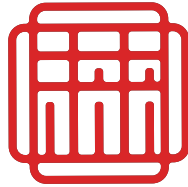


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**FUTURE WORLD HOLDINGS LIMITED**

**未 來 世 界 控 股 有 限 公 司**

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

**(Stock Code: 572)**

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

The board (the “**Board**”) of directors (the “**Directors**”) of Future World Holdings Limited (the “**Company**”) hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2021 (the “**Period**”) together with comparative figures for the corresponding period of 2020 as follows:

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021

		Six months ended 30 June	
		2021	2020
	Notes	HKD'000	HKD'000
		(Unaudited)	(Unaudited)
<b>Net realised loss from securities trading and investment</b>	4	(37)	(11,425)
<b>Revenue</b>	4	35,682	91,408
Cost of sales		<u>(19,620)</u>	<u>(61,485)</u>
<b>Gross profit</b>		<b>16,062</b>	29,923
Other income and gains		595	574
Selling and distribution costs		(1,231)	–
Administrative expenses		(15,875)	(18,388)
Gain on disposal of subsidiaries, net		–	973
Provision for credit loss allowances on loan and interest receivables, net		(188)	(5,410)
Provision for credit loss allowances on trade receivables, net		(613)	(480)
Reversal of/(provision for) expected credit loss on loan commitment		272	(828)
Change in fair values of financial assets at fair value through profit or loss		–	(1,817)
Change in fair value of investment properties	11	13,201	(3,102)
Share of loss of an associate		(5)	(360)
Share-based payment expense		<u>(1,513)</u>	<u>(17,498)</u>
<b>Operating profit/(loss)</b>		<b>10,668</b>	(27,838)
Finance costs	6	<u>(8,672)</u>	<u>(11,025)</u>
<b>Profit/(loss) before income tax</b>	7	<b>1,996</b>	(38,863)
Income tax expense	8	<u>(696)</u>	<u>(1,379)</u>
<b>Profit/(loss) for the period</b>		<u><b>1,300</b></u>	<u>(40,242)</u>

		<b>Six months ended 30 June</b>	
		<b>2021</b>	<b>2020</b>
<i>Note</i>		<b><i>HKD'000</i></b>	<b><i>HKD'000</i></b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Other comprehensive income/(loss):</b>			
Item that may be reclassified subsequently to profit or loss:			
	Exchange differences arising on translation of financial statements of foreign operations	<b>1,875</b>	(2,739)
Item that will not be reclassified subsequently to profit or loss:			
	Change in fair value of financial assets at fair value through other comprehensive income	<u><b>(45,938)</b></u>	<u>10,068</u>
<b>Other comprehensive (loss)/income for the period, net of income tax</b>		<u><b>(44,063)</b></u>	<u>7,329</u>
<b>Total comprehensive loss for the period</b>		<u><b>(42,763)</b></u>	<u>(32,913)</u>
<b>Profit/(loss) for the period attributable to:</b>			
	Owners of the Company	<b>4,053</b>	(43,187)
	Non-controlling interest	<u><b>(2,753)</b></u>	<u>2,945</u>
		<u><b>1,300</b></u>	<u>(40,242)</u>
<b>Total comprehensive (loss)/income for the period attributable to:</b>			
	Owners of the Company	<b>(40,081)</b>	(35,837)
	Non-controlling interest	<u><b>(2,682)</b></u>	<u>2,924</u>
		<u><b>(42,763)</b></u>	<u>(32,913)</u>
			(Restated)
<b>Earnings/(loss) per share attributable to owners of the Company</b>			
	– Basic	<b>HK0.43 cent</b>	HK(6.87) cents
	– Diluted	<u><b>HK0.43 cent</b></u>	<u>HK(6.87) cents</u>

10

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

		30 June 2021	31 December 2020
	Notes	HKD'000 (Unaudited)	HKD'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	11	1,493	2,161
Right-of-use assets	11	6,848	8,797
Investment properties	11	818,375	803,836
Interest in an associate		54	58
Financial assets at fair value through other comprehensive income	12	124,887	220,117
Loan receivables	14	317,343	298,451
Deferred tax assets		4,045	4,059
		<u>1,273,045</u>	<u>1,337,479</u>
<b>Current assets</b>			
Inventories		36,109	10,581
Loan and interest receivables	14	33,748	39,564
Financial assets at fair value through profit or loss	13	–	1,394
Trade, bills and other receivables	15	60,369	81,793
Contract assets		10,702	8,594
Pledged bank deposits and cash and bank balances		17,813	12,491
		<u>158,741</u>	<u>154,417</u>

		<b>30 June 2021</b>	31 December 2020
	<i>Notes</i>	<b><i>HKD'000</i></b>	<b><i>HKD'000</i></b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Current liabilities</b>			
Trade payables, accruals and other payables	16	54,536	72,993
Contract liabilities		28,658	5,133
Lease liabilities		1,764	3,877
Bank borrowings	17	300,265	305,009
Other borrowings	18	121,559	143,709
Income tax payables		1,133	2,441
		<u>507,915</u>	<u>533,162</u>
<b>Net current liabilities</b>		<u>(349,174)</u>	<u>(378,745)</u>
<b>Total assets less current liabilities</b>		<u>923,871</u>	<u>958,734</u>
<b>Non-current liabilities</b>			
Lease liabilities		5,167	5,501
<b>Net assets</b>		<u><b>918,704</b></u>	<u><b>953,233</b></u>
<b>Capital and reserves</b>			
Share capital	19	19,978	18,906
Reserves		893,130	926,049
Equity attributable to owners of the Company		913,108	944,955
Non-controlling interests		5,596	8,278
<b>Total equity</b>		<u><b>918,704</b></u>	<u><b>953,233</b></u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

*For the six months ended 30 June 2021*

## 1. GENERAL

Future World Holdings Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 21 October 2002 under the Companies Law of the Cayman Islands. The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business was changed from Unit 3711, 37/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong to Unit 2218, 22/F, The Metropolis Tower, 10 Metropolis Drive, Hung Hom, Kowloon, Hong Kong effective from 16 April 2021. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company. The Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) are principally engaged in (i) high technology business; (ii) property investment; (iii) provision of financing services; (iv) securities trading and investment; (v) trading business and related services; (vi) securities brokerage business; (vii) investment in film industry; and (viii) licensing of e-commerce platform.

The condensed consolidated interim financial statements (“**Interim Financial Statements**”) are presented in Hong Kong dollars (“**HKD**”), which is also the functional currency of the Company, and all values are rounded to the nearest thousand except where otherwise indicated.

The Interim Financial Statements were approved for issue by the board of directors on 27 August 2021.

## 2. BASIS OF PREPARATION

The Interim Financial Statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

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

The Interim Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 December 2020, and therefore, do not include all of the information required in annual financial statements in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2020.

The Interim Financial Statements have been prepared on the historical cost basis, except for investment properties, financial assets at fair value through profit or loss (“**FVTPL**”) and financial assets at fair value through other comprehensive income (“**FVTOCI**”), which are measured at fair value.

The Interim Financial Statements have not been audited.

### **Going concern**

As at 30 June 2021, the Group had net current liabilities of approximately HKD349,174,000. This condition indicates a material uncertainty exists which may cast significant doubt on the Group’s ability to continue as a going concern. Therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

The directors of the Company have considered the followings when they prepared the Interim Financial Statements:

The current liabilities of the Group include bank borrowings of approximately HKD210,463,000, which have been classified as current liabilities as the related loan agreements contain a repayment on demand clause. According to the loan agreements, the loans are repayable by monthly instalments in 16 – 22 years. The Group regularly monitors its compliance with covenants and scheduled repayments of such bank borrowings and the directors of the Company do not consider that the banks will exercise their discretion to demand repayment so long as the Group continues to meet these requirements.

The Group would sell part of its financial assets at FVTOCI in order to improve the Group’s financial position, liquidity and cash flows. In addition, the directors of the Company also consider several measures together with other measures in progress at the date of authorising the Interim Financial Statements which include taking stringent cost controls aiming at improving the working capital and cash flow position of the Group, equity fund raising and negotiating with certain bankers to obtain long-term banking facilities.

Taking into account of the above consideration and measures, the directors of the Company are satisfied that the Group will be able to meet its financial obligations when they fall due. Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the Interim Financial Statements on a going concern basis.

Should the Group be unable to continue as going concern, adjustments would have to be made to the Interim Financial Statements to write down the carrying amounts of assets to their recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, and to provide for any further liabilities which might arise. The effect of these adjustments has not been reflected in the Interim Financial Statements.

### 3. ADOPTION OF NEW AND REVISED HKFRSS

The Interim Financial Statements have been prepared based on the same accounting policies adopted in the 2020 annual financial statements, except for those that relate to amendments to HKFRSs which are mandatorily effective for an accounting period that begins on or after 1 January 2021. In the opinion of the directors of the Company, the application of the amendments to HKFRSs in the current period has no material impact on the Group's financial performance and positions for the current period and prior years and/or on the disclosures set out in the Interim Financial Statements.

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

### 4. REVENUE

Revenue represents the income received and receivable arising from the Group's operating activities including (i) high technology business; (ii) property investment; (iii) provision of financing services; (iv) securities trading and investment; (v) trading business and related services; (vi) securities brokerage business; and (vii) investment in film industry during the six months ended 30 June 2021. An analysis of the Group's revenue for the six months ended 30 June 2021 is as follows:

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>HKD'000</b>	<b>HKD'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue</b>		
Revenue from contracts with customers within the scope of HKFRS 15 recognised at a point in time:		
Income from high technology business	<b>18,378</b>	72,317
Income from trading business and related services	<b>2,130</b>	2,111
	<b>20,508</b>	74,428
Revenue from other sources:		
Rental income from property investment	<b>3,281</b>	5,530
Interest income from provision of financing services	<b>11,047</b>	11,204
Dividend income from securities trading and investment	<b>81</b>	–
Commission income from securities brokerage business	<b>765</b>	–
Interest income from investment in film industry	<b>–</b>	246
	<b>15,174</b>	16,980
	<b>35,682</b>	91,408
<b>Net realised loss from securities trading and investment</b>	<b>(37)</b>	(11,425)



## 5. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision makers (the “CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the executive directors of the Company have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable and operating segments under HKFRS 8 are as follows:

- High technology business
- Property investment
- Provision of financing services
- Securities trading and investment
- Trading business and related services
- Investment in film industry
- Securities brokerage business
- Licensing of e-commerce platform

### Segment revenues and results

The following is an analysis of the Group’s revenue and results by reportable and operating segments:

	High technology business		Property investment		Provision of financing services		Securities trading and investment		Trading business and related services		Investment in film industry		Securities brokerage business		Licensing of e-commerce platform		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue																		
– External sales	18,378	72,317	3,281	5,530	11,047	11,204	81	–	2,130	2,111	–	246	765	–	–	–	35,682	91,408
Segment financial performance	(5,168)	7,382	12,759	(1,325)	10,086	4,598	(6,156)	(21,764)	(1,293)	(597)	(46)	242	174	–	–	–	10,356	(11,464)
Unallocated corporate income																	–	389
Unallocated corporate expenses																	(6,821)	(9,815)
Share of loss of an associate																	(5)	(360)
Share-based payment expenses																	(1,513)	(17,498)
Unallocated finance cost																	(21)	(115)
Profit/(loss) before income tax																	1,996	(38,863)

The accounting policies of the operating segments are the same as the Group’s accounting policies. Segment financial performance represents the (loss incurred)/profit earned by each segment without allocation of certain administration costs, directors’ emoluments, other income, share of loss of an associate, share-based payment expenses and certain finance costs. This is the measure reported to the CODM 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 and operating segments:

	30 June 2021 HKD'000 (Unaudited)	31 December 2020 HKD'000 (Audited)
<b>Segment assets</b>		
High technology business	100,303	98,203
Property investment	823,298	808,820
Provision of financing services	355,678	336,845
Securities trading and investment	135,403	225,136
Trading business and related services	8,534	13,630
Investment in film industry	11	5,244
Securities brokerage business	4,408	–
Total segment assets	1,427,635	1,487,878
Unallocated corporate assets	4,151	4,018
Consolidated assets	1,431,786	1,491,896
<b>Segment liabilities</b>		
High technology business	79,554	71,436
Property investment	223,700	228,976
Provision of financing services	3,088	1,692
Securities trading and investment	201,770	224,079
Trading business and related services	3,033	4,409
Investment in film industry	–	88
Total segment liabilities	511,145	530,680
Unallocated corporate liabilities	1,937	7,983
Consolidated liabilities	513,082	538,663

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

- all assets are allocated to operating segments other than certain right-of-use assets, certain other receivables and certain cash and bank balances; and
- all liabilities are allocated to operating segments other than certain lease liabilities and certain accruals and other payables.

## 6. FINANCE COSTS

	Six months ended 30 June	
	2021	2020
	<i>HKD'000</i>	<i>HKD'000</i>
	(Unaudited)	(Unaudited)
Interest expenses on bank borrowings	4,265	5,384
Interest expenses on other borrowings	4,121	5,492
Interest expenses on leases liabilities	84	149
Interest expenses on government loans	202	–
	<u>8,672</u>	<u>11,025</u>

## 7. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(loss) before income tax has been arrived at after charging/(crediting):

	Six months ended 30 June	
	2021	2020
	<i>HKD'000</i>	<i>HKD'000</i>
	(Unaudited)	(Unaudited)
Directors' and chief executive's emoluments, including share-based payment expenses of HKD685,000 (six months ended 30 June 2020: HKD6,228,000)	2,560	9,661
Other staff costs, including share-based payment expenses of HKD599,000 (six months ended 30 June 2020: HKD3,370,000)	7,078	8,335
Contributions to retirement benefits scheme	345	506
Total staff costs	<u>9,983</u>	<u>18,502</u>
Auditor's remuneration – Non-audit services	350	230
Cost of inventories recognised as expenses	19,560	60,984
Depreciation of property, plant and equipment	396	494
Depreciation of right-of-use assets	1,736	2,160
Direct operating expenses arising from investment properties that generated rental income during the period	268	399
Direct operating expenses arising from investment properties that did not generate rental income during the period	113	–
Expenses relating to short-term leases	401	598
Gain on disposal of property, plant and equipment, net	(105)	–
Loss on early termination of a lease agreement	723	–
Provision for credit loss allowances on loan and interest receivables, net	188	5,410
Provision for credit loss allowances on trade receivables, net	613	480
(Reversal of)/provision for expected credit loss on loan commitment	(272)	828
Share-based payment expenses for consultants	229	7,900

## 8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2021	2020
	<i>HKD'000</i>	<i>HKD'000</i>
	(Unaudited)	(Unaudited)
Current tax:		
– Hong Kong Profits Tax	–	50
– The People's Republic of China (the "PRC") Enterprise Income Tax ("EIT")	534	2,301
– Withholding tax	148	153
	682	2,504
Deferred tax charged/(credited) to profit or loss	14	(1,125)
Income tax expense	696	1,379

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdiction in which members of the Group are domiciled and operated.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax under these jurisdictions during the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

Under the two-tiered profits tax rates regime in Hong Kong, the first HKD2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HKD2,000,000 will be taxed at 16.5%. The assessable profits of group entities that are not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

No Hong Kong Profits Tax has been provided for the six months ended 30 June 2021, as the Group has no assessable profits derived in Hong Kong during the six months ended 30 June 2021. Hong Kong Profits Tax is calculated at 8.25% for the first HKD2,000,000 of profits of qualifying corporation and at 16.5% of the profit above HKD2,000,000 for the six months ended 30 June 2020.

The PRC EIT has been provided at the rate of 25% (six months ended 30 June 2020: 25%) on the taxable profits of the Group's subsidiaries in the PRC during the six months ended 30 June 2021. Certain subsidiaries of the Group, which are qualified small and micro-sized enterprises ("SMEs") under Caishui [2019] No.13, are eligible for certain tax reduction.

The withholding tax is calculated at the rate of 10% (six months ended 30 June 2020: 10%) on total rental income derived prevailing in the PRC jurisdiction for the six months ended 30 June 2021.

## 9. DIVIDEND

The directors of the Company do not recommend for payment of a dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

## 10. EARNINGS/(LOSS) PER SHARE

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

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>HKD'000</b>	<b>HKD'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Profit/(loss) for the period attributable to owners of the Company for the purpose of basic and diluted earnings/(loss) per share	<b>4,053</b>	<b>(43,187)</b>
<b>Number of shares</b>		
	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>'000</b>	<b>'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>(Restated)</b>
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	<b>948,829</b>	<b>628,696</b>
Effect of dilutive potential ordinary shares:		
Share options outstanding during the period	<b>195</b>	<b>–</b>
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	<b>949,024</b>	<b>628,696</b>

The weighted average number of ordinary shares used to calculate the basic and diluted loss per share for the six months ended 30 June 2020 has been adjusted to reflect the Share Consolidation and the Rights Issue (as defined in Note 32 to the consolidated financial statements of the Group for the year ended 31 December 2020 dated 30 March 2021) during the year ended 31 December 2020. Accordingly, the basic and diluted loss per share for the six months ended 30 June 2020 are restated.

As at 30 June 2021 and 2020, the Company has outstanding share options. For the outstanding share options, the number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market price per share for the period) for the same total proceeds is the number of shares issued for no consideration. The resulting number of shares issued for no consideration is included in the weighted average number of ordinary shares as the denominator for calculating diluted earnings per share for the six months ended 30 June 2021.

The computation of diluted loss per share for the six months ended 30 June 2020 did not assume the exercise of the Company's outstanding share options since it would result in a decrease in the loss per share. Therefore, the amount of diluted loss per share is the same as the amount of basic loss per share for the six months ended 30 June 2020.

#### **11. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INVESTMENT PROPERTIES**

During the six months ended 30 June 2021, the Group paid approximately of HKD284,000 (six months ended 30 June 2020: HKD11,005,000) for the acquisition of property, plant and equipment.

During the six months ended 30 June 2021, the Group disposed of certain items of property, plant and equipment with net carrying amount amounting to approximately HKD566,000 (six months ended 30 June 2020: HKD10,625,000).

During the six months ended 30 June 2021, the Group entered into one new lease agreement for the use of the office premise for two years (six months ended 30 June 2020: one new lease agreement for office premise for three years). On lease commencement, the Group recognised approximately HKD729,000 (six months ended 30 June 2020: HKD2,833,000) of right-of-use assets and lease liability, respectively.

The fair value of the Group's investment properties at 30 June 2021 and 31 December 2020 have been arrived at on the basis of a valuation carried out by Colliers International (Hong Kong) Limited ("Colliers"), a firm of independent qualified professional valuers, which is not connected to the Group. Colliers has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

The fair value of investment properties was estimated using market comparison approach. Fair values are based on prices for recent market transaction in similar properties with significant adjustments for differences in the location or condition of the Group's investment properties. These adjustments are based on unobservable inputs.

Fair value gain of approximately HKD13,201,000 (six months ended 30 June 2020: fair value loss of approximately HKD3,102,000) of investment properties has been recognised in profit or loss for the six months ended 30 June 2021.

At 30 June 2021, the Group's investment property located in Hong Kong, with carrying amount amounting to approximately HKD285,000,000 (31 December 2020: HKD283,000,000), has been pledged to secure the bank borrowings and other borrowings granted to the Group (Notes 17 and 18). Another investment property located in Hong Kong, with carrying amount amounting to approximately HKD383,000,000 (31 December 2020: HKD379,000,000) has been pledged to secure the bank borrowings granted to the Group (Note 17) at 30 June 2021.

## 12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<b>30 June 2021 HKD'000 (Unaudited)</b>	31 December 2020 HKD'000 (Audited)
Listed securities, at fair value:		
Equity securities listed in Hong Kong	<b><u>124,887</u></b>	<u>220,117</u>

The below table reconciled the equity securities listed in Hong Kong:

	<i>HKD'000</i>
At 1 January 2021 (Audited)	220,117
Additions	24,916
Disposals	(74,208)
Changes in fair value through other comprehensive income	<u>(45,938)</u>
At 30 June 2021 (Unaudited)	<b><u>124,887</u></b>

The fair values of the listed equity securities investments were determined based on the quoted market closing prices on the Stock Exchange. During the six months ended 30 June 2021, the dividends received from these investments were approximately HKD81,000 (six months ended 30 June 2020: Nil).

At 30 June 2021, the Group's financial assets at FVTOCI, with carrying amount of approximately HKD118,805,000 (31 December 2020: HKD209,397,000), have been pledged to secure the other borrowings granted to the Group (Note 18).

### 13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2021 <i>HKD'000</i> (Unaudited)	31 December 2020 <i>HKD'000</i> (Audited)
Listed securities held for trading, at fair value:		
Equity securities listed in Hong Kong	<u>          —          </u>	<u>          1,394          </u>

The below table reconciled the equity securities listed in Hong Kong:

	<i>HKD'000</i>
At 1 January 2021 (Audited)	1,394
Disposals	(1,357)
Changes in fair value through profit or loss	<u>          (37)          </u>
At 30 June 2021 (Unaudited)	<u>          —          </u>

The fair values of the listed equity securities investments were determined based on the quoted market closing prices on the Stock Exchange.



# 14. LOAN AND INTEREST RECEIVABLES

	30 June 2021 <i>HKD'000</i> (Unaudited)	31 December 2020 <i>HKD'000</i> (Audited)
Current	33,748	39,564
Non-current	317,343	298,451
	<u>351,091</u>	<u>338,015</u>
Representing:		
From investment in film industry (31 December 2020: including interest receivables of approximately HKD1,441,000) (Note (i))	<u>–</u>	<u>5,243</u>
From money lending business (including interest receivables of approximately HKD17,305,000 (31 December 2020: HKD7,581,000)) (Note (ii))	372,989	354,482
Less: Allowance of credit losses	<u>(21,898)</u>	<u>(21,710)</u>
	<u>351,091</u>	<u>332,772</u>
	<u>351,091</u>	<u>338,015</u>

Notes:

## (i) From investment in film industry

In prior years, the Group entered into certain loan agreements to provide loans to an entity engaged in investment in film industry (the “**Film Production Investor**”) for film distribution. As at 31 December 2020, one of the loans was still outstanding.

The loans to the Film Production Investor have generated interest income of approximately HKD246,000 during the six months ended 30 June 2020. As at 31 December 2020, the loan receivable and interest receivable due from the Film Production Investor were approximately USD488,000 (equivalent to approximately HKD3,802,000) and USD185,000 (equivalent to approximately HKD1,441,000), respectively. The loan is unsecured, bears fixed interest rate at 12% per annum and interest accrued and principal are repayable on the third anniversary of the date of the agreements or under the demand of the Group.

As at 31 December 2020, Mr. Yu Qingrui, a shareholder and an executive director of the Company, agreed to provide guarantee to the Group in respect of the abovementioned loans and related interest. The outstanding loan was past due in October 2020.

During the six months ended 30 June 2021, the loan was fully settled and no interest income was generated from the loan.

(ii) **From money lending business**

The loan receivables from 12 (31 December 2020: 10) independent borrowers bear fixed interest rates ranging from 5% to 8% (31 December 2020: from 5% to 8%) per annum and repayable according to the respective loan agreements. During the six months ended 30 June 2021, 2 (31 December 2020: 2) borrowers with loan receivables (net of allowance for credit loss) amounted to approximately HKD54,085,000 (31 December 2020: HKD52,722,000) in aggregate provided several properties to the Group as collateral with fair value amounting to approximately RMB38,800,000 (equivalent to approximately HKD46,676,000) (31 December 2020: RMB38,800,000 (equivalent to approximately HKD44,907,000)) in aggregate. The loan receivables from the remaining 10 (31 December 2020: 8) borrowers with loan receivables (net of allowance for credit loss) amounted to approximately HKD297,006,000 (31 December 2020: HKD280,050,000) in aggregate are unsecured.

The maturity profile of these loan and interest receivables, net of credit loss allowances, at the end of the reporting period, analysed by the remaining periods to their contracted maturity, is as follows:

	<b>30 June 2021 HKD'000 (Unaudited)</b>	<b>31 December 2020 HKD'000 (Audited)</b>
On demand or within 1 year after the end of reporting period	<b>33,748</b>	34,321
More than one year, but not more than two years after the end of reporting period	<b>28,573</b>	26,017
More than two years, but not more than five years after the end of reporting period	<b>288,770</b>	272,434
	<b>351,091</b>	332,772

The loan receivables have been reviewed by the management of the Group to assess impairment which are based on the evaluation of collectability, ageing analysis of accounts and on management's judgement, including the current creditworthiness and the past statistics of individually significant accounts or a portfolio of accounts on a collective basis.

The Group has granted an aggregate irrevocable loan facility of HKD270,000,000 to Central Wealth Group Holdings Limited and the total loans advanced to Central Wealth Group Holdings Limited were amounted to HKD236,000,000 as at 30 June 2021 (31 December 2020: HKD236,000,000). These loans are unsecured, bearing fixed interest rate at 7% (31 December 2020: 8%) per annum and repayable on 31 December 2023.

## 15. TRADE, BILLS AND OTHER RECEIVABLES

		<b>30 June 2021</b>	31 December 2020
	<i>Notes</i>	<b>HKD'000</b>	<b>HKD'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
Trade receivables, gross		<b>22,917</b>	43,994
Less: Allowance for credit losses		<b>(746)</b>	(128)
Trade receivables, net	(i)	<b>22,171</b>	43,866
Bills receivables	(ii)	<b>17,839</b>	24,027
Deposit, prepayment and other receivables		<b>20,359</b>	13,900
		<b>60,369</b>	81,793

*Notes:*

### (i) Trade receivables

Trade receivables mainly comprise amounts receivable from high technology business and trading business and related services. No interest was charged on trade receivables.

The following is an ageing analysis of trade receivables, net of credit loss allowances, presented based on the invoice dates, which approximated the respective revenue recognition dates:

	<b>30 June 2021</b>	31 December 2020
	<b>HKD'000</b>	<b>HKD'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
0 – 30 days	<b>2,875</b>	26,913
31 – 90 days	<b>665</b>	12,665
91 – 180 days	<b>1,190</b>	1,696
181– 360 days	<b>15,420</b>	–
Over 360 days	<b>2,767</b>	2,720
Less: Allowance for credit losses	<b>(746)</b>	(128)
	<b>22,171</b>	43,866

(ii) **Bills receivables**

The Group endorsed certain bill receivables (the “**Endorsed Bills**”) with a carrying amount of approximately HKD17,683,000 (31 December 2020: HKD23,872,000) as at 30 June 2021 to certain of its suppliers in order to settle the trade payables due to such suppliers (the “**Endorsement**”). Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. However, in the opinion of the directors of the Company, the Group has retained the substantial risks and rewards, which include default risks relating to the Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills as current assets and the associated trade payables as current liabilities. The aggregate carrying amount of trade payables under the Endorsement amounted to approximately HKD17,683,000 (31 December 2020: HKD23,872,000) as at 30 June 2021 (Note 16).

In the opinion of the directors of the Company, the fair values of these Endorsed Bills and the associated trade payables are approximately to their carrying amounts. Net position of the Group is Nil (31 December 2020: Nil) as at 30 June 2021.

**16. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES**

	<b>30 June</b>	31 December
	<b>2021</b>	2020
	<b>HKD’000</b>	HKD’000
	<b>(Unaudited)</b>	(Audited)
Trade payables ( <i>Note</i> )	<b>32,370</b>	47,719
Accruals	<b>7,572</b>	10,369
Government loans	<b>10,542</b>	10,445
Rental deposits received	<b>1,439</b>	1,575
Other payables	<b>2,613</b>	2,885
	<b>54,536</b>	72,993

*Note:*

### **Trade payables**

The credit period granted by suppliers of the Group is ranging from 30 to 120 days (31 December 2020: 30 to 120 days) for the period. The ageing analysis of the trade payables based on invoice date is as follows:

	<b>30 June</b>	31 December
	<b>2021</b>	2020
	<b><i>HKD'000</i></b>	<b><i>HKD'000</i></b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
0 – 30 days	<b>7,456</b>	38,931
31 – 90 days	<b>10,640</b>	3,502
91 – 360 days	<b>12,201</b>	3,267
Over 360 days	<b>2,073</b>	2,019
	<b>32,370</b>	47,719

The aggregate carrying amount of trade payables under the Endorsement amounted to approximately HKD17,683,000 (31 December 2020: HKD23,872,000) as at 30 June 2021, do not meet the de-recognition requirements in HKFRS 9. The corresponding financial assets are included in trade, bills and other receivables (Note 15(ii)).

## 17. BANK BORROWINGS

	30 June 2021 <i>HKD'000</i> (Unaudited)	31 December 2020 <i>HKD'000</i> (Audited)
Secured bank borrowings	<u><b>300,265</b></u>	<u><b>305,009</b></u>
Represented by:		
Carrying amount of the bank borrowings that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	<u><b>210,463</b></u>	<u>215,520</u>
Carrying amount repayable within one year	<u><b>89,802</b></u>	<u>89,489</u>
	<u><b>300,265</b></u>	<u><b>305,009</b></u>

Bank borrowings due for repayment, based on the scheduled repayment terms set out in the borrowing agreements and without taking into account the effect of any repayment on demand clause are as follows:

	30 June 2021 <i>HKD'000</i> (Unaudited)	31 December 2020 <i>HKD'000</i> (Audited)
Within one year	<u><b>89,802</b></u>	<u>89,489</u>
More than one year, but within two years	<u><b>10,085</b></u>	<u>9,849</u>
More than two years, but within five years	<u><b>31,069</b></u>	<u>30,797</u>
More than five years	<u><b>169,309</b></u>	<u>174,874</u>
	<u><b>300,265</b></u>	<u><b>305,009</b></u>

The bank borrowings bear interest at the bank's HKD Prime Rate – 2.5% per annum, 2% per annum + HIBOR (1 month) or 2.5% per annum over HIBOR (1 week to 1 month) at 30 June 2021 (31 December 2020: the bank's HKD Prime Rate – 2.5% per annum, 2% per annum + HIBOR (1 month) or 2.5% per annum over HIBOR (1 week to 1 month)).

At 30 June 2021, the Group's bank borrowings are secured by the investment properties amounting to approximately HKD668,000,000 (31 December 2020: HKD662,000,000) (Note 11).

## 18. OTHER BORROWINGS

Other borrowings due for repayment, based on the scheduled repayment terms set out in the agreements and without taking into account the effect of any repayment on default clause are as follows:

	<b>30 June</b>	31 December
	<b>2021</b>	2020
	<b>HKD'000</b>	<b>HKD'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Within one year or on demand	<b><u>121,559</u></b>	<b><u>143,709</u></b>

The Group's other borrowings are secured by the following assets:

		<b>30 June</b>	31 December
		<b>2021</b>	2020
	<i>Notes</i>	<b>HKD'000</b>	<b>HKD'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
Investment properties	<i>11</i>	<b>285,000</b>	283,000
Financial assets at FVTOCI	<i>12</i>	<b><u>118,805</u></b>	<b><u>209,397</u></b>

The other borrowings are also guaranteed by the Company.

Partial of the other borrowings amounting to approximately HKD86,653,000 (31 December 2020: HKD108,803,000) are subject to the fulfilment of covenants, but certain covenants have not been fulfilled. The directors of the Company do not consider that it is probable that the securities brokers will exercise their discretion to demand immediate repayment. The directors of the Company believe that such other borrowings will be repaid in accordance with the scheduled repayment dates as determined by the agreements.

## 19. SHARE CAPITAL

	Number of ordinary shares (Note (i))	Number of preference shares	Amount HKD'000
Ordinary shares of HKD0.02 each			
Authorised:			
At 31 December 2020 and 30 June 2021	<u>12,474,000,000</u>	<u>26,000,000</u>	<u>250,000</u>
Issued and fully issued:			
At 31 December 2020 (audited)	945,321,858	–	18,906
Issuance of shares upon exercise of share options (Note (ii))	<u>53,600,000</u>	<u>–</u>	<u>1,072</u>
<b>At 30 June 2021</b>	<u>998,921,858</u>	<u>–</u>	<u>19,978</u>

### Notes:

- (i) All the ordinary shares which were issued by the Company rank pari passu with each other in all respects.
- (ii) During the six months ended 30 June 2021, 53,600,000 share options were exercised at the exercise price of HKD0.1254 per share. The total cash consideration received from the issuance 53,600,000 shares of HKD0.02 each was HKD6,721,000, of which HKD1,072,000 was credited to issued share capital and the remaining balance of HKD5,649,000 was credited to the share premium account. In addition, amount attributable to the related share options of approximately HKD1,285,000 has been transferred from share option reserve to the share premium account. In the opinion of the directors of the Company, the transaction costs in relation to this exercise of share options were immaterial.



## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL RESULTS

The Group's revenue for the Period has decreased to HKD35,682,000, which is 61.0% lower compared with the revenue of approximately HKD91,408,000 during the six months ended 30 June 2020 (the "**Previous Period**"). The decrease of revenue was mainly attributed to the segment of high technology business. Details of high technology business are set out in "High Technology Business" section below. The Group recorded a net profit of approximately HKD4,053,000 attributable to shareholders of the Company for the Period (2020: net loss of approximately HKD43,187,000) and basic earnings per share of HK0.43 cent (2020: basic loss per share of HK6.87 cents (Restated)) for the Period. The turnaround in profit is mainly attributable to (i) decrease in share option share-based payment expenses from HKD17,498,000 to HKD1,513,000; (ii) revaluation profit of approximately HKD13,201,000 arising from change in fair value of investment properties as compared to revaluation loss of approximately HKD3,102,000 for the Previous Period; (iii) decrease in net realised loss on investment at fair value through profit and loss of approximately HKD11,388,000; and (iv) decrease of credit loss allowances on loan and interest receivables of approximately HKD5,222,000.

### BUSINESS REVIEW

Since January 2020, the outbreak of the novel coronavirus (COVID-19) pandemic had severely impacted the global business environment. Nevertheless, up to the date of this announcement, COVID-19 pandemic has not caused material financial difficulties to the Group. The Group will keep continuous attention on the situation of the COVID-19, assess and react actively to its impacts on the financial position and operating results of the Group.

#### High Technology Business

Innovation and technology is an important growth engine for future economic development. Technology is leading the world into a new era, bringing with it a dramatic shift in the global economy. Leveraging on the expertise and experience of the directors and key management personnel, the Group has involved in high technology business from last year including but not limited to technology industry, intelligent robotics and related services and artificial intelligence products and application solutions. During the Period, the revenue of approximately HKD18,378,000 was generated (2020: HKD72,317,000) and a loss of approximately HKD5,168,000 (2020: profit of approximately HKD7,382,000) was recorded for the segment of high technology business.

During the Period, the revenue in high technology business were contributed by intelligent industrial welding robots and equipment business. The Group established a top welding tooling expert team for research and development, and be committed to the development, design, production and sales of a full range of non-standard customized positioner, all kinds of special welding and cutting tooling devices, and all kinds of unmanned and intelligent non-standard production lines. Our products will be applied to pressure vessels, low-temperature equipment, special vehicles, rail transit, offshore wind power, engineering machinery and other industries. In term of artificial intelligence products and applications solutions business, the Group will continuous to seek the sale order for our intelligent storage equipment.

The Group has built up a technical team with strong technical and education background and years of experience in robotic related business, and their experiences and expertise cover mechanical and robotic engineering, mechanical designs and electrical designs. The Board considers that the development in high technology business will contribute positively to the revenue of the Group and will be beneficial to the development of the Group, thereby creating values to the Company and its shareholders. Nevertheless, the Board also considers the high technology business in China to be highly competitive and will strive to secure orders for the sustainable development of the business segment.

### **Properties investment**

The Group is currently holding (i) two residential properties located in Hong Kong which are on No. 19, Cumberland Road, Kowloon Tong (approximate saleable area of 5,808 square feet) and No. 1, Lincoln Road, Kowloon Tong (approximate saleable area of 6,892 square feet) respectively and (ii) 19 retail units in a development district known as “Fortune Town” (振業城) located at Henggang Road, Longgang District, Shenzhen, the PRC (中國深圳市龍崗區橫崗街道).

During the Period, the Group recorded rental income of approximately HKD3,281,000 (2020: HKD5,530,000) and fair value gain of approximately HKD13,201,000 (2020: fair value loss of approximately HKD3,102,000) arising from change in fair value of investment properties from the property investment segment.

### **Treasury business**

The treasury business includes securities trading and investment business and money lending business.

### ***Securities trading and investment business***

The Group identified its investments based on the share price, the gain potential and the future prospect of the investments. The securities investments were classified under financial assets at fair value through other comprehensive income (“**FVTOCI**”) and financial assets at fair value through profit or loss (“**FVTPL**”) in the consolidated financial statements. During the Period, the Group’s securities trading portfolio comprised of equity securities of CMBC Capital Holdings Limited (“**CMBC Capital**”, stock code: 1141), Central Wealth Group Holdings Limited, (“**Central Wealth**”, stock code: 139), China Evergrande New Energy Vehicle Group Limited (“**China Evergrande**”, Stock code: 708), Hong Kong Exchanges and Clearing Limited (“**HKEx**”, stock code: 388), Huasheng International Holding Limited (“**Huasheng International**”, stock code: 1323), Tencent Holdings Limited (“**Tencent**”, stock code: 700) and Meituan (“**Meituan**” Stock code: 3690) which are listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

In light of the uncertainty in the future global economy with the COVID-19 outbreak, together having considered the funding needs of the Group, the Company disposed part of the securities investment in order to realise its investments and to allow the Group to reallocate its resources to area with better potential. As a whole, the securities trading and investment segment recorded a loss of approximately HKD6,156,000 during the Period (2020: HKD21,764,000). The loss was mainly due to financial costs of approximately HKD5,679,000 during the Period (2020: HKD7,616,000). Besides, the Group recorded net realised loss of approximately HKD37,000 (2020: HKD11,425,000) and did not record any unrealised profit or loss of securities investment under FVTPL (2020: unrealised loss of approximately HKD1,817,000). For the securities under FVTOCI, the Group recorded a net fair value loss of approximately HKD45,938,000 during the Period (2020: net fair value gain of HKD10,068,000) through other comprehensive income.

As at 30 June 2021, details of the securities investments held are as follows:

Name of the investees	Number of shares held	Percentage of equity interests as at 30.06.2021	Original cost of the interest as at 30.06.2021 <i>HKD'000</i>	Market value of the interests as at 30.06.2021 <i>HKD'000</i>	Fair value gain/(loss) for the Period <i>HKD'000</i>	Release of fair value reserve/ Realised gain/(loss) for the Period <i>HKD'000</i>
<b>FVTOCI</b>						
CMBC Capital (Stock code: 1141)	1,114,030,000	2.34%	346,569	110,289	(41,149)	(136,954)
Central Wealth (Stock code: 139)	790,705,316	4.95%	72,099	13,442	(1,758)	(7,707)
China Evergrande (Stock code: 708)	40,000	0.0004%	1,539	1,156	(383)	–
HKEx (Stock code: 388)	–	–	–	–	(1,835)	(1,835)
Huasheng International (Stock code: 1323)	–	–	–	–	169	653
Tencent (Stock code: 700)	–	–	–	–	61	61
Meituan (Stock code: 3690)	–	–	–	–	(1,043)	(1,043)
Total			420,207	124,887	(45,938)	(146,825)
<b>FVTPL</b>						
CMBC Capital	–	–	–	–	–	(66)
HKEx	–	–	–	–	–	29
Total			–	–	–	(37)
Grand-Total			420,207	124,887	(45,938)	(146,862)

As at 30 June 2021, the Group held securities investment portfolio with market value of approximately HKD124,887,000 (31 December 2020: HKD221,511,000). Except for the investments in CMBC Capital, at 30 June 2021, there were no investments held by the Group which value was more than 5% of the net assets of the Group.

### ***Performance and prospects of the major investees***

#### ***CMBC***

CMBC Capital and its subsidiaries (the “**CMBC Capital Group**”) was principally engaged in the business of brokerage and related services, securities investment and provision of finance. China Minsheng Banking Corporation Limited, one of the largest private banks in the PRC has indirect interest in over 60% of the issued shares capital of CMBC Capital as at 30 June 2021.

As mentioned in its annual report for the year ended 31 December 2020, the CMBC Capital Group has recorded net profit amounted to approximately HKD393 million, representing an increase of approximately 10.2% when compared to the year ended 31 December 2019 of HKD357 million. The CMBC Capital Group's basic and diluted earnings per share were both HK0.83 cent (2019: both HK0.75 cent). Revenue has increased by approximately 4.1% to approximately HKD1,019 million for the year ended 31 December 2020, compared to approximately HKD979 million for the year ended 31 December 2019.

The market price of CMBC Capital closed at HKD0.099 as at 30 June 2021 (30 June 2020: HKD0.164).

### *Central Wealth*

Central Wealth and its subsidiaries (the “**Central Wealth Group**”) are principally engaged in the securities and futures dealing business, financial investment, property investments and money lending business.

As mentioned in Central Wealth's interim result announcement for the period ended 30 June 2021, the loss after tax for the period ended 30 June 2021 was approximately HKD138.5 million as compared to the net profit after tax of approximately HKD6.0 million for the period ended 30 June 2020. Basic loss per share attributable to ordinary equity holders of the parent for the period ended 30 June 2021 was approximately HK0.87 cent (2020: basic earnings per share of approximately HK0.04 cent). The Central Wealth group recorded a revenue of approximately HKD127.3 million for the period ended 30 June 2021, compared to a revenue of approximately HKD374.6 million for the period ended 30 June 2020.

The market price of Central Wealth closed at HKD0.017 as at 30 June 2021 (30 June 2020: HKD0.019).

### *Money lending business*

A wholly-owned subsidiary of the Group, Globally Finance Limited (“**Globally Finance**”), which held the Money Lenders Licence in Hong Kong since early of 2015, carried a licensed money lending business in Hong Kong. During the Period, Globally Finance generated revenue of approximately HKD11,047,000 (2020: HKD11,204,000) and recorded a profit of approximately HKD10,086,000 (2020: HKD4,598,000). During the Period, the Group assessed and estimated credit loss allowance for loan and interest receivables according to Hong Kong Financial Reporting Standard 9. Based on the result of credit assessment on debtors, the Group provided approximately HKD21,898,000 credit loss allowance as at 30 June 2021 (31 December 2020: HKD21,710,000), and approximately HKD188,000 (2020: HKD5,410,000) was charged to consolidated profit or loss for the Period.

### **Securities brokerage business**

The business are carried on through Future World Securities Investment Limited (“**FW Securities**”), a wholly owned subsidiary of the Group. FW Securities is incorporated in Hong Kong with limited liability and is carrying on business in Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) regulated activities under the Securities and Futures Ordinance.

FW Securities commences its business during the Period. During the Period, revenue of approximately HKD765,000 (2020: Nil) was generated and a profit of approximately HKD174,000 (2020: Nil) was recorded for the segment of securities brokerage business.

### **Investment in film industry**

China Wisdom Group Limited (“**China Wisdom**”), a wholly owned subsidiary of the Company, has entered into agreements with Ocean Wave Motion Pictures (International) Limited (“**Ocean Wave**”) in relation to investment and advancements in the following film projects:

Date of agreement	Film project	Investment/ Advancement amount	Annual interest rate	Investment return	Carrying amount of investment as at 30.6.2021 (as at 31.12.2020) HKD	Category
11.10.2017	Two Days 《兩天》	USD487,500	12%	Nil	– (5,243,000)	Loan and interest receivables

During the Period, no interest income was generated from the segment of investment in film industry (2020: HKD246,000) because all of the film projects have been settled and no new film projects investment were entered during the Period. The Group will continue to seek for business opportunity in the investment in film industry.

## **Trading business and related services**

Trading business and related services include anime product, face mask and COVID-19 test kits business.

Facing the outbreak of the novel coronavirus (COVID-19) pandemic, the Group had ordered mask production lines and commenced mask production in April 2020. The Group had also engaged an independent third party for mask production on an OEM basis. However, with the alleviation of the COVID-19 outbreak since late April 2020 with the free distribution of protective masks (CuMask) by the Hong Kong government, having taken into consideration of the reduction in demand and needs, the Group had ceased its own local mask production and disposed the relevant subsidiary in May 2020 in order to control costs and expenses but retained its OEM mask production in order to keep flexibility. The disposal was completed on 14 May 2020 and the Group recorded a gain on disposal of approximately HKD755,000. In addition, Sky Faith International Investment Limited, a wholly-owned subsidiary of the Company has been, on an exclusive basis, authorised and appointed as the Hong Kong Exclusive Authorisation Distributor (excluding Mainland China) of Wenzhou OJA Biotechnology Co., Ltd. (also known as OJABIO) for (1) COVID-19 Antigen Test Kits; and (2) Real-time PCR Test Kits for COVID-19 (together as the “**Test Kits**”) for a term of three years from 25 November 2020. The Test Kits are effective and efficient detection kits for qualitative determination of the presence of the COVID-19 in human body and can provide affordable “early diagnosis” solution for the society. Relevant certifications have also been obtained for the Test Kits. During the Period, the mask and Test Kits products of the Group have been distributed and sold through various retail stores in Hong Kong. Revenue of approximately HKD798,000 was generated (2020: HKD1,549,000) and a profit before income tax of approximately HKD43,000 (2020: HKD477,000) was recorded during the Period.

During the Period, revenue of approximately HKD2,130,000 was generated (2020: HKD2,111,000) and a loss of approximately HKD1,293,000 (2020: HKD597,000) was recorded as a whole for the segment of trading business and related services. The Group will continue to seek for business opportunity in the trading business.

## **Licensing of e-commerce platform**

During the Period, no revenue (2020: Nil) was generated for the segment of licensing of e-commerce platform business. The Group will continue to look for any potential opportunity in the licensing of e-commerce platform business.



## FINANCIAL REVIEW

### Liquidity, financial, resources and funding

During the Period, the Group mainly financed its operations by cash generated from operation and bank borrowings. The Group had total cash and bank balances of approximately HKD17,813,000 as at 30 June 2021 (31 December 2020: HKD12,491,000). As at 30 June 2021, the Group had total borrowings of approximately HKD421,824,000 (31 December 2020: HKD448,718,000) comprised with bank borrowings of approximately HKD300,265,000 (31 December 2020: HKD305,009,000) and other borrowings of approximately HKD121,559,000 (31 December 2020: HKD143,709,000).

Among bank borrowings, approximately HKD89,802,000 are repayable within one year, HKD10,085,000 are repayable over one year but not exceeding two years, HKD31,069,000 are repayable over two years but not exceeding five years and HKD169,309,000 are repayable over five years. The bank borrowings bear interest at the bank's of HKD Prime Rate – 2.5% per annum, 2% per annum + HIBOR (1 month) or 2.5% per annum over HIBOR (1 week to 1 month). Details are set out in Note 17 to the condensed consolidation interim financial statements.

The other borrowings comprised of margin loans and revolving loan. The margin loan payables bear fixed interest at 9% to 9.5% per annum. The margin loan payables are repayable within one year and was guaranteed by the Company. The revolving loan bear fixed interest rate of HKD Prime Rate – 2% per annum. Details are set out in Note 18 to the condensed consolidated interim financial statements.

The gearing ratio, which is calculated as total borrowings divided by total equity, was approximately 45.92% as at 30 June 2021 (31 December 2020: 47.07%). Net assets were approximately HKD918,704,000 as at 30 June 2021 (31 December 2020: HKD953,233,000).

As at 30 June 2021, the Group has total current assets of approximately HKD158,741,000 (31 December 2020: HKD154,417,000) and total current liabilities of approximately HKD507,915,000 (31 December 2020: HKD533,162,000). The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was approximately 0.31 as at 30 June 2021 (31 December 2020: 0.29).

The Group's finance costs for the Period was approximately HKD8,672,000 (2020: HKD11,025,000) and was mainly related to interests paid on the bank borrowings and margin loans.



## **Pledge of assets**

At 30 June 2021, the Group's investment properties with carrying amount of HKD668,000,000 (31 December 2020: HKD662,000,000) have been pledged to secure the bank borrowings granted to the Group.

As at 30 June 2021, the Group had pledged an investment property with carrying amount of HKD285,000,000 (31 December 2020: HKD283,000,000) and the securities investment under FVTOCI of approximately HKD118,805,000 (31 December 2020: HKD209,397,000) to secure the other borrowings.

## **CAPITAL STRUCTURE**

### **Exercise of share option**

During the Period, 53,600,000 share options were exercised and 53,600,000 new ordinary shares of HKD0.02 each were issued. Upon the exercise of that 53,600,000 share options, the net proceeds of approximately HKD6,721,000 were raised for the general working capital of the Group.

As at 30 June 2021, the share capital of the Company comprises of 998,921,858 issued shares with par value of HKD0.02 as enlarged by exercise of share option.

### **Foreign currency management**

The Group has minimal exposure to foreign currency risks as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars. The Group currently does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging foreign currency exposure if necessary.

### **Litigations and contingencies**

At 30 June 2021, the Group did not have any significant litigations and contingencies.

## EVENTS AFTER THE REPORTING PERIOD

### Acquisition of property

On 20 May 2021, Topsy Eagle Limited (the “**Purchaser**”), a wholly owned subsidiary of the Company, entered into the sale and purchase agreement with the vendor (the “**Vendor**”) in relation to the acquisition of the property (the “**Acquisition**”) by the Purchaser for an aggregate consideration of HKD40,000,000 of which HKD1,000,000 will be satisfied in cash and the remaining balance of HKD39,000,000 shall be satisfied by issuing promissory note to the Vendor.

The Acquisition was approved by the shareholder of the Company at the extraordinary general meeting of the Company held on 18 August 2021. The acquisition was not completed as at the date of this announcement. Further details of the acquisition are set out in the Company’s announcements dated 20 May 2021 and 18 August 2021 and the Company’s circular dated 23 July 2021.

### Disposal mandate for disposal of listed securities

On 20 May 2021, the Company proposed to seek approval for the further disposal mandate (the “**Further Disposal Mandate**”) from the shareholders at the extraordinary general meeting in advance to allow the Directors to dispose of up to 1,111,230,000 CMBC Capital Holdings Limited shares, a company incorporated in Bermuda with limited liability whose shares are listed on the main board of the Stock Exchange, during the mandate period.

The Further Disposal Mandate was approved by the shareholders of the Company at the extraordinary general meeting of the Company held on 18 August 2021. For more information, please refer to the Company’s announcements dated 20 May 2021 and 18 August 2021 and the circular dated 23 July 2021.

## **Share Swap between the Company and CA Cultural Technology Group Limited (the “Share Swap”)**

On 24 August 2021, the Company and CA Cultural Technology Group Limited (“CA Cultural”) entered into the share swap agreement (the “**Share Swap Agreement**”) pursuant to which, subject to fulfillment of the conditions set out in the Share Swap Agreement, the parties thereto have agreed that:

- (i) the Company shall subscribe for and CA Cultural shall allot and issue 4,000,000 CA Cultural subscription shares (“**CA Cultural Subscription Shares**”) under the CA Cultural general mandate, representing approximately 0.407% of the existing issued share capital of CA Cultural as at the date of this announcement and approximately 0.406% of the issued share capital of CA Cultural as enlarged by the allotment and issue of the CA Cultural Subscription Shares pursuant to the Share Swap Agreement, credited as fully paid to the Company (or its nominee) at the CA Cultural subscription price of HKD2.38 per CA Cultural Subscription Share for a total consideration of HKD9,520,000; and
- (ii) CA Cultural shall subscribe for and the Company shall allot and issue 95,000,000 subscription shares of the Company (“**FW Subscription Shares**”) under the general mandate, representing approximately 9.51% of the existing issued share capital of the Company as at the date of this announcement and approximately 8.68% of the issued share capital of the Company as enlarged by the allotment and issue of the FW Subscription Shares pursuant to the Share Swap Agreement, credited as fully paid to CA Cultural (or its nominee) at the subscription price of HKD0.10 per FW Subscription Share for a total consideration of HKD9,500,000.

The Share Swap is not completed as at the date of this announcement. Further details of the Share Swap are set out in the Company’s announcement dated 24 August 2021.

## **EMPLOYEES AND REMUNERATION POLICIES**

At 30 June 2021, the Group had 60 employees including Directors situated in Hong Kong and the PRC (31 December 2020: 66 employees). The Group’s emoluments policies are formulated based on industry practices and performance of individual employees. For the Period, the total staff costs including remuneration of Directors and chief executives amounted to approximately HKD9,983,000 (2020: HKD18,502,000).

## **INTERIM DIVIDEND**

The Board has resolved not to declare an interim dividend for the Period (2020: Nil).

## **PROSPECTS**

The Group is principally engaged in (i) high technology business; (ii) property investment; (iii) provision of financing services; (iv) securities trading and investment; (v) trading business and related services; (vi) securities brokerage business; (vii) investment in film industry; and (viii) licensing of e-commerce platform. The Group will continue to explore opportunities in these core businesses so as to create long-term value for its shareholders.

Technology is leading the world into a new era and changing the global economy. Industrial robots have also improved production efficiency and accuracy. Robotics will completely change manufacturing, construction and infrastructure processes, and bring a industrial new revolution. As the multilateral relations between China and other countries are becoming increasingly tense, cooperation between countries, especially cooperation in science and technology, is encountering unprecedented challenges. However, this is an excellent opportunity for China to vigorously and independently develop technological innovation.

In 2019, the Group has embarked on new strategic initiatives and developed the business in relation to high technology and related services business. The high technology business mainly revolves around industrial robot system, intelligence hardware for service robots, new energy transportation and entertainment technology. In the context of the huge demand in the Mainland China market and the rapid application of new technologies, the Group will continuous devote resources to bolstering its high technology business through development and acquisition of quality international and domestic projects.

In the future, the Group will develop different innovative technology products and applications, pursue huge market opportunities and to diversify its high technology business portfolio with a view to broaden its income stream which shall be in the best interests of the Company and its shareholders as a whole.

In 2015, the Group invested in securities brokerage business in Hong Kong through investment in associates. The Group disposed the associates to Central Wealth listed on the Stock Exchange subsequently in 2017.

The Directors are optimistic to the securities market development in Hong Kong and have resolved to continue its securities brokerage business from year 2020. The continuous return of Chinese concept stocks to Hong Kong will attract PRC and international capital to flow into Hong Kong, driving the prospects for Hong Kong stocks to be bright. The Group will seize this opportunity to develop the securities business. The Group obtained the licenses from the Securities and Futures Commission to carry out Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) regulated activities through a wholly owned subsidiary FW Securities. FW Securities commences its business during the Period. FW Securities aims at providing broader and more diversified services to customers. FW Securities targets to provide securities dealing and advising securities services to its customers. FW Securities will provide broker-dealer services covering the stocks and investment-linked instruments listed in the Stock Exchange. FW Securities will act as an underwriter or a sub-underwriter or a placing agent or a sub-placing agent for companies listed or to be listed on the Stock Exchange or shareholders of companies listed or to be listed on the Stock Exchange for their fund raising exercises such as IPOs, rights issues, open offers or placing of new and/or existing shares and debt securities. FW Securities will charge placing or underwriting commission at a rate determined by negotiation with clients which is generally in line with market practice.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by directors of the Company. Having made specific enquiry with the existing directors of the Company, all of them confirmed that they have complied with the required standards set out in the Model Code throughout the Period.

The Company also adopted a code on no less exacting terms than the Model Code to regulate dealings in the securities of the Company by certain employees of the Group who are considered to be likely in possession of inside information in relation to the Company or its securities.

## **CORPORATE GOVERNANCE**

The Company has complied with all code provisions of the Corporate Governance Code (the “**CG Code**”) throughout the Period as set out in Appendix 14 of the Listing Rules except for the following deviations:

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer (“**CEO**”) should be separate people and should not be performed by the same individual. During the Period, the roles of the chairman and the chief executive officer of the Company are not separate and both are performed by Mr. Liang Jian. The Board considers that this structure will not impair the balance of the power and authority between the Board and the management of the Company. The roles of the respective executive Directors and senior management, who are in charge of different functions complement the roles of chairman and chief executive officer. The Board believes that this structure is conducive to strong and consistent leadership which enables the Group to operate efficiently. The Board understands the importance of complying with the code provision A.2.1 of the Code and will continue to consider the feasibility of compliance. If compliance is determined, appropriate person will be nominated to take up the different roles of chairman and chief executive officer.

Code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term. The independent non-executive directors were appointed with no specific term. All independent non-executive directors are subject to the requirement to retire by rotation at least once every three years. The Board considers that the requirement has the same effect of accomplishing the same objective as a specific term of appointment.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any shares of the Company during the Period.

## REVIEW OF INTERIM RESULTS

The unaudited interim results for the Period have been reviewed by the Audit Committee in compliance with Rule 3.21 of the Listing Rules and the relevant code provisions of the CG Code as set out in Appendix 14 to the Listing Rules.

By order of the Board  
**Future World Holdings Limited**  
**Liang Jian**  
*Chairman*

Hong Kong, 27 August 2021

*As at the date of this announcement, the Board comprises (i) seven executive Directors, namely Mr. Liang Jian, Mr. Yu Zhenzhong, Mr. Cai Linzhan, Mr. Lau Fai Lawrence, Mr. Siu Yun Fat, Mr. Wang Fei, and Mr. Yu Qingrui; and (ii) four independent non-executive Directors, namely Mr. Chen Pei, Mr. Siu Siu Ling, Robert, Mr. Tam Tak Wah and Mr. Zheng Zongjia.*