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智富資源投資控股集團有限公司

WISDOM WEALTH RESOURCES INVESTMENT HOLDING GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 7)

ANNOUNCEMENT OF 2020 FINAL RESULTS

RESULTS

The Board of Directors (the “Board”) of Wisdom Wealth Resources Investment Holding Group Limited (Formerly known as Hong Kong Finance Investment Holding Group Limited) (the “Company”) announced that the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2020 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Notes	2020 HK\$'000	2019 HK\$'000
Revenue	4	1,013,168	538,006
Cost of goods sold and direct cost		<u>(980,513)</u>	<u>(509,163)</u>
Gross profit		32,655	28,843
Other income	5	8,604	1,162
Other gains or losses	6	(36,063)	(11,219)
Fair value changes on investment properties		(158,920)	1,011,747
Impairment losses of financial asset at amortised cost, net	8	(872)	(4,470)
Selling and distribution expenses		(3,109)	(1,102)
Administrative expenses		(61,319)	(63,893)
Finance costs	9	<u>(32,322)</u>	<u>(30,632)</u>
(Loss)/profit before taxation		(251,346)	930,436
Taxation	10	<u>38,429</u>	<u>(252,953)</u>
(Loss)/profit for the year	11	<u>(212,917)</u>	<u>677,483</u>

	<i>Note</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Other comprehensive income/(expenses)			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		<u>237,275</u>	<u>(76,799)</u>
		237,275	(76,799)
Item that will not be reclassified to profit or loss:			
Fair value loss on investment in equity instruments at fair value through other comprehensive income		<u>(53)</u>	<u>(342)</u>
Other comprehensive income/(expenses) for the year		<u>237,222</u>	<u>(77,141)</u>
Total comprehensive income for the year		<u>24,305</u>	<u>600,342</u>
(Loss)/profit for the year attributable to:			
Owners of the Company		(211,940)	677,713
Non-controlling interests		<u>(977)</u>	<u>(230)</u>
		<u>(212,917)</u>	<u>677,483</u>
Total comprehensive income/(expenses) attributable to:			
Owners of the Company		25,078	600,795
Non-controlling interests		<u>(773)</u>	<u>(453)</u>
		<u>24,305</u>	<u>600,342</u>
(Loss)/earnings per share			
– Basic	<i>12</i>	<u>(HK\$0.0530)</u>	<u>HK\$0.1694</u>
– Diluted		<u>(HK\$0.0530)</u>	<u>HK\$0.1638</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

	Note	2020 HK\$'000	2019 HK\$'000
Non-current assets			
Property, plant and equipment		55,060	94,255
Investment properties		2,368,672	2,387,597
Right-of-use assets		3,990	5,693
Intangible assets		–	–
Investment in equity instrument at fair value through other comprehensive income		1,171	1,224
Deposit paid for construction		79,589	74,946
Statutory deposits		1,930	4,030
Loans receivable		15,890	1,992
Deferred tax asset		17,818	–
		<u>2,544,120</u>	<u>2,569,737</u>
Current assets			
Properties for sale		1,921,997	1,809,871
Accounts receivable	14	115,938	106,684
Other receivables, prepayments and deposits		109,734	76,063
Pledged fixed deposits (general accounts)		171,058	5,264
Bank balances (trust and segregated accounts)		92,355	83,766
Bank balances (general accounts) and cash		20,610	20,680
		<u>2,431,692</u>	<u>2,102,328</u>

	<i>Note</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Current liabilities			
Accounts and bills payables	<i>15</i>	313,895	155,160
Other payables and accrued expenses		42,518	38,779
Lease liabilities		2,707	2,377
Contract liabilities		1,739	6,643
Amounts due to Directors		143,578	109,292
Borrowings		318,200	255,910
Tax payable		1,386	339
Corporate bonds		11,775	–
		835,798	568,500
Net current assets		1,595,894	1,533,828
Total assets less current liabilities		4,140,014	4,103,565
Non-current liabilities			
Lease liabilities		1,377	3,392
Deferred tax liability		346,724	349,227
Corporate bonds		18,401	29,621
Borrowings		76,882	49,000
		443,384	431,240
Net assets		3,696,630	3,672,325
Capital and reserves			
Share capital		400,000	400,000
Reserves		3,292,454	3,267,376
Equity attributable to owners of the Company		3,692,454	3,667,376
Non-controlling interests		4,176	4,949
Total equity		3,696,630	3,672,325

NOTES:

1. GENERAL

The Company is an exempted company incorporated under the Companies Act 1981 of Bermuda (as amended) and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its ultimate controlling party is Dr. Hui Chi Ming, *G.B.S., J.P.* who is also the Chairman of the Company.

The consolidated financial statements of the Group for the year ended 31 December 2020 comprise the Company and its subsidiaries (together the “Group”). The Company is an investment holding company. The principal activities of the Group are (1) the trading of electronic products and equipment; (2) mineral mining, oil and gas exploration and production; (3) the provision of financial services and (4) property investment.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under historical cost basis except for certain properties and financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Group incurred a net loss of approximately HK\$212,917,000 for the year ended 31 December 2020 and, as of that date, the Group has net current assets of approximately HK\$1,595,894,000. In the opinion of the directors of the Company, it is expected that the current assets of properties for sale of approximately HK\$1,921,997,000 will not be completed in the next twelve months from 31 December 2020. In considering the impact of the properties for sale, the Group’s current liabilities exceeded its current assets excluding the properties for sale of approximately HK\$1,921,997,000 by approximately HK\$326,103,000. In additions, the Group had overdue balances in respect of borrowings of approximately HK\$264,743,000 as at 31 December 2020 and HK\$318,200,000 up to this report. These events and conditions may cast significant doubt on the Group’s ability to continue as a going concern.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

Nevertheless, the consolidated financial statements have been prepared on the going concern basis because the directors of the Company are of the view that the Group will have sufficient working capital to finance its operations in the next twelve months from 31 December 2020, after taking into consideration of the following:

- 1) Confirmation from directors, Dr. Hui Chi Ming and Mr. Nam Kwok Lun, that they would not demand repayment of the amounts due to the directors of approximately HK\$85,727,000 and HK\$57,851,000 respectively within one year from the date of this audit report;
- 2) The substantial shareholder, Dr. Hui Chi Ming, 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;
- 3) Subsequent to the end of the reporting period, the Company issued 2% coupon convertible bonds with principal amount of HK\$20,000,000 matured on 9 July 2023 for a cash of HK\$20,000,000 as general working capital of the Group;
- 4) On 5 November 2021, the Group entered into a sale and purchase agreement with an independent third party to dispose of the entire issued share capital of Millhaven Holdings Limited, a wholly owned subsidiary of the Company, for a cash consideration of HK\$338,000,000 (the "Disposal"). The Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules but the Disposal is not subject to shareholders' approval as Dr. Hui Chi Ming and his associates, who together hold 53.49% of the issued share capital of the Company, have given a written approval for the Disposal. At the date of the report, the Disposal is not yet completed but a non-refundable deposit of HK\$8,000,000 was received;
- (5) On 21 October 2019, Karl Thomson Financial Group Limited ("KTFG"), a wholly owned subsidiary of the Company, entered into a loan facility agreement ("Loan Facility Agreement") with PAL Finance Limited, a wholly-owned subsidiary of Asia Tele-Net And Technology Corporation Limited ("Asia Tele-Net"). Mr. Lam Kwok Hing and Mr. Nam Kwok Lun, executive directors of the Company, are an executive director and the ultimate controlling shareholder of Asia Tele-Net, and an executive director of Asia Tele-Net who has an indirect interest in Asia Tele-Net respectively. Pursuant to Loan Facility Agreement, the Group provides an unsecured revolving loan facility of HK\$130,000,000 bearing interest at prime rate as announced from time to time by The Hong Kong and Shanghai Banking Corporation Limited for lending Hong Kong Dollars ("Prime Rate") for a term of three years commencing from the loan effective date and ending on 20 October 2022; and

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

- (6) In December 2021, the Company is negotiating with a bank in Hong Kong for a banking facility of HK\$200,000,000 bearing interest at 2.5% over Hong Kong Interbank Bank Offered Rate for a term of 18 months from the drawdown date, secured by the Group's investment properties and properties held for sale located in Zhanjiang, the People's Republic of China ("PRC"). Up to the date of this announcement, an indicative offer letter which set out the principal terms and conditions of the banking facility was signed by the Company and the bank. The directors of the Company considered that the banking facility would be granted to the Company in view of the securities pledged for the banking facility.

Should the use of the going concern basis in preparation of the consolidated financial statements be considered to be inappropriate, adjustments would have to be made to write down the carrying amounts of the Group's assets to their net realisable values, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities to current assets and liabilities. The effect of these adjustments have not been reflected in the consolidated financial statements.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

(A) Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

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

The Group has also early adopted the Amendment to HKFRS 16 "Covid-19-Related Rent Concessions" that is mandatory effective for the financial year beginning on or after 1 June 2020 and the impact of the adoption is disclosed below.

The application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs (Continued)

(B) New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

		Effective for annual periods beginning on or after
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
HKFRS 17	Insurance Contracts and the related Amendments	1 January 2023
Amendments to HKFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	A date to be determined
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)	1 January 2023
Amendments to HKAS 1 and HKFRS Practise Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to HKAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transactions	1 January 2023
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020	1 January 2022

The Company's directors have performed an assessment on these new and amendments to HKFRSs, and have concluded on a preliminary basis that the adoption of these new and amendments to HKFRSs is not expected to have a significant impact on the Group's financial performance and position.

4. REVENUE

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15, disaggregated by major products or services lines:		
Trading Business:		
Sales of electronic products and equipment	984,666	508,799
Financial Business:		
Commission and brokerage income	12,930	5,727
Advisory and consultancy fee	2,156	3,108
	<u>999,752</u>	<u>517,634</u>
Revenue from other sources outside the scope of HKFRS 15:		
Financial Business:		
Interest income arising from financial business	7,541	8,377
Property Investment:		
Rental income	5,875	11,995
	<u>13,416</u>	<u>20,372</u>
	<u>1,013,168</u>	<u>538,006</u>
At a point in time	999,752	517,634
Over time	—	—
	<u>999,752</u>	<u>517,634</u>

5. OTHER INCOME

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Interest income from bank	1,490	50
Sundry income	2,557	522
Handling charge income	1,172	590
Government subsidies (<i>Note</i>)	<u>3,385</u>	<u>–</u>
	<u>8,604</u>	<u>1,162</u>

Note: Government grants mainly represent subsidies received in connection with the support from the Anti-epidemic Fund of the Government of Hong Kong Special Administrative Region. There are no unfulfilled conditions or contingencies relating to these subsidies.

6. OTHER GAINS OR LOSSES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Gain on early redemption of convertible bonds	–	2,072
Net exchange gain	–	4,388
Impairment loss on property, plant and equipment	<u>(36,063)</u>	<u>(17,679)</u>
	<u>(36,063)</u>	<u>(11,219)</u>

7. SEGMENT INFORMATION

Information reported to the Board of Directors of the Company, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focuses on the nature of the products provided and services rendered.

During the year ended 31 December 2020, the Group is currently organised into four operating and reportable segments – (1) trading business, (2) mineral mining, oil and gas business (3) financial business and (4) property investment. These revenue streams are the basis of the internal reports about components of the Group that are regularly reviewed by the Board of Directors in order to allocate resources to segments and to assess their performance.

Trading business	–	sales of electronic products and equipment
Mineral mining, oil and gas business	–	exploration and production of mineral, oil and gas
Financial business	–	provision of financial service, including stockbroking, futures and options broking, mutual funds, insurance-linked investment plans and provision of corporate financial services and securities margin financing
Property investment	–	rental income

7. SEGMENT INFORMATION (Continued)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments.

For the year ended 31 December 2020

	Trading business <i>HK\$'000</i>	Mineral mining, oil and gas business <i>HK\$'000</i>	Financial business <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE					
Segment revenue	<u>984,666</u>	<u>–</u>	<u>22,627</u>	<u>5,875</u>	<u>1,013,168</u>
RESULTS					
Segment loss	<u>(1,138)</u>	<u>(62)</u>	<u>(536)</u>	<u>(197,913)</u>	(199,649)
Corporate administration costs					(51,433)
Impairment loss on other receivables					<u>(264)</u>
Loss before taxation					<u>(251,346)</u>

For the year ended 31 December 2019

	Trading business <i>HK\$'000</i>	Mineral mining, oil and gas business <i>HK\$'000</i>	Financial business <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE					
Segment revenue	<u>508,799</u>	<u>–</u>	<u>17,212</u>	<u>11,995</u>	<u>538,006</u>
RESULTS					
Segment (loss)/profit	<u>(256)</u>	<u>(47)</u>	<u>(10,188)</u>	<u>996,859</u>	986,368
Corporate administration costs					(53,517)
Impairment loss on other receivables					(4,487)
Gain on early redemption of convertible bonds					<u>2,072</u>
Profit before taxation					<u>930,436</u>

7. SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment loss represents the financial results by each segment without allocation of corporate administration costs. This is the measure reported to the Board of Directors for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

At 31 December 2020

	Trading business <i>HK\$'000</i>	Mineral mining, oil and gas business <i>HK\$'000</i>	Financial business <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
ASSETS					
Segment assets	<u>212,513</u>	<u>4</u>	<u>223,144</u>	<u>4,539,125</u>	4,974,786
Unallocated assets					<u>1,026</u>
Consolidated total assets					<u>4,975,812</u>
LIABILITIES					
Segment liabilities	<u>206,457</u>	<u>474</u>	<u>176,817</u>	<u>449,164</u>	832,912
Unallocated liabilities					<u>446,270</u>
Consolidated total liabilities					<u>1,279,182</u>

7. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

At 31 December 2019

	Trading business <i>HK\$'000</i>	Mineral mining, oil and gas business <i>HK\$'000</i>	Financial business <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
ASSETS					
Segment assets	<u>74,713</u>	<u>4</u>	<u>204,501</u>	<u>4,392,106</u>	4,671,324
Unallocated assets					<u>741</u>
Consolidated total assets					<u>4,672,065</u>
LIABILITIES					
Segment liabilities	<u>67,293</u>	<u>499</u>	<u>159,205</u>	<u>378,954</u>	605,951
Unallocated liabilities					<u>393,789</u>
Consolidated total liabilities					<u>999,740</u>

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

- all assets are allocated to operating segments other than assets of the investment holding companies.
- all liabilities are allocated to operating segment other than amounts due to Directors, corporate bonds and liabilities of the investment holding companies.

7. SEGMENT INFORMATION (Continued)

Other segment information

	Trading business HK\$'000	Mineral mining, oil and gas business HK\$'000	Financial business HK\$'000	Property investment HK\$'000	Total HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
For the year ended 31 December 2020							
Amounts included in the measure of segment (loss)/profit or segment assets:							
Additions to property, plant and equipment	944	-	-	73	1,017	-	1,017
Additions to investment properties	-	-	-	926	926	-	926
Additions to right-of-use assets	363	-	-	483	846	-	846
Depreciation of property, plant and equipment	13	-	256	3,905	4,174	68	4,242
Depreciation of right of use assets	175	-	2,301	113	2,589	-	2,589
Finance costs	7	-	3,646	22	3,675	28,647	32,322
Interest income	(1,487)	-	(7,541)	(3)	(9,031)	-	(9,031)
Impairment loss on financial assets at amortised cost, net	511	-	107	254	872	-	872
Impairment loss on property, plant and equipment	-	-	-	36,063	36,063	-	36,063

	Trading business HK\$'000	Mineral mining, oil and gas business HK\$'000	Financial business HK\$'000	Property investment HK\$'000	Total HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
For the year ended 31 December 2019							
Amounts included in the measure of segment profit/(loss) or segment assets:							
Additions to property, plant and equipment	-	-	23	68	91	220	311
Additions to investment properties	-	-	-	1,671	1,671	-	1,671
Additions to right-of-use assets	-	-	6,903	-	6,903	-	6,903
Depreciation of property, plant and equipment	13	-	301	4,588	4,902	107	5,009
Depreciation of right of use assets	179	-	2,301	-	2,480	-	2,480
Finance costs	-	-	4,696	-	4,696	25,936	30,632
Interest income	(47)	-	(8,377)	(3)	(8,427)	-	(8,427)
Impairment loss on financial assets at amortised cost, net	-	-	(17)	-	(17)	4,487	4,470
Impairment loss on property, plant and equipment	-	-	-	17,679	17,679	-	17,679

7. SEGMENT INFORMATION (Continued)

Geographical information

All of the activities of trading business are based in China. The activities of oil and gas business are based in Madagascar. All of the activities of the financial business are based in Hong Kong.

The Group's revenue and its non-current assets, other than financial assets at FVTOCI, deposit paid for construction, statutory deposits, loans receivable and deferred tax asset, by geographical location of the assets regarding its operations are detailed below:

	Revenue		Non-current assets	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	22,627	17,212	3,565	6,188
PRC	990,117	517,844	2,371,019	2,388,511
Madagascar	424	2,950	53,138	92,846
	<u>1,013,168</u>	<u>538,006</u>	<u>2,427,722</u>	<u>2,487,545</u>

Information about major customer

Revenue from customers of the years ended 31 December 2020 and 2019 contributing over 10% of the total revenue of the Group are generated from trading business as follow:

	2020	2019
	HK\$'000	HK\$'000
Customer A	273,868	130,642
Customer B	273,087	287,166
Customer C	110,067	59,302
Customer D	<u>138,029</u>	<u>N/A*</u>

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

There is no other single customer contributing over 10% of total revenue of the Group for the years ended 31 December 2020 and 2019.

8. IMPAIRMENT LOSSES OF FINANCIAL ASSETS AT AMORTISED COST, NET

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Accounts receivable arising from:		
– cash clients	(29)	(14)
– margin clients	(67)	(2)
– trading business	(358)	–
– property investment	(143)	–
Loans receivable	(11)	33
Other receivables	(264)	(4,487)
	<u>(872)</u>	<u>(4,470)</u>

9. FINANCE COSTS

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Corporate bonds	2,336	2,061
Borrowing	27,106	25,116
Amounts due to directors	2,614	3,237
Lease liabilities	266	218
	<u>32,322</u>	<u>30,632</u>

10. TAXATION

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Current tax:		
The PRC Enterprise Income Tax	1,270	16
Under-provision in prior year:		
Hong Kong Profits Tax	31	–
	<u>1,301</u>	<u>16</u>
Deferred taxation:		
Current year	(39,730)	252,937
	<u>(38,429)</u>	<u>252,953</u>

10. TAXATION (Continued)

No provision for Hong Kong Profits Tax has been made for the years ended 31 December 2020 and 2019 as the relevant group entities have no assessable profits or the assessable profit is wholly absorbed by tax losses brought forward for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. No provision for profits tax is made in other jurisdictions as the subsidiaries operating in other jurisdictions have no assessable profits for both years.

11. (LOSS)/PROFIT FOR THE YEAR

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/profit for the year has been arrived at after charging:		
Auditor's remuneration	1,600	1,450
Depreciation of property, plant and equipment	4,242	5,009
Depreciation of right-of-use assets	2,589	2,480
Staff cost, including Directors' remuneration	31,420	33,453
Contributions to retirement benefits scheme	654	706
Cost of inventories recognised as expense	978,482	506,450
Loss from error trades	6	–
Expenses related to short-term leases-office premises	<u>2,760</u>	<u>3,117</u>

12. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to the owners of the Company is based on the following data:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
(Loss)/earnings:		
(Loss)/profit for the year attributable to owners of the Company for the purpose of calculating basic (loss)/earnings per share	(211,940)	677,713
Effect of dilutive potential ordinary shares:		
– Gain on redemption of convertible bonds	–	(2,072)
	<u>–</u>	<u>(2,072)</u>
(Loss)/profit for the year attributable to owners of the Company for the purpose of calculating diluted (loss)/earnings per share	<u>(211,940)</u>	<u>675,641</u>
	Number of shares	
	'000	'000
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	4,000,000	4,000,000
Effect of dilutive potential ordinary shares:		
– Convertible bonds	–	123,807
	<u>–</u>	<u>123,807</u>
Weighted average number of ordinary shares for the purpose of calculating diluted (loss)/earnings per share	<u>4,000,000</u>	<u>4,123,807</u>

13. DIVIDEND

The Directors do not recommend the payment of a final dividend for both years.

14. ACCOUNTS RECEIVABLE

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Accounts receivable consist of:		
Accounts receivable arising from business of trading electronic products and equipment	24,126	24,786
<i>Less:</i> Loss allowance for ECL	(358)	–
	23,768	24,786
Accounts receivable arising from business of properties investment	4,748	368
<i>Less:</i> Loss allowance for ECL	(143)	–
	4,605	368
Accounts receivable arising from the business of dealing in securities:		
– cash clients		
– other	15,802	6,544
– directors	4,337	516
<i>Less:</i> Loss allowance for ECL	(40)	(11)
	20,099	7,049
– Hong Kong Securities Clearing Company Limited (“HKSCC”)	8,777	540
Accounts receivable from Hong Kong Futures Exchange Clearing Corporation Limited (“HKFECC”) arising from the business of dealing in futures contracts	700	1,368
Loans to securities margin clients	57,459	72,395
<i>Less:</i> Loss allowance for ECL	(31)	(34)
	57,428	72,361
Accounts receivable arising from the business of advisory for financial management	561	212
	115,938	106,684

14. ACCOUNTS RECEIVABLE (Continued)

Accounts receivable from the business of trading electronic products and equipment

A credit period based on dates of delivery of goods for accounts receivable from trading of electronic products and equipment within 90 days. The aged analysis of accounts receivable arising from trading of electronic products and equipment based on the invoice date of the reporting period is as follow:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
0-90 days	<u>23,768</u>	<u>24,786</u>

Accounts receivable from the property investment business

The average credit period for accounts receivable from property investment business within 30 days. The aged analysis of accounts receivable arising from property investment business based on the invoice date of the reporting period is as follow:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
0-90 days	1,582	368
91-180 days	<u>3,023</u>	<u>–</u>
	<u>4,605</u>	<u>368</u>

Accounts receivable from cash client, HKSCC, HKFECC

The settlement terms of accounts receivable from cash clients, HKSCC, HKFECC are usually one to two days after the trade date. Except for the accounts receivable from cash clients as mentioned below, the accounts receivable from HKSCC and HKFECC aged within 30 days.

14. ACCOUNTS RECEIVABLE (Continued)

Accounts receivable from cash client, HKSCC, HKFECC (Continued)

The Group offsets certain accounts receivable and accounts payable when the Group currently has a legally enforceable right to set off the balances and intends either to settle on a net basis, or to realise the balances simultaneously.

The settlement terms of cash clients are usually one to two days after the trade date. The aged analysis of accounts receivable arising from cash clients is as follows:

Accounts receivable from cash clients

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
0 – 90 days	<u><u>20,099</u></u>	<u><u>7,049</u></u>

Accounts receivable from the business of advisory for financial management clients

The Group does not provide any credit term to its advisory for financial management clients. The aged analysis of accounts receivable arising from the business of advisory for financial management clients is as follow:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
0 – 90 days	<u><u>561</u></u>	<u><u>212</u></u>

15. ACCOUNTS AND BILLS PAYABLES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Accounts payable:		
Accounts payable from trading of electronic products and equipment	27,448	60,180
Accounts payable from properties investment	6,903	6,500
Accounts payable arising from the business of dealing in securities:		
– Cash clients	94,508	79,890
– HKSCC	3,671	1,399
Accounts payable to clients arising from the business of dealing in futures contracts	985	2,139
Amounts due to securities margin clients	4,878	5,052
	<u>138,393</u>	<u>155,160</u>
Bills payable	175,502	–
	<u><u>313,895</u></u>	<u><u>155,160</u></u>

The settlement term of accounts payable to cash clients and HKSCC is two days after the trade date and aged within 30 days.

Accounts payable to clients arising from the business of dealing in futures contracts are margin deposits received from clients for their tradings of futures contracts on HKFECC. The excess of the outstanding amounts over the required margin deposits stipulated by HKFECC are repayable to clients on demand. In the opinion of the Directors, no aged analysis is disclosed as the aged analysis does not give additional value.

Amounts due to securities margin clients are repayable on demand. In the opinion of the Directors, no aged analysis is disclosed as the aged analysis does not give additional value.

The accounts payable amounting to approximately HK\$92,355,000 (2019: HK\$83,766,000) were payable to clients or other institutions in respect of the trust and segregated bank balances received and held for clients in the course of the conduct of regulated activities. However, the Group does not have a currently enforceable right to offset these payables with the deposits placed.

15. ACCOUNTS PAYABLE (Continued)

Accounts payable from trading of electronic products and equipment

The aged analysis of accounts payable from trading of electronic products and equipment presented based on the receive date is as follow:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
0 – 90 days	17,451	53,027
91 – 180 days	–	2,200
181 – 365 days	2,402	4,876
Over 365 days	7,595	77
	<u>27,448</u>	<u>60,180</u>

Accounts payable from properties investment

The aged analysis of accounts payable from properties investment is a follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
0 – 90 days	–	–
91 – 180 days	6,903	6,500
	<u>6,903</u>	<u>6,500</u>

EXTRACTS OF THE INDEPENDENT AUDITOR'S REPORT

The following is the extract of the independent auditor's report from the external auditor of the company.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2 to the consolidated financial statements, which indicates that the Group incurred a net loss of HK\$212,917,000 during the year ended 31 December 2020 and, as of that date, the Group had net current liabilities of approximately HK\$326,103,000 without considering properties for sales of approximately HK\$1,921,997,000. For further details, please refer to Note 2 in the consolidated financial statements. As set out in Note 2 to the consolidated financial statements, the directors of the Company consider that the Group will have sufficient funds to meet its financial obligations for at least the next twelve months from the date of approval of these consolidated financial statements, based on management's judgements on, including but not limited to, the needs of working capital and granting of new bank facilities. As those events or conditions as stated in Note 2 to the consolidated financial statements indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

For the year ended 31 December 2020, the Group's revenue amounted to approximately HK\$1,013.2 million, compared to approximately HK\$538.0 million for 2019, representing a increase of approximately HK\$475.2 million. The increase was mainly attributable to the increase in the sales of electronic products during the year. The loss attributable to the owners of the Company substantially decreased to HK\$211.9 million, a decrease of HK\$889.6 million from the profit of HK\$677.7 million recorded for the year ended 31 December 2019. The decrease was primarily due to a loss on fair value changes on investment properties incurred of approximately HK\$158.9 million (2019: Gain on fair value changes on investment properties of HK\$1,011.7 million).

BUSINESS REVIEW

Investment property

Zhanjiang

The Group owns the land use rights of five land parcels located in Donghai Dao, Zhanjiang Economic and Technological Development Zone, Zhangjiang City, Guangdong Province, the People's Republic of China ("PRC") with total site area and total planned gross floor area of approximately 266,000 sq.m. and 1.3 million sq.m. respectively (the "Smart City Project"). The lands are divided into two portions: the portion held for sale (non-commercial portion) and the portion held for investment purpose (including the commercial portion and the car parking spaces).

According to the valuation report issued by a recognised valuer at the end of the year, the value of the lands of the Smart City Project was approximately RMB5 billion. The lands of the Smart City Project had been valued approximately the same as the value of the lands of the Smart City Project at 31 December 2019. The portion of lands at approximately RMB3.3 billion will be used for residential purpose which are classified as properties for sale and another portion of lands at approximately RMB1.7 billion will be used for commercial building development purpose which are classified as investment properties in the consolidated statement of financial position as at 31 December 2020. Therefore, the fair value loss of approximately RMB7.5 million of the investment properties were recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2020.

Beijing

The rental income of leasing the property covers an area of approximately 16,300 sq.m. at the Rong Ning Yuan Community of No. 60 Guang An Men Nan Jie, Xicheng District, Beijing, the PRC. The rental income recorded by this Beijing property was approximately HK\$5.5 million (2019: HK\$9.0 million) for the year ended 31 December 2020.

Trading Business

The Group owns 60% interest in Shenzhen Qianhai Jiameijing Industrial Company Limited (深圳市前海嘉美靜實業有限公司) which principally engages in the business of trading, importing and exporting of electronic products. The trading business recorded revenue of approximately HK\$984.7 million (2019: HK\$508.8 million).

Financial Business

The revenue of financial business of the Group generated from securities, futures and options broking business, underwriting commission, advisory for financial management business and interest income from securities margin loan portfolio and managed to register profit. Despite the economic damages brought by the widespread of Covid 19, both market and turnover increased amid the global Quantitative Easing policy, the massive stimulus program of the US government, the continued listing of Chinese giant companies in Hong Kong attracting investment interests from China and other regions. Market remained volatile as investors were sensitive to the development of Sino-American confrontations, the fear of inflation and the spread of Covid-19 disease. Dow Jones rallied towards new highs towards the second quarter but Hang Seng Index was still capped with range trading under 30,000. Market turnover hopefully expected to be buoyant benefited from more listings of Chinese companies.

Oil and gas business

The Group owns 100% of the exploration, exploitation and operation rights as well as the profit sharing right of Madagascar Oilfield Block 2101 which is an onshore site with total area of 10,400 square kilometers in the northern part of Madagascar. Pursuant to the exploration, exploitation and oil and gas production sharing contract and depending on the rate of liquid petroleum production of Madagascar Oilfield Block 2101, the Group will share the remaining petroleum profit after government royalty and recovery of petroleum costs according to the sharing ratios in the range of 40% to 72.5% as set out in the profit sharing right.

PROSPECT

After disposing the Beijing Properties, the Group will be able to focus its resources on the development of the Zhanjiang project and other business segments of the Group, in particular the sand mining business in Papua New Guinea where the Group has been granted an exclusive operating right for constructing and operating a port terminal and conducting sand mining and export business in the Kikori Delta in the Gulf of Papua with a total area of 23,300 square kilometers and the Group has established a comprehensive strategic cooperation with China Harbour Engineering Company Limited (中國港灣工程有限責任公司) for carrying out sand mining operation and the planning, construction and operation of fairway and terminal facilities, the Board considers that the Disposal can prevent the Group from incurring further loss from the Properties and provide an immediate cash flow to the Group for repayment of borrowings and general working capital to support the future development of the Group.

FINANCIAL REVIEW

Revenue

During the financial year, the total revenue for the Group was approximately HK\$1,013.1 million, representing an increase of approximately HK\$475.1 million as compared with HK\$538.0 million in 2019. This was mainly due to the increase in sale of electronic products during the year.

Administration expenses

Administrative expenses decreased to approximately HK\$61.3 million in 2020 from approximately HK\$63.9 million in 2019, representing a year-on-year decrease of 4.0%.

Fair value changes on investment properties

The Company has appointed independent valuation companies to determine the fair value for the investment properties. Based on the valuation reports, the Group has recorded losses of approximately HK\$158,920,000 during the year ended 31 December 2020. The reduction in fair value was mainly in relation to the investment properties in Beijing. Fair value gain of more than approximately HK\$1,011,747,000 on the investment properties at Zhanjiang was recorded during the year ended 31 December 2019.

EVENTS AFTER REPORTING DATE

Issue of Convertible Bonds

On 4 June 2021, the Company entered into the Convertible Bonds subscription agreement, pursuant to which agreed to issue, the Convertible Bonds in an aggregate principal amount of HK\$20,000,000 bearing interest rate of 2% per annum with maturity to 2 years from the date of issue. The Conversion Price is HK\$0.98 per Conversion Share, assuming the conversion rights attaching to the Convertible Bonds are exercised in full at the Conversion Price, a maximum of 20,408,163 Conversion Shares will be allotted and issued, representing (i) approximately 0.51% of the existing issued shares of the Company of 4,000,000,000 Shares as at the date of announcement, and (ii) approximately 0.51% of the issued shares of the Company of 4,020,408,163 Shares as enlarged by the allotment and issue of the Conversion Shares. The issuance of the Convertible Bonds was completed on 9 July 2021.

Disposal of Beijing Project

On 5 November 2021, the Group entered into the sale and purchase agreement to dispose of the entire issued capital of Millhaven Holdings Limited which held the properties located at Rong Ning Yuan Community, Beijing (the “Disposal”). The consideration for the Disposal is HK\$338.0 million. The Company intends to apply the net proceeds from the Disposal for general working capital of the Group and repayment of outstanding loans.

After the Disposal, the Group has a present intention to focus its resources on the development of the Zhanjiang project and other business segments of the Group, in particular the sand mining business in Papua New Guinea.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

As at 31 December 2020, the Group’s cash and cash equivalents (excluding the restricted cash) were approximately HK\$20.6 million (2019: approximately HK\$20.7 million). The net current assets of the Group were HK\$1.6 billion (2019: HK\$1.5 billion), which consisted of current assets of HK\$2.4 billion (2019: HK\$2.1 billion) and current liabilities of approximately HK\$835.8 million (2019: HK\$568.5 million), representing a current ratio of 2.88 (2019: 3.70). The Group manages its capital structure to finance its overall operation and growth by using different sources of funds. As at 31 December 2020, the Group’s lease liabilities, amount due to a director, borrowings and corporate bonds amounted to approximately HK\$487.2 million (2019: HK\$398.2 million). The gearing ratio of the Group as at 31 December 2020 (defined as total interest-bearing liabilities divided by the Group’s total equity) was 0.13 (2019: 0.11).

CORPORATE BONDS

As at 31 December 2020, the accumulated principal amount of corporate bonds was HK\$29 million bearing interest rate of 7% per annum with maturity between 2021 to 2025. Such bonds are subsequently measured at amortised cost using effective interest method. Imputed interest of approximately HK\$2.3 million was recognised in the profit or loss during the year (2019: HK\$2.1 million). The issuance of the corporate bonds will not result in any dilution on the shareholding of the existing shareholders of the Group.

EXCHANGE RATE RISK

The Group undertakes certain operating transactions in foreign currencies, which expose the Group to foreign currency risk, mainly to the risk of fluctuations in the Hong Kong dollar and U.S. dollar against RMB. We have not used any derivative contracts to hedge against its exposure to currency risk. The management manages the currency risk by closely monitoring the movement of the foreign currency rates and considering hedging significant foreign currency exposure should such need arise.

FINANCE COSTS

The Group's finance costs consisted mainly of interest expenses on corporate bonds, borrowings, amounts due to directors and lease liabilities. The aggregate amount of interest incurred was approximately HK\$32.3 million (2019: HK\$30.6 million) for the year.

CONTINGENT LIABILITIES

The Company has no contingent liabilities as at 31 December 2020 (2019: nil).

CHARGE ON ASSETS

In 2020, the term loan of HK\$250 million were secured by (i) the guarantee from Guangdong Gangyue Financial Holdings Real Estate Development Company Limited (廣東港粵金控房地產開發有限公司); (ii) the personal guarantee from the Guarantor (Dr. Hui Chi Ming) and Beijing Yinghe Property Development Limited (北京盈和房地產綜合開發有限公司) respectively; and (iii) the charge/pledge to be granted by several subsidiaries of the Company. On the other hand, the Group held banking facility from a bank as at 31 December 2020. The Group's banking facility were secured by guarantees given by the Group's bank deposits and the Company. As at 31 December 2020, bank deposits amounting to approximately HK\$171.1 million (31 December 2019: HK\$5.3 million) were pledged to secure banking facility granted to a subsidiary.

CHANGE OF COMPANY NAMES AND STOCK SHORT NAMES

On 16 October 2020, a special resolution in relation to the Change of Company Name was proposed and duly passed at the special general meeting of the Company to approve the change of the English name of the Company from “Hong Kong Finance Investment Holding Group Limited” to “Wisdom Wealth Resources Investment Holding Group Limited” and the Chinese secondary name of the Company has been changed from “香港金融投資控股集團有限公司” to “智富資源投資控股集團有限公司”. The stock short names of the Company for trading in the Shares on the Stock Exchange has been changed from “HK FINANCE INV” to “WISDOM WEALTH” in English and from “香港金融集團” to “智富資源投資” in Chinese with effect on 28 May 2021. The stock code of the Company remains unchanged as “7”. The website address of the Company will be changed from “www.hkfihg.com” to “WWRI007.com” with effect from 28 May 2021. Please refer to the announcements of the Company dated 21 May 2021 and the circular dated 21 September 2020 relating to the change of company names and stock short names.

PURSUANT TO RULE 13.18 OF THE LISTING RULES

The Company obtained a term loan facility in an aggregate amount of HK\$250,000,000 for a term of 36 months in 2017. Pursuant to the terms of the facility agreement, the occurrence of change of control event constitutes an event of default which the lender may cancel the facility. The Group is in the process of negotiating the extension of the aforesaid term loan facility.

HUMAN RESOURCES

As at 31 December 2020, the Group employed a total of 105 staff (2019: 174) of which 15 were commission based (2019: 20) and the total related staff cost amounted to HK\$32,074,000 (2019: HK\$34,159,000). The Group's long-term success rests primarily on the total integration of the company core value with the basic staff interest. In order to attract and retain high caliber staff, the Group provides competitive salary package and other benefits including mandatory provident fund, medical schemes and bonus. The future staff costs of the sales will be more directly linked to the performance of business turnover and profit. The Group maintained organic overhead expenses to support the basic operation and dynamic expansion of its business enabling the Group to respond flexibly with the changes of business environment.

CAPITAL STRUCTURE

As at 31 December 2020, the total number of issued ordinary shares of the Company was 4,000,000,000 shares of HK\$0.10 each (31 December 2019: 4,000,000,000 shares of HK\$0.10 each).

CHANGES OF EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTOR

With effect from 25 May 2020, Mr. Chow Kin Wing was appointed as an independent non-executive director of the Company and Mr. Chan Tsang Mo resigned tendered his resignation as an independent non-executive director of the Company respectively.

With effect from 16 July 2020, Mr. Chen Mailin and Mr. Hui Ngok Lun were appointed as executive directors of the Company and Mr. Chui Say Hoe and Mr. Ren Qian were re-designated from executive directors of the Company to consultants of the Company respectively.

With effect from 9 October 2020, Mr. Chen Mailin has resigned as an executive director and managing director.

Mr. Chow Kin Wing has resigned as an independent non-executive director with effect from 12 October 2020.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SHARES

During the year ended 31 December 2020, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the financial year, the Company has adopted the Model Code under Appendix 10 to the Listing Rules as its code of conduct regarding Directors’ securities transaction. All Directors of the Company have confirmed, following specific enquiry by the Company that they have complied with the required standard set out in the Model Code and the Code during the financial year.

CORPORATE GOVERNANCE

The Company is aware of the importance that complying with the relevant statutory and regulatory requirements and maintaining good corporate governance standards are important to the effective and efficient operation of the Company. The Company has, therefore, adopted and implemented relevant measures to ensure that the relevant statutory and regulatory requirements are complied with and that a high standard of corporate governance practices is maintained. In the opinion of the Directors, the Company has complied with the Code on Corporate Governance Practices (the “Code”), as set out in Appendix 14 of the Listing Rules, throughout the accounting period covered by the interim report except for the deviation from code provision A.4.2. of the Code which every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. However, according to Byelaws of the Company, the Chairman or Managing Director are not subject to retirement by rotation or taken into account on determining the number of Directors to retire. As continuation is a key factor to the successful implementation of any long-term business plans, the Board believes that the roles of Chairman and Managing Director provides the Group with strong and consistent leadership and allow more effective planning and execution of long-term business strategies, that the present arrangement is most beneficial to the Company and the shareholders as a whole.

ADDITIONAL INFORMATION IN RELATION TO GOING CONCERN

As disclosed in the audited consolidated financial statements, the Group incurred a net loss of HK\$212,917,000 during the year ended 31 December 2020 and, as of that date, the Group had net current liabilities of approximately HK\$326,103,000 without considering properties for sales of approximately HK\$1,921,997,000. Nevertheless, the consolidated financial statements have been prepared on a going concern basis as the Directors has actively implemented various measures as listed below to improve the liquidity of the Group:

(1) Getting new banking facilities

The Company has already received an indicative offer from a bank in December 2021 to grant a banking facility of HK\$200,000,000 bearing interest at 2.5% over Hong Kong Interbank Bank Offered Rate for a term of 18 months from the drawdown date. Such banking facilities will be secured by the Group's investment properties located in Zhanjiang, the People's Republic of China ("PRC"). The Company is now waiting for the formal banking facility letter from that bank and is confident that such banking facility would be granted to the Company in view of the securities pledged for the banking facility.

(2) Disposal of the property in Beijing

As disclosed in the announcement of the Company dated 5 November 2021, the Company has entered into a sale and purchase agreement with an independent third party to dispose the property in Beijing for a consideration of HK\$338,000,000. As at the date of this announcement, the buyer has already paid a deposit of HK\$8,000,000 in accordance with the terms of the agreement. The transaction is expected to complete in February 2022.

(3) Renewal of existing loans with existing lenders

The Group is now actively negotiating with two lenders to renew two existing loans with a total sum of approximately HK\$318,200,000. The Group has got verbal confirmations from them that they will extend the repayment of outstanding borrowings by renewing the loan agreements.

The Group has obtained written confirmations from two directors, Dr. Hui Chi Ming and Mr. Nam Kwok Lun, that they would not demand repayment of amounts due to them within next twelve months.

(4) Cost control measures

The Group are implementing various cost control measures to control the administrative expenses and capital expenditures.

Assuming all the above plans and actions can be completed as planned, the uncertainty related to the going concern is expected to be removed. In case there are any temporary cashflow shortfalls arise, the Group has already obtained written confirmation from the controlling shareholder, Dr Hui Chi Ming, to provide financial support to the Group.

REVIEW OF THE PRELIMINARY ANNOUNCEMENT BY AUDIT COMMITTEE AND AUDITOR

The Audit Committee has reviewed with the management of the Company and the Group's auditor, Elite Partners CPA Limited, the accounting principles and policies adopted by the Group, and discussed the financial information of the Group and the annual results announcement of the Company for the Year.

FINAL DIVIDEND

The Board does not recommend payment of any final dividend for the year ended 31 December 2020 (2019: Nil).

UPDATE ON RESUMPTION PROGRESS

The Board wishes to update the shareholders and potential investors of the Company the development on the progress of the Company's efforts to fulfil the Resumption Guidance as follows:

2020 Annual Results and 2020 Annual Report

As at the date of this announcement, it is expected that the 2020 Annual Report will be dispatched soon after the announcement of 2020 Annual Results.

2021 Interim Results and 2021 Interim Report

In view of the above, the Company is unable to publish its interim results for the six months ended 30 June 2021 (“2021 Interim Results”) by end of August 2021. The Company expects to publish the Interim Results by January 2022 and dispatch the relevant interim report (“2021 Interim Report”) by February 2022, which will be extended accordingly.

Business operations

The Group is principally engaged in property development and investment, trading of electronic products, oil and gas exploration and production, mineral mining and provision of financial services.

As at the date of this announcement, the business operations of the Group are continuing as usual in all material respects. The Board wishes to state that the operations of the Group have not been affected by the delay in publication of the 2020 Annual Results, 2021 Interim Results as well as the delay in dispatch of the 2020 Annual Report and 2021 Interim Report.

Further announcement(s) will be made by the Company to keep its shareholders and potential investors informed of the progress of resumption as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2021 and will remain suspended until further notice.

PUBLICATION OF 2020 ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The 2020 annual results announcement is published on the website of the Company at www.WWRI007.com under the section “Announcement” of Corporate Information and Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk “Latest Listed Company Information”. The 2020 annual report will be dispatched to shareholders of the Company and available on the above websites in due course.

By Order of the Board
Wisdom Wealth Resources Investment Holding Group Limited
Dr. Hui Chi Ming, G.B.S., J.P.
Chairman

Hong Kong, 13 December 2021

As at the date of this announcement, the Honorary Chairman and Senior Consultant of the Company is Dr. Yukio Hatoyama; the senior consultants of the Company comprise Dr. Wang Tao, Mr. Fu Chenyu and Mr. Lalaharisaina Joelivalerien; the Board comprises seven executive Directors, namely, Dr. Hui Chi Ming, G.B.S., J.P., Mr. Neil Bush, Mr. Cao Yu, Mr. Xu Jun Jia, Mr. Lam Kwok Hing, M.H., J.P., Mr. Nam Kwok Lun and Mr. Hui Ngok Lun; and three independent non-executive Directors, namely, Mr. Ngan Kam Bui, Stanford, Mr. Tam Chak Chi and Mr. Ma Kin Ling.