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**雅居物業管理**  
Modern Living Property Management

## **Modern Living Investments Holdings Limited**

**雅居投資控股有限公司**

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

**(Stock Code: 8426)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021**

#### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This announcement, for which the directors (collectively the “**Directors**” and each the “**Director**”) of Modern Living Investments Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”, “**we**”, “**our**” or “**us**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

## **FINANCIAL HIGHLIGHTS**

- The Group recorded an unaudited revenue of approximately HK\$232.6 million for the six months ended 30 June 2021 (six months ended 30 June 2020: approximately HK\$206.0 million), representing an increase of approximately 12.9% over the same period in 2020.
- The unaudited profit for the period of the Group for the six months ended 30 June 2021 was approximately HK\$6.2 million, while that for the six months ended 30 June 2020 was approximately HK\$4.8 million, representing an increase of approximately 29.2% over the same period in 2020.
- The basic earnings per share for the six months ended 30 June 2021 was approximately HK0.78 cents (six months ended 30 June 2020: basic earnings per share of approximately HK0.6 cents).
- The Board of Directors resolved not to declare an interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: nil).

The board of directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2021 (the “**Period**”) together with the corresponding comparative figures as follows:

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue	6	117,297	119,015	232,587	205,996
Other income	7	74	775	183	867
Other (losses)/gains, net	8	(1,082)	34	(1,082)	34
Employee benefits expenses	9	(98,505)	(105,777)	(194,091)	(188,456)
Subcontracting fees	10	(4,323)	–	(17,494)	–
Cleaning material costs		(1,400)	(1,806)	(2,941)	(3,507)
Utilities expenses		(406)	(1,068)	(653)	(1,268)
Depreciation		(486)	(183)	(986)	(775)
Other operating expenses	12	(4,619)	(4,853)	(7,981)	(7,628)
<b>Operating profit</b>		<b>6,550</b>	<b>6,137</b>	<b>7,542</b>	<b>5,263</b>
Finance income, net	11	129	13	223	562
Profit before income tax	12	6,679	6,150	7,765	5,825
Income tax expense	13	(1,493)	(1,113)	(1,524)	(1,050)
<b>Profit for the Period</b>		<b>5,186</b>	<b>5,037</b>	<b>6,241</b>	<b>4,775</b>
<b>Other comprehensive income/(loss):</b> <i>Items that will not be reclassified to profit or loss</i>					
Remeasurements of employee benefits obligations		300	(50)	–	(300)
Other comprehensive income/(loss) for the Period, net of tax		300	(50)	–	(300)
<b>Total comprehensive income for the Period</b>		<b>5,486</b>	<b>4,987</b>	<b>6,241</b>	<b>4,475</b>
<b>Earnings per share</b>					
Basic and diluted (HK cents per share)	15	0.65	0.63	0.78	0.60

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 30 June 2021*

		As at <b>30 June</b> <b>2021</b> <i>HK\$'000</i> <b>(Unaudited)</b>	As at 31 December 2020 <i>HK\$'000</i> <b>(Audited)</b>
	<i>Notes</i>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	16	2,472	2,550
Right-of-use assets	17	3,187	3,683
Retention money receivables		2,284	2,284
Investment in an insurance contract	18	2,338	2,308
Rental deposit		120	120
		<u>10,401</u>	<u>10,945</u>
<b>Current assets</b>			
Financial assets at fair value through profit or loss (“FVPL”)	19	4,876	–
Trade receivables	20	81,424	91,759
Contract assets	20	16,487	16,487
Prepayments, deposits and other receivables		5,144	4,628
Pledged bank deposits	21	34,992	36,731
Cash and bank balances		22,256	29,789
		<u>165,179</u>	<u>179,394</u>
<b>Total assets</b>		<u><u>175,580</u></u>	<u><u>190,339</u></u>
<b>EQUITY</b>			
<b>Equity attributable to the owners of the Company</b>			
Share capital	24	8,000	8,000
Reserves		131,273	124,678
<b>Total equity</b>		<u>139,273</u>	<u>132,678</u>

		As at <b>30 June</b> <b>2021</b> <i>HK\$'000</i> <b>(Unaudited)</b>	As at 31 December 2020 <i>HK\$'000</i> <b>(Audited)</b>
	<i>Notes</i>		
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities		<b>305</b>	243
Lease liabilities	<i>17</i>	<b>2,546</b>	2,546
		<b>2,851</b>	2,789
<b>Current liabilities</b>			
Trade payables	<i>22</i>	<b>628</b>	428
Other payables and accrued liabilities		<b>28,424</b>	49,611
Borrowings	<i>23</i>	<b>1,298</b>	2,802
Lease liabilities	<i>17</i>	<b>810</b>	1,197
Current income tax liabilities		<b>2,296</b>	834
		<b>33,456</b>	54,872
<b>Total liabilities</b>		<b>36,307</b>	57,661
<b>Total equity and liabilities</b>		<b>175,580</b>	190,339

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
*For the six months ended 30 June 2021*

	Share Capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Contribution reserves <i>HK\$'000</i>	Share-based payment reserves <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
<b>Balance at 1 January 2020 (audited)</b>	8,000	42,776	22,270	596	38,120	111,762
Profit for the Period	–	–	–	–	4,775	4,775
<i>Other comprehensive loss:</i>						
Remeasurements of employee benefit obligations	–	–	–	–	(300)	(300)
Total comprehensive income for the Period	–	–	–	–	4,475	4,475
Transaction with owners in their capacity as owners:						
Share-based payment	–	–	–	298	–	298
Total transaction with owners in their capacity as owners	–	–	–	298	–	298
<b>Balance at 30 June 2020 (unaudited)</b>	<u>8,000</u>	<u>42,776</u>	<u>22,270</u>	<u>894</u>	<u>42,595</u>	<u>116,535</u>
<b>Balance at 1 January 2021 (audited)</b>	<u>8,000</u>	<u>42,776</u>	<u>22,270</u>	<u>1,304</u>	<u>58,328</u>	<u>132,678</u>
Profit for the Period	–	–	–	–	6,241	6,241
Transaction with owners in the capacity as owners:						
Share-based payment	–	–	–	354	–	354
Total transaction with owners in their capacity as owners	–	–	–	354	–	354
<b>Balance at 30 June 2021 (unaudited)</b>	<u>8,000</u>	<u>42,776</u>	<u>22,270</u>	<u>1,658</u>	<u>64,569</u>	<u>139,273</u>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	<b>For the six months ended</b>	
	<b>30 June 2021</b>	30 June 2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
<b>Cash flows from operating activities</b>		
Net cash (used in)/generated from operations	(1,564)	10,118
Hong Kong profits tax paid	(400)	(1,680)
	<u>(1,964)</u>	<u>(1,680)</u>
<b>Net cash (used in)/generated from operating activities</b>	<b>(1,964)</b>	<b>8,438</b>
<b>Cash flows from investing activities</b>		
Purchases of plant and equipment	(467)	(1,245)
Purchases of FVPL	(5,215)	–
Interest received	287	799
Decrease/(Increase) in pledged bank deposits	1,739	(20,832)
Decrease in short-term bank deposit	–	12,570
	<u>(3,656)</u>	<u>(8,708)</u>
<b>Net cash used in investing activities</b>	<b>(3,656)</b>	<b>(8,708)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(22)	(201)
Proceeds from bank borrowings	–	13,000
Repayment of bank borrowings and finance lease liabilities	(1,504)	(743)
Repayment of lease liabilities	(387)	(519)
	<u>(1,913)</u>	<u>11,537</u>
<b>Net cash (used in)/generated from financing activities</b>	<b>(1,913)</b>	<b>11,537</b>
Net (decrease)/increase in cash and cash equivalents	(7,533)	11,267
<b>Cash and cash equivalents at beginning of the Period</b>	<b>29,789</b>	<b>15,444</b>
<b>Cash and cash equivalents at end of the Period</b>	<b>22,256</b>	<b>26,711</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

Modern Living Investments Holdings Limited was incorporated in the Cayman Islands under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and registered as an exempted company with limited liability on 26 June 2017. The address of the Company's registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The Company's principal place of business is at Units 1102–1103, 11th Floor, Delta House, No. 3 On Yiu Street, Sha Tin, New Territories, Hong Kong.

The Company is an investment holding company and its subsidiaries (collectively, the “**Group**”) are engaging in the provision of property management services to public housing estates owned by and subsidised housing built by the Hong Kong Housing Authority (the “**HA**”) and estates of Home Ownership Scheme (“**HOS**”).

The unaudited condensed consolidated financial information is presented in Hong Kong dollars (“**HK\$**”). All values are rounded to the nearest thousand (HK\$'000) except when otherwise indicated.

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial information for the six months ended 30 June 2021 have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as the “**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), the disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

The unaudited condensed consolidated financial information have been prepared under historical cost convention, as modified by the investment in an insurance contract and FVPL which are carried at its cash surrender value and fair value respectively.

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2020, as described in those annual financial statements.

### 2.1 Adoption of new accounting policy in the current interim period

#### (a) *Amended standards adopted by the Group*

The following amendments to existing standards are mandatory for the first time for the financial year beginning on 1 January 2021 and are currently relevant to the Group. The adoption of the amendments did not result in any significant impact on the results and financial position of the Group.

HKFRS 16 (Amendments)	Covid-19-related Rent Concessions
HKFRS 16 (Amendments)	Covid-19-related Rent Concessions beyond 30 June 2021
HKAS 39, HKFRS 9, HKFRS 7, HKFRS 4 and HKFRS 16 (Amendments)	Interest Rate Benchmark Reform — Phase 2



**(b) New and amended standards not yet adopted**

The following new standards and amendments have been issued but are not effective for the financial year beginning on 1 January 2021 and have not been early adopted:

		<b>Effective for annual periods beginning on or after</b>
HKAS 16 (Amendments)	Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
HKAS 37 (Amendments)	Onerous Contracts — Cost of Fulfilling a Contract	1 January 2022
HKFRS 3 (Amendments)	Reference to the Conceptual Framework	1 January 2022
Annual Improvements Project	Annual Improvements to HKFRSs 2018–2020 (Amendments) <sup>3</sup>	1 January 2022
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current	1 January 2023
HKFRS 17	Insurance Contracts	1 January 2023
HK Int 5 (2020)	Hong Kong Interpretation 5 (2020) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayments on Demand Clause	1 January 2023
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group will adopt the above new and amended standards when they become effective. The Group is in the process of assessing the impact of adoption of such new and amended standards on the Group's results of operations and financial position.

## **2.2 Financial assets**

**(a) Classification**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (“**FVOCI**”) or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

**(b) Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

**(c) Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the consolidated profit or loss.

*Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the consolidated profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income.

**FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the consolidated profit or loss and presented net within other gains/(losses) in the period in which it arises.

*Equity instruments*

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the consolidated profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

*(d) Impairment of financial assets*

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For retention money receivables, trade receivables and contract assets, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the assets.

Impairment on other receivables and deposits, cash and bank balances, short-term bank deposit and pledged bank deposits are measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measure as lifetime expected credit losses.

### **3. SEGMENT INFORMATION**

The Group currently operates in one operating segment which is the provision of property management services in Hong Kong. The Group's chief operating decision-maker assesses the performance and allocate resources based on the result for the period for the entire business comprehensively. Accordingly, the Group does not present business segment analysis.

### **4. ESTIMATES**

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2020.

### **5. FINANCIAL RISK MANAGEMENT**

#### **5.1 Financial risk factors**

The Group's activities expose it to a variety of financial risks: credit risk, interest rate risk, foreign exchange risk, and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group does not use financial derivative to hedge its financial risk exposures.

The condensed consolidated interim financial information does not include all financial risk management information and disclosure required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2020.

#### **5.2 Liquidity risk**

Compared to year end, there was no material change in the contractual undiscounted cash outflow for financial liabilities.

### 5.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

The following table presents the Group's financial assets that are measured at fair value at 30 June 2021.

	<b>Level 1</b> <i>HK\$'000</i>	<b>Level 2</b> <i>HK\$'000</i>	<b>Level 3</b> <i>HK\$'000</i>
FVPL — paper gold	<u>4,876</u>	<u>–</u>	<u>–</u>

There were no transfers between levels 1, 2 and 3 during the period.

#### *Financial instruments in level 1*

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

### 5.4 Fair value of financial assets and liabilities measured at amortised cost

The fair value of the following financial assets and liabilities approximate their carrying amounts:

- cash and bank balances;
- short-term bank deposit;
- pledged bank deposits;
- trade receivables;
- contract assets;
- retention money receivables;
- other receivables and deposits;
- trade and other payables; and
- borrowings.

## 6. REVENUE

	Three months ended		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Property management services income	<u>117,297</u>	<u>119,015</u>	<u>232,587</u>	<u>205,996</u>

The Group is engaged in the provision of property management services in Hong Kong during the Period. Since the operation of provision of property management services is attributable to all the Group's revenue during the Period, no business segment analysis is presented accordingly.

The Group's revenue was derived from Hong Kong and all assets of the Group were located in Hong Kong during the Period, no analysis by geographical segment is prepared.

## 7. OTHER INCOME

	Three months ended		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sundry income	<u>74</u>	<u>775</u>	<u>183</u>	<u>867</u>

## 8. OTHER (LOSSES)/GAINS, NET

	Three months ended		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Gain on investment in an insurance contract (Note 18)	30	34	30	34
Fair value loss on FVPL (Note 19)	(339)	–	(339)	–
Net exchange loss	<u>(773)</u>	<u>–</u>	<u>(773)</u>	<u>–</u>
	<u>(1,082)</u>	<u>34</u>	<u>(1,082)</u>	<u>34</u>

## 9. EMPLOYEE BENEFITS EXPENSES

	Three months ended		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Wages, salaries and other allowances (including directors' emoluments)	<b>94,514</b>	100,827	<b>186,157</b>	180,071
Pension costs — defined contribution plan	<b>3,614</b>	4,192	<b>7,180</b>	7,378
Accrual for unutilised annual leave	<b>100</b>	1,259	<b>200</b>	1,209
Long service payment	<b>100</b>	(650)	<b>200</b>	(500)
Share-based payment	<b>177</b>	149	<b>354</b>	298
	<b>98,505</b>	105,777	<b>194,091</b>	188,456

## 10. SUBCONTRACTING FEES

	Three months ended		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Security	<b>2,558</b>	–	<b>10,363</b>	–
Clearing services	<b>1,765</b>	–	<b>7,131</b>	–
	<b>4,323</b>	–	<b>17,494</b>	–

The Group has outsourced the security and cleaning services of two estates managed by the Group for the period from July 2020 to April 2021. No such subcontracting arrangements were in place subsequent to April 2021.

## 11. FINANCE INCOME, NET

	Three months ended		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Bank interest income	<b>150</b>	76	<b>287</b>	799
Interest on lease payment	<b>(21)</b>	(34)	<b>(42)</b>	(36)
Interests on borrowings	<b>–</b>	(29)	<b>(22)</b>	(201)
	<b>129</b>	13	<b>223</b>	562

## 12. EXPENSES BY NATURE

	Three months ended		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cleaning material costs	1,400	1,806	2,941	3,507
Utilities expenses	406	1,068	653	1,268
Depreciation	486	183	986	775
Employee benefits expenses ( <i>Note 9</i> )	98,505	105,777	194,091	188,456
Subcontracting fees	4,323	–	17,494	–
Other operating expenses ( <i>Note</i> )	4,619	4,853	7,981	7,628

*Note:*

The breakdown of other operating expenses recorded as follow:

	Three months ended		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Auditor's remuneration	330	270	600	540
Insurance and guarantee	1,921	1,836	3,590	3,284
Office supplies	210	421	437	609
Securing charges	73	140	269	242
Entertainment and travel	352	217	564	366
Estate maintenance expense	306	372	370	438
Telecommunication charges	60	106	123	172
Professional fee	306	409	535	681
Uniform & laundry	90	185	90	192
Licence and membership fee	103	26	103	77
Computer charge	35	86	35	123
Other expenses	833	785	1,265	904
	4,619	4,853	7,981	7,628

### 13. INCOME TAX EXPENSE

	Three months ended		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current income tax:				
Hong Kong profits tax	1,462	924	1,462	924
Deferred income tax	31	189	62	126
	<u>1,493</u>	<u>1,113</u>	<u>1,524</u>	<u>1,050</u>

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for both periods, except for the first HK\$2,000,000 of a qualified entity's assessable profit which is calculated at 8.25%, in accordance with the new two-tiered tax rate regime.

### 14. DIVIDEND

Final dividends of HK\$12,000,000 (HK1.5 cent per share) in respect of the year ended 31 December 2020 was declared on 22 March 2021 and paid to the shareholders of the Company on 12 July 2021.

The Board did not recommend the payment of dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

### 15. EARNINGS PER SHARE

Earnings for the purpose of calculating basic earnings per share:

	Three months ended		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period (HK\$'000)	5,186	5,037	6,241	4,775
Number of ordinary shares for the purpose of basic earnings per share (thousand share)	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>

No diluted earnings per share was presented as there was no potential dilutive shares outstanding during six months ended 30 June 2020 and 2021.

### 16. PLANT AND EQUIPMENT

During the six months ended 30 June 2021, the Group acquired property, plant and equipment of approximately HK\$0.47 million (six months ended 30 June 2020: HK\$1.25 million).



## 17. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	As at 30 June 2021 <i>HK\$'000</i> (Unaudited)	As at 31 December 2020 <i>HK\$'000</i> (Audited)
Right-of-use assets		
Property	692	868
Equipment	<u>2,495</u>	<u>2,815</u>
	<u>3,187</u>	<u>3,683</u>
Lease liabilities		
Current lease liabilities	810	1,197
Non-current lease liabilities	<u>2,546</u>	<u>2,546</u>
	<u>3,356</u>	<u>3,743</u>

## 18. INVESTMENT IN AN INSURANCE CONTRACT

Investment in an insurance contract represents a management life insurance policy (the “**Insurance Policy**”). The Group is the beneficiary of the Insurance Policy. The Insurance Policy was pledged to a bank to secure certain banking facilities granted to the Group. Changes in value of the investment in an insurance contract are recorded in “other (losses)/gains, net” (Note 8) in the unaudited condensed consolidated statement of comprehensive income.

## 19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FVPL”)

	As at 30 June 2021 <i>HK\$'000</i> (Unaudited)	As at 31 December 2020 <i>HK\$'000</i> (Audited)
FVPL		
— Paper gold	<u>4,876</u>	<u>—</u>

Movement of the Group’s FVPL for the period ended 30 June 2021 is as follows:

	<i>HK\$'000</i> (Unaudited)
At 1 January 2021	—
Additions	5,215
Net fair value loss (Note 8)	<u>(339)</u>
At 30 June 2021	<u>4,876</u>

For the fair value measurement of FVPL, please refer to Note 5.3.

## 20. TRADE RECEIVABLES AND CONTRACT ASSETS

The trade receivables are generally on credit terms ranging from 30 to 60 days.

The following is an ageing analysis of trade receivables, presented based on the invoice date at the end of the reporting period:

	As at <b>30 June</b> <b>2021</b> <i>HK\$'000</i> <b>(Unaudited)</b>	As at 31 December 2020 <i>HK\$'000</i> <b>(Audited)</b>
Contract assets	<u>16,487</u>	<u>16,487</u>
Trade receivables:		
Up to 30 days	46,771	48,113
31 to 60 days	27,376	41,907
61 to 90 days	<u>8,088</u>	<u>2,550</u>
	<u>82,235</u>	<u>92,570</u>
Less: Provision of impairment	<u>98,722</u> <u>(811)</u>	109,057 <u>(811)</u>
	<u>97,911</u>	<u>108,246</u>

## 21. PLEDGED BANK DEPOSITS

Pledged bank deposits represent deposits to a bank to secure performance bonds and the banking facilities granted to the Group as set out in Note 23.

## 22. TRADE PAYABLES

	As at <b>30 June</b> <b>2021</b> <i>HK\$'000</i> <b>(Unaudited)</b>	As at 31 December 2020 <i>HK\$'000</i> <b>(Audited)</b>
0–30 days	<u>628</u>	<u>428</u>

## 23. BORROWINGS

As at 30 June 2021, the borrowings and the banking facilities granted to the Group are secured by the Group's Insurance Policy, the Group's pledged bank deposits and the corporate guarantee executed by the Company.

The bank borrowings are repayable as follows:

	<b>As at 30 June 2021 HK\$'000 (Unaudited)</b>	<b>As at 31 December 2020 HK\$'000 (Audited)</b>
Within one year	<u><b>1,298</b></u>	<u>2,802</u>

All the borrowings made by the Group as at 30 June 2021 were denominated in Hong Kong Dollars.

## 24. SHARE CAPITAL

	<b>No. of shares '000</b>	<b>Amount HK\$'000</b>
Ordinary shares of HK\$0.01 each		
<b>Issued and fully paid:</b>		
At 31 December 2020 and 30 June 2021	<u>800,000</u>	<u>8,000</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

As at 30 June 2021, the Group's business is mainly focused on property management of public housing and subsidised housing in Hong Kong, contracts of which are normally ranged from 2 to 6 years. The Group's existing property management portfolio comprises 23 public housing estates owned by the Hong Kong Housing Authority ("HA") and 2 HOS estates awarded by the HA, under the management of the Group.

### Outlook

The property market in Hong Kong has been growing. It is envisaged that the growth of public housing property management services business will expand simultaneously with the development of public housing market in Hong Kong. The Directors are optimistic that the Group will continue to increase its market share and believe that the said opportunities will benefit the Group's business.

### Financial Review

#### *Revenue*

The revenue from the provision of property management services has increased from approximately HK\$206.0 million for the six months ended 30 June 2020 to approximately HK\$232.6 million for the six months ended 30 June 2021, representing an increase of approximately 12.9% over the same period in 2020. This increase was attributable to (i) increase in pricing of new property management service contracts; and (ii) the upward adjustment on service fee for some of the Group's existing contracts in accordance with the adjustment mechanism as stipulated in those contracts.

#### *Employee benefits expenses*

The total employee benefits expenses remained stable at approximately HK\$194.1 million for the six months ended 30 June 2021 and approximately HK\$188.5 million for the six months ended 30 June 2020. Such increase was mainly attributable to (i) the salaries and wages for the additional staff employed for the new property management services contracts of public housing estates awarded by the HA in April 2020; (ii) the salaries and wages for the additional cleaning and security staff due to termination of subcontract's services for the estates in April 2021; and (iii) the annual increase in salaries and wages.

#### *Cleaning material costs*

The cleaning material costs amounted to approximately HK\$2.9 million and HK\$3.5 million for the six months ended 31 June 2021 and 2020, respectively. The cleaning material costs mainly comprised rubbish bags, masks, disinfection and other cleaning material. The decrease was mainly attributable to the outsourcing of cleaning services of two public estates managed by the Group commencing from July 2020.

### ***Other operating expenses***

The other operating expenses mainly comprised insurance expense, office supplies expense, security charges for specialist guard company to escort money in transit, guarantee fee for performance bonds, entertainment, travelling expense and estate maintenance expense.

The other operating expenses amounted to approximately HK\$8.0 million and HK\$7.6 million for the six months ended 30 June 2021 and 2020, respectively. The increase in other operating expenses was mainly attributable to (i) increase in insurance expense; and (ii) increase in security charges, entertainment and travelling expense and various sundry expenses.

For further details in relation to the other operating expenses, please refer to Note 12 to the unaudited condensed consolidated financial information.

### ***Profit for the period***

The increase in profit for the period from approximately HK\$4.8 million for the six months ended 30 June 2020 to approximately HK\$6.2 million for the six months ended 30 June 2021, representing an increase of approximately 29.2%, was mainly due to (i) increase in pricing of new property management service contracts; and (ii) the upward adjustment on service fee for some of the Group's existing contracts in accordance with the adjustment mechanism as stipulated in those contracts.

## **LIQUIDITY AND FINANCIAL RESOURCES**

For the six months ended 30 June 2021, the Group's operations were primarily financed through operating income and financing activities. The Directors believe that in the long term, the Group's operations will continue to be funded by a combination of cash generated from the Group's operating activities and financing activities. The gearing ratio as at 30 June 2021 was approximately 3.34% (as at 31 December 2020: 4.93%).

The Group's cash and bank balances amounted to approximately HK\$22.3 million and approximately HK\$29.8 million as at 30 June 2021 and as at 31 December 2020, respectively.

As at 30 June 2021 and as at 31 December 2020, the Group had current assets of approximately HK\$165.2 million and approximately HK\$179.4 million, respectively, which included FVPL, trade receivables, contract assets, prepayments, deposits and other receivables, cash and cash equivalents, pledged bank deposits. As at 30 June 2021, the Group had cash and cash equivalents of approximately HK\$22.3 million (as at 31 December 2020: approximately HK\$29.8 million). The Group's current ratio increased from approximately 3.27 as at 31 December 2020 to approximately 4.94 at 30 June 2021.

## **CAPITAL STRUCTURE**

The capital of the Group comprises only ordinary shares. Details of the Group's share capital are set out in note 24 to the unaudited condensed consolidated financial information. During the six months ended 30 June 2021, there was no change in the capital structure of the Company.

## **MATERIAL ACQUISITIONS OR DISPOSALS**

There were no material acquisitions or disposals of subsidiaries and affiliated companies during the six months ended 30 June 2021.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Save as those disclosed in the prospectus of the Company dated 31 October 2017 (the “**Prospectus**”), the Group currently has no other plans for material investments.

## **EXPOSURE TO EXCHANGE RATE FLUCTUATION**

The Group’s revenue generating operations are mainly transacted in Hong Kong Dollars. The Directors consider that the impact of foreign exchange exposure to the Group is minimal. During the six months ended 30 June 2021, the Group had not entered into any hedging instrument or contract.

## **SIGNIFICANT INVESTMENTS**

The Group held investment in an insurance contract of approximately HK\$2.3 million as at 30 June 2021 and approximately HK\$2.3 million as at 31 December 2020, respectively. The Group also invested in a FVPL of approximately HK\$4.9 million as at 30 June 2021. Save as disclosed herein, the Group did not have other significant investments for the Period.

## **CONTINGENT LIABILITIES**

As at 30 June 2021, the Group had entered into 32 performance bonds with a bank. The aggregate amount of the performance bonds was approximately HK\$98.3 million as at 30 June 2021. As at 30 June 2021, the Directors were not aware of any circumstance which may lead to the exercise of the performance bond and the Directors do not consider it is probable that a claim on the performance bonds will be made against the Group.

In carrying out the ordinary course of business, the Group is subject to the risk of being named as defendant in legal actions, claims and disputes in connection with its business activities. The nature of the legal proceedings initiated against the Company mainly includes claims for compensation by the Group’s existing or former employees for work related injuries. The Group maintains sufficient insurance cover and, in the opinion of the Directors, based on current available evidence, any such existing claims and legal proceedings against the Company have no material financial impact to the Company as at 30 June 2021.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 June 2021, the Group had a total of 2,268 employees. The Group’s employee benefits expenses for the six months ended 30 June 2021 and 2020 amounted to approximately HK\$194.1 million and approximately HK\$188.5 million. To ensure that the Group is able to attract and retain Directors and staff members capable of attaining the best performance levels, remuneration packages are reviewed on a regular basis. In addition, discretionary bonus is offered to eligible employees by reference to the Group’s results and individual performance.

## OTHER INFORMATION

### Disclosure of Interests

#### (a) *Interests and short positions of Directors and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations*

As at 30 June 2021, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which were required to be notified to the Company and the Stock Exchange: (a) pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein (the “Register”); or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange were as follows:

#### *Long position in the shares*

Name of Director	Capacity/nature of interest	Number of shares <sup>(1)</sup>	Approximate percentage of interest in the Company
Ms. Tam Mo Kit <sup>(2)</sup>	Interest in controlled corporation	491,440,000 (L)	61.43%
	Interest of spouse	43,840,000 (L)	5.48%
Mr. Ng Fuk Wah <sup>(3)</sup>	Beneficial Owner	43,840,000 (L)	5.48%
	Interest of spouse	491,440,000 (L)	61.43%
Mr. Ho Chu Ming	Beneficial owner	4,840,000 (L)	0.61%
Mr. Tang Kong Fuk	Beneficial owner	4,200,000 (L)	0.53%

#### *Notes:*

1. The letter “L” denotes the person’s long position in the shares.
2. R5A Group Limited is the registered owner of 491,440,000 shares, representing 61.43% of the Company’s issued share capital. R5A Group Limited is owned as to 55.23% by Ms. Tam Mo Kit, 16.28% by Mr. Sung Alfred Lee Ming, 13.96% by Mr. Ho Chu Ming, 12.79% by Mr. Tang Kong Fuk, 1.16% by Mr. Ho Tik Wai and 0.58% by Mr. Yiu Ping Keung. Therefore, Ms. Tam Mo Kit is deemed to be interested in all the shares held by R5A Group Limited for the purposes of the SFO. Mr. Ng Fuk Wah is the beneficial owner of 43,840,000 shares in the Company, representing 5.48% of the issued share capital of the Company. As Ms. Tam Mo Kit is the spouse of Mr. Ng Fuk Wah, Ms. Tam Mo Kit is also deemed to be interested in the same number of shares held by Mr. Ng Fuk Wah under the SFO.
3. Mr. Ng Fuk Wah is the beneficial owner of 43,840,000 shares in the Company, representing 5.48% of the issued share capital of the Company. Mr. Ng Fuk Wah is the spouse of Ms. Tam Mo Kit. Under the SFO, Mr. Ng Fuk Wah is deemed to be interested in the same number of shares in which Ms. Tam Mo Kit is interested.

*Long position in the ordinary shares of associated corporation*

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Capacity/nature of interest</b>	<b>Number of shares held</b>	<b>Percentage of interest</b>
Ms. Tam Mo Kit	R5A Group Limited	Beneficial owner	950	55.23%
Mr. Sung Alfred Lee Ming	R5A Group Limited	Beneficial owner	280	16.28%
Mr. Ho Chu Ming	R5A Group Limited	Beneficial owner	240	13.96%
Mr. Tang Kong Fuk	R5A Group Limited	Beneficial owner	220	12.79%

Save as disclosed above and so far as is known to the Directors, as at 30 June 2021, none of the Directors nor chief executive of the Company had or was deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the Register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

**(b) *Interests and short positions of substantial shareholders in the shares, underlying shares and debentures of the Company and its associated corporation***

So far as the Directors are aware of, as at 30 June 2021, the following persons/entities other than a Director or the chief executive of the Company had interests or short positions in the shares and underlying shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the issued voting shares of the Company:

*Long positions in the ordinary shares of the Company*

<b>Name of Shareholder</b>	<b>Nature of interest/holding capacity</b>	<b>Number of shares<sup>(1)</sup></b>	<b>Approximate percentage of interest in the Company</b>
R5A Group Limited <sup>(2)</sup>	Beneficial owner	491,440,000	61.43%
Ms. Yeung Siu Wen	Beneficial owner	57,120,000	7.14%



*Notes:*

1. The letter “L” denotes the person’s long position in the shares.
2. R5A Group Limited is the registered owner of 491,440,000 Shares, representing 61.43% of the Company’s issued share capital. R5A Group Limited is owned as to 55.23% by Ms. Tam Mo Kit, 16.28% by Mr. Sung Alfred Lee Ming, 13.96% by Mr. Ho Chu Ming, 12.79% by Mr. Tang Kong Fuk, 1.16% by Mr. Ho Tik Wai and 0.58% by Mr. Yiu Ping Keung.

Save as disclosed above and so far as is known to the Directors, as at 30 June 2021, the Directors were not aware of any other persons who had, or was deemed to have, interest or short positions in the shares or underlying shares of the Company would fall to be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the Register required to be kept by the Company pursuant to Section 336 of the SFO or who were directly or indirectly interested in 5% or more of the issued voting shares of the Company.

## **SHARE OPTION SCHEME**

On 24 October 2017, a share option scheme was adopted by the shareholders of the Company (the “**Share Option Scheme**”). The purpose of the Share Option Scheme is to provide incentives and rewards to eligible participants who would contribute to the success of the Group’s operations. Under the terms of the Share Option Scheme, the Board may, at its discretion, grant share options to any full-time employee and any Director of the Company or its subsidiaries, including any executive, non-executive or independent non-executive directors. The Share Option Scheme will remain in force for a period of ten years commencing the date on the Listing Date.

The exercise price for shares under the Share Option Scheme may be determined by the Board at its absolute discretion but in any event will not be less than the highest of: (i) the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a business day; (ii) the average of the closing prices of the shares as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of the share on the date of grant. Any share options granted under the Share Option Scheme shall end in any event not later than ten years from the Commencement Date (as defined in the Share Option Scheme). A nominal value of HK\$1.00 is payable on acceptance of each grant of share options.

On 17 June 2019, 32,000,000 share options were granted by the Company to four employees at exercise price of HK\$0.177 per share, the details of which are as follows:

Name or category of participants	Date of grant	Exercise price per share	Vesting date	Exercise period	As at 1 January 2021	Granted during the period	Exercised during the period	Cancelled/lapsed during the period	As at 30 June 2021
Employees in aggregate	17 June 2019	HK\$0.177	17 June 2020	17 June 2020– 16 June 2022	16,000,000	-	-	-	16,000,000
			17 June 2021	17 June 2021– 16 June 2022	16,000,000	-	-	-	16,000,000
<b>Total number of share options</b>					<b><u>32,000,000</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>32,000,000</u></b>

## COMPETING INTERESTS

For the six months ended 30 June 2021, the Directors were not aware of any business or interest of the Directors, the controlling shareholders, and their respective close associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

A deed of non-competition dated 24 October 2017 was entered into by the controlling shareholders in favour of the Company (for itself and as trustee for its subsidiaries), details of which are set out in the section headed “Relationship with Controlling Shareholders” of the Prospectus.

## CODE OF CORPORATE GOVERNANCE PRACTICES

The Company endeavors to adopt prevailing best corporate governance practices. During the six months ended 30 June 2021 and up to the date of this announcement, the Company had complied with all the code provisions set out in the Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules and there has been no deviation in relation thereto.

## DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.46 to 5.67 of the GEM Listing Rules (the “**Model Code**”). The Company had also made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the Model Code by the Directors since the Listing Date and up to the date of this announcement.

Pursuant to rule 5.66 of the Model Code, the Directors have also requested any employee of the Company or director or employee of subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he/she would be prohibited from dealing by the Model Code as if he/she were a Director.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period and up to the date of this announcement.

## **REVIEW BY AUDIT COMMITTEE**

The financial information in this announcement has not been audited by the auditor of the Company. Pursuant to Rule 5.28 of the GEM Listing Rules, the Company established the audit committee (the “**Audit Committee**”) with written terms of reference aligned with the provisions set out in Appendix 15 of the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. As at the date of this announcement, the Audit Committee comprises Mr. Wong Siu Fai Albert (Chairman), Dr. Chan Man Wai and Mr. Ng Kee Fat Ronny, being the independent non-executive Directors.

The Audit Committee has reviewed the unaudited condensed consolidated results of the Company for the six months ended 30 June 2021 and is of the opinion that such results complied with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

By Order of the Board  
**Modern Living Investments Holdings Limited**  
**Ho Chu Ming**  
*Chairman*

Hong Kong, 11 August 2021

*As at the date of this announcement, the Board comprises Mr. Ho Chu Ming (Chairman), Mr. Ng Fuk Wah (Chief Executive Officer), Mr. Sung Alfred Lee Ming (Chief Financial Officer) and Mr. Tang Kong Fuk as Executive Directors, Ms. Tam Mo Kit as Non-executive Director, and Dr. Chan Man Wai, Mr. Wong Siu Fai Albert and Mr. Ng Kee Fat Ronny as Independent Non-executive Directors.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM’s website at <http://www.hkgem.com> for at least seven days from the date of its publication. This announcement will also be published on the Company’s website at <http://www.modernliving.com.hk>.*