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AMBER HILL FINANCIAL HOLDINGS LIMITED
安山金控股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 33)

FINAL RESULTS ANNOUNCEMENT FOR THE EIGHTEEN MONTHS ENDED 30 JUNE 2021

The board (the "Board") of directors (the "Directors") of Amber Hill Financial Holdings Limited (the "Company") would like to announce the final results of the Company and its subsidiaries (collectively referred to as the "Group") for the eighteen months ended 30 June 2021, together with the comparative figures for the year ended 31 December 2019.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the eighteen months ended 30 June 2021

	Note	**For the eighteen months ended 30 June 2021** *HK$'000*	For the year ended 31 December 2019 (Restated) *HK$'000*
Continuing operations			
Revenue	*3*	**339,436**	53,692
Cost of sales and services		**(306,568)**	(41,060)
Gross profit		**32,868**	12,632
Other revenue and other net gain	*4*	**4,020**	6,815
Operating expenses		**(69,431)**	(60,854)
Loss from operations		**(32,543)**	(41,407)

	Note	For the eighteen months ended 30 June 2021 HK$'000	For the year ended 31 December 2019 (Restated) HK$'000
Finance costs	*5*	**(14,466)**	(15,671)
Other non-operating income/(expenses)			
Loss on disposal of property, plant and equipment		**(3)**	–
Loss on cancellation of profit guarantee and convertible bonds		**(10,647)**	–
Share of profit of an associate		**–**	5,396
Loss on deregistration of a subsidiary		**–**	(159)
Loss on deconsolidation of subsidiaries		**–**	(120,156)
Gain on disposal of subsidiaries		**13,444**	2,616
		2,794	(112,303)
Loss before impairment and tax		**(44,215)**	(169,381)
Impairment loss on goodwill		**–**	(3,000)
Impairment loss on intangible assets		**–**	(18,388)
Impairment loss on interest in an associate		**–**	(46,445)
Impairment loss on right-of-use assets		**(3,387)**	(1,912)
Impairment loss on loan receivables, net		**–**	(111,128)
Impairment loss on trade receivables, net		**(1,239)**	(14,273)
Impairment loss on deposit paid, net		**(5,855)**	(12,780)
Impairment loss on other receivables, net		**(6,198)**	(4,910)
		(16,679)	(212,836)
Loss before tax	*6*	**(60,894)**	(382,217)
Income tax expense	*7*	**(2,355)**	(10)
Loss for the period/year from continuing operations		**(63,249)**	(382,227)

	Note	For the eighteen months ended 30 June 2021 HK$'000	For the year ended 31 December 2019 (Restated) HK$'000
Discontinued operation			
Loss for the period/year from discontinued operation		**(4,548)**	(1,171)
Loss for the period/year		**(67,797)**	(383,398)
Other comprehensive loss for the period/year			
Item that may be reclassified subsequently to profit or loss:			
Release of translation reserve upon disposal of foreign subsidiaries		**(479)**	(75)
Release of translation reserve upon deconsolidation of foreign subsidiaries		**–**	(2,020)
		(479)	(2,095)
Exchange differences on translating financial statements of:			
— subsidiaries		**1,350**	(126)
— associate		**–**	253
		1,350	127
Total other comprehensive loss for the period/year		**871**	(1,968)
Total comprehensive loss for the period/year		**(66,926)**	(385,366)
Loss for the period/year attributable to:			
Equity shareholders of the Company			
— Continuing operations		**(63,238)**	(377,578)
— Discontinued operation		**(4,548)**	(2,798)
		(67,786)	(380,376)

	Note	For the eighteen months ended 30 June 2021	For the year ended 31 December 2019 (Restated)
		HK$'000	*HK$'000*
Non-controlling interests			
— Continuing operations		**(11)**	(4,649)
— Discontinued operation		**–**	1,627
		(11)	(3,022)
		(67,797)	(383,398)
Total comprehensive loss for the period/year attributable to:			
Equity shareholders of the Company			
— Continuing operations		**(62,364)**	(379,546)
— Discontinued operation		**(4,548)**	(2,605)
		(66,912)	(382,151)
Non-controlling interests			
— Continuing operations		**(14)**	(4,649)
— Discontinued operation		**–**	1,434
		(14)	(3,215)
		(66,926)	(385,366)
Loss per share	*9*		
— Basic			
— Continuing operations		**HK26.63 cents**	HK403.83 cents
— Discontinued operation		**HK1.92 cents**	HK2.99 cents
		HK28.55 cents	HK406.82 cents
— Diluted			
— Continuing operations		**HK26.63 cents**	HK403.83 cents
— Discontinued operation		**HK1.92 cents**	HK2.99 cents
		HK28.55 cents	HK406.82 cents
		HK28.55 cents	HK406.82 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Note	As at 30 June 2021 HK$'000	As at 31 December 2019 HK$'000
Non-current assets			
Property, plant and equipment		**17,984**	17,180
Right-of-use assets		**–**	–
Intangible assets		**–**	11,188
Deposit paid		**400**	400
Loan receivables	*10*	**–**	–
Goodwill		**–**	489
Contingent consideration receivables		**–**	34,230
Interest in an associate		**–**	586
		18,384	64,073
Current assets			
Trading securities		**174**	114
Loan receivables	*10*	**–**	–
Trade receivables	*11*	**108,998**	18,654
Prepayments, deposits and other receivables		**18,006**	26,577
Contingent consideration receivables		**–**	26,110
Tax recoverable		**–**	45
Client trust bank balance		**763**	1,924
Cash and cash equivalents		**248,778**	13,525
		376,719	86,949
Total Assets		**395,103**	151,022
Capital and reserves			
Share capital	*12*	**5,372**	938
Reserves		**144,107**	(111,085)
Equity attributable to shareholders of the Company		**149,479**	(110,147)
Non-controlling interests		**3**	8,829
Total Equity		**149,482**	(101,318)

	Note	As at 30 June 2021 HK$'000	As at 31 December 2019 HK$'000
Non-current liabilities			
Lease liabilities		**1,427**	–
Convertible bonds	*13*	**–**	52,890
Deferred tax liabilities		**–**	2,797
		1,427	55,687
Current liabilities			
Trade payables	*14*	**53,436**	7,764
Accruals and other payables		**21,978**	43,304
Lease liabilities		**1,860**	5,976
Other loans		**41,852**	13,000
Convertible bonds	*13*	**114,248**	108,601
Amount due to a deconsolidated subsidiary		**8,467**	8,467
Tax payables		**2,353**	2,961
Provisions		**–**	6,580
		244,194	196,653
Total equity and liabilities		**395,103**	151,022
Net current assets/(liabilities)		**132,525**	(109,704)
Total assets less current liabilities		**150,909**	(45,631)

NOTES

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and the disclosure requirements of the Hong Kong Companies Ordinance.

The HKICPA has issued certain new and revised HKFRSs that are first effective for the current accounting period of the Group and the Company. Note 1(d) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in this final results announcement.

(b) Basis of Preparation of the Consolidated Financial Statements

The consolidated financial statements for the eighteen months ended 30 June 2021 comprise of the Company and its subsidiaries have been prepared in accordance with HKFRSs and under the historical cost convention except where stated otherwise in the accounting policies set out below.

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

During the current financial period, the reporting period end date of the Company was changed from 31 December to 30 June. Accordingly, the consolidated financial statements for the current period cover the eighteen months period ended 30 June 2021. The corresponding comparative amounts shown for the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and related notes cover a twelve months period from 1 January 2019 to 31 December 2019 and therefore may not be comparable with amounts shown for the current period.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Going concern basis

The Group recorded a loss attributable to equity shareholders of the Company of approximately HK$67,786,000 for the eighteen months ended 30 June 2021. These conditions indicate the existence of a material uncertainty which may cast doubt on the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the above conditions, the consolidated financial statements were prepared based on the assumption that the Group can be operated as a going concern after taking into consideration of the following plans and measures:

- The substantial shareholder, Dr. Ng Yu, has confirmed his intention to provide continuing financial support to satisfy the Group's working capital and other financing requirement through continual renewal of borrowings or continual provision of additional financing to the Group;

- The Group is in the process of soliciting potential new customers and shall continue to apply various measures to tighten its operation expenditures in order to improve its financial performance and cash flows.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made in the consolidated financial statements to write down the values of the assets to their net realisable 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 effect of these adjustments has not been reflected in the consolidated financial statements.

(d) Changes in accounting policies and disclosures

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendments to HKAS 1 and HKAS 8	Definition of Material

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

There was no material impact on the financial statements of the Group as the new HKFRSs and amendments to HKFRSs were consistent with policies already adopted by the Group except for adoption of the following developments:

Amendments to HKFRS 3, Definition of a Business

The amendments clarify the definition of a business and provide further guidance on how to determine whether a transaction represents a business combination. In addition, the amendments introduce an optional "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The amendments had no impact on the consolidated financial statements of the Group but may impact future periods should the Group make any acquisition.

(e) Update for deconsolidated subsidiaries of the Company

On 29 September 2021, the Group entered into a disposal agreement (the "Disposal Agreement") with Zhanjiang City Jiangjing Investment Co., Ltd. (湛江市江京投資有限公司) (the "Purchaser"), pursuant to which the Company conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the entire issued share capital of Market Season Limited with its subsidiaries and AIF Finance Limited for a total cash consideration of RMB2,000,000 (equivalent to approximately HK$2,410,000), together and as adjusted by the Proportional Entitlement (as defined in the announcement dated 29 September 2021). The Purchaser is a company established in the People's Republic of China (the "PRC") with limited liability. It is principally engaged in hotel project investment and operation in the PRC. To the best of the knowledge, information and belief of the Board having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

For the year ended 31 December 2019, the Group recorded loss on deconsolidation of subsidiaries, namely, Harmonic Strait Credit Guarantee Company Limited (和協海峽融資擔保有限公司) ("Harmonic Strait" or the "Deconsolidated Subsidiary") and the wholly owned subsidiaries of Harmonic Strait namely Shenzhen Hanhong SCM Co., Ltd. (深圳瀚宏供應鏈管理有限公司) and Shenzhen Sunnyway International Trading Company Limited (深圳薩尼威國際貿易有限公司) (together with Harmonic Strait, collectively known as the "Deconsolidated Subsidiaries"), of approximately HK$120,156,000. During the current financial period, the Company and its legal advisers discovered that the license necessary for the operation of the credit guarantee and investment business in the People's Republic of China (the "PRC") was terminated in February 2020. Application for the termination was submitted to the relevant government department in August 2019. The application was made without authorisation from the Company. Therefore, it was concluded that the Company had lost its right to direct the relevant activities of the Deconsolidated Subsidiaries and thus lost control of the Deconsolidated Subsidiaries around August 2019, or in any case, no later than 31 December 2019. Based on the fact that the Company has lost control over the Deconsolidated Subsidiaries and an examination of the existing information available to the Company, the Company's PRC legal advisers are of the view that there is a high level of uncertainties and risks associated with the recovery prospect of the loan receivables and other receivables of the Deconsolidated Subsidiaries and the underlying pledged asset as collaterals for some of these receivables.

The Company has further engaged its PRC legal advisors to take legal actions to uphold its shareholders' rights with respect to the Deconsolidated Subsidiaries. As advised by the Company's PRC legal advisers, even though the Company may have a relatively good basis in upholding its shareholder's rights, the Company is still exposed to litigation uncertainties brought by those legal actions both in terms of costs and outcome. Coupled with the assessment of the recovery prospect of the loan receivables and the other receivables of the Deconsolidated Subsidiaries as mentioned in note 10, the management of the Company believes that there is no sound commercial justification that further financial resources should be devoted to the legal actions relating to the Deconsolidated Subsidiaries. In the circumstances, the disposal of the Deconsolidated Subsidiaries appears to be a time-efficient and cost-effective way to reduce the Group's continual exposure to further litigation and recovery costs while retaining a majority of its entitlement in any proceeds recoverable from the Disposal Group through the mechanism of Proportional Entitlement.

2. SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions.

The Group has six (For the year ended 31 December 2019: six) reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

— Securities brokerage and assets management

— Advancing business

— Credit guarantee and investment business

— Trading of party products

— Trading of metals and minerals

— Trading of commodities

An operating segment regarding the trading of security products and provision of security services was discontinued in the current period. The segment information reported on the next pages does not include any amounts for these discontinued operation, which are described in more detail in note 16.

(a) Segment Revenues and Results

The accounting policies of the operating segments are the same as the accounting policies of the Group. Segment results represents the profit/(loss) earned by each segment without allocation of administrative expenses, certain other revenue and other net gain/(loss), other non-operating expenses and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and performance assessment.

The following is an analysis of the Group's revenue and results by operation segment:

For the eighteen months ended 30 June 2021

	Securities brokerage and assets management *HK\$'000*	Advancing business *HK\$'000*	Credit guarantee service and investment business *HK\$'000*	Trading of party products *HK\$'000*	Trading of metal and minerals *HK\$'000*	Trading of commodities *HK\$'000*	Total *HK\$'000*
Revenue							
Segment revenue	23,919	–	–	174,666	–	141,519	340,104
Inter-segment revenue	(668)	–	–	–	–	–	(668)
Revenue from external customers	23,251	–	–	174,666	–	141,519	339,436
Result							
Segment results	(11,313)	(976)	(25)	3,240	(45)	(1,231)	(10,350)
Reconciliation:							
Unallocated corporate income							789
Unallocated corporate expenses							(26,491)
Net exchange gain							1,539
Bank interest income							185
Finance costs							(14,466)
Reversal of equity share-based payment expenses							546
Loss on disposal of property, plant and equipment							(3)
Loss on cancellation of profit guarantee and convertible bonds							(10,647)
Gain on disposal of subsidiaries							13,444
Impairment loss on right-of-use assets							(3,387)
Impairment loss on deposit paid, net							(5,855)
Impairment loss on other receivables, net							(6,198)
Loss before tax							(60,894)
Income tax							(2,355)
Loss for the period							(63,249)

	Securities brokerage and assets management *HK$'000*	Advancing business *HK$'000*	Credit guarantee service and investment business *HK$'000*	Trading of party products *HK$'000*	Trading of metal and minerals *HK$'000*	Trading of commodities *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Other segment information:								
Capital expenditure of property, plant and equipment	3,340	847	–	5	–	–	1,610	5,802
Depreciation on property, plant and equipment	186	353	–	146	–	–	4,163	4,848
Depreciation on right-of-use assets	166	36	–	–	–	–	201	403
Impairment loss on right-of-use assets	912	263	–	–	–	–	2,212	3,387
Impairment loss on trade receivables, net	22	–	–	–	–	1,217	–	1,239
Impairment loss on deposit paid, net	–	–	–	–	–	–	5,855	5,855
Impairment loss on other receivables, net	–	–	–	72	567	–	5,559	6,198
Realised gain on disposal of trading securities	(62)	–	–	–	–	–	–	(62)
Unrealised loss on fair value changes in trading securities	2	–	–	–	–	–	–	2
Loss on written off of property, plant and equipment	–	–	–	118	–	–	–	118

For the year ended 31 December 2019

	Securities brokerage and assets management *HK$'000*	Advancing business *HK$'000*	Credit guarantee service and investment business *HK$'000*	Trading of party products *HK$'000*	Trading of metal and minerals *HK$'000*	Total (Restated) *HK$'000*
Revenue						
Segment revenue	741	12,001	–	40,965	–	53,707
Inter-segment revenue	(15)	–	–	–	–	(15)
Revenue from external customers	726	12,001	–	40,965	–	53,692
Result						
Segment results	(36,237)	(130,671)	375	(4,541)	(11,241)	(182,315)
Reconciliation:						
Unallocated corporate income						13,768
Unallocated corporate expenses						(34,966)
Bank interest income						14
Fair value loss on derivative financial assets						(1,546)
Loss on convertible bonds restructure						(1,693)
Finance costs						(15,671)
Equity settled share-based payment expenses						(1,060)
Share of profit of an associate						5,396
Loss on deregistration of subsidiaries						(159)
Loss on deconsolidation of subsidiaries						(120,156)
Gain on disposal of subsidiaries						2,616
Impairment loss on interest in an associate						(46,445)
Loss before tax						(382,217)
Income tax						(10)
Loss for the year						(382,227)

	Securities brokerage and assets management	Advancing business	Credit guarantee service and investment business	Trading of party products	Trading of metal and minerals	Unallocated	Total (Restated)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Other segment information:							
Capital expenditure of property, plant and equipment	3	–	–	11	–	–	14
Depreciation on property, plant and equipment	3,058	3	–	203	18	2,065	5,347
Depreciation on right-of-use assets	113	–	–	–	–	10,970	11,083
Impairment loss on goodwill	3,000	–	–	–	–	–	3,000
Impairment loss on intangible assets	17,888	500	–	–	–	–	18,388
Impairment loss on right-of-use assets	378	–	–	–	–	1,534	1,912
Impairment loss on loan receivables	–	111,128	–	–	–	–	111,128
Impairment loss on trade receivables	2,748	11,525	–	–	–	–	14,273
Impairment loss on other receivables and deposits paid	69	1	–	–	11,197	6,423	17,690
Realised loss an disposal of trading securities	–	–	–	–	–	498	498
Unrealised (gain)/loss on fair value change in trading securities	(5)	–	–	–	–	72	67
Loss on written off of property, plant and equipment	578	6	–	62	18	748	1,412

(b) Segment Assets and Liabilities

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than certain right-of-use assets, interest in an associate, certain trading securities, tax recoverable, certain prepayments, deposits and other receivables and cash and cash equivalents; and

- all liabilities are allocated to operating segments other than certain accruals and other payables, certain lease liabilities, amount due to a deconsolidated subsidiary, convertible bonds, other loan and tax payables.

The following is an analysis of the Group's assets and liabilities by operating segment:

As at 30 June 2021

	Securities brokerage and assets management *HK$'000*	Advancing business *HK$'000*	Credit guarantee service and investment business *HK$'000*	Trading of party products *HK$'000*	Trading of metal and minerals *HK$'000*	Trading of commodities *HK$'000*	Trading of security products and provision of security services *HK$'000*	Total *HK$'000*
ASSETS								
Segment assets	**5,391**	**556**	**–**	**104,262**	**–**	**19,808**	**–**	**130,017**
Bank balances and cash (included restricted cash)								**249,541**
Unallocated corporate assets								**15,545**
Consolidated total assets								**395,103**
LIABILITIES								
Segment liabilities	**(11,719)**	**(640)**	**(15)**	**(54,979)**	**(2,112)**	**(1,086)**	**–**	**(70,551)**
Other loan								**(41,852)**
Convertible bonds								**(114,248)**
Amount due to a deconsolidated subsidiary								**(8,467)**
Tax payables								**(2,353)**
Unallocated corporate liabilities								**(8,150)**
Consolidated total liabilities								**(245,621)**

As at 31 December 2019

	Securities brokerage and assets management *HK$'000*	Advancing business *HK$'000*	Credit guarantee service and investment business *HK$'000*	Trading of party products *HK$'000*	Trading of metal and minerals *HK$'000*	Trading of security products and provision of security services *HK$'000*	Total *HK$'000*
ASSETS							
Segment assets	19,755	104	–	11,075	567	87,098	118,599
Bank balances and cash (included restricted cash)							15,449
Interest in an associate							586
Tax recoverable							45
Unallocated corporate assets							16,343
Consolidated total assets							151,022
LIABILITIES							
Segment liabilities	11,523	152,088	20	3,460	2,118	13,449	182,658
Elimination of loan payables*	–	(151,453)	–	–	–	–	(151,453)
	11,523	635	20	3,460	2,118	13,449	31,205
Other loan							13,000
Convertible bonds							161,491
Amount due to a deconsolidated subsidiary							8,467
Tax payables							2,961
Unallocated corporate liabilities							35,216
Consolidated total liabilities							252,340

* The loan was made from a subsidiary of the Group to the Subsidiary under advancing business segment which was under negotiated terms. As at 31 December 2019, the carrying amount of the loan was HK$151,453,000.

(c) Geographic information

Revenue

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods were delivered.

	For the eighteen months ended 30 June 2021	For the year ended 31 December 2019 (Restated)
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Hong Kong	**102,964**	21,781
Mainland China	**141,519**	19,253
Malaysia	**55,625**	–
Singapore	**12,669**	–
United States of America	**3,975**	–
Others	**–**	7
	316,752	41,041
Revenue from other sources		
Hong Kong	**22,684**	650
Mainland China	**–**	12,001
	22,684	12,651
Total	**339,436**	53,692

Specified non-current assets

The following table sets out information about the geographical location of the Group's property, plant and equipment, right-of-use assets, intangible assets, goodwill and interest in an associate ("Specified non-current assets"). The geographical location of the Specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment and right-of-use assets; the location of the operation to which they are allocated, in the case of intangible assets, goodwill and interest in an associate.

	For the eighteen months ended 30 June 2021	For the year ended 31 December 2019
	HK$'000	*HK$'000*
Hong Kong	**17,984**	16,875
Mainland China	**–**	12,568
Total	**17,984**	29,443

(d) Revenue from major customer which individually accounts for 10% or more of the Group's revenue from continuing operations is as follows:

	For the eighteen months ended 30 June 2021	For the year ended 31 December 2019 (Restated)
	HK$'000	*HK$'000*
Revenue from customer attributable to trading of commodities business Company A*	**58,271**	–
Revenue from customer attributable to trading of party products business Company B*	**52,859**	–
Revenue from customer attributable to trading of party products business Company C*	**37,924**	–
Revenue from customer attributable to trading of party products business Company D#	**–**	11,960
Revenue from customer attributable to trading of party products business Company E#	**–**	8,173
Revenue from customer attributable to trading of party products business Company F#	**–**	7,292
Revenue from customer attributable to trading of party products business Company G#	**–**	6,421

* These three customers mentioned in above did not individually contribute 10% or more of total revenue of the Group during the year ended 31 December 2019.

\# These four customers mentioned in above did not individually contribute 10% or more of total revenue of the Group during the eighteen months ended 30 June 2021.

3. REVENUE

The principal activities of the Group are sales of party products, provision of securities brokerage and assets management service, trading of commodities, provision of advisory services, provision of advancing services and sales of security products and provision of security services.

Disaggregation of Revenue

Disaggregation of revenue from contracts with customers by major products or service lives is as follows:

	For the eighteen months ended 30 June 2021 *HK$'000*	For the year ended 31 December 2019 (Restated) *HK$'000*
Continuing operations		
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of party products	**174,666**	40,965
Brokerage commission income and assets management income (excluded interest income from cash and margin client and investment income)	**–**	76
Trading of commodities	**141,519**	–
Advisory income	**567**	–
	316,752	41,041
Revenue from other sources		
Interest income from cash and margin client earned from securities brokerage and assets management business	**3**	650
Investment income under assets management segment	**22,681**	–
Interest income from advancing business	**–**	12,001
	22,684	12,651
Total	**339,436**	53,692
Disaggregation by timing of revenue recognition within the scope of HKFRS 15		
— Over time	**567**	–
— At a point in time	**316,185**	41,041
	316,752	41,041
Discontinued operation		
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of security products	**784**	79,502
Provision of security services	**–**	2,419
Total	**784**	81,921
Disaggregation by timing of revenue recognition within the scope of HKFRS 15		
— Over time	**–**	2,419
— At a point time	**784**	79,502
	784	81,921

As all revenue contracts have original expected duration of one year or less. The Group has applied the practical expedient under the HKFRS 15 for not disclosing transaction price allocated to unsatisfied performance obligation.

4. OTHER REVENUE AND OTHER NET GAIN

	For the eighteen months ended 30 June 2021	For the year ended 31 December 2019 (Restated)
	HK$'000	*HK$'000*
Continuing operations		
Net exchange gain	**1,539**	962
Dividend income	**3**	–
Interest income	**185**	14
Sundry income	**2,351**	11,055
Realised gain/(loss) on disposal of trading securities	**62**	(498)
Fair value loss on derivative financial assets *(Note 13)*	**–**	(1,546)
Loss on convertible bonds restructure *(Note 13)*	**–**	(1,693)
Unrealised loss on fair value changes in trading securities	**(2)**	(67)
Loss on written off of property, plant and equipment	**(118)**	(1,412)
	4,020	6,815
Discontinued operation		
Net exchange loss	**(1)**	(8)
Interest income	**–**	4
Sundry income	**–**	2
Government subsidies	**147**	–
Loss on written off of property, plant and equipment	**–**	(188)
	146	(190)

5. FINANCE COSTS

	For the eighteen months ended 30 June 2021	For the year ended 31 December 2019 (Restated)
	HK$'000	*HK$'000*
Continuing operations		
Interest on convertible bonds	**10,079**	14,000
Interest on lease liabilities	**111**	762
Interest on other borrowings	**4,044**	909
Interest on loan from a securities broker	**232**	–
	14,466	15,671
Discontinued operation		
Interest on other borrowings	**124**	13
	124	13

6. LOSS BEFORE TAX

Loss before tax is arrived at after charging/(crediting) the following:

	For the eighteen months ended 30 June 2021	For the year ended 31 December 2019 (Restated)
	HK$'000	*HK$'000*
Continuing operations		
Auditor's remuneration		
— Audit service	**1,202**	1,870
— Non-audit service	**796**	584
Cost of inventories included in cost of sales and services	**306,568**	41,060
Depreciation		
— Owned property, plant and equipment	**4,848**	5,347
— Right-of-use assets	**403**	11,083
Staff costs (including directors' emoluments):		
— Salaries, wages and other benefits	**22,802**	16,568
— Contributions to defined contribution retirement plans	**692**	1,414
— (Reversal of) equity settled share-based payment expenses	**(546)**	1,060
Discontinued operation		
Cost of inventories included in cost of sales and services	**–**	64,044
Amortisation of intangible assets	**–**	5,411
Depreciation		
— Owned property, plant and equipment	**–**	283
Staff costs (including directors' emoluments):		
— Salaries, wages and other benefits	**1,248**	4,144
— Contributions to defined contribution retirement plans	**–**	40
Gain on disposal of property, plant and equipment	**(390)**	–
Gain on disposal of subsidiaries	**(488)**	–
Impairment loss on goodwill	**–**	40,235
Impairment loss on intangible assets	**–**	10,293
Impairment loss on property, plant and equipment	**–**	294
Impairment loss on trade receivables, net	**4,410**	3,972
Impairment loss on other receivables, net	**130**	660

7. INCOME TAX EXPENSE

The amount of taxation charged to the consolidated statement of profit or loss and other comprehensive income represents:

	For the eighteen months ended 30 June 2021	For the year ended 31 December 2019 (Restated)
	HK$'000	*HK$'000*
Continuing operations		
Current tax — Hong Kong Profits Tax		
Charge for the period/year	**2,353**	–
Under-provision in prior years	**–**	10
Current tax — PRC Income Tax		
Charge for the period/year	**2**	3,754
Under-provision in prior years	**–**	172
	2,355	3,936
Deferred tax credit	**–**	(3,926)
Total income tax expense	**2,355**	10

	For the eighteen months ended 30 June 2021	For the year ended 31 December 2019 (Restated)
	HK$'000	*HK$'000*
Discontinued operation		
Current tax — Hong Kong Profits Tax		
Under-provision in prior years	**–**	266
Current tax — PRC Income Tax		
Credit for the period/year	**–**	(704)
Total income tax credit	**–**	(438)

8. DIVIDENDS

The Board of the Company did not recommend any final dividend for the eighteen months ended 30 June 2021. No dividend was paid during the period (For the year ended 31 December 2019: Nil).

9. LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to equity shareholders of the Company over the weighted average number of ordinary shares issued during the period/year.

	For the eighteen months ended 30 June 2021	For the year ended 31 December 2019 (Restated)
	HK$'000	*HK$'000*
Loss attributable to equity shareholders of the Company		
— Continuing operations	**(63,238)**	(377,578)
— Discontinued operation	**(4,548)**	(2,798)
Loss attributable to equity shareholders of the Company	**(67,786)**	(380,376)

	For the eighteen months ended 30 June 2021	For the year ended 31 December 2019 (Restated)
	'000 shares	*'000 shares*
Weighted average number of ordinary shares	**237,473**	93,499

Total issued ordinary shares at 30 June 2021 and 31 December 2019 was 537,245,000 and 937,797,000 shares respectively.

The weighted average number of ordinary shares for the purpose of basic loss per share has been adjusted for the share consolidation on 1 December 2020.

(b) Diluted loss per share

The calculation of diluted loss per share does not assume the exercise of the Company's outstanding share options or conversion of outstanding convertible bonds which had anti-dilutive effect and would result in a reduction in loss per share during the eighteen months ended 30 June 2021 and the year ended 31 December 2019. Therefore, the diluted loss per share is the same as basic loss per share during the eighteen months ended 30 June 2021 and the year ended 31 December 2019.

10. LOAN RECEIVABLES

	As at 30 June 2021 *HK$'000*	As at 31 December 2019 *HK$'000*
Loan receivables from advancing business	**122,555**	122,555
Less: Impairment	**(122,555)**	(122,555)
	–	–
Representing:		
Current portion	**–**	–
Non-current portion	**–**	–
	–	–

(a) At 30 June 2021, loan receivables bear interest at rates ranged from 5% to 17% per annum (31 December 2019: 5% to 17%), and with repayment terms, mutually agreed between the contracting parties. At 30 June 2021, the Group lent the loans to independent customers in total of HK$122,555,000 (31 December 2019: HK$122,555,000), of which HK$17,245,000 (31 December 2019: HK$17,245,000) was secured by a personal guarantee of a customer and HK$99,128,000 (31 December 2019: HK$99,128,000) was secured by unlisted equity shares of some PRC companies.

(b) The loan receivables at the end of the reporting period are analysed by the remaining period to contractual maturity date as follows:

	As at 30 June 2021 *HK$'000*	As at 31 December 2019 *HK$'000*
Repayable:		
Within 1 year	**–**	–
1 to 3 years	**–**	–
	–	–

(c) As detailed in note 1(e) in the final results announcement, the Group entered into the Disposal Agreement with the Purchaser for the disposal of Market Season Limited with its subsidiaries and AIF Finance Limited for a total cash consideration of RMB2,000,000 (equivalent to approximately HK$2,410,000).

During the year ended 31 December 2019, the Group made full provision for impairment on loan receivables and interest receivable of AIF Finance Limited. The Company consulted its Hong Kong legal advisers and the PRC legal advisers and was given to understand that there is a high level of uncertainties associated with the recovery prospect of the loans and there were significant hurdles in realising the collaterals and enforcing the personal guarantees under the security documents of the loans. Some of the borrowers had also been ruled as dishonest persons by the PRC courts. Subsequently, based on the advice of its Hong Kong legal advisers, the Company commenced legal actions against some of the borrowers with apparent connection with Hong Kong but there is no success so far.

In view of the litigation uncertainties brought by those legal actions both in terms of costs and outcome, coupled with the assessment of the recovery prospect of the outstanding loans as detailed above, the management of the Company believes that there is no sound commercial justification that further financial resources should be devoted to the legal actions relating to the outstanding loans. In the circumstances, the disposal of the AIF Finance Limited appears to be a time-efficient and cost-effective way to reduce the Group's continual exposure to further litigation and recovery costs while retaining a majority of its entitlement in any proceeds recoverable from the AIF Finance Limited through the mechanism of Proportional Entitlement.

11. TRADE RECEIVABLES

	As at 30 June 2021 *HK$'000*	As at 31 December 2019 *HK$'000*
Trade receivables arising from dealing in security	**2,813**	2,788
Interest receivables arising from advancing business	**12,387**	12,387
Trade receivables arising from trading of party products	**104,246**	9,303
Trade receivables arising from trading of security products	**–**	5,449
Trade receivables arising from trading of commodities	**5,905**	–
Trade receivables arising from provision of security services	**–**	7,834
	125,351	37,761
Less: Impairment	**(16,353)**	(19,107)
	108,998	18,654

Customers from trading of party products, commodities, and provision of security services are usually offered a credit period of up to 90 days. Customers from trading of security products are due immediately when goods are delivered. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

(a) An ageing analysis of trade receivables based on the date of the invoice and net of provision of impairment loss is as follows:

	As at 30 June 2021 *HK$'000*	As at 31 December 2019 *HK$'000*
Within 30 days	**104,296**	5,265
31 to 60 days	**–**	5,294
61 to 90 days	**–**	4,056
Over 90 days	**4,702**	4,039
	108,998	18,654
Trade receivables from dealing in securities not past due	**(64)**	(40)
	108,934	18,614

12. SHARE CAPITAL

	Number of shares *'000*	Amount *HK$'000*
Authorised:		
Ordinary shares of HK$0.1 each		
At 1 January 2019	100,000,000	10,000,000
Capital Reorganisation *(Note (a))*	9,900,000,000	–
Ordinary shares of HK$0.001 each		
At 31 December 2019 and 1 January 2020	10,000,000,000	10,000,000
Share consolidation *(Note (d))*	(9,000,000,000)	–
Ordinary shares of HK$0.01 each		
At 30 June 2021	1,000,000,000	10,000,000
Issued and fully paid:		
Ordinary shares of HK$0.1 each		
At 1 January 2019	9,327,172	932,717
Issue of new shares	50,800	5,080
Capital Reorganisation *(Note (a))*	(8,440,175)	(936,859)
Ordinary shares of HK$0.001 each		
At 31 December 2019 and 1 January 2020	937,797	938
Issue of new shares *(Note (b))*	181,463	181
Issue of new shares *(Note (c))*	223,852	224
Share consolidation on 1 December 2020 *(Note (d))*	(1,208,801)	–
Subscription shares under specific mandate in January 2021 *(Notes (e) and (f))*	402,934	4,029
Ordinary shares of HK$0.01 each		
At 30 June 2021	537,245	5,372

(a) The Capital Reorganisation was approved by the Company's shareholders at an extraordinary general meeting of the Company on 23 May 2019 and completed on 24 July 2019. The number of authorised share capital of the Company was increased from 100,000 million shares to 10,000,000 million consolidated shares and its authorised capital of HK$10,000 million remained unchanged on the completion date of the Capital Reorganisation. The Company's issued share capital was reduced from HK$937,797,200 divided into 9,377,972,000 shares to HK$937,797 divided into 937,797,200 consolidated shares on the completion date of the Capital Reorganisation.

The Capital Reorganisation comprises following:

(i) the par value of each issued ordinary share of the Company of HK$0.1 would be reduced to HK$0.0001 by cancelling the paid-up share capital to the extent of HK$0.0999 on each issued share (the "Capital Reduction");

(ii) immediately after the Capital Reduction becomes effective, each authorised but unissued share will be sub-divided into 1,000 new ordinary shares of the Company of HK$0.0001 each ("New Shares") (the "Sub-division"); and

(iii) immediately after the Capital Reduction and Sub-division become effective, the New Shares would be consolidated on the basis that every 10 issued and unissued New Shares of HK$0.0001 each will be consolidated into one new ordinary shares of the Company of HK$0.001 each ("Consolidated Share").

A credit of approximately HK$936,859,000 arising from the Capital Reduction was transferred to the share premium account of the Company. Details are set out in the Company's circular dated 26 April 2019 and its announcements dated 4 April 2019, 23 May 2019, 8 July 2019 and 24 July 2019.

(b) On 20 April 2020, 181,463,440 ordinary shares have been successfully placed to not less than six placees at the placing price of HK$0.1 per placing share and none of the placees is a substantial shareholder of the Company upon completion of the placing. The gross proceeds from the placing are approximately HK$18,146,000 and the net proceeds are approximately HK$17,965,000 (after deduction of commission and other expenses of the placing).

(c) On 4 August 2020, 223,852,128 placing shares have been successfully placed to not less than six placees at the placing price of HK$0.105 per placing share and none of the placees is a substantial shareholder of the Company upon completion of the placing. The gross proceeds from the placing are approximately HK$23,500,000 and the net proceeds are approximately HK$22,960,000 (after deduction of commission and other expenses of the placing).

(d) On 1 December 2020, the Company completed a share consolidation for every ten issued and unissued shares of HK$0.001 each in the share capital of the Company be consolidated into one share of HK$0.01 each (a "Consolidated Share"), and such Consolidated Share(s) shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the articles of association of the Company.

(e) On 14 January 2021, 118,259,944 rights shares were allotted and issued by the Company, of which, 79,794,000 rights shares accepted by Ng Concert Party Group pursuant to the Irrevocable Undertaking, for a total consideration of HK$83,965,000 at the subscription price of HK$0.71 per share. The consideration for the subscription had been fully settled in cash.

(f) On 25 January 2021, 284,673,884 subscription shares were allotted and issued by the Company to Neo Tech Inc. for a total consideration of HK$202,118,000 at the subscription price of HK$0.71 per share, in accordance with the subscription agreement and the specific mandate approved by the independent shareholders at the EGM. The consideration for the subscription had been fully settled in cash.

13. CONVERTIBLE BONDS

		As at 30 June 2021			As at 31 December 2019		
	Note	**Liability portion** ***HK$'000***	**Equity portion** ***HK$'000***	**Total** ***HK$'000***	Liability portion *HK$'000*	Equity portion *HK$'000*	Total *HK$'000*
2019 Convertible Bonds	*(a)*	**–**	**–**	**–**	–	–	–
2020 Convertible Bonds	*(a)*	**114,248**	**1,493**	**115,741**	108,601	1,493	110,094
2021 Convertible Bonds	*(b)*	**–**	**–**	**–**	52,890	24,400	77,290
Total		**114,248**	**1,493**	**115,741**	161,491	25,893	187,384
Representing:							
Current liabilities		**114,248**	**–**	**114,248**	108,601	–	108,601
Non-current liabilities		**–**	**–**	**–**	52,890	–	52,890
Convertible bonds reserve		**–**	**1,493**	**1,493**	–	25,893	25,893

Note (a)

On 18 February 2019, the Company and the Original Bondholder, Ms. Cheung Kwan, a former-executive Director and the former-chairlady of the Board, entered into a deed of variation, pursuant to which the parties agreed that, subject to fulfilment of the conditions precedent, the terms of the convertible bonds resulting from the extension of the maturity date for 1 year ("2019 Convertible Bonds") would be amended as follows:

(i) the maturity date to be extended from 18 February 2019 to 18 February 2020;

(ii) the 2019 Convertible Bonds would bear interest at the rate of 5% per annum commencing from 18 February 2019 (originally zero coupon); and

(iii) the principal amount of 2019 Convertible Bonds would increase from HK$100,000,000 to HK$105,000,000 and the Company would issue additional convertible bonds in the principal amount of HK$5,000,000 to the Original Bondholder free of payment.

Save as disclosed above, all the remaining terms and conditions of the 2019 Convertible Bonds remain unchanged.

The Convertible Bonds Restructure was considered to be substantial modification of terms and conditions of the 2019 Convertible Bonds. Accordingly, the 2019 Convertible Bonds have been accounted for as extinguishment and the convertible bonds resulting from the Convertible Bonds Restructure (the "2020 Convertible Bonds") have been recognised upon the completion of the Convertible Bonds Restructure on 25 June 2019.

On 5 July 2021, the Company redeemed the 2020 Convertible Bonds with principal amount of HK$100,000,000 with 5% interest per annum accruing from 19 February 2019 to 18 February 2020 and with default interest at 2.5% per annum accruing from 19 February 2020 up to date of actual repayment, which have already fallen due on 18 February 2020.

Up to the date of the final results announcement, the 2020 Convertible Bonds with principal amount of HK$5,000,000 with 10% interest per annum was still outstanding.

The 2019 Convertible Bonds	**Liability Portion**	**Equity Portion**	**Derivative Financial Assets**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2019	99,095	12,663	–	111,758
Interest charged to consolidated statement of profit or loss	905	–	–	905
Extinguishment upon completion of the convertible Bonds Restructure	(100,000)	(12,663)	–	(112,663)
At 31 December 2019	–	–	–	–

The 2020 Convertible Bonds	**Liability Portion**	**Equity Portion**	**Derivative Financial Assets**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 25 June 2019	102,796	1,493	(1,546)	102,743
Interest charged to consolidated statement of profit or loss	5,805	–	–	5,805
Fair value change	–	–	1,546	1,546
At 31 December 2019 and 1 January 2020	**108,601**	**1,493**	**–**	**110,094**
Interest charged to consolidated statement of profit or loss	**5,647**	**–**	**–**	**5,647**
At 30 June 2021	**114,248**	**1,493**	**–**	**115,741**

Note (b)

The 2021 Convertible Bonds	**Liability Portion**
	HK$'000
At 31 December 2019 and 1 January 2020	52,890
Cancellation of convertible bond *(Note)*	(49,693)
Cancellation of convertible bond upon disposal of a subsidiary *(Note 15(c)(i))*	(7,629)
Interest charged to consolidated statement of profit or loss	4,432
At 30 June 2021	–

Note: On 30 June 2020, the vendors of the acquisition of ISN and Dewe Kexin and the Group entered into a supplemental deed (the "Deed"), pursuant to which it was mutually agreed that profit guarantee for the years ended 31 December 2019 and 2020 was unfulfilled and terminated respectively. The Vendors agreed to surrender the corresponding convertible bonds in the principal amount of HK$26,250,000 and HK$35,000,000 respectively to the Company for cancellation.

No new shares of the Company were issued upon exercise of the 2019 Convertible Bonds, 2020 Convertible Bonds and 2021 Convertible Bonds during the eighteen months ended 30 June 2021.

14. TRADE PAYABLES

	As at 30 June 2021 *HK$'000*	As at 31 December 2019 *HK$'000*
Trade payables arising from dealing in security	**763**	1,924
Trade payables arising from trading of security products	**–**	3,044
Trade payables arising from trading of party products	**52,673**	2,796
	53,436	7,764

The ageing analysis of trade payables arising from trading of security products and trading of party products is as follows:

	As at 30 June 2021 *HK$'000*	As at 31 December 2019 *HK$'000*
0 to 30 days	**52,673**	2,796
31 to 60 days	**–**	–
61 to 90 days	**–**	–
Over 90 days	**–**	3,044
	52,673	5,840

The trade payables arising from trading of security products and trading of party products are non-interest bearing and are normally settled within 90 days. The carrying amounts of the trade payables at the end of the reporting period approximated their fair values.

15. DISPOSAL OF SUBSIDIARIES

(a) Disposal Group 1

In December 2019, the Company entered into sale and purchase agreement with an independent third party ("Purchaser 1") to dispose certain subsidiaries which listed as below. The disposal was completed on 27 December 2019.

List of disposed subsidiaries and its subsidiaries (collectively "Disposal Group 1"):

Name of subsidiary	**Place of establishment/ incorporation and operation**	**Particulars of issued and paid up/ registered capital**	**Group's effective interest**	**Principal activities**
Gold Classic Group Limited	BVI	USD1	100%	Investment holding
Blooming Charm Company Limited	BVI	USD1	100%	Investment holding
AIF Corporate Management Limited	BVI	USD1	100%	Investment holding
World Paradise Limited	BVI	USD1	100%	Investment holding
Aceland Enterprises Limited	BVI	USD1	100%	Investment holding
Asiaciti Limited	BVI	USD1	100%	Investment holding
AIF Fund Management Holdings Limited	BVI	USD50,000	100%	Investment holding
AIF Television Culture Communication Company Limited	BVI	USD1	100%	Investment holding
China Cloud Copper Company Limited	BVI	USD1	100%	Inactive
重慶富甲天下股權投資基金管理有限公司Chongqing Fujia Tianxia Equity Investment Fund Management Co., Limited*	PRC	RMB50,000,000	90%	Inactive
江蘇長青寶科技有限公司 Jiangsu Chang Qing Bao Technology Co., Ltd*	PRC	RMB10,000,000	70%	Inactive

* *The English name is for identification purpose only.*

Details of net assets of Disposal Group 1 at date of disposal were as follows:

	HK$'000
Net assets disposed of:	
Deposits and other receivables, net of impairment	7,721
Cash and cash equivalents	723
Accruals and other payables	(1,878)
	6,566
Gain on disposal of subsidiaries:	
Consideration receivables	6,110
Less:	
Net assets disposed of	6,566
Non-controlling interest	(1,484)
Translation reserve release upon disposal	(72)
Gain on disposal of subsidiaries	1,100
Net cash outflow arising on disposal:	
Cash and bank balances disposal of	(723)

(b) Disposal Group 2

In December 2019, the Company entered into sale and purchase agreement with an independent third party ("Purchaser 2") to dispose certain subsidiaries which listed as below. The disposal was completed on 27 December 2019.

List of disposed subsidiaries and its subsidiaries (collectively "Disposal Group 2"):

Name of subsidiary	**Place of establishment/ incorporation and operation**	**Particulars of issued and paid up capital**	**Group's effective interest**	**Principal activities**
Hycolon Limited	Hong Kong	HK$1	100%	Inactive
AIF Energy and Resources Investments Limited	Hong Kong	HK$1	100%	Investment holding
AIF Healthtech Limited	Hong Kong	HK$1	100%	Investment holding
AIF Mining Technology Development Limited	Hong Kong	HK$100	100%	Investment holding
Asia Investment Finance Limited	Hong Kong	HK$1	100%	Inactive

Details of net assets of Disposal Group 2 at date of disposal were as follows:

	HK$'000
Net assets disposed of:	
Right-of-use assets	2,471
Deposits and other receivables, net of impairment	664
Cash and cash equivalents	118
Lease liabilities	(4,338)
Accruals and other payables	(310)
	(1,395)
Gain on disposal of subsidiaries:	
Consideration receivables	118
Less:	
Net liabilities disposed of	(1,395)
Translation reserve release upon disposal	(3)
Gain on disposal of subsidiaries	1,516
Net cash outflow arising on disposal:	
Cash and bank balances disposal of	(118)
Total gain on disposal of Disposal Group 1 and Disposal Group 2	2,616

(c) Disposal of Subsidiaries

During the eighteen months ended 30 June 2021, the Group had the following disposals of subsidiaries:

(i) On 30 June 2020, the vendors of ISN and Dewe Kexin entered into the sale and purchase agreement with the Group in relation to the disposal by the Group of the entire issued share capital of ISN and the other receivables for a total consideration of HK$8,750,000 by way of surrendering by the vendors of ISN and Dewe Kexin of the relevant 2021 Convertible Bonds in principal amount of HK$8,750,000 issued by the Company and arising from the 2018 Profit Guarantee. The disposal has been completed on 31 December 2020.

(ii) Pursuant to a loan agreement entered into between the Company's subsidiary as borrower and an independent third party as lender, a share pledge (the "Share Pledge") over the Group's 51% equity interest in Dewe Kexin created as security for a loan in principal amount of RMB5,000,000 (the "Loan") was registered on 14 January 2020. The Share Pledge was subsequently enforced on 17 February 2020. As a result, Dewe Kexin ceased to be a subsidiary of the Company ("Dewe Deconsolidation").

(iii) On 26 March 2021, the Group entered into the sale and purchase agreement with an independent third party to dispose of the Group's equity interest in Ya Tou Hui Jin (Beijing) Asset Management Co., Ltd. (亞投匯金(北京)資產管理有限公司) ("Ya Tou Hui Jin") for a consideration of RMB12,000,000 (equivalent to approximately HK$13,679,000). The transaction was completed on 26 March 2021.

Disposal of subsidiaries	*HK$'000*
Continuing operations	
Gain on disposal of Ya Tou Hui Jin	13,444
Discontinuing operations	
Gain on disposal of ISN	4,440
Loss on disposal of Dewe Kexin	(3,952)
	488
Total gain on disposal of subsidiaries	13,932

Consideration received

	ISN *HK$'000*	Dewe Kexin *HK$'000*	Ya Tou Hui Jin *HK$'000*	Total *HK$'000*
Consideration received in cash and cash equivalents	–	–	13,679	13,679
Waive of liabilities	–	5,600	–	5,600
Cancellation of convertible bonds payables	7,629	–	–	7,629
	7,629	5,600	13,679	26,908

Analysis of assets and liabilities over which control was lost:

	ISN *HK$'000*	Dewe Kexin *HK$'000*	Ya Tou Hui Jin *HK$'000*	Total *HK$'000*
Net assets/liabilities disposed of:				
Property, plant and equipment	–	16	5	21
Goodwill	–	489	–	489
Intangible assets	–	11,188	–	11,188
Interest in an associate	–	–	586	586
Trade receivables	199	5,449	–	5,648
Prepayments, deposits and other receivables	9,182	5,748	5,708	20,638
Cash and cash equivalents	(18)	10,740	10	10,732
Tax recoverable	45	–	–	45
Trade payables	–	(3,044)	–	(3,044)
Accruals and other payables	(1,219)	(6,180)	(5,819)	(13,218)
Other loans	(5,000)	–	–	(5,000)
Tax payables	–	(2,961)	–	(2,961)
Deferred tax liabilities	–	(2,797)	–	(2,797)
Net asset disposed of	3,189	18,648	490	22,327

Gain/(loss) on disposal of subsidiaries:

	ISN *HK$'000*	Dewe Kexin *HK$'000*	Ya Tou Hui Jin *HK$'000*	Total *HK$'000*
Consideration received	7,629	5,600	13,679	26,908
Cumulative exchange difference on translation of these subsidiaries reclassified from equity to profit and loss	–	224	255	479
Net assets disposed of	(3,189)	(18,648)	(490)	(22,327)
Non-controlling interests	–	8,872	–	8,872
Gain/(loss) on disposal of subsidiaries:	4,440	(3,952)	13,444	13,932

Net cash outflows arising on disposal:

	ISN *HK$'000*	Dewe Kexin *HK$'000*	Ya Tou Hui Jin *HK$'000*	Total *HK$'000*
Consideration received in cash and cash equivalents	–	–	13,679	13,679
Less:				
Cash and cash equivalents disposed of	18	(10,740)	(10)	(10,732)
Net cash outflows arising on disposals of subsidiaries:	18	(10,740)	13,669	2,947

16. DISCONTINUED OPERATION

As detailed in notes 15(c)(i) and (ii) to the final results announcement of the result of the disposal of subsidiaries ISN and Dewe Kexin, 100% and 51% interest in ISN and Dewe Kexin, respectively, with principal operation as trading of security products and provision of security services is presented as discontinued operation.

The loss for the period from discontinued operation is set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present the operations as discontinued operation.

	For eighteen months ended 30 June 2021 ***HK$'000***	For the year ended 31 December 2019 *HK$'000*
Gain on disposal of subsidiaries	**488**	–
Loss of discontinued operation for the period/year	**(5,036)**	(1,171)
	(4,548)	(1,171)

The results of the discontinued operation included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flow are set out below.

The results from the discontinued operations for the period ended 30 June 2021 are analysed as follows:

	For the eighteen months ended 30 June 2021 *HK$'000*	For the year ended 31 December 2019 *HK$'000*
Revenue	**784**	81,921
Cost of sales and services	**–**	(64,044)
Gross profit	**784**	17,877
Other revenue and other net gain/(loss)	**146**	(190)
Fair value gain on contingent consideration receivables	**–**	54,510
Operating expenses	**(1,692)**	(18,339)
(Loss)/Profit from operations	**(762)**	53,858
Finance costs	**(124)**	(13)
Other non-operating expenses		
Gain on disposal of property, plant and equipment	**390**	–
Loss before impairment and tax	**(496)**	53,845
Impairment loss on goodwill	**–**	(40,235)
Impairment loss on intangible assets	**–**	(10,293)
Impairment loss on property, plant and equipment	**–**	(294)
Impairment loss on trade receivables, net	**(4,410)**	(3,972)
Impairment loss on other receivables, net	**(130)**	(660)
Loss before tax	**(5,036)**	(1,609)
Income tax credit/(expenses)	**–**	438
Loss for the period/year	**(5,036)**	(1,171)

17. EVENT AFTER THE REPORTING PERIOD

Except the notes 1(e), 10(c) and 13 in the final results announcement, no other significant events were occurred subsequent to the end of the reporting period and up to the date of this report.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report from Cheng & Cheng Limited, the external auditor of the Company, on the Group's consolidated financial statements for the eighteen months ended 30 June 2021.

BASIS FOR QUALIFIED OPINION

Deconsolidation of subsidiaries

As disclosed in note 18 to the consolidated financial statements, during the year ended 31 December 2019, the directors of the Company (the "Board") were unable to obtain cooperation from the legal representative, directors and key management of a subsidiary, namely, Harmonic Strait Credit Guarantee Company Limited (和協海峽融資擔保有限公司) ("Harmonic Strait" or the "Deconsolidated Subsidiary") and the wholly owned subsidiaries of Harmonic Strait namely Shenzhen Hanhong SCM Co., Ltd. (深圳瀚宏供應管理有限公司) and Shenzhen Sunnyway International Trading Company Limited (深圳薩尼威國際貿易有限公司) (together with Harmonic Strait, collectively known as the "Deconsolidated Subsidiaries"). Therefore, the Board had been unable to access to the books and records of the Deconsolidated Subsidiaries for the year ended 31 December 2019. The consolidated financial statements of the Group for the year ended 31 December 2019 (the "2019 consolidated financial statements") were prepared on the basis that the deconsolidation of the Deconsolidated Subsidiaries was deemed to be effective on 1 January 2019 (the "Deconsolidation") as the Board considered that it presented more fairly the results, state of affairs and cashflows of the Group as a whole in light of incomplete books and records of the Deconsolidated Subsidiaries. No sufficient evidence had been provided to satisfy ourselves as to whether the Company had lost control of Deconsolidated Subsidiaries since 1 January 2019. Due to such audit scope limitation, our audit opinion on the Group's consolidated financial statements for the year ended 31 December 2019 was modified.

During the current financial period, the Board and its legal advisers discovered that the license necessary for the operation of the credit guarantee and investment business in the People's Republic of China (the "PRC") was terminated in February 2020. Application for the termination was submitted to the relevant government department in August 2019. The application was made without authorisation from the Board. Therefore, it was concluded that the Company had lost its right to direct the relevant activities of the Deconsolidated Subsidiaries and thus lost control of the Deconsolidated Subsidiaries around August 2019, or in any case, no later than 31 December 2019.

Our audit opinion on the consolidated financial statements for the period ended 30 June 2021 is also modified because of the possible effect of our audit scope limitation on 2019 consolidated financial statements on the comparability of the 2021 figures and the 2019 figures in the consolidated financial statements for the period ended 30 June 2021 (the "2021 consolidated financial statements").

Loss on Deconsolidation of the Deconsolidated Subsidiaries

Due to lack of complete books and records of the Deconsolidated Subsidiaries mentioned above, we were unable to obtain sufficient appropriate audit evidence to determine whether the loss on the Deconsolidation recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019 amounting to approximately HK$120,156,000 was free from material misstatement. Due to such audit scope limitation, our audit opinion on the 2019 consolidated financial statements was modified. Our audit opinion on the 2021 consolidated financial statements is also modified because of the possible effect of our audit scope limitation on 2019 consolidated financial statements on the comparability of the 2021 figures and the 2019 figures in the 2021 consolidated financial statements.

Amount due to a Deconsolidated Subsidiary

As disclosed in note 38 to the consolidated financial statements, the Group recorded amount due to a Deconsolidated Subsidiary of approximately HK$8,467,000 as at 31 December 2019 and 30 June 2021. As further disclosed in note 18 to the consolidated financial statements, the Board had been unable to gain access to the books and records of the Deconsolidated Subsidiary and had been unable to obtain information and explanations from management of the Deconsolidated Subsidiary on matters concerning the books and records of the Deconsolidated Subsidiary. There were no other satisfactory alternative audit procedures that we could perform to satisfy ourselves as to whether the amount due to a Deconsolidated Subsidiary was free from material misstatement. We have not been able to obtain sufficient appropriate audit evidence to determine the validity and completeness of the amount due to a Deconsolidated Subsidiary as at 31 December 2019 and 30 June 2021. Due to such audit scope limitation, our audit opinion on the 2019 consolidated financial statements was modified. Our audit opinion on the 2021 consolidated financial statements is also modified accordingly.

Any adjustments found to be necessary may have consequential significant effects on the balances of the amount due to a Deconsolidated Subsidiary, the recorded amounts and description of the relevant transactions with the Deconsolidated Subsidiary as at and for the eighteen months ended 30 June 2021 and other elements in the consolidated financial statements for the eighteen months ended 30 June 2021 and hence on the net assets of the Group as at 30 June 2021 and loss and other comprehensive income and cash flows of the Group for the eighteen months ended 30 June 2021 and related disclosures thereof in the consolidated financial statements. Our audit opinion on the consolidated financial statements for the period ended 30 June 2021 is also modified because of the possible effect of our audit scope limitation on 2019 consolidated financial statements on the comparability of the 2021 figures and the 2019 figures the 2021 consolidated financial statements.

Limitation of scope on interest in an associate

As stated in note 17 to the consolidated financial statements, the Group has accounted for its interest in an associate using the equity method. As at 31 December 2019, the carrying amount of the interest in an associate was approximately HK$586,000, and the Group's share of profit of an associate and impairment loss on interest in an associate for the year ended 31 December 2019 were approximately HK$5,396,000 and HK$46,445,000 respectively. However, during the course of our audit of the 2019 consolidated financial statements, we had not been able to obtain sufficient information and explanations from the management of the associate that we considered necessary in order to enable us to satisfy ourselves as to whether the Group's share of associate's result and impairment loss on interest in an associate for the year and thus the carrying amount of the interest in an associate included in the Group's consolidated statement of financial position as at 31 December 2019 were fairly stated and whether the summarised financial information of an associate as shown in the consolidated financial statements are properly disclosed. In addition, the impairment assessment on the recoverable amount of interest in an associate was based on asset approach determined by the Board of the Company. However, the Board could not provide sufficient appropriate audit evidence to substantiate the appropriateness of adopting asset approach, the reasonableness of the assumptions and financial data used in the asset approach and thus the carrying amount of the interest in an associate included in the Group's consolidated statement of financial position as at 31 December 2019 were fairly stated and whether the summarised financial information of an associate as shown in the consolidated financial statements were properly disclosed. There were no other satisfactory alternative audit procedures that we could adopt to obtain sufficient appropriate audit evidence in this regard.

Refer to note 19 to the consolidated financial statements, the Company entered into share transfer agreement to dispose of its entire equity in Ya Tou Huijin (Beijing) Assets Management Co., Ltd. (亞投匯金(北京)資產管理有限公司) ("Ya Tou Huijin") and its associate, Sunrise Insurance Broker Company Limited ("Sunrise Insurance") (collectively, the "Disposal Group") on 26 March 2020 to the vendor (the "Associate Disposal"), a gain on disposal of the Disposal Group of approximately HK$13,444,000 was recognised for the eighteen months ended 30 June 2021. However, as our audit scope limitations in our audit of the 2019 consolidated financial statements remained unresolved, we have not been able to obtain sufficient information and explanations from the management of the associate that we considered necessary in order to enable us to satisfy ourselves as to whether the Group's share of associate's result for the period from 1 January 2020 to the date of disposal was fairly stated. Consequently, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the Group's gain on disposal of the Disposal Group for the eighteen months ended 30 June 2021 is fairly stated. Any adjustment to the amount of the above interest in an associate as at 31 December 2019 found to be necessary would have a consequential impact on the Group's share of associate's result and gain on disposal of the Disposal Group for the eighteen months ended 30 June 2021.

Our audit opinion on the 2021 consolidated financial statements is also modified because of the possible effect of our audit scope limitation on 2019 consolidated financial statements on the comparability of the related 2021 figures and the 2019 figures in the 2021 consolidated financial statements.

Limitation of scope on trading of security products and provision of security services business segment

Our audit opinion on the 2019 consolidated financial statements was modified as we had not been able to obtain sufficient appropriate audit evidence to determine whether the revenue, cost of sales, trade receivables, other receivables, trade payables, tax payables and non-controlling interests of trading of security products business were fairly stated in the 2019 consolidated financial statements. Our audit opinion on the 2019 consolidated financial statements was also modified on the related impairment on intangible assets and goodwill, and fair value change of contingent consideration receivables relating to the trading of security products and provision of security services business segment. Details of our modified opinion on the 2019 consolidated financial statements are set out in our auditor's report dated 7 July 2020.

As disclosed in note 19 to the consolidated financial statements, pursuant to a loan agreement entered into between Ya Tou Huijin and an independent third party as lender, a share pledge (the "Share Pledge") over the Group's 51% equity interest in Dewe Kexin (Beijing) Technology Co., Ltd. (德威可信(北京)科技有限公司) ("Dewe Kexin") created as security for a loan in principal amount of RMB5,000,000 (the "Loan") was registered on 14 January 2020. The Share Pledge was subsequently enforced on 17 February 2020. As a result, Dewe Kexin ceased to be a subsidiary of the Company ("Dewe Disposal").

As disclosed in note 19 to the consolidated financial statements, on 30 June 2020, the Group entered into a sale and purchase agreement ("ISN Disposal") with Beijing Dewe Security Services Co., Ltd. (北京德威保安服務有限公司) ("Beijing Dewe") in relation to the disposal of the entire issued share capital of International Security Net Co., Company Limited ("ISN") and other receivables for a total consideration of HK$8,750,000, by way of by procuring Hongkong Dewe Security Services Co., Limited (香港德威保安服務有限公司), being a company incorporated in Hong Kong and wholly owned by Beijing Dewe and together with Beijing Dewe, the joint holders of the Convertible Bonds, to surrender the Convertible Bonds to the Company for cancellation.

Dewe Kexin and ISN constituted the trading of security products and provision of security services business segment, which was considered as discontinued operation upon the Dewe Disposal and ISN Disposal were completed. The operation results of Dewe Kexin and ISN and gain or loss on Dewe Disposal and ISN Disposal were included in and presented as "Loss for the period from discontinued operation" of approximately HK$4,548,000 in the consolidated statement of profit or loss and other comprehensive income for the eighteen months ended 30 June 2021.

As disclosed in note 19 to the consolidated financial statements, on 30 June 2020, Beijing Dewe and the Group entered into a supplemental deed, pursuant to which it was mutually agreed that profit guarantee for the year ended 31 December 2019 was unfulfilled. Beijing Dewe agreed to surrender the corresponding 2021 Convertible Bonds in the principal amount of HK$26,250,000, being compensation for the non-fulfilment of the 2019 profit guarantee. It was further mutually agreed that profit guarantee for the year ended 31 December 2020 was to be terminated. Beijing Dewe agreed to surrender the corresponding 2021 Convertible Bonds in the principal amount of HK$35,000,000 to the Company for cancellation. The cancellation has been completed during the eighteen months ended 30 June 2021 and loss on cancellation of profit guarantee and convertible bonds of approximately HK$10,647,000 was recognised in the consolidated statement of profit or loss and other comprehensive income for the eighteen months ended 30 June 2021.

During our audit for the eighteen months ended 30 June 2021, because our audit scope limitations in our audit of the 2019 consolidated financial statements remained unresolved, we have not been able to obtain sufficient appropriate audit evidence that we considered necessary in order to enable us to satisfy ourselves as to whether the Group's loss for the period from discontinued operation for the eighteen months ended 30 June 2021 were fairly stated. Any adjustment to the carrying amount of the above subsidiaries as at 31 December 2019 found to be necessary would affect the Group's loss for the period from discontinued operation for the eighteen months ended 30 June 2021.

Our audit opinion on the 2021 consolidated financial statements is also modified because of the audit scope limitation and possible effect of our audit scope limitation on 2019 consolidated financial statements on the comparability of the restated 2021 figures and the restated 2019 figures, together with the financial information shown in note 19, in the 2021 consolidated financial statements.

Limitation of scope on Impairment assessment of loan receivables and trade receivables

The Board had assessed the recoverability of loan receivables and trade receivables arising from the Group's advancing business and considered that the collectability was doubtful and therefore wrote down the net carrying amounts to HK$Nil during the year ended 31 December 2019, however, we have not been able to obtain sufficient appropriate audit evidence regarding the impairment assessments of the outstanding loan receivables and trade receivables arising from the Group's advancing business. The limitations included but not limited to (i) sufficiently documented credit risk assessments, basis and supporting documentation for the results of the credit reviews and (ii) assessment on the recoverable amount of pledged assets. Due to insufficient documentary evidence concerning the credit reviews and assessment on the recoverable amount of pledged assets made available to us, there were no other satisfactory alternative audit procedures we could perform to satisfy ourselves as to the recoverability of the net carrying amounts of the loan receivables, the recoverable amount of pledged assets and the adequacy of the allowance for impairment of the loan receivables and trade receivables and hence as to whether the carrying amount of the loan receivables and trade receivables for the year ended 31 December 2019 were free from material misstatements. Our audit opinion on the 2019 consolidated financial statements was modified accordingly. During our audit for the eighteen months ended 30 June 2021, the Board has taken into account the circumstances described in note 22 to the consolidated financial statements and concluded that it is appropriate to fully impair the related loan receivables and trade receivables. However, our audit scope limitations in our audit of the 2019 consolidated financial statements remained unresolved, we are not able to satisfy ourselves whether no write-down on the loan receivables and trade receivables during the eighteen months ended 30 June 2021 was appropriate. Any adjustment to the carrying amount of the loan receivables and trade receivables as at 31 December 2019 found to be necessary would have a consequential impact on the impairment loss of the loan receivables and trade receivables and loss for the eighteen months ended 30 June 2021.

Our audit opinion on the 2021 consolidated financial statements is also modified because of the possible effect of our audit scope limitation on 2019 consolidated financial statements on the comparability of the related 2021 figures and the 2019 figures in the 2021 consolidated financial statements.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2(c) to the consolidated financial statements, which states that the Group recorded a loss attributable to equity shareholders of the Company of approximately HK$67,786,000 and net operating cash outflows of approximately HK$113,000,000 for the eighteen months ended 30 June 2021. These matters indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Group to continue as a going concern. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY PROFILE

Amber Hill Financial Holdings Limited (the "Company", together with its subsidiaries, the "Group") was incorporated and domiciled in the Cayman Islands under Companies Law (2004 Revision) of the Cayman Islands as an exempted company with limited liability on 20 March 2007. The Company's shares were listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange") on 19 November 2007. The Group is principally engaged in securities and commodities brokerage and assets management, advancing business, credit guarantee and investment business, trading of party products, trading of metals and minerals and trading of commodities.

On 31 December 2020, the Company announced the change of its financial year end date from 31 December to 30 June. Accordingly, the financial reporting period herein will cover an eighteen-month period from 1 January 2020 to 30 June 2021 (the "Reporting Period").

FINANCIAL REVIEW

The Auditors have expressed a qualified opinion on the consolidated financial statements of the Group for the financial period ended 30 June 2021, which mainly arises from the disclaimer of opinion for the financial year ended 31 December 2019 which affects the opening balances of the consolidated financial statements for the period ended 30 June 2021 and the amount and allocation of profit or loss on the impaired assets, gain or loss on disposals of subsidiaries, loss on cancellation of profit guarantee and convertible bonds and loss from discontinued operation between the two financial periods ended 31 December 2019 and 30 June 2021. For details, please refer to the sections headed "Extract of Independent Auditor's Report". For the year ending 30 June 2022, it is expected that qualifications will only be on the comparative figures of the consolidated financial statements. Should everything spell out as planned, all the qualifications will be removed in the consolidated financial statements for the year ending 30 June 2023.

Revenue and Results

The Group recorded continuing operations revenue of HK$339.44 million for the Reporting Period (previous period in 2019: HK$53.69 million), representing an increase of 532.19%. The increase in revenue was mainly due to the increase in revenue of the trading of party products and trading of commodities business segments. For details, please refer to the section headed "Business Review".

Cost control measures continue to be in place in the Reporting Period, and operating expenses increased by 14.09% to HK$69.43 million during the Reporting Period as compared with the previous period in 2019. Loss from operations of HK$32.54 million for the Reporting Period was recorded. Net loss attributable to equity shareholders of the Company for the Reporting Period was HK$67.79 million (previous period in 2019: HK$380.38 million), which was mainly attributable to the (i) abovementioned loss from continuing operations of HK$63.25 million; (ii) interest of HK$10.08 million on convertible bonds issued by the Company, (iii) loss resulting from termination of profit guarantees provided to the Group and cancellation of the corresponding convertible bonds issued by the Company of HK$10.65 million; and (iv) impairment on certain receivables and deposit paid of HK$16.68 million.

During the Reporting Period, the loss per share of the Company was HK28.56 cents (previous period in 2019: HK406.82 cents (restated as a result of completion of the share consolidation of the Company with effect from 1 December 2020)).

During the financial year ended 30 June 2021, the Company completed a number of fundraising activities which would be detailed in the section below headed "Capital Structure and Fundraising Activities".

BUSINESS REVIEW

Trading of Party Products

The revenue generated from the trading of party products segment increased to HK$174.67 million (previous period in 2019: HK$40.97 million) during the Reporting Period. The trading of party products segment of the Group comprises of designing, developing, merchandising and providing consumer hard goods, primarily party and festivity products. The increase in revenue is primarily due to business expansion in the Asian market.

The Board is confident about the future prospects of this business segment with promising long-term growth rates and believes that the effect of the COVID-19 pandemic would only be temporary and would be lessened gradually when the proportion of vaccinated population increases worldwide. The Company will continue with its efforts in developing this business segment despite the economic uncertainties caused by the spread of COVID-19. The Company has applied approximately HK$30 million from the proceeds of the Rights Issue and the Subscription as additional capital for this segment as scheduled. With the additional financial resources, the Group will continue to explore ways to broaden its customer base which include, in particular, the expansion in the Asian market and the broadening of product range to include those used in household. The Group would also continue its expansion into the PRC market which is perceived by the management of the Company to have a promising market size and prospect of growth.

Securities Brokerage and Assets Management

The Group recorded a revenue of HK$23.92 million (previous period in 2019: HK$0.741 million) from this segment during the Reporting Period.

The Group has successfully resumed the Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities (collectively the "Asset Management Licenses") under the Securities and Futures Ordinance (Chapter 571 of laws of Hong Kong) (the "SFO") in April 2021. The key feature of the investment funds to which the Group provide investment management and advisory services is the application of state-of-the-art algorithmic trading in foreign exchanges. Notably the Group has also provided segregated management account service involving asset value of approximately US$50 million to a listed entity as part of a financial conglomerate based in Hong Kong, which exemplifies the high-profile client base of the asset management business of the Group. The Group will continue to identify and evaluate suitable business expansion and investment management opportunities for the asset management business of the Group in other countries and regions, as well as to explore and devote resources to the application of technological innovation in this business segment.

The Company has applied approximately HK$15 million from the proceeds from the Rights Issue and the Subscription as scheduled for strengthening the liquid capitals and supporting the development of this business segment, including but not limited to promoting the business, attracting more customers and recruiting new staff to expand the business team. The asset management business of the Group focuses on providing fund management, discretionary account and investment advisory services to clients who are professional investors in Hong Kong, the PRC and other Asian markets. The securities and commodities brokerage business of the Group will focus on providing securities and commodities brokerage services to retail and institutional clients in Hong Kong.

The relevant licenses of the Group to carry out Type 1 (Dealing in Securities), Type 2 (Dealing in Futures Contracts) and Type 5 (Advising on Futures Contracts) regulated activities (collectively the "Securities Licenses"), as well as the Asset Management Licenses (which have already been resumed) were suspended in 2019 before the existing management joined the Group for the reason of failure to meet the requirements of required liquid capital and responsible officers under the SFO. The Securities Licenses remained suspended and are currently in the process of the resumption. The Group has already taken steps to comply with such requirements under the SFO and is awaiting for the Securities and Futures Commission to approve the applications for resumption of such licenses.

Trading of Commodities

During the Reporting Period, the Group generated revenue of HK$141.52 million (previous period in 2019: HK$Nil) from this segment. The Group has completed the business review and has resumed this segment in the second half of 2020. It is anticipated that the Group will expand this segment by purchasing different commodities from upstream companies and sell them to downstream companies as well as exploring other business opportunities in the Asian regions.

Advancing business

Due to the spread of the COVID-19 pandemic and the strengthening of the internal control, the management has continued its prudent approach in managing this business segment and no new loans have been granted since the inception of the current management in December 2019; hence the Group did not generate any revenue from this segment during the Reporting Period (previous period in 2019: HK$12 million).

As previously disclosed, the Company intends to apply approximately HK$15 million from the proceeds of the Rights Issue and Subscription for financing the advancing business of the Group within twelve months after the Rights Issue. The Company is also developing the business of provision of advances of relatively larger sum to borrowers who are capable of providing personal guarantee, asset pledge or other collaterals to secure the loans. It is anticipated that interest from the advances will generate stable source of revenue to the Group.

Trading of Security Products and Provision of Security Services

The security products trading business of the Group had ceased due to the cessation of control over Dewe Kexin in early 2020, while provision of security services business had ceased during the Reporting Period upon completion of the disposal of the entire issued share capital of International Security Net Co., Limited, details of which were set out in the announcement of the Company dated 30 June 2020.

Credit Guarantee and Investment Business

The Board resolved on 7 July 2020 that the results of the relevant operating subsidiaries of the credit guarantee and investment business of the Group in the PRC would be deconsolidated from the consolidated financial statements of the Group for the financial year ended 31 December 2019. Based on the advice of the Company's legal advisors, the Group has commenced legal actions in the PRC against those deconsolidated subsidiaries with a view to upholding its shareholder's right.

On 29 September 2021, the Company entered into a disposal agreement with an independent third party for the disposal of (i) the entire issued share capital of Market Season Limited, together with its subsidiaries including the deconsolidated subsidiaries; and (ii) the entire issued share capital of AIF Finance Limited, the former operating subsidiary of the Company's advancing business, at a consideration comprising of a cash consideration of RMB2 million (equivalent to approximately HK$2.41 million), together with 80% of all cash proceeds derived by the purchaser from the disposal assets, as detailed in the announcement of the Company dated 29 September 2021.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2021, (i) the Group's net current assets were HK$132.53 million (31 December 2019: HK$109.70 million); (ii) the Group's net assets were HK$150.91 million (31 December 2019: HK$45.63 million); (iii) the Group's current ratio was 1.54 (31 December 2019: 0.44); and (iv) the Group's gearing ratio was -23.46% (31 December 2019: 106.58%). The Group's gearing ratio was calculated as net debts divided by total assets. The Group's net debts include convertible bonds and other loan less cash and bank balances.

The Group's liquidity and financial resources were significantly improved upon the completion in January 2021 of the Rights Issue and the Subscription as stipulated in the circular dated 4 November 2020 and the prospectus of the Company dated 11 December 2020 which raised net proceeds of HK$284 million in aggregate, and the Directors consider that the Group is able to meet in full its financial obligations as they fall due in the foreseeable future.

As at 30 June 2021, the Company has outstanding loans with principal amount of HK$41.85 million (31 December 2019: HK$13 million). The Company has fully repaid with the proceeds raised from the Rights Issue and the Share Subscription the loans from a shareholder and an independent third party with principal amount of HK$38.50 million and of HK$1.3 million respectively.

In addition, the outstanding amount (including both principal and interest thereon) of HK$114.25 million in total (31 December 2019: HK$108.60 million) under the convertible bonds was due by the Company to the bondholders as at 30 June 2021. As at the date hereof, the Company has settled the outstanding amount under the convertible bonds of HK$108 million (including both interest and principal) due to a bondholder. The remaining outstanding amount under the convertible bonds due to another bondholder shall be fully outstanding by proceeds raised from the Rights Issue and the Share Subscription before the end of 2021.

As at 30 June 2021, the Group had cash and bank balances of HK$248.78 million (31 December 2019: HK$13.53 million). The cash and bank balances were denominated in HK dollar, Renminbi and US dollar. The Group had no structured investment products and foreign exchange contracts as at 30 June 2021. The Group is not exposed to material fluctuations in exchange rates. The Company received net proceeds of HK$284 million from the Rights Issue and the Subscription in January 2021.

CAPITAL STRUCTURE AND FUND RAISING ACTIVITIES

As at 30 June 2021, the authorised share capital of the Company was HK$10,000,000,000 divided into 1,000,000,000,000 shares of HK$0.01 each, and the issued share capital of the Company was HK$5,372,451 divided into 537,245,104 shares of HK$0.01 each.

Major changes in relation to the capital structure of the Company for the period ended 30 June 2021 are as follows:

A. Share Capital

During the Reporting Period, the Company completed a placing of new shares under the general mandate granted to the Directors by the shareholders of the Company at the annual general meeting of the Company held on 18 June 2019. An aggregate of 181,463,440 shares were successfully placed at issue price of HK$0.1 each to not less than six placees in accordance with the terms and conditions of the relevant placing agreement dated 26 February 2020. The placing of the 181,463,440 new shares was completed on 20 April 2020.

During the Reporting Period, the Company completed another placing of new shares under the general mandate granted to the Directors by the Company's shareholders at the extraordinary general meeting of the Company held on 7 July 2020. An aggregate of 223,852,128 shares were successfully placed at issue price of HK$0.105 per share to not less than six places in accordance with the terms and conditions of the relevant placing agreement dated 17 July 2020. The placing of 223,852,128 new shares was completed on 4 August 2020.

On 11 September 2020, the Company announced, among other things, consolidation (the "Share Consolidation") of the issued shares on the basis of ten shares of HK$0.001 each into one share of HK$0.01 each. The Share Consolidation was approved by the shareholders at the extraordinary general meeting of the Company held on 27 November 2020 and became effective on 1 December 2020. Upon the Share Consolidation becoming effective on 1 December 2020 and as at 31 December 2020, the authorised share capital of the Company was HK$10,000,000,000 divided into 1,000,000,000,000 shares of HK$0.01 each, and the issued share capital of the Company was HK$1,343,112.76 divided into 134,311,276 shares of HK$0.01 each. Details of the Share Consolidation were set out in the Company's announcements dated 11 September 2020 and 27 November 2020, and its circular dated 4 November 2020.

On 11 September 2020, the Company announced, among other things, a rights issue (the "Rights Issue") at the subscription price of HK$0.71 per rights share on the basis of three (3) rights shares for every one (1) consolidated Share held by the qualifying shareholders on the record date; and (ii) the issuance of up to 330,664,157 subscription shares (the "Share Subscription") under specific mandate for subscription by Neo Tech Inc., where such shares for subscription shall be equivalent to the number of unsold right shares under the Rights Issue and subject to the public float requirement under the Listing Rules. The Rights Issue and Share Subscription were approved by the shareholders at the extraordinary general meeting of the Company held on 27 November 2020. On 13 January 2021, the Rights Issue was approximately 29.35% subscribed, and the remaining 284,673,884 unsubscribed rights shares, representing approximately 70.65% of the total number of rights shares offered under the Rights Issue, and no unsubscribed rights shares were placed under the compensatory arrangements. Accordingly, on 25 January 2021, 284,673,884 subscription shares were allotted and issued by the Company to Neo Tech Inc. for a total consideration of HK$202,118,457.64 at the subscription price of HK$0.71 per share. The gross proceeds and the net proceeds (after deducting expenses) raised from the Rights Issue and the Share Subscription are approximately HK$286 million and approximately HK$284 million respectively. Details of the Rights Issue and Share Subscription were set out in the circular of the Company dated 4 November 2020, the prospectus of the Company dated 11 December 2020 and the announcements of the Company dated 7 December 2020, 31 December 2020, 13 January 2021 and 25 January 2021 respectively.

Details of the use of proceeds of the fund-raising activities during the Reporting Period are as follows:

Date of disclosure documents	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
4 November 2020, 11 December 2020, 7 December 2020, 31 December 2020, 13 January 2021 and 25 January 2021 respectively	Rights Issue and Share Subscription	Approximately HK$284 million	*Notes*	*Notes*
17 July 2020 and 4 August 2020	Placing of new shares under general mandate granted on 7 July 2020	Approximately HK$22.96 million	Working capital of the Group	The proceeds were fully utilised as intended
26 February 2020 and 20 April 2020	Placing of new shares under general mandate granted on 18 June 2019	Approximately HK$17.97 million	Working capital of the Group	The proceeds were fully utilised as intended

Notes:

Use of proceeds	Estimated amount	Proposed timeline of the Intended use of proceeds	Actual Use of Proceeds
Repayment of overdue external debts of the Group	HK$50 million	Within 6 months after the Rights Issue	Applied as intended
Repayment of the shareholder's loan owing by the Company to Dr. Ng	HK$40 million	Within 6 months after the Rights Issue	Applied as intended
Repayment of overdue Convertible Bonds	HK$110 million	Within 12 months after the Rights Issue	Currently contemplated to apply as intended
Additional capital for trading of party products business	HK$30 million	Within 6 months after the Rights Issue	Applied as intended
Additional liquid capital for the securities brokerage and assets management business	HK$15 million	Within 6 months after the Rights Issue	Applied as intended
Additional capital for the advancing business of the Group	HK$15 million	Within 12 months after the Rights Issue	Currently contemplated to apply as intended
General working capital	HK$24 million	Within 36 months after the Rights Issue	Currently contemplated to apply as intended

B. Convertible Bonds

Details on the movements of the convertible bonds during the Reporting Period are set out in note 13 to the condensed consolidated financial statements.

MERGERS, ACQUISITIONS AND DISPOSAL

On 26 March 2021, Hui Jin Xie He Investment Consultancy (ShenZhen) Limited (匯金協和投資諮詢(深圳)有限公司), a subsidiary of the Company, as the first vendor, Yao Da Qing (姚大慶) as the second vender (with the first vendor collectively as the "Vendors"), Beijing Yi Bang Technology Limited Liability Company (北京翊邦科技有限責任公司) (the "Purchaser") as purchaser and Guangzhou Zero Zero Three Three Trading Co., Ltd. (廣州零零三三貿易有限公司) as the guarantor of the Vendors and Ya Tou Hui Jin (Beijing) Assets Management Limited (亞投匯金(北京)資產管理有限公司) (the "Target Company") entered into the sale and purchase agreement (the "Disposal Agreement") in relation to the disposal of the entire equity interest of the Target Company at a total consideration of RMB11,880,000. The Target Company held 21.6% equity interest in Sunrise Insurance Brokers Limited. To the best knowledge, information and belief of the directors of the Company, the purchaser is an independent third party of the Company. The disposal contemplated under the Disposal Agreement was completed on 26 March 2021.

On 30 June 2020, B&R Security International Company Limited (一帶一路安保國際有限公司) and Ya Tou Hui Jin (Beijing) Assets Management Co., Ltd. (亞投匯金(北京)資產管理有限公司) (both of which being wholly-owned subsidiaries of the Company and collectively referred to as the "ISN Vendors") and Beijing Dewe Security Services Co., Limited (北京德威保安服務有限公司) (the "ISN Purchaser") entered into a disposal agreement pursuant to which, among other things, the ISN Vendors agreed to sell, and the ISN Purchaser agreed to purchase, (i) the entire issued share capital of International Security Net Co., Limited and the (ii) the other receivables. Subsequent to the completion of the disposal of International Security Net, the trading of security products and provision of security services business has ceased in 2020. For details, please refer to the announcement of the Company dated 30 June 2020.

Saved as disclosed above, the Group did not have any significant merger, acquisition or disposal during the Reporting Period.

SIGNIFICANT INVESTMENTS

The Group did not have any significant investments during the Reporting Period.

CHARGE OF ASSETS

As at 30 June 2021, the Group did not have any charge of assets.

As disclosed in the annual report for the financial year ended 31 December 2019, Market Speed Limited and Li Yee Man Anly (trading as Ming Fai Marine Service) (the "Plaintiffs") took out an action in rem under the Admiralty Jurisdiction of the High Court on 3 July 2019 for arrest of a vessel named "亞投金融" (the "Vessel") held by AIF Happy Services Limited ("AIF"). The Plaintiffs and AIF executed a deed of settlement on 3 June 2020 relating to withdrawal by the Plaintiffs of all claims relating to the Vessel. The Vessel was released, unencumbered and back to the Group's possession on 4 June 2020. As at 30 June 2021, the carrying value of the Vessel was HK$14,175,000 (31 December 2019: HK$16,875,000).

CONTINGENT LIABILITIES

As at 30 June 2021, the Group did not have any material contingent liabilities.

FOREIGN CURRENCY RISK

The Group's main operations are located in Hong Kong and the PRC. Most of the assets, income, payments and cash balance are denominated in Hong Kong dollar and Renminbi. The Group did not enter into any forward foreign exchange contracts to manage its foreign currency risk during the Reporting Period as the management considered that the Group's exposure to exchange rate risk could be managed.

HUMAN RESOURCES

As at 30 June 2021, the Group had 32 employees (31 December 2019: 27 employees). It is the Group's policy to recruit the right person for each position based on the person's qualification and experience. The remuneration of each employee is reviewed every year based on the performance of the employee with reference to the prevailing market conditions.

COMMITMENTS

As at 30 June 2021, the Group did not have any material capital commitment.

PROSPECTS

The Hong Kong economy has demonstrated strong recovery since the beginning of this year. Hong Kong's gross domestic product in the first quarter of this year surged to 7.8% year-on-year after declining for a record six quarters. Despite challenges continue to be posted by the COVID-19 pandemic and Sino-US trade relationship, considerable opportunities are also brought. The introduction of vaccines has lessened the impact of COVID-19 pandemic and the global economy is recovering with China expected to take the lead. In 2020, a number of regulatory reforms and incentives were introduced to drive the growth of the asset management sector and to reinforce Hong Kong's status as Asia's leading fundraising centre and its leading asset and wealth management hub. With the ongoing implementation of the key strategic initiatives of the Guangdong-Hong Kong-Macao Greater Bay Area, Hong Kong's financial services industry and its economy would be well positioned for growth.

In order to strengthen the financial position of the Group for its business development in the coming future, the Company announced a number of fund-raising activities during the Reporting Period, in particular the Rights Issue and the Share Subscription which were completed in January 2021. Aggregate net proceeds of approximately HK$284 million have been raised from the Rights Issue and the Subscription. Since January 2020, the new management of the Group has conducted a detailed business review and restructuring of the operations with a view of further developing the existing businesses, improving the financial situation, strengthening the internal controls, streamlining the operating costs and efficiency. The Group has also resumed the Type 4 (Advising on Securities) and Type 9 (Asset Management) licenses in the first half of 2021.

With the positive development outlined above, the Group is well positioned to develop its existing businesses and capture the opportunities ahead through developing a wide spectrum of financial services and exploring the possible application of technological innovation in this sector.

OTHER INFORMATION

Purchases, Sales or Redemption of Listed Securities

Based on information available to the Board and to the best knowledge of the Board, saved for the cancellation of convertible bonds issued by the Company in relation to the disposal of International Security Net Co., Limited as disclosed in the announcement of the Company dated 30 June 2020, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Current Year.

Compliance with Code on Corporate Governance Practices

For the year ended 30 June 2021, the Company has complied with the code provisions set out in the Corporate Governance Code ("CG Code") as set out in Appendix 14 of the Listing Rules except the following.

1. Under A.2.1 of the CG Code, the role of Chairman and Chief Executive Officer should be separated and should not be performed by the same individual and the division of responsibilities between Chairman and Chief Executive Officer should be established and set out in writing. Mr. Chan Chi Ming was appointed as the Chief Executive Officer of the Company on 6 April 2020 and he resigned on 31 March 2021. Between the periods from 1 January 2020 to 5 April 2020 and the period from 1 April 2021 to 30 June 2021, the Company had no Chief Executive Officer. The functions of Chief Executive Officer were performed by the Executive Committee of the Board. The Board considered that this structure had not impaired the balance of the power and authority between the Board and the management of the Company, and had been effective in discharging its responsibilities satisfactorily and facilitating the Company's operation and business development.

2. Code provision A.6.7 of the Code requires that Independent Non-executive Directors and other Non-executive Directors shall attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Huang Shao Long, the non-executive Director, did not attend all of the general meetings due to his other business engagements.

3. Code provision A.1.3 of the Code provides that notice of at least 14 days should be given of a regular board meeting to give all directors an opportunity to attend. During the year, two regular meetings of the Company do not have at least 14 days notice period. However, all the Directors present at the meeting do not express any objection to the insufficient notice given for the meeting and those meetings duly proceeded.

Model Code for Securities Transactions by Directors

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules regarding directors' dealing in securities since its listing on 19 November 2007. Having made specific enquiries to all former and existing Directors during the Reporting Period, except Mr. Huang Shao Long and Ms. Zhao Hongmei, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code for the Current Year.

Audit Committee

The Company has an Audit Committee in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal control system and providing advice and comments to the Board. The Audit Committee consists of three independent non-executive Directors of the Company.

The audited consolidated financial statements of the Group for the eighteen months ended 30 June 2021 have been reviewed and approved by the Audit Committee. The Audit Committee is of the opinion that such audited consolidated financial statements comply with the applicable accounting standards, the Listing Rules and all other applicable legal requirements. The Audit Committee therefore recommended for the Board's approval of the Group's audited consolidated financial statements for the eighteen months ended 30 June 2021.

SCOPE OF WORK OF CHENG & CHENG LIMITED

The figures in respect of the Group's consolidated statement of financial position as at 30 June 2021, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the eighteen months ended 30 June 2021 as set out in this preliminary announcement have been agreed by the Group's auditor, Cheng & Cheng Limited, to the amounts set out in the Group's audited consolidated financial statements for the period. The work performed by Cheng & Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Cheng & Cheng Limited on the preliminary announcement.

Publication of Annual Results and Annual Report

This announcement is published on the websites of the Company (www.ahfh.com.hk) and the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the eighteen months ended 30 June 2021 containing all the information required under the Listing Rules will be dispatched to the Company's shareholders and will be posted on the above websites in due course.

Appreciation

On behalf of the Board, I would like to take this opportunity to express my gratitude to all the staff and management team for their contribution during the year. I would also like to express my appreciation to the continuous support of our shareholders and investors.

On behalf of the Board
Amber Hill Financial Holdings Limited
Ng Yu
Chairman & Executive Director

Hong Kong, 30 September 2021

As at the date of this announcement, (i) the executive Directors of the Company are Dr. Ng Yu and Mr. Lin Feng; (ii) the non-executive Director of the Company is Mr. Dai Chengyan; and (iii) the independent non-executive Directors of the Company are Mr. Anthony Espina, Mr. Wang Jun Sheng and Mr. Lo Hang Fong.