment of trade receivables, net#	**—**	3,035
Loss/(gain) on disposal of items of property, plant and equipment, net	**138#**	(380)
Equity-settled share-based payment expense	**—**	800

* The cost of sales for the period included depreciation charges of HK$58,947,000 (six months ended 30 June 2022: HK$98,980,000).

Included in "Other expenses, net" in the unaudited condensed consolidated statement of profit or loss.

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rate regime. The first HK$2,000,000 (six months ended 30 June 2022: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (six months ended 30 June 2022: 8.25%) and the remaining assessable profits are taxed at 16.5% (six months ended 30 June 2022: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current — Hong Kong		
Charge for the period	**—**	7,238
Current — Elsewhere		
Charge for the period	**6,887**	10,280
Underprovision/(Overprovision) in prior periods	**1,692**	(749)
Deferred	**(26,508)**	(648)
Total tax charge/(credit) for the period	**(17,929)**	16,121

7. DIVIDENDS

The Board has resolved not to declare an interim dividend in respect of the six months ended 30 June 2023 (six month ended 30 June 2022: Nil).

The Board did not recommend the payment of any final dividend in respect of the years ended 31 December 2022 and 2021.

8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amount is based on the loss for the period attributable to ordinary equity holders of the Company of HK$327,704,000 (six months ended 30 June 2022: profit of HK$60,650,000) and the weighted average number of ordinary shares of 2,688,026,000 (six months ended 30 June 2022: 2,692,425,000) in issue during the period, as adjusted to exclude the shares held under the share award scheme.

No adjustment was made to the basic earnings per share amount presented for the six months ended 30 June 2022 in respect of a dilution as the impact of the share options outstanding had no dilutive effect on the basic earnings per share amount presented. The were no share options outstanding for the six months ended 30 June 2023.

9. PROPERTY, PLANT AND EQUIPMENT

During the reporting period, the Group acquired property, plant and equipment of HK$34,171,000 (six months ended 30 June 2022: HK$16,134,000) and there was no write-off of property, plant and equipment (six months ended 30 June 2022: Nil).

10. INTERESTS IN JOINT VENTURES

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
	HK$'000	*HK$'000*
Share of net assets	**1,633,851**	1,736,089

In January 2018, the Company and CITIC Pacific Limited ("**CITIC Pacific**") through their respective subsidiaries, established Tamar VPower Energy Fund I, L.P. (the "**Fund**"). Tamar VPower Holdings Limited, indirectly owned as to 50% by each of the Company and CITIC Pacific, has a wholly-owned subsidiary to act as the general partner, the special limited partner and the management company, respectively, of the Fund. The Company has committed an aggregate amount of US$105,000,000 (equivalent to HK$819,000,000) to subscribe for interest in the Fund through its own indirect wholly-owned subsidiary and the special limited partner of the Fund. As at 30 June 2023, the Group invested approximately HK$819,000,000 (31 December 2022: HK$814,877,000) in the Fund.

In September 2019, the Company and China National Technical Import & Export Corporation ("**Genertec CNTIC**"), through their respective subsidiaries, established CNTIC VPower Group Holdings Limited ("**CNTIC VPower**"), which is indirectly owned as to 50% by each of the Company and Genertec CNTIC. CNTIC VPower, together with its subsidiaries, is principally engaged in the development and operation of power generation projects in Myanmar. As at 30 June 2023, the Group invested approximately HK$700,444,000 (31 December 2022: HK$700,444,000) in CNTIC VPower.

On 30 June 2022, the shareholders' agreement in respect of Genrent del Peru S.A.C. (a 51%-owned subsidiary of the Group) which terms are intended to be applicable to VPTM Iquitos S.A.C. (also a 51%-owned subsidiary of the Group, together with Genrent del Peru S.A.C., collectively, the "**Genrent Peru Group**") was amended such that (i) the composition of the boards of directors of the subject company is shared equally between the Group and shareholders holding an aggregate of 49% equity interests in the subject company; and (ii) the shareholders' resolutions of the subject company require consent of shareholders holding not less than two-thirds of the issued capital of the subject company. In the opinion of the directors of the Company, after the amendment of the shareholders' agreement, the Group ceased to have control over the member of the Genrent Peru Group and they became joint ventures of the Group thereafter. Accordingly, the Group derecognised the assets and liabilities of the Genrent Peru Group and recognised its 51% equity interests in the Genrent Peru Group as interests in joint ventures.

11. TRADE AND BILLS RECEIVABLES

	30 June 2023 (Unaudited) ***HK$'000***	31 December 2022 (Audited) *HK$'000*
Trade receivables	**2,833,399**	2,997,402
Bills receivables	**1,375**	3,336
Impairment	**(97,602)**	(97,602)
	2,737,172	2,903,136

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit periods range from 30 to 360 days. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by the management. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade and bills receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2023 (Unaudited) ***HK$'000***	31 December 2022 (Audited) *HK$'000*
Within 90 days	**263,797**	566,405
91 to 180 days	**191,957**	152,765
181 to 360 days	**231,588**	328,209
Over 360 days	**2,049,830**	1,855,757
	2,737,172	2,903,136

12. TRADE AND BILLS PAYABLES

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

	30 June 2023 (Unaudited) ***HK$'000***	31 December 2022 (Audited) *HK$'000*
Within 90 days	**52,492**	164,962
91 to 180 days	**12,073**	127,878
181 to 360 days	**66,873**	157,291
Over 360 days	**1,712,239**	1,595,793
	1,843,677	2,045,924

The trade payables are non-interest-bearing and are normally settled on terms with credit period ranging from 30 to 360 days.

13. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2023 (Unaudited) ***HK$'000***	31 December 2022 (Audited) *HK$'000*
Current		
Bank overdraft — unsecured	**9,595**	7,641
Portions of bank loans due for repayment within one year or on demand — secured	**549,968**	553,332
Portions of bank loans due for repayment within one year or on demand — unsecured	**2,266,408**	2,297,086
Other borrowings — secured	**63,175**	63,175
	2,889,146	2,921,234

MANAGEMENT DISCUSSION AND ANALYSIS

Market Review

In the first half of 2023, the world continued to deal with the ongoing effects of the global energy crisis and slower economic recovery. Despite the robust growth of electricity demand in emerging economies, declining electricity demand in some advanced economies was observed.

From a supply perspective, renewables dominated the world's capacity additions. The growing share of weather-dependent renewables in the generation mix arouse further attention on the significance of increasing the flexibility and resilience of the power systems. Known for its reliability in power generation, natural gas has remained a core fuel source of baseload power supply in Southeast Asia and power reserve in Europe and Latin America with more gas-fired projects gradually coming out.

While the energy sector remains exposed to the challenges of relatively higher energy prices, inflationary pressure and extreme weather events, global ambition on decarbonisation has been stressed.

Business Review

As we entered 2023, the Group continued its efforts on scaling down its business and operations in Myanmar and gradually redeploying the assets to other potential projects. Persistent kyat depreciation and dwindling foreign exchange reserves of the country remained the biggest difficulties to foreign businesses despite the fact that the local economic conditions appeared to have stabilised in the first half of 2023. Given the Group's previous strong presence in Myanmar, the decision to manage the local exposure had brought temporary yet significant financial impacts to the Group. For the six months ended 30 June 2023, the Group recorded a decrease in revenue and gross profit of approximately HK$773.9 million and approximately HK$272.1 million respectively.

System Integration ("SI") Business

For the six months ended 30 June 2023, the segment revenue from SI business amounted to approximately HK$590.1 million, contributed by customers from various sectors including construction, marine, energy and telecommunication.

The decrease in segment revenue of approximately 34.9% as compared to the corresponding period in 2022 was largely due to the decline in sales orders received from customers in Southeast Asia last two years resulted from the unfavourable market conditions.

Investment, Building and Operating ("IBO") Business

The geographical distribution of the power projects of the Group and its joint ventures spans across multiple countries including Myanmar, Indonesia, China, Brazil, Peru and United Kingdom. With a plan to reduce its business exposure in Myanmar, the Group continued to explore new projects in other regions in order to increase the utilisation rate of its power generation assets.

For the six months ended 30 June 2023, the segment revenue from IBO business was approximately HK$408.0 million, representing a decrease of approximately HK$458.3 million or approximately 52.9% as compared to the corresponding period in 2022. The decrease in revenue was mainly attributable to the decline in contribution from projects in Myanmar of approximately HK$141.4 million. The Group had five power stations with an aggregate gross capacity of 287.4MW in operation in Myanmar as at 30 June 2022, four of which had ceased operation after contract expired during the six months ended 30 June 2023. The remaining project with a gross capacity of 109.7MW which is still in operation currently is located in Myingyan, Myanmar.

The deconsolidation of two Peruvian subsidiaries, being the owner and operator of a 79.8MW power project in Peru, taken place in June 2022 also caused a decrease in revenue of IBO business as the revenue from the said project was no longer consolidated as the Group's revenue. For the six months ended 30 June 2022, the project contributed approximately HK$283.4 million of revenue to the Group. Upon deconsolidation, the two companies became joint ventures of the Group, financial performance and position of which are reflected as the Group's interests in joint ventures.

In Indonesia, on top of the projects in operation with an aggregate capacity of 112.9MW as at 30 June 2022, two new projects located in City of Palu and Maluku Islands respectively had added 22.4MW to the portfolio during the six months ended 30 June 2023. These projects remained operational and a gas-fired project of 56.4MW was under development as at 30 June 2023. As Indonesia announced its plan to convert diesel-fired power plants to gas-fired power plants starting this year as a part of its energy transition program, the Group expects to expand its local market share by participating in the upcoming tenders.

The power projects in Brazil, China and the United Kingdom with a gross capacity of 70.3MW, 14.4MW and 20.3MW respectively were in operation as at 30 June 2023. The Group plans to further increase its presence in these countries where growing demand for distributed gas-fired projects is seen by participating in the upcoming tenders in Brazil and materialising the project pipeline of 132MW in the United Kingdom.

Significant Investments

(i) *CNTIC VPower Group Holdings Limited ("**CNTIC VPower**")*

CNTIC VPower owns and operates three gas-fired power projects, namely the Thaketa, Thanlyin and Kyauk Phyu III projects in Myanmar with a total gross capacity of 1,059.5MW.

For the six months ended 30 June 2023, CNTIC VPower recorded an operating loss, approximately HK$64.6 million of which was booked as a share of loss to the Group. It is noted that among its three power projects, the two power stations located in Thaketa and Thanlyin respectively remained suspended for power generation during the six months ended 30 June 2023. The increase in loss was mainly attributable to the increase in operating expenses.

As at 30 June 2023, the Group's total investment cost in CNTIC VPower was approximately HK$700.4 million with a carrying value was approximately HK$651.9 million which represents approximately 7.9% of the Group's total assets.

(ii) *Tamar VPower Energy Fund I, L.P. (the "**Fund**")*

We joined hands with CITIC Pacific Limited to explore the opportunities in the energy sector in countries along the Belt and Road Initiative through the Fund in 2018. The investment portfolio of the Fund remained the same as disclosed in the annual report of 2019.

The operation of the respective investee companies had been stable during the six months ended 30 June 2023 while the Fund recorded an operating loss due to management fee. As at 30 June 2023, the Group's total investment cost in the Fund was approximately HK$819.0 million; and its carrying value was approximately HK$797.4 million, representing around 9.6% of the Group's total assets.

Outlook

According to industry forecast, as the energy crisis abates, electricity demand growth is set to rise globally with China being the key driver. In response to the rising demand and the call for decarbonisation, global installed capacity of renewables is estimated to increase at a faster rate. The increasing share of variable renewables in the generation mix creates a huge market potential for dispatchable power solutions including our dependable and responsive engine-based power solutions. With a strong fleet of readily available and efficient power generation assets, the Group is in an advantageous position to seize the industry opportunities and resume the business growth provided that the working capital cycle is improved.

On 12 June 2023, the Company and China National Technical Import & Export Corporation ("**Genertec CNTIC**") entered into a subscription agreement (the "**Subscription Agreement**"), pursuant to which, the Company has conditionally agreed to allot and issue, and Genertec CNTIC has conditionally agreed to subscribe for 3,290,457,511 shares of the Company at a price of HK$0.42 per share for a total subscription amount of HK$1,381,992,155 (the "**Subscription**").

Upon the completion of the Subscription and the proposed issue of shares to restore the public float of the shares of the Company, Genertec CNTIC will become the new controlling shareholder of the Company with approximately 47.40% of the enlarged issued share capital of the Company. For details of, among other things, the Subscription Agreement and the transactions contemplated thereunder, please refer to the joint announcement of the Company and Genertec CNTIC dated 12 June 2023.

Genertec CNTIC is a Chinese state-owned service provider in the export of complete equipment, international project contracting and project management. With its business covering 105 countries and regions worldwide, Genertec CNTIC has completed more than 7,500 major technical equipment import, international engineering contracting, complete equipment and technology export projects with a total value of over $120 billion. Genertec CNTIC and the Group have commenced business cooperation since 2010. It is an engineering, procurement and construction (EPC) contractor and subcontractor of the Group and the other shareholder of CNTIC VPower holding 50% equity interest.

Genertec CNTIC intends to continue with the existing principal businesses of the Group and it has been the mutual intention for both parties to deepen their business cooperation. The Group is an experienced specialist of clean, fast-track, flexible and mobile distributed power which is well-positioned to capture the numerous business opportunities brought by energy transition.

It is expected that Genertec CNTIC, being a sizable, well-established and highly reputable state-owned enterprise, will facilitate the Group's business growth with its global reach, extensive business network and solid financial resources. The business support from Genertec CNTIC will enable the Group to efficiently execute the asset redeployment plans and business development plans for higher returns on assets.

From a financial perspective, leveraging on the financial strength and corporate scale of Genertec CNTIC, it is expected that the Group will be able to enjoy a lower cost of capital and more sources of financing, subsequently achieve a stronger financial position and a higher shareholders' return.

Together with the joint ventures, the Group has approximately 1,800 MW of power generation assets in its portfolio, most of which are located in Myanmar. Leveraging on the movable and modular design of the assets, the Group plans to reset the geographical distribution of its portfolio by redeploying these assets to other markets including the fast-track gas-fired power market, power reserve market and oil and gas market.

The Group also plans to tap into the integrated energy sector in China with the business networks of its business partners. Integrated energy is an emerging form of energy system in which the power, heat and gas networks are connected in order to provide highly efficient and stable energy to the end-users including hospitals, industrial parks and commercial buildings. The Group has developed a new model of modular combined cooling, heat and power system with industry pioneers and is ready to enter into the integrated energy sector.

In the near future, the Group will focus on overcoming the operational and financial challenges brought by its previous business exposure in Myanmar, including executing the asset redeployment plan, enhancing the cost control and optimising the inventory management. The Group will also commence to embrace the growing opportunities in the distributed energy industry for a long-term growth.

Financial Review

Revenue

The revenue of the Group was mainly derived from: (i) SI business by providing gen-sets and power generation systems to customers; and (ii) IBO business based on the actual amount of electricity that we deliver to the off-takers (including fuel cost the Group expensed for its off-takers), as well as the contract capacity we make available to the off-takers.

	Six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
SI	**590,141**	905,760
IBO	**407,982**	866,270
Total	**998,123**	1,772,030

In the six months ended 30 June 2023, the Group recorded a revenue of approximately HK$998.1 million, representing a decrease of 43.7% as compared with approximately HK$1,772.0 million of the corresponding period in 2022. The decrease in revenue was due to the reduced revenue from both SI and IBO business segments. Please refer to the paragraph headed "Business Review".

Revenue by geographical locations

The table below sets forth a revenue breakdown for our SI business by geographical markets for the period indicated, both in actual amounts and as a percentage of total revenue:

	Six months ended 30 June			
	2023		2022	
	HK$'000	***% of total revenue***	*HK$'000*	*% of total revenue*
Hong Kong and Mainland China	**72,763**	**7.3**	56,178	3.2
Other Asian countries[1]	**380,352**	**38.1**	847,945	47.8
Other countries	**137,026**	**13.7**	1,637	0.1
Total	**590,141**	**59.1**	905,760	51.1

Note:

(1) Other Asian countries include Singapore, United Arab Emirates and South Korea.

The table below sets forth a revenue breakdown for our IBO business by geographical markets for the period indicated, both in actual amounts and as a percentage of total revenue:

	Six months ended 30 June			
	2023		2022	
	HK$'000	***% of total revenue***	*HK$'000*	*% of total revenue*
Brazil	**309,808**	**31.1**	314,322	17.8
Myanmar	**68,175**	**6.8**	209,615	11.8
Mainland China	**14,572**	**1.5**	15,933	0.9
Indonesia	**14,439**	**1.4**	32,558	1.8
United Kingdom	**988**	**0.1**	10,426	0.6
Peru	**—**	**—**	283,416	16.0
Total	**407,982**	**40.9**	866,270	48.9

Cost of sales

Under our SI business, our cost of sales mainly consists of cost of goods sold and services provided, staff costs and depreciation. We use engines, radiators, alternators, other parts and ancillary equipment to produce gen-sets and power generation systems.

Under our IBO business, our cost of sales mainly includes depreciation and operating expenses. We engage contractors for labour outsourcing.

Cost of sales of the Group was approximately HK$861.8 million for the six months ended 30 June 2023, representing a decrease of HK$501.8 million as compared with approximately HK$1,363.6 million of the corresponding period in 2022.

Gross profit and gross profit margin

	Six months ended 30 June			
	2023		2022	
	HK$'000	***gross profit margin %***	*HK$'000*	*gross profit margin %*
SI	**47,468**	**8.0**	153,435	16.9
IBO	**88,898**	**21.8**	254,998	29.4
Total	**136,366**	**13.7**	408,433	23.0

Gross profit of the Group was approximately HK$136.4 million for the six months ended 30 June 2023, representing decrease of 66.6% as compared with approximately HK$408.4 million of the corresponding period in 2022.

Gross profit margin for the six months ended 30 June 2023 dropped to 13.7% from 23.0% of the corresponding period in 2022 which was mainly attributable to (i) scaling down of the business and operation in Myanmar under IBO business which has high gross profit margin; and (ii) increased proportion of sales of engine-based electricity generation units of lower margin under SI business.

Profit/(loss) before tax

For the six months ended 30 June 2023, the Group recorded a loss of approximately HK$345.5 million as compared with a profit of HK$90.5 million of the corresponding period in 2022. It was mainly due to a decrease in gross profit, increases in finance cost and other expenses and a share of loss from a joint venture with operations and investments in Myanmar.

Other income and gains, net

In the six months ended 30 June 2023, other income and gains, net of the Group amounted to approximately HK$3.3 million, representing a decrease of 50.0% as compared with approximately HK$6.6 million of the corresponding period in 2022. The decrease was mainly attributable to no gain on deconsolidation of subsidiaries recognised during the six months ended 30 June 2023.

Selling and distribution expenses

Selling and distribution expenses of the Group primarily consist of costs for transportation and traveling expenses, commission expense, insurance expense, staff costs and others. The selling and distribution expenses of the Group slightly decreased by 0.6% to HK$8.2 million for the six months ended 30 June 2023.

Administrative expenses

Administrative expenses primarily consist of staff costs, legal and other professional fees, insurance expenses, demobilisation expenses, and office and other expenses. Office and other expenses include bank charges, advertising and related promotion expenses and headquarter expenses.

In the six months ended 30 June 2023, administrative expenses of the Group were approximately HK$198.8 million, representing an increase of 20.4% as compared with that of HK$165.1 million in the corresponding period of 2022. The increase was mainly due to an increase in demobilisation expenses and depreciation charge.

Other expenses, net

Other expenses, net of the Group mainly consist of foreign exchange loss, impairment of trade receivables, write-down of inventories to net realisable value and loss on disposal of items of property, plant and equipment.

In the six months ended 30 June 2023, other expenses, net were approximately HK$79.8 million, which represented an increase of 151.7% as compared with that of HK$31.7 million in the corresponding period of 2022. The increase was mainly attributable to an increase in write-down of inventories to net realisable value.

Finance costs

Finance costs of the Group primarily consist of interest and other finance costs on letters of credit, bank loans and overdrafts, notional interest on other payables and interest on lease liabilities and other borrowings. In the six months ended 30 June 2023, finance costs were approximately HK$134.8 million, which represented an increase of 23.0% as compared with that of approximately HK$109.6 million in the corresponding period of 2022. The increase was primarily due to the increase in average borrowing interest rate despite a decrease in total interest-bearing bank borrowing.

Income tax credit/(expense)

Income tax credit/expense of the Group primarily consists of income tax recoverable/payable by our subsidiaries in the People's Republic of China, Hong Kong, Brazil and Peru. For the six months period ended 30 June 2023, income tax credit was approximately HK$17.9 million, as compared with the income tax expense of approximately HK$16.1 million in the corresponding period of 2022, and our effective tax rate was 5.2% and 17.8% for the six months ended 30 June 2023 and 2022, respectively.

Profit/(loss) attributable to owners and earnings/(loss) per share

In the six months ended 30 June 2023, loss attributable to owners of the Company was approximately HK$327.7 million, as compared with profit attributable to owners of the Company of approximately HK$60.7 million in the corresponding period of 2022. Basic loss per share for the six months ended 30 June 2023 was HK12.19 cents as compared with basic earnings per share of HK2.25 cents in the corresponding period of 2022.

Liquidity, financial and capital resources

As at 30 June 2023, total current assets of the Group amounted to approximately HK$4,093.1 million (31 December 2022: HK$4,550.0 million). In terms of financial resources as at 30 June 2023, cash and cash equivalents of the Group were approximately HK$111.9 million (31 December 2022: HK$122.3 million).

As at 30 June 2023, total bank and other borrowings of the Group amounted to approximately HK$2,889.1 million (31 December 2022: HK$2,921.2 million), representing a decrease of approximately 1.1% as compared to that as at 31 December 2022. As at 30 June 2023, the Group's bank and other borrowings denominated in:

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
	HK$ million	*HK$ million*
United States dollars ("**USD**")	**2,649.1**	2,702.4
Hong Kong dollars	**153.4**	166.3
Brazilian Real ("**BRL**")	**32.3**	—
Euro	**29.6**	32.7
Renminbi ("**RMB**")	**14.3**	12.2
Great British Pound ("**GBP**")	**9.6**	7.6
Singapore dollars ("**SGD**")	**0.8**	—
	2,889.1	2,921.2

As at 30 June 2023, the Group's current ratio was 0.8 (31 December 2022: 0.8). The Group's liabilities to assets ratio was 66.0% (31 December 2022: 64.8%). The Group's net gearing ratio was approximately 98.1% (31 December 2022: 88.0%).

Charge of assets

As at 30 June 2023, certain of the Group's inventories with a net book value of approximately HK$310.3 million (31 December 2022: HK$310.3 million), property, plant and equipment with a net book value of approximately HK$72.9 million (31 December 2022: HK$74.3 million), pledged deposit of $4.3 million (31 December 2022: HK$23.0 million) and equity interest of the Group in a subsidiary were charged for securing the Group's interest-bearing bank and other borrowings and the equity interest of the Group in Genrent del Peru S.A.C. was charged for securing its senior notes.

Exposure on foreign exchange fluctuations

The Group's revenue and payments are mainly in USD, Euro, BRL, Indonesian Rupiah ("**IDR**"), RMB, Myanmar Kyat ("**MMK**") and GBP. The impact of such difference would translate into our exposure to any particular currency fluctuations during the period. The Group has a hedging policy to manage such risks and costs associated with currency fluctuations.

The Group is exposed to foreign exchange risk through sales and purchase that are denominated in currencies other than the functional currency of the respective operations, which are primarily Euro, BRL, IDR, RMB, MMK and GBP. A majority of the Group's purchases are either in Euro or USD. During the six months ended 30 June 2023, the Group entered into currency forward contracts to manage its partial foreign exchange exposure against Euro appreciation. The Group will closely review the hedging policy and monitor its overall foreign exchange exposure from time to time to minimize the relevant exposures.

As market conditions continue to evolve, the Group's Investment Committee will continue to closely monitor the currency risk and adopt strategies that reduce the exposure of currency risks.

Contingent Liabilities

As at 30 June 2023, the Group's contingent liabilities amounted to HK$4.1 million (31 December 2022: HK$4.1 million).

Capital Expenditures

For the six months ended 30 June 2023, the Group invested approximately HK$34.2 million (31 December 2022: HK$156.8 million) in property, plant and equipment of which HK$34.0 million (31 December 2022: HK$156.6 million) was for IBO projects.

TREASURY POLICY

The Group has implemented a treasury policy that aims at better controlling its treasury management and financial resources. The treasury policy requires the Group to maintain an adequate level of cash and cash equivalents and available banking facilities to support daily operations and funding needs. The policy is regularly reviewed and evaluated to ensure its adequacy and effectiveness.

MATERIAL ACQUISITION AND DISPOSAL

The Group did not have material acquisition and disposal of subsidiaries, associates and joint ventures during the six months period ended 30 June 2023.

EMPLOYEES

As at 30 June 2023, the Group had 316 employees (31 December 2022: 400). The Group remunerates its employees based on their performance, experience and prevailing industry practice; and grants bonus in cash and shares of the Company to motivate valued employees. The Group provides internal and external training (e.g. orientation training, on-the-job training, product training and site safety training) to enrich the knowledge and skills of employees.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2023 (2022: Nil).

CORPORATE GOVERNANCE

During the six months ended 30 June 2023, the Company had complied with the applicable code provisions of the Corporate Governance Code set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), except for the following deviation:

Code Provision C.2.1 in Part 2 of the Corporate Governance Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Lam Yee Chun ("**Mr. Lam**") is currently the Executive Chairman of the Company and a Co-Chief Executive Officer (i.e. chief executive) of the Group. In view of the profound knowledge and experience of Mr. Lam in the operation and business of the Group and in the industry, the Board is of the view that it is appropriate and in the best interest of the Company to vest the roles of the Executive Chairman and a Co-Chief Executive Officer in Mr. Lam for the time being to ensure effective and efficient execution of the Group's strategies and the management's decisions. Besides, the existing composition of the management team and Mr. Lee Chong Man Jason's role as the other Co-Chief Executive Officer enable the Group to achieve a balance of power and authority for Mr. Lam taking up the dual roles in the Group. The Company will review the structures of the Board and the management team as well as all relevant arrangements and measures from time to time to ensure that effective management and internal control systems are in place.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of all directors of the Company, the Company was not aware of any non-compliance with the required standard set out in the Model Code regarding securities transactions by the directors of the Company during the six months ended 30 June 2023.

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

During the six months ended 30 June 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

REVIEW OF ACCOUNTS

The audit committee of the Company has reviewed, among other things, the accounting principles and practices adopted by the Group, internal controls, risk management and financial reporting matters and the unaudited interim financial statements of the Group for the six months ended 30 June 2023.

PUBLICATION OF 2023 INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the Company's website at www.vpower.com under "Investors" and the HKEXnews at www.hkexnews.hk under "Listed Company Information". It is expected that the 2023 Interim Report will be despatched to shareholders of the Company and published on the aforesaid websites in August 2023.

APPRECIATION

We would like to take this opportunity to send our gratitude to our shareholders, customers, suppliers and partners for their continuous support and confidence to the Group and express our appreciation to our executives and staff for their dedication and contribution during the period.

By Order of the Board
VPower Group International Holdings Limited
Lam Yee Chun
Executive Chairman and Co-Chief Executive Officer

Hong Kong, 1 August 2023

As at the date hereof, the Board comprises Mr. Lam Yee Chun, Mr. Lee Chong Man Jason, and Mr. Lo Siu Yuen as executive directors; Ms. Chan Mei Wan and Mr. Wong Kwok Yiu as non-executive directors; and Mr. David Tsoi, Mr. Yeung Wai Fai Andrew and Mr. Suen Wai Yu as independent non-executive directors.