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HNA Technology Investments Holdings Limited
海航科技投資控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 2086)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2020**

HIGHLIGHTS

- For the six months ended 30 June 2020, revenue of the Group decreased by 23% to HK\$60.77 million (six months ended 30 June 2019: HK\$78.43 million).
- For the six months ended 30 June 2020, loss for the period of the Group decreased to HK\$0.97 million (six months ended 30 June 2019: HK\$3.71 million).
- The Board does not declare the payment of an interim dividend for the six months ended 30 June 2020.

RESULTS

The board of directors (the “Board”) of HNA Technology Investments Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2020 together with the comparative unaudited figures for the corresponding period in 2019.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2020 – unaudited

(Expressed in Hong Kong dollars)

		Unaudited six months ended 30 June	
	Note	2020 \$'000	2019 \$'000
Continuing operations			
Revenue	3	60,771	78,430
Cost of sales		<u>(26,544)</u>	<u>(35,860)</u>
Gross profit		34,227	42,570
Other income		645	783
Selling and distribution costs		(5,356)	(8,033)
Research and development expenses		(13,657)	(17,788)
Administrative expenses		(16,381)	(19,204)
Finance costs	4(a)	<u>(98)</u>	<u>(169)</u>
Loss before taxation	4	(620)	(1,841)
Income tax	5	<u>(324)</u>	<u>(1,074)</u>
Loss from continuing operations		(944)	(2,915)
Discontinued operation			
Loss from discontinued operation	6	<u>(28)</u>	<u>(795)</u>
Loss for the period attributable to the equity shareholders of the Company		<u>(972)</u>	<u>(3,710)</u>
Loss per share			
<i>From continuing and discontinued operations</i>			
Basic	7	(0.304 cents)	(1.161 cents)
Diluted		<u>(0.304 cents)</u>	<u>(1.161 cents)</u>
<i>From continuing operations</i>			
Basic		(0.295 cents)	(0.912 cents)
Diluted		<u>(0.295 cents)</u>	<u>(0.912 cents)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2020 – unaudited

(Expressed in Hong Kong dollars)

	Unaudited	
	six months ended 30 June	
	2020	2019
	\$'000	\$'000
Loss for the period	(972)	(3,710)
Other comprehensive income for the period (after tax)		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of foreign operations	<u>(710)</u>	<u>411</u>
Total comprehensive income for the period	<u>(1,682)</u>	<u>(3,299)</u>
Attributable to:		
Equity shareholders of the Company	<u>(1,682)</u>	<u>(3,299)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2020 – unaudited

(Expressed in Hong Kong dollars)

	<i>Note</i>	Unaudited 30 June 2020 \$'000	Audited 31 December 2019 \$'000
Non-current assets			
Property, plant and equipment		7,189	10,400
Intangible assets		26,898	30,527
Deferred tax assets		1,755	1,940
		<u>35,842</u>	<u>42,867</u>
Current assets			
Inventories		35,459	30,760
Trade and other receivables	8	20,439	24,811
Other financial assets		311	316
Current tax recoverable		1,764	1,663
Cash and cash equivalents		44,902	45,449
		<u>102,875</u>	<u>102,999</u>
Current liabilities			
Trade and other payables	9	17,608	20,724
Lease liabilities		1,098	3,045
Current tax payable		91	118
		<u>18,797</u>	<u>23,887</u>
Net current assets		<u>84,078</u>	<u>79,112</u>
Total assets less current liabilities		<u>119,920</u>	<u>121,979</u>
Non-current liabilities			
Defined benefit obligations		1,942	2,026
Lease liabilities		877	1,170
		<u>2,819</u>	<u>3,196</u>
NET ASSETS		<u>117,101</u>	<u>118,783</u>
CAPITAL AND RESERVES			
Share capital		31,956	31,956
Reserves		85,145	86,827
TOTAL EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY		<u>117,101</u>	<u>118,783</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL RESULTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial results has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This interim financial results is unaudited but has been reviewed by the audit committee of the Company and it was authorised for issue on 27 August 2020.

The interim financial results has been prepared in accordance with the same accounting policies adopted in the 2019 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2020 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of interim financial results in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial results contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2019 annual financial statements. The condensed consolidated interim financial results and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The financial information relating to the financial year ended 31 December 2019 that is included in the interim financial results as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued certain amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- The financial technology and smart living business mainly represents the development, sales and distribution of smart card products, software and hardware and the provision of smart card related services; and
- The financial services and investment business mainly represents the provision of advisory services including financial due diligence and business operation consultancy services.

At 31 March 2020, the Group discontinued the segment of financial services and investment. All of the assets, liabilities and items in the consolidated statement of profit or loss attributable to this segment were transferred to the remaining parts of the Group at 31 March 2020, and financial technology and smart living is the only one reportable segment for the Group thereafter. Further details on the discontinued operation are disclosed in note 6.

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines and geographical location of customers is as follows:

	Six months ended 30 June	
	2020	2019
	\$'000	\$'000
Revenue from contracts with customers		
within the scope of HKFRS 15		
Disaggregated by major product or service lines		
– Sale of smart card products and provision of related services	60,771	78,430
Disaggregated by geographical location of customers		
– Mainland China, Hong Kong, Macau and Taiwan	9,355	9,452
– United States of America (“U.S.”)	11,766	9,823
– Japan	8,585	8,392
– Turkey	3,837	9,266
– Spain	3,528	1,220
– Italy	3,394	2,797
– Other countries	20,306	37,480
	51,416	68,978
	60,771	78,430

(b) **Information about profit or loss, assets and liabilities**

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

	Financial technology and smart living	
For the six months ended	2020	2019
	\$'000	\$'000
Disaggregated by timing of revenue recognition		
Point in time	60,768	78,430
Over time	3	–
	<hr/>	<hr/>
Reportable segment revenue	60,771	78,430
	<hr/> <hr/>	<hr/> <hr/>
Reportable segment profit from operations	2,073	4,053
	<hr/> <hr/>	<hr/> <hr/>
As at 30 June/31 December		
Reportable segment assets	138,717	121,795
	<hr/> <hr/>	<hr/> <hr/>
Reportable segment liabilities	21,616	25,560
	<hr/> <hr/>	<hr/> <hr/>

The measure used for reporting segment profit is “profit/(loss) from operations”.

For the six months ended 30 June 2019 and three months ended 31 March 2020, to arrive at “profit/(loss) from operations”, the Group's profit/(loss) was further adjusted for items not specifically attributed to individual segments, such as directors' remuneration, interest income, finance costs and other head office and corporate expenses.

After 31 March 2020, as financial technology and smart living is the only one reportable segment for the Group, the items previously regarded as not specifically attributed to individual segments, such as directors' remuneration, interest income, finance costs and other head office and corporate expenses were allocated to the segment of financial technology and smart living.

(c) **Reconciliations of reportable segment profit or loss**

	Six months ended 30 June	
	2020	2019
	\$'000	\$'000
Continuing operations		
Reportable segment profit from operations	2,073	4,053
Interest income	110	86
Finance costs	(58)	–
Unallocated head office and corporate expenses	(2,745)	(5,980)
	(620)	(1,841)
Discontinued operation		
Reportable segment loss from operation	(28)	(795)
	(648)	(2,636)

4 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

(a) **Finance costs**

	Six months ended 30 June	
	2020	2019
	\$'000	\$'000
Interest on lease liabilities	98	169

(b) Other items

	Six months ended 30 June	
	2020	2019
	\$'000	\$'000
Amortisation of intangible assets	5,647	7,034
Depreciation		
– owned property, plant and equipment	1,655	1,581
– right-of-use assets	2,220	1,930
Government subsidies*	(406)	(652)
Provision for impairment losses on		
trade receivables	12	1,360
Write-down of inventories	11	7
Interest income	(205)	(86)

* The government subsidies granted to the Group during the six months ended 30 June 2020 mainly comprised the followings:

- (i) The Group successfully applied for research and development subsidy from Shenzhen Government of The People's Republic of China ("PRC") of \$260,000 (six months ended 30 June 2019: \$648,000). The purpose of the subsidy is to encourage innovation by granting financial assistance to commercial entities whose research and development projects meet certain criteria; and
- (ii) The Group successfully applied for Employment Support Scheme ("ESS") subsidy of \$135,000 (six months ended 30 June 2019: \$nil) granted by the Hong Kong government under the anti-epidemic fund upon the outbreak of novel coronavirus ("COVID-19") in early 2020. The purpose of the subsidy is to provide financial support to employers to retain employees who may otherwise be made redundant. The Group subsequently further successfully applied for another ESS subsidy of \$1,318,000 in July 2020.

5 INCOME TAX

	Six months ended 30 June	
	2020 \$'000	2019 \$'000
Current tax – Hong Kong Profits Tax		
Under-provision in respect of prior years	8	–
Current tax – Philippines Income Tax		
Provision for the year	49	181
Over-provision in respect of prior years	(175)	–
	(126)	181
Current tax – Other jurisdictions		
Provision for the year	286	–
Over-provision in respect of prior years	–	(7)
	286	(7)
Deferred taxation	156	900
Income tax expense	324	1,074

Notes:

- (i) The provision for Hong Kong Profits Tax is calculated at 16.5% (2019: 16.5%) of the estimated assessable profits for the period except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first \$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2019.

- (ii) The provision for Philippines Income Tax for the period is calculated at 30% (2019: 30%) of the estimated taxable income or 2% (2019: 2%) on gross income incurred, whichever is higher, in accordance with the National Internal Revenue Code of the Republic of the Philippines.

- (iii) In accordance with the relevant PRC corporate income tax laws, regulations and implementation guidance notes, the statutory income tax rate applicable to the Company's subsidiaries in the PRC is 25%, except for the following companies:

- (a) Logyi Limited (“Logyi”)

Logyi was granted the “small and micro sized enterprise” status and enjoys the preferential corporate income tax rate of 10% from 2018 onwards.

- (b) ACS Technologies (Shenzhen) Limited (“ACS Shenzhen”)

ACS Shenzhen was granted the “high and new technology enterprise” status and enjoys the preferential corporate income tax rate of 15% for three years between 2018 and 2020.

- (iv) Taxation for other entities is charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

6 DISCONTINUED OPERATION

At 31 March 2020, the Group discontinued the segment of financial services and investment. The results of financial services and investment segment are presented below:

	Six months ended 30 June	
	2020 \$'000	2019 \$'000
Administrative expenses	<u>(28)</u>	<u>(795)</u>
Loss for the period from discontinued operation attributable to the equity shareholders of the Company	<u>(28)</u>	<u>(795)</u>
Loss per share		
Basic	(0.009 cents)	(0.249 cents)
Diluted	(0.009 cents)	(0.249 cents)

The net cash flows incurred by the financial services and investment segment are as follows:

	Six months ended 30 June	
	2020 \$'000	2019 \$'000
Net cash (used in)/generated from operating activities	<u>(201)</u>	<u>2,524</u>
Net cash (outflow)/inflow	<u>(201)</u>	<u>2,524</u>

7 LOSS PER SHARE

From continuing and discontinued operations

(a) *Basic loss per share*

The calculation of basic loss per share is based on loss attributable to ordinary equity shareholders of the Company of \$972,000 (six months ended 30 June 2019: \$3,710,000) and the weighted average of 319,565,000 (six months ended 30 June 2019: 319,565,000) ordinary shares in issue for the six months ended 30 June 2020.

(b) *Diluted loss per share*

Diluted loss per share for the six months ended 30 June 2020 and 2019 are the same as the basic loss per share as there are no dilutive potential ordinary shares.

From continuing operations

(c) *Basic loss per share*

The calculation of basic loss per share is based on loss attributable to ordinary equity shareholders of the Company of \$944,000 (six months ended 30 June 2019: \$2,915,000) and the weighted average of 319,565,000 (six months ended 30 June 2019: 319,565,000) ordinary shares in issue for the six months ended 30 June 2020.

(d) *Diluted loss per share*

Diluted loss per share for the six months ended 30 June 2020 and 2019 are the same as the basic loss per share as there are no dilutive potential ordinary shares.

8 TRADE AND OTHER RECEIVABLES

	30 June 2020 \$'000	31 December 2019 \$'000
Trade receivables, net of loss allowance (<i>Note</i>)	16,521	20,601
Prepayments	985	1,146
Deposits paid	1,674	1,752
Other receivables	801	854
Amounts due from other fellow subsidiaries, net of loss allowance	407	407
Amount due from immediate holding company	51	51
	20,439	24,811

Note: Included in trade receivables is an amount due from a fellow subsidiary with a gross balance (before loss allowance) of \$12,000,000 (31 December 2019: \$12,000,000). As at 30 June 2020, full provision of expected credit loss of \$12,000,000 (31 December 2019: \$12,000,000) was made, resulting in a net balance (net of loss allowance) of \$nil (31 December 2019: \$nil). The amount is unsecured, interest-free and past due for more than 1 year.

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

	30 June 2020 \$'000	31 December 2019 \$'000
Within 1 month	5,541	12,495
1 to 2 months	6,090	4,134
2 to 3 months	1,524	2,102
3 to 12 months	2,950	1,505
Over 1 year	416	365
	16,521	20,601

Trade receivables are generally due within 7 days to 3 months from the date of billing. Trade receivables in relation to sales of software and sales under solution business are due according to respective payment terms, which may exceed 3 months. For advisory services entered, invoices are due upon presentation.

9 TRADE AND OTHER PAYABLES

	30 June	31 December
	2020	2019
	<i>\$'000</i>	<i>\$'000</i>
Trade payables	7,865	8,847
Accruals	3,143	7,212
Receipt in advance from customers	6,273	4,336
Amount due to immediate holding company	327	329
	<hr/>	<hr/>
	17,608	20,724
	<hr/> <hr/>	<hr/> <hr/>

As of the end of the reporting period, the ageing of trade payables, based on the invoice date, is as follows:

	30 June	31 December
	2020	2019
	<i>\$'000</i>	<i>\$'000</i>
Within 1 month	6,337	4,853
1 to 3 months	1,400	3,876
3 months to 1 year	79	94
Over 1 year	49	24
	<hr/>	<hr/>
	7,865	8,847
	<hr/> <hr/>	<hr/> <hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion and analysis should be read alongside the unaudited consolidated financial results of the Group for the six months ended 30 June 2020 (the “Interim Period”).

FINANCIAL REVIEW

Revenue

Revenue decreased by 23%, from HK\$78.43 million for the corresponding period in 2019 to HK\$60.77 million for the Interim Period, which was heavily affected by the outbreak of COVID-19, as quite a lot of national-based government projects were postponed or even cancelled during these period of hard economic times.

Gross profit margin

Gross profit margin increased from 54% for the corresponding period in 2019 to 56% for the Interim Period. The increase in gross profit margin was mainly due to the product mix for certain goods sold for the Interim Period were of higher gross margin compared to the corresponding period in 2019.

Operating Expenses

Total operating expenses decreased by 23%, from HK\$45.82 million for the corresponding period in 2019, to HK\$35.42 million for the Interim Period. The reduction of operating expenses was mainly due to the reduction of staff costs, impairment loss on trade receivables, rental expenses, overseas travelling and other cost control measures effectively implemented during the Interim Period.

Loss for the period

The Group recorded a loss of HK\$0.97 million for the Interim Period. The figure reduced significantly from a loss of HK\$3.71 million for the corresponding period in 2019 as a consequence of the successful implementation of various cost control measures offsetting the effect of the decrease in the Group’s revenue.

Statement of Financial Position

At 30 June 2020, the Group’s net assets amounted to HK\$117.10 million (31 December 2019: HK\$118.78 million). The decrease in net assets of HK\$1.68 million was mainly due to the net loss of HK\$0.97 million and movement in exchange reserve of HK\$0.71 million for the Interim Period.

DIVIDEND

The Board does not declare an interim dividend in respect of the Interim Period. The declaration, payment, and amount of future dividends will be decided by the Board and will depend upon, among other things, the Group's results of operations, capital requirements, cash flows, general financial conditions, and such other factors as the Board may consider important.

BUSINESS REVIEW

Financial Technology and Smart Living

Due to the uncertainty and downward pressure surrounding the global business environment, the business line of financial technology and smart living recorded a profit of HK\$2.07 million for the Interim Period, a decrease of 49% compared to HK\$4.05 million for the corresponding period in 2019.

Revenue was heavily affected by the outbreak of COVID-19, an increase in gross profit margin was recorded nonetheless. The increase in gross profit margin was powered by a higher product mix for sales of certain smart card and PC-linked card products with higher gross profit margin compared to the corresponding period in 2019. However, there was a decrease in sales of automatic fare collection reader with higher gross profit margin, which offset part of the growth of the gross profit margin.

All scheduled industrial events were cancelled as a result of COVID-19 and hence the Group did not join any tradeshows and events for the Interim Period.

Financial Services and Investment

At 31 March 2020, the Group discontinued the segment of financial services and investment. No revenue was recorded and only minimal expenses of HK\$28,000 were incurred for the Interim Period.

PROSPECTS

In an uncertain business environment with a major public health crisis and the trade conflict between U.S. and China, the Group remains focused on our core strengths. With our innovative technology and excellent products and services, we are confident to cope with the coming economic challenges.

As all tradeshows and customer visit plans in the second half of 2020 are cancelled due to the pandemic of COVID-19, the Group is considering the implementation of other sales promotion plans to stimulate sales.

In addition, the Group will constantly evaluate competitors' new products, analyse their competitive advantages and keep abreast of latest technology and market trends. Research and development on new products, and the enhancement on existing products remain the core strategy of the Group to develop competitive edges to withstand keen competition.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

At all times the Group maintains a healthy liquidity position. As at 30 June 2020, the Group's cash and cash equivalents amounted to HK\$44.90 million (31 December 2019: HK\$45.45 million). There is no balance of bank borrowings and other interest bearing borrowings as at 30 June 2020.

The Group's equity capital and the cash generated from operating activities has been applied to fund its working capital and other operational needs. The Group recorded net cash inflow in operating activities of HK\$4.29 million (2019: HK\$8.50 million) for the Interim Period, the amount decreased as a result of decline in sales performance for the Interim Period. The Group recorded net cash outflow in investing activities of HK\$2.51 million (2019: HK\$2.13 million) for the Interim Period, the amount mainly included expenditure on development projects capitalised for the Interim Period. The Group recorded net cash outflow in financing activities of HK\$2.34 million (2019: HK\$2.03 million) for the Interim Period, which was due to the capital and interest elements of lease rentals paid for the Interim Period.

DISPOSALS AND ACQUISITIONS

The Group did not have any material disposals or investments of subsidiaries and affiliated companies during the Interim Period.

FUTURE PLANS RELATING TO MATERIAL INVESTMENT OR CAPITAL ASSET

As at 30 June 2020, the Group did not have any capital commitment related to acquisition of property, plant and equipment, nor any plan authorised by the Board for other substantial investment or additions of capital assets.

EXPOSURE TO EXCHANGE RATE FLUCTUATIONS

The assets, liabilities and transactions of the Group are primarily denominated in Hong Kong dollars, Philippine Pesos, United States dollars and Renminbi. As Hong Kong dollars is pegged to United States dollars, exchange risk arising from United States dollars does not have significant financial impact to the Group. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and to mitigate the impact on exchange rate fluctuations by entering into currency hedge arrangement if necessary. During the Interim Period, no forward foreign exchange or hedging contracts had been entered by the Group.

PLEDGE OF ASSETS

As at 30 June 2020, the Group did not pledge any of its material assets.

CONTINGENT LIABILITIES

As at 30 June 2020, the Company had no significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2020, the Group had 173 full time employees. Staff costs recognised in profit or loss for the Interim Period amounted to HK\$21.23 million (2019: HK\$26.00 million). Remuneration policies and packages for the Group's employees are based on individual qualifications, performance, experience and conditions prevailing in the industry. In addition, various training sessions are offered to employees to enhance their product and market knowledge.

ADDITIONAL INFORMATION

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

During the Interim Period, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

CORPORATE GOVERNANCE CODE

During the Interim Period, the Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). The directors are of the opinion that the Company has complied with the code provisions set out in the CG Code during the Interim Period.

DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted dealings rules regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transaction by Director of Listed Companies (the "Model Code").

Having made specific enquiry of all directors of the Company, all directors of the Company confirmed that they have complied with the required standard set out in the Model Code throughout the Interim Period regarding directors' securities transactions.

AUDIT COMMITTEE

The audit committee is primarily responsible for making recommendations to the Board on the appointment, reappointment, and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; to review the Company's financial controls, internal controls, and risk management systems; and to review the financial statements of the Company. The audit committee has reviewed the Group's unaudited consolidated results for the Interim Period and discussed the financial related matters with the management of the Group.

The audit committee currently comprises 3 members, namely Dr. Lin Tat Pang (being the chairman of the audit committee), Mr. Guo Dan and Ms. O Wai.

PUBLICATION

The interim results announcement of the Company for the Interim Period is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hnatechinv.com) respectively. The 2020 interim report will be dispatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
HNA Technology Investments Holdings Limited
Jiang Hao
Chairman

Hong Kong, 27 August 2020

As at the date of this announcement, the Board comprises five executive directors, namely Mr. Jiang Hao, Mr. Peng Zhi, Mr. Xu Jie, Mr. Wang Jing and Mr. Wong Chi Ho, one non-executive director, namely Mr. Kwan Kin Man Keith and three independent non-executive directors, namely Mr. Guo Dan, Dr. Lin Tat Pang and Ms. O Wai.