



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)



INTERIM REPORT 2022

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Corporate Information

HONORARY CHAIRMAN AND SENIOR CONSULTANT

Dr. HATOYAMA Yukio (*Honorary Chairman*)
Dr. Wang Tao
Mr. FU Chenyu
Mr. Lalaharisaina Joelivalerien

BOARD OF DIRECTORS Executive Directors:

Dr. HUI Chi Ming G.B.S., J.P. (*Chairman*)
Mr. BUSH Neil (*Deputy Chairman*)
Mr. LAM Kwok Hing M.H., J.P.
Mr. NAM Kwok Lun
Mr. XU Jun Jia
Mr. CAO Yu (*Managing Director*)
Mr. Hui Ngok Lun

Independent Non-Executive Directors:

Mr. NGAN Kam Biu Stanford
Mr. MA Kin Ling
Mr. TAM Chak Chi
Mr. Yiu King Ming
(appointed on 22 March 2022)

AUDIT COMMITTEE

Mr. TAM Chak Chi (*Chairman*)
Mr. MA Kin Ling
Mr. NGAN Kam Biu Stanford

NOMINATION COMMITTEE

Dr. HUI Chi Ming G.B.S., J.P. (*Chairman*)
Mr. MA Kin Ling
Mr. TAM Chak Chi

REMUNERATION COMMITTEE

Mr. MA Kin Ling (*Chairman*)
Mr. TAM Chak Chi
Mr. Hui Ngok Lun

COMPANY SECRETARY

Mr. Po Eric (appointed on 8 February 2022)
Mr. FU Wing Kwok Ewing
(resigned on 8 February 2022)

AUTHORISED REPRESENTATIVES

Mr. Po Eric (appointed on 8 February 2022)
Mr. Cao Yu (appointed on 9 February 2022)

RESIDENT REPRESENTATIVE AND ASSISTANT SECRETARY

Ocorian Services (Bermuda) Limited

REGISTERED OFFICE

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM10
Bermuda

Corporate Information

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units 1910-12, 19th Floor
China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Sheung Wan, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Management (Bermuda) Limited
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM10
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Standard Limited
54/F, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Bank of Communications (Hong Kong) Limited
China Citic Bank International Limited
United Overseas Bank Limited

SOLICITORS

Sidley Austin Brown & Wood International
Law Firm

AUDITOR

Cheng & Cheng Limited
Certified Public Accountants
(appointed on 8 February 2022)
Elite Partners CPA Limited
Certified Public Accountants
(resigned on 8 February 2022)

STOCK CODE

7

CONTACTS

Telephone: (852) 2587 7007
Facsimile: (852) 2587 7807
Website: www.wwri007.com

Management Discussion and Analysis

RESULTS

During the six months ended 30 June 2022, the total revenue for the Group was approximately HK\$186.57 million, representing a decrease of approximately HK\$22.71 million as compared with approximately HK\$209.28 million in 2021. The decrease was mainly attributable to a decrease in sales of trading business in Shenzhen by approximately HK\$187 million and an increase in sales of our mobile phone trading business in Hong Kong by HK\$173 million during the period under review. For the six months ended 30 June 2022, the profit attributable to the owners of the Company increase to HK\$249.99 million, an increase in HK\$48.39 million from the profit of approximately HK\$201.60 million recorded for the six months ended 30 June 2021. The increase was primarily due to the increase in the fair value change of investment properties of HK\$378.66 million (2021: HK\$280.08 million). For the period under review, the basic earnings per share and diluted earnings per share, were approximately HK\$0.05266 and HK\$0.05265 respectively (2021: HK\$0.05040).

FINANCIAL REVIEW

Revenue

The Group's unaudited consolidated revenue for the six months ended 30 June 2022 was approximately HK\$186.57 million (2021: HK\$209.28 million) representing a decrease of 10.85% as compared to the same period of last year.

Gross profit

The resulting gross profit margin decreased from 15.20% for the six months ended 30 June 2021 to 7.95% for the six months ended 30 June 2022. The decrease was mainly due to a lower profit margin for our mobile phone trading business in Hong Kong comparing to the trading business in Shenzhen.

Administrative expenses

Administrative expenses increased from HK\$26.16 million for the six months ended 30 June 2021 to HK\$30.51 million for the six months ended 30 June 2022, representing an increment of HKD4.35 million (increase by 16.62%).

Finance Costs

Finance costs increased from HK\$15.88 million for the six months ended 30 June 2021 to HK\$18.68 million for the six months ended 30 June 2022, representing an increment of HK\$2.80 million (increase by 17.63%).

Management Discussion and Analysis

FINANCIAL REVIEW — continued

Liquidity, financial resources and funding

As at 30 June 2022, the Group's cash and cash equivalents (excluding the restricted cash) were approximately HK\$52.36 million (31 December 2021: HK\$31.86 million).

The net current assets of the Group were approximately HK\$1.22 billion (31 December 2021: HK\$1.92 billion), which consisted of current assets of HK\$2.75 billion (31 December 2021: HK\$2.83 billion) and current liabilities of approximately HK\$1,522 million (31 December 2021: HK\$907 million), representing a current ratio of 1.80 (31 December 2021: 3.11).

The Group manages its capital structure to finance its overall operation and growth by using different sources of funds. As at 30 June 2022, the Group's lease liabilities, amount due to directors, borrowings, corporate bonds and Convertible Bonds amounted to approximately HK\$487.05 million (31 December 2021: HK\$653.33 million).

The gearing ratio of the Group as at 30 June 2022 (defined as total interest-bearing liabilities divided by the Group's total equity) was 0.11 (31 December 2021: 0.12).

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 period, the value of the lands of the Smart City Project was approximately RMB5.799 billion. The portion of lands at approximately RMB2.88 billion will be used for residential purpose which are classified as properties for sale and another portion of lands at approximately RMB2.92 billion will be used for commercial building development purpose which are classified as investment properties in the consolidated statement of financial position as at 30 June 2022. Therefore, the fair value gain of approximately RMB323.40 million of the investment properties were recognised in the consolidated statement of profit or loss and other comprehensive income for the period ended 30 June 2022.

Management Discussion and Analysis

BUSINESS REVIEW — continued

Investment property — continued

Beijing

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. The Disposal is expected to be completed within Year 2022.

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.

Trading Business

During the period under review, 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 recorded revenue of approximately HK\$2.93 million (2021: HK\$189.89 million). Shenzhen Qianhai Jiameijing principally engages in the business of trading, importing and exporting of electronic products.

On the other hand, during the period under review, the Group started to operate the mobile phone trading business in Hong Kong, and the warehouse is located in Tuen Mun District. Mobile phone trading business in Hong Kong recorded a revenue of approximately HK\$173 million during the period for the six months ended 30 June 2022.

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. Under the bad market situation in 2022, our Financial Business still achieved a segment profit of HK\$2.15 million for the six months ended 30 June 2022 (30 June 2021: HK\$5.27 million).

Management Discussion and Analysis

BUSINESS REVIEW — continued

Investment property — continued

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. On the other hand, the mobile phone trading business in Hong Kong is expected to provide stable revenue to the Group in the years to come.

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.

CONTINGENT LIABILITIES

The Company has no contingent liabilities (31 December 2021: nil).

Management Discussion and Analysis

CHARGE ON ASSETS

As at 30 June 2022, the term loan of principal value HK\$240 million were secured by (i) the guarantee from Guangdong Hoifu Wai Yip Investment Management Limited (廣東凱富偉業投資管理有限公司); (ii) the 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.

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. Loan balance as at 30 June 2022 was HK\$240,000,000.

CAPITAL STRUCTURE

As at 30 June 2022, the total number of issued ordinary shares of the Company was 5,804,281,394 of HK\$0.10 each (31 December 2021: 4,000,000,000 shares of HK\$0.10 each).

HUMAN RESOURCES

As at 30 June 2022, the Group employed a total of 33 staff (2020: 143) of which 12 were commission based (2021: 20) and the total related staff cost amounted to HK\$11,868,000 (2021: HK\$14,535,000). 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.

INTERIM DIVIDEND

The Board does not recommend payment of any interim dividend for the period ended 30 June 2022 (2021: Nil).

IMPORTANT EVENTS SINCE THE PERIOD

No important event affect the Group has taken place since 30 June 2022 and up to the date of this report.

Management Discussion and Analysis

PROPOSED RIGHTS ISSUE

Reference is made to the announcements (the “Announcements”) of Wisdom Wealth Resources Investment Holding Group Limited (the “Company”) dated 10 January 2022 in relation to the (1) proposed rights issue on the basis of one rights share for every two shares held on the record date on a non-underwritten basis and (2) closure of register of members. Capitalised terms used herein shall have the same meanings as those defined in the Announcements, unless otherwise stated.

On 10 January 2022, the Company proposed to implement the Rights Issue, on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date at the Subscription Price of HK\$0.1 per Rights Share, to raise up to (i) approximately HK\$200.0 million (before deducting professional fees and other related expenses) by issuing up to 2,000,000,000 Rights Shares (assuming no changes in the share capital of the Company on or before the Record Date); or (ii) approximately HK\$201.0 million (before deducting professional fees and other related expenses) by issuing up to 2,010,204,081 Rights Shares (assuming no changes in the share capital of the Company on or before the Record Date other than the conversion in full of the Convertible Bonds) to the Qualifying Shareholders.

The estimated net proceeds of the Rights Issue will be up to (i) approximately HK\$198.5 million (assuming no changes in the share capital of the Company on or before the Record Date); or (ii) approximately HK\$199.5 million (assuming no changes in the share capital of the Company on or before the Record Date other than the conversion in full of the Convertible Bonds). The Company intends to utilize the entire net proceeds from the Rights Issue for repayment of loans.

RESULTS OF THE RIGHTS ISSUE

Reference is made to the prospectus of Wisdom Wealth Resources Investment Holding Group Limited (the “Company”) dated 17 March 2022 (the “Prospectus”) in relation to the Rights Issue. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Prospectus.

All conditions set out in the Prospectus were fulfilled and the Rights Issue became unconditional on 1 April 2022.

Management Discussion and Analysis

RESULTS OF THE RIGHTS ISSUE — continued

As at 4:00 p.m. on Thursday, 31 March 2022, being the latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares, a total of 9 valid acceptances and applications had been received for a total of 1,610,531,394 Rights Shares, representing approximately 80.53% of the maximum number of 2,000,000,000 Rights Shares available for subscription under the Rights Issue, which comprise:

- (i) 6 valid acceptances of provisional allotments under the PALs in respect of 649,406,394 Rights Shares, representing approximately 32.47% of the maximum number of 2,000,000,000 Rights Shares available for subscription under the Rights Issue; and
- (ii) 3 valid applications for excess Rights Shares under the EAFs in respect of 961,125,000 Rights Shares, representing approximately 48.06% of the maximum number of 2,000,000,000 Rights Shares available for subscription under the Rights Issue.

Based on the subscription results, the Rights Issue was undersubscribed by 389,468,606 Rights Shares, representing approximately 19.47% of the maximum number of 2,000,000,000 Rights Shares available for subscription under the Rights Issue.

EXCESS APPLICATION

Based on the number of valid acceptances of provisional allotments mentioned above, 1,349,828,958 nil-paid Rights Shares provisionally allotted to Qualifying Shareholders under the PAL were not accepted by Qualifying Shareholders or were not subscribed for by renouces or transferees of the nil-paid Rights Shares. Together with the unsold entitlements to the Rights Shares which were provisionally allotted to the Excluded Shareholders and the unsold Rights Shares created by aggregating fractions of the Rights Shares, 1,350,593,606 Rights Shares, representing approximately 67.53% of the maximum number of 2,000,000,000 Rights Shares available for subscription under the Rights Issue, were available for excess application.

As the aggregate number of Rights Shares available for excess application is greater than the aggregate number of excess Rights Shares being applied for under EAFs, the Board considers that it is fair and equitable to accept all valid excess applications for a total of 961,125,000 Rights Shares and to allot and issue such number of excess Rights Shares applied to each of the applicants in full. Therefore, no refund cheques for wholly and partially unsuccessful applications for excess Rights Shares will be posted.

Management Discussion and Analysis

IRREVOCABLE UNDERTAKINGS

Pursuant to the Irrevocable Undertakings, each of Wisdom On Holdings Ltd., Hong Kong Finance Investment Limited, Hong Kong Finance Equity Management Limited, Hong Kong Finance Equity Investment Limited and Hong Kong Finance Equity Holding Limited, all of which are directly or indirectly wholly-owned by Dr. Hui Chi Ming, had undertaken to take up all of its entitlement under the PAL in respect of the Shares beneficially owned by it. However, the actual acceptances of Rights Shares were made in a manner as set out in the following table rather than in accordance with the Irrevocable Undertakings.

Name of subscriber	Number of Rights Shares undertaken to be subscribed under the Irrevocable Undertakings	Number of Rights Shares actually subscribed under provisional allotment and excess application
Hong Kong Finance Equity Investment Limited	420,890,142	73,580,000
Hong Kong Finance Equity Holding Limited	311,335,557	1,270,646,000
Hong Kong Finance Equity Management Limited	203,593,571	118,593,570
Hong Kong Finance Investment Limited	138,963,000	138,963,000
Wisdom On Holdings Ltd.	477,000	–
Total	1,075,259,270	1,601,782,570

The shortfall of Rights Shares that were provisionally allotted and should have been taken up by Hong Kong Finance Equity Investment Limited, Hong Kong Finance Equity Management Limited, Hong Kong Finance Equity Holding Limited and Wisdom On Holdings Ltd. under the Irrevocable Undertakings were applied for by way of subscription of excess Rights Shares under an EAF by Hong Kong Finance Equity Holding Limited.

Management Discussion and Analysis

EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company immediately before and after completion of the Rights Issue as at 8 April 2022:

Name of substantial Shareholders	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Number of issued Shares</i>	<i>Approximate % (Note 4)</i>	<i>Number of issued Shares</i>	<i>Approximate % (Note 4)</i>
	Dr. Hui Chi Ming	2,153,568,542 <i>(Notes 1, 3)</i>	53.84	3,755,351,112 <i>(Notes 2, 3)</i>
Public Shareholders	1,846,431,458	46.16	1,855,180,282	33.07
Total	4,000,000,000	100.00	5,610,531,394	100.00

Notes:

- These Shares included 954,000 Shares held by Wisdom On Holdings Ltd., 277,926,000 Shares held by Hong Kong Finance Investment Limited, 407,187,143 Shares held by Hong Kong Finance Equity Management Limited, 841,780,284 Shares held by Hong Kong Finance Equity Investment Limited and 625,721,115 Shares held by Hong Kong Finance Equity Holding Limited respectively.
- These Shares included 954,000 Shares held by Wisdom On Holdings Ltd., 416,889,000 Shares held by Hong Kong Finance Investment Limited, 525,780,713 Shares held by Hong Kong Finance Equity Management Limited, 915,360,284 Shares held by Hong Kong Finance Equity Investment Limited and 1,896,367,115 Shares held by Hong Kong Finance Equity Holding Limited respectively.
- The issued share capital of Hong Kong Finance Investment Limited is directly wholly-owned by Dr. Hui Chi Ming. The issued share capital of Wisdom On Holdings Ltd., Hong Kong Finance Equity Management Limited, Hong Kong Finance Equity Investment Limited and Hong Kong Finance Equity Holding Limited are indirectly wholly-owned by Dr. Hui Chi Ming.
- Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

Management Discussion and Analysis

DESPATCH OF SHARE CERTIFICATES FOR THE RIGHTS SHARES

Share certificates for the fully-paid Rights Shares were posted to those entitled thereto by ordinary post to their respective registered addresses at their own risks on Monday, 11 April 2022.

ADJUSTMENTS RELATING TO THE CONVERTIBLE BONDS

As at 8 April 2022, the Company has outstanding Convertible Bonds in a principal amount of HK\$20,000,000, which are convertible into 20,408,163 Shares at the conversion price of HK\$0.98 (subject to adjustments).

Pursuant to the terms and conditions of the Convertible Bonds, the conversion price of the Convertible Bonds and the number of Shares falling to be allotted and issued upon conversion of the Convertible Bonds are not required to be adjusted as a result of the Rights Issue, and the conversion price remains the same at HK\$0.98 per Share.

The auditor of the Company, Cheng & Cheng Limited, Certified Public Accountants, has confirmed to the Directors in writing that no adjustment is required to be made to the conversion price of the Convertible Bonds in accordance with the terms and conditions of the Convertible Bonds.

COMMENCEMENT OF DEALINGS OF THE RIGHTS SHARES

Dealings in the Rights Shares in their fully-paid form commenced on the Stock Exchange at 9:00 a.m. on Tuesday, 12 April 2022.

USE OF RIGHTS ISSUE PROCEEDS

The gross proceeds from the Rights Issue were approximately HK\$161.1 million and the net proceeds from the Rights Issue, after deducting all relevant expenses for the Rights Issue, were estimated to be approximately HK\$159.6 million, which were utilized entirely for repayment of part of the Group's borrowings.

Management Discussion and Analysis

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement (the "Subscription Announcement") of Wisdom Wealth Resources Investment Holding Group Limited (the "Company") dated 20 May 2022 in relation to the Subscription of New Shares Under General Mandate. Capitalised terms used herein shall have the same meanings as those defined in the Subscription Announcement, unless otherwise stated.

On 20 May 2022 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, 193,750,000 Subscription Shares at a subscription price of HK\$0.12 per Subscription Share.

The 193,750,000 Subscription Shares represented approximately 3.45% of the total number of Shares in issue as at the date of the Subscription Announcement and approximately 3.34% of the total number of Shares in issue and as enlarged by the allotment and issue of the Subscription Shares, assuming that there will be no changes in the issued share capital of the Company between the date of the Subscription Announcement and the date of allotment and issue of the Subscription Shares.

The subscription price of HK\$0.12 per Subscription Share represents: (i) a premium of approximately 0.84% over the closing price of HK\$0.1190 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a premium of approximately 0.17% over the average closing price of HK\$0.1198 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and (iii) a discount of approximately 83.54% to the consolidated net asset value per Share attributable to the Shareholders as at 31 December 2021 of approximately HK\$0.7292 per Share, calculated based on the audited consolidated net assets of the Group attributable to the Shareholders of approximately HK\$4,091,298,000 as at 31 December 2021 as set out in the latest published annual report of the Company and 5,610,531,394 Shares in issue as at the date of the Subscription Announcement.

The gross proceeds from the Subscription was HK\$23,250,000 and the net proceeds from the Subscription, after deduction of the expenses related to the Subscription of approximately HK\$100,000, was estimated to be approximately HK\$23,150,000.

Management Discussion and Analysis

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE — continued

Details of the Subscription Agreement were set out below:

Date

20 May 2022

Parties to the subscription agreement

Issuer: the Company

Subscriber: Mr. Chau Lok (鄒藝峰). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subscriber is a third party independent of the Company and the connected persons of the Company.

The subscription price of the Subscription Shares was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the last trading price of the Shares on the Last Trading Day. The Directors are of the view that the subscription price of the Subscription Shares is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

General mandate

The Subscription Shares were issued under the General Mandate approved on 3 March 2022 and was not subject to the Shareholders' approval. The maximum number of Shares that can be issued under the General Mandate is 800,000,000 Shares, being 20% of the total number of Shares in issue as at the date of the annual general meeting of the Company held on 3 March 2022.

As at the date of the Subscription Announcement, the Company has not allotted or issued any Share under the General Mandate yet.

Management Discussion and Analysis

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE — continued

Reasons for the subscription

As disclosed in the Company's announcement dated 5 May 2022, the long stop date for fulfillment of the conditions precedent for completion of the disposal of the entire issued share capital of Millhaven Holdings Limited, approximately HK\$250.0 million of the proceeds from which were intended to be used for repayment of the Group's outstanding loans while the remaining balance for general working capital of the Group, would be postponed to 4 July 2022. Therefore, the Group intends to raise additional funding through the issuance of the Subscription Shares for repayment of part of the Group's outstanding loans. The Directors consider that the Subscription represents an opportunity for the Group to reduce its liabilities and broaden the capital base and Shareholder base of the Company. Accordingly, the Directors consider that the Subscription is in the interest of the Company and the Shareholders as a whole.

The Directors consider the terms of the Subscription Agreement, which were negotiated on an arm's length basis and agreed on normal commercial terms between the parties thereto, are fair and reasonable, and the Subscription is in the interests of the Company and Shareholders as a whole.

Shareholding structure of the company

Set out below was the shareholding structure of the Company (i) as at the date of the Subscription Announcement; and (ii) immediately upon completion of the Subscription, for illustration purposes only:

Name of Shareholders	As at the date of the Subscription announcement		Immediately after completion of the Subscription	
	<i>Number of issued Shares</i>	<i>Approximate %</i>	<i>Number of issued Shares</i>	<i>Approximate %</i>
Dr. Hui	3,769,739,112	67.19	3,769,739,112	64.95
The Subscriber	–	–	193,750,000	3.34
Public Shareholders	1,840,792,282	32.81	1,840,792,282	31.71
Total	5,610,531,394	100.00	5,804,281,394	100.00

USE OF THE NET PROCEEDS FROM THE SUBSCRIPTION

The gross proceeds from the Subscription was HK\$23,250,000 and the net proceeds from the Subscription, after deduction of the expenses related to the Subscription of approximately HK\$100,000, was estimated to be approximately HK\$23,150,000, which was used entirely for repayment of liabilities of the Group.

Disclosure of Interests

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2022, the interests of the Directors and chief executives and their associates in the shares of the Company and its associated corporations (with the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Long positions in the ordinary shares of HK\$0.10 of the Company

Name of Directors	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Dr. Hui Chi Ming (<i>Note 1</i>)	Interest of controlled corporation	3,847,799,112	66.29%

Note 1: These Shares included 496,168,713 Shares held by Hong Kong Finance Equity Management Limited, 1,960,049,115 Shares held by Hong Kong Finance Equity Holding Limited, 416,889,000 Shares held by Hong Kong Finance Investment Limited, 904,572,284 Shares held by Hong Kong Finance Equity Investment Limited and 954,000 Shares held by Wisdom On Holdings Limited respectively.

The entire issued share capital of Hong Kong Finance Equity Management Limited, Hong Kong Finance Equity Holding Limited, Hong Kong Finance Equity Investment Limited, Hong Kong Finance Investment Limited and Wisdom On Holdings Limited are indirectly wholly owned by Dr. Hui Chi Ming.

Save as disclosed above, none of the Directors nor chief executives and their associates of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Disclosure of Interests

DIRECTORS' AND CHIEF EXECUTIVES' RIGHTS TO ACQUIRE SHARES

At no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the Company's Directors or chief executives or their respective spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2022, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholder had notified the Company of relevant interests in the issued share capital of the Company.

Long positions in the ordinary shares of HK\$0.10 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the share capital of the Company
Hong Kong Finance Equity Management Limited (Note 1)	Beneficial owner	496,168,713	8.55%
Hong Kong Finance Equity Investment Limited (Note 1)	Beneficial owner	904,572,284	15.58%
Hong Kong Finance Equity Holding Limited (Note 1)	Beneficial owner	1,960,049,115	33.77%
Hong Kong Finance Investment Limited (Note 1)	Beneficial owner	416,889,000	7.18%
Wisdom On Holdings Limited (Note 1)	Beneficial owner	954,000	0.02%

Note 1: The entire issued share capital are directly or indirectly wholly-owned by Dr. Hui Chi Ming.

Save as disclosed above, no person (other than the Directors of the Company whose interests are set out under the heading "Directors' Interests in Shares" above) had an interest or a short position in the shares and underlying shares of the Company that was required to be recorded under Section 336 of the SFO.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the period under review was the Company a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Corporate Governance and Other Information

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the Directors subsequent to the date of the 2021 annual report of the Company. There is no change in the Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CHANGES OF MEMBERS OF THE BOARD OF DIRECTORS

The changes of the members of the Board up to the date of the interim report are as follows:

With effect from 22 March 2022, Mr. Yiu King Ming was appointed as an independent non-executive director of the Company.

Save as disclosed above, there is no other change of the members of the Board up to the date of this interim report.

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.

Corporate Governance and Other Information

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the six months period ended 30 June 2022, 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 period under review.

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

During the six months ended 30 June 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-Laws or the Laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

PUBLIC FLOAT

As at 30 June 2022 and the date of this report, the Company complied with the 25% public float requirement under the Listing Rules.

PUBLICATION OF INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim report is published on the HKEX news website of the Stock Exchange (www.hkexnews.hk) and the official website of the Company (www.WWRI007.com) for corporate communication.

Corporate Governance and Other Information

REVIEW OF INTERIM RESULTS

The Company's audit committee (the "Audit Committee") comprises Mr. Tam Chak Chi, Mr. Ma Kin Ling and Mr. Ngan Kam Biu Stanford, all of whom are independent non-executive Directors. The principal responsibilities of the Audit Committee are to review, together with management and the Company's external auditor, the accounting principles and practices adopted by the Company and discuss internal controls and financial reporting matters. The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2022.

BOARD OF DIRECTORS

As at the date of this report, 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 four independent non-executive Directors, namely, Mr. Ngan Kam Biu, Stanford, Mr. Tam Chak Chi, Mr. Ma Kin Ling and Mr. Yiu King Ming.

By order of the Board

Dr. Hui Chi Ming, G.B.S., J.P.

Chairman

25 August 2022

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2022

	Notes	Six Months ended 30 June	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	3, 4	186,572	209,278
Cost of goods sold and direct cost		(171,735)	(177,467)
Gross profit		14,837	31,811
Other income		1,027	3,142
Fair value change on investment properties		378,664	280,083
Selling and distribution expenses		(408)	(365)
Administrative expenses		(30,512)	(26,164)
Profit from operation		363,608	288,507
Finance costs	5	(18,679)	(15,878)
Profit before taxation	6	344,929	272,629
Taxation	7	(94,666)	(71,046)
Profit for the period		250,263	201,583
Other comprehensive (expense)/income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation		(332,524)	107,333
<i>Items that will not be reclassified to profit or loss:</i>			
Fair value (loss)/gain on investment in equity instruments		(18)	90
Other comprehensive (expense)/income for the period		(332,542)	107,423
Total comprehensive (expense)/income for the period		(82,279)	309,006

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2022

	Notes	Six Months ended 30 June	
		2022	2021
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Profit for the period attributable to:			
Owners of the Company		249,989	201,598
Non-controlling interests		274	(15)
Profit for the period		250,263	201,583
Total comprehensive (expense)/income for the period attributable to:			
Owners of the Company		(82,088)	308,978
Non-controlling interests		(191)	28
		(82,279)	309,006
Earnings per share			
Basic	9	0.05266	0.05040
Diluted		0.05265	0.05040

Condensed Consolidated Statement of Financial Position

As at 30 June 2022

	Notes	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment		48,266	50,211
Investment properties	10	3,416,505	2,536,919
Right-of-use assets		3,107	1,351
Intangible assets		—*	—*
Investment in equity instruments at fair value through other comprehensive income		972	990
Deposit paid for construction		78,484	82,042
Statutory deposits		2,050	2,050
Loans receivable		—	16,940
		3,549,384	2,690,503
Current assets			
Inventories		59,777	52,630
Properties for sale		1,895,417	1,981,337
Accounts receivable	11	141,665	101,115
Loans receivable		15,957	131
Amount due from a director		68	—
Other receivables, prepayments and deposits		115,086	182,769
Bank balances (trust and segregated accounts)		96,928	87,378
Bank balances (general accounts) and cash		52,359	31,859
		2,377,257	2,437,219
Assets classified as held for sale		369,240	385,660
		2,746,497	2,822,879
Current liabilities			
Accounts and bills payables	12	226,524	164,807
Other payables and accrued expenses		808,550	97,244
Lease liabilities		2,959	1,388
Contract liabilities		6,565	6,862
Amounts due to Directors		82,756	225,997
Borrowings		378,617	390,616
Tax payables		—	141
Corporate bonds		10,310	13,884
		1,516,281	900,939
Liabilities associated with assets classified as held for sale		6,114	5,806
		1,522,395	906,745

Condensed Consolidated Statement of Financial Position

As at 30 June 2022

	Notes	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Net current assets		1,224,102	1,916,134
Total assets less current liabilities		4,773,486	4,606,637
Non-current liabilities			
Deferred tax liabilities		555,166	481,328
Corporate bonds		3,706	3,598
Convertible bonds		8,706	17,846
		567,578	502,772
Net assets		4,205,908	4,103,865
Capital and reserves			
Share capital	13	580,428	400,000
Reserves		3,613,104	3,691,298
Equity attributable to owners of the Company		4,193,532	4,091,298
Non-controlling interests		12,376	12,567
Total equity		4,205,908	4,103,865

Condensed Consolidated Statement of Changes in Equity

For the Six Months ended 30 June 2022

	Share capital	Share premium	Non-distributable reserve	Contributed surplus	Capital redemption reserve	FVTOCI reserve	Convertible bonds equity reserve	Currency translation reserve	Retained profits	Sub-total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000 (Note a)	HK\$'000 (Note b)	HK\$'000 (Note c)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2021 (audited)	400,000	1,578,317	1,260,308	311,544	5,587	(64)	-	(47,308)	184,070	3,692,454	4,176	3,696,630
Profit for the period	-	-	-	-	-	-	-	-	201,598	201,598	(15)	201,583
Exchange differences	-	-	-	-	-	-	-	107,334	-	107,334	(1)	107,333
Fair value loss on investment in equity instruments	-	-	-	-	-	46	-	-	-	46	44	90
Total comprehensive income for the period	-	-	-	-	-	46	-	107,334	201,598	308,978	28	309,006
At 30 June 2021 (unaudited)	400,000	1,578,317	1,260,308	311,544	5,587	(18)	-	60,026	385,668	4,001,432	4,204	4,005,636
At 1 January 2022 (audited)	400,000	1,578,317	1,260,308	311,544	5,587	(157)	2,996	80,738	451,965	4,091,298	12,567	4,103,865
Profit for the period	-	-	-	-	-	-	-	-	249,989	249,989	274	250,263
Exchange differences	-	(1)	-	-	-	1	-	(332,068)	-	(332,068)	(456)	(332,524)
Fair value loss on investment in equity instruments	-	-	-	-	-	(9)	-	-	-	(9)	(9)	(18)
Total comprehensive (expense) income for the period	-	(1)	-	-	-	(8)	-	(332,068)	249,989	(82,088)	(191)	(82,279)
Early redemption of convertible bonds	-	-	-	-	-	-	(1,498)	-	1,517	19	-	19
Allocation of rights issue	161,053	-	-	-	-	-	-	-	-	161,053	-	161,053
Subscription of shares	19,375	3,875	-	-	-	-	-	-	-	23,250	-	23,250
At 30 June 2022 (unaudited)	580,428	1,582,191	1,260,308	311,544	5,587	(165)	1,498	(251,330)	703,471	4,193,532	12,376	4,205,908

Notes:

- (a) The non-distributable reserve represents the aggregate of deemed contributions by the controlling shareholder in respect of the acquisition of subsidiaries during the year ended 31 December 2018.
- (b) The contributed surplus represented the aggregate of:
- the difference of HK\$29,140,000 between the nominal value of shares of the acquired subsidiaries and the nominal value of the shares of the Company issued for the acquisition at the time of the reorganisation of the Group;
 - the credit arising from the reduction of shares premium of HK\$359,162,000 transferred to the contributed surplus account of the Company pursuant to the special resolutions passed by the shareholders of the Company at a special general meeting held on 20 October 2012; and
 - a distribution of shares of a subsidiary of an amount of HK\$76,758,000 on 7 November 2012.
- (c) The capital redemption reserve arose from the repurchase of shares. The amount represents the nominal amount of the shares repurchased.

Condensed Consolidated Statement of Cash Flows

For the Six Months ended 30 June 2022

	Six Months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	9,205	(107,731)
NET CASH GENERATED FROM INVESTING ACTIVITIES		
Purchases of investment properties	–	(120)
Withdrawal in pledged fixed deposits	–	110,923
	–	110,803
NET CASH GENERATED FROM FINANCING ACTIVITIES		
(Repayment of)/increase in amount due to Directors	(143,309)	18,513
Drawdown of borrowings	20,000	20,000
Repayment of borrowings	(8,749)	(19,000)
Repayment of lease liabilities	(1,497)	(1,425)
Repayment of corporate bonds	(3,466)	(11,000)
Early redemption of convertible bonds	(10,000)	–
Gross proceeds from rights issue	161,053	–
	14,032	7,088
NET INCREASE IN CASH AND CASH EQUIVALENTS	23,237	10,160
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	31,948	20,610
Effect of foreign exchange rate changes	(2,524)	(27)
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	52,661	30,743
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances (general accounts) and cash	52,359	30,743
Bank balances (general accounts) and cash classified under assets held for sale	302	–
	52,661	30,743

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

1. BASIS OF PREPARATION

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) include (1) trading of electronic products and equipment, (2) mineral mining, oil and gas exploration and production, (3) provision of financial services and (4) property investment.

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The Group has net current assets of approximately HK\$1,224,102,000. In the opinion of the directors of the Company, it is expected that the current assets of properties for sale of approximately HK\$1,895,417,000 will not be completed in the next twelve months from 30 June 2022 and the current liabilities of the corresponding construction cost payables of approximately HK\$624,114,000 are not required to be paid in the next twelve months from 30 June 2022. 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\$1,895,417,000 and the corresponding construction cost payables of approximately HK\$624,114,000; by approximately HK\$47,201,000. In additions, the Group had overdue balances in respect of borrowings of approximately HK\$358,617,000 as at 30 June 2022. These events and conditions may cast significant doubt on the Group’s ability to continue as a going concern.

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 30 June 2022, after taking into consideration of the following:

- (1) 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; and

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

1. BASIS OF PREPARATION — continued

- (2) 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 transaction is expected to be completed within 2022.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair value, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2021.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Amendments to HKFRSs	<i>Annual Improvements to HKFRSs 2018-2020</i>

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

3. REVENUE

	Six Months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
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	175,981	189,885
Financial Business:		
Commission and brokerage income	7,091	9,946
Advisory and consultancy fee	836	1,151
	183,908	200,982
Revenue from other sources outside the scope of HKFRS 15:		
Financial Business:		
Interest income arising from financial business	2,395	3,325
Property investment:		
Rental income that are fixed	269	4,971
	2,664	8,296
	186,572	209,278

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

4. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by reportable segment for the period under review:

For the six months ended 30 June 2022:

	Trading business HK\$'000	Mineral mining, oil and gas business HK\$'000	Financial business HK\$'000	Property investment HK\$'000	Consolidated HK\$'000
REVENUE:					
Segment revenue	175,981	–	10,322	269	186,572
Segment (loss)/profit	(1,908)	(37)	2,148	(6,550)	(6,347)
Other income					1,027
Fair value change of investment properties					378,664
Corporate and administration costs					(28,415)
Profit before taxation					344,929

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

4. SEGMENT INFORMATION — continued

For the six months ended 30 June 2021:

	Trading business HK\$'000	Mineral mining, oil and gas business HK\$'000	Financial business HK\$'000	Property investment HK\$'000	Consolidated HK\$'000
REVENUE:					
Segment revenue	189,885	–	14,422	4,971	209,278
Segment profit/(loss)	14,239	(43)	5,272	2,589	22,057
Other income					3,142
Fair value change of investment properties					280,083
Corporate and administration costs					(32,653)
Profit before taxation					272,629

Segment profit represents the financial results by each segment without allocation of corporate administrative costs. This is the measure reported to the Board of Directors for the purpose of resources allocation and performance assessment.

The geographical information of revenue is shown as follows:

	Six Months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
PRC	3,200	194,856
Hong Kong	183,372	14,422
	186,572	209,278

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

5. FINANCE COSTS

	Six Months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Corporate bonds	676	1,130
Convertible bonds	877	–
Borrowings	15,770	13,199
Amounts due to Directors	1,217	1,446
Lease liabilities	39	103
Others	100	–
	18,679	15,878

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six Months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	2,211	551
Depreciation of right-of-use assets	1,203	1,326
Staff cost, including Directors' remuneration	11,868	14,535
Contributions to retirement benefits scheme (included in staff costs)	305	255
Cost of inventories recognised as expenses	171,735	176,613
Expense relating to short-term leases	1,467	1,380

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

7. TAXATION

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements for the six months ended 30 June 2021 and 2022 as the companies within the Group either had no assessable profits arising from Hong Kong or the assessable profits were wholly absorbed by estimated losses brought forward. Under the Enterprise Income Tax Law of the PRC, the enterprise income tax rate applicable to the Group's companies operating in the PRC, the tax rate is 25% from 1 January 2008 onwards. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	Six Months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax		
PRC enterprise income tax	–	1,025
Deferred tax liabilities	94,666	70,021
	94,666	71,046

8. DIVIDEND

No dividends were paid, declared or proposed during the period. The Directors do not recommend the payment of an interim dividend (2021: Nil).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	Six Months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Earnings		
Profit for the period attributable to owners of the Company for the purpose of basic earnings per share	249,989	201,598
Effect of dilutive potential ordinary shares:		
Convertible notes interest	403	–
Debt settlement expense	19	–
Profit for the period attributable to owners of the Company for the purpose of dilutive earnings per share	250,411	201,598
Number of shares	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	4,747,496	4,000,000
Effect of dilutive potential ordinary shares:		
Convertible bonds	9,020	–
Weighted average number of ordinary shares for the purpose of dilutive earnings per share	4,756,516	4,000,000

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for rights issue that took place on 11 April 2022 and subscription of new shares under general mandate on 6 June 2022.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

10. INVESTMENT PROPERTIES

	HK\$'000
As at 1 January 2021 (Audited)	2,368,672
Fair value change of investment properties	442,760
Exchange adjustment	79,698
Reclassified to assets held for sale	(354,211)
As at 31 December 2021 and 1 January 2022 (Audited)	2,536,919
Addition	610,950
Fair value change of investment properties	378,944
Exchange adjustment	(110,308)
As at 30 June 2022 (Unaudited)	3,416,505

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

Investment properties comprise of (a) a commercial unit and car parking spaces located in Beijing, the PRC which was reclassified to asset held for sale during the year ended 31 December 2021 and (b) commercial units and car parking spaces located in Zhanjiang, the PRC.

The fair value of the Group's investment properties at 30 June 2022 have been arrived at on the basis of a valuation carried out on that day by Jones Lang Lasalle Corporate Appraisal and Advisory Limited and Masterpiece Valuation Advisory Limited (31 December 2021: Jones Lang Lasalle Corporate Appraisal and Advisory Limited and Masterpiece Valuation Advisory Limited), an independent qualified professional valuer that is not connected with the Group.

The fair value of the investment properties located in Beijing was determined based on the "Direct Comparison Method", where the value is assessed by assuming sale in their existing states with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant market.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

10. INVESTMENT PROPERTIES — continued

The fair value of the investment properties located in Zhanjiang was determined based on the “Residual Method”, where the value is assessed by reference to the comparable sales evidence as available in the relevant market and have also taken into account the expended construction costs as well as the costs that will be expended to complete the developments.

11. ACCOUNTS RECEIVABLE

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Accounts receivable consist of:		
Accounts receivable arising from business of trading electronic products and equipment	32,393	26,032
Less: Loss allowances for expected credit losses (“ECL”)	(362)	(362)
	32,031	25,670
Accounts receivable arising from the business of dealing in securities:		
– cash clients		
– other	7,225	17,001
– directors	848	3,046
Less: Loss allowances for ECL	(24)	(24)
	8,049	20,023
– Hong Kong Securities Clearing Company Limited (“HKSCC”)	61,739	4,232
Accounts receivable from Hong Kong Futures Exchange Clearing Corporation Limited (“HKFECC”) arising from the business of dealing in futures contracts	777	382
Loans to securities margin clients	39,091	50,836
Less: Loss allowances for ECL	(22)	(28)
	39,069	50,808
	141,665	101,115

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

11. ACCOUNTS RECEIVABLE — continued

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

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
0 – 90 days	31,719	25,327
Over 365 days	312	343
	32,031	25,670

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.

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:

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
0 – 90 days	8,049	20,023

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For the six months ended 30 June 2022

12. ACCOUNTS AND BILLS PAYABLES

	30 June	31 December
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Accounts payable:		
Accounts payable from trading of electronic products and equipment	56,789	54,481
Accounts payable from properties investment	6,805	7,116
Accounts payable arising from the business of dealing in securities:		
– Cash clients	94,170	96,394
– HKSCC	61,530	2,077
Accounts payable to clients arising from the business of dealing in futures contracts	1,442	1,081
Amounts due to securities margin clients	5,788	3,658
	226,524	164,807

The settlement term of accounts payable to cash client 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 trading of futures contracts on the HKFECC. The excess of the outstanding amounts over the required margin deposits stipulated by the 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.

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For the six months ended 30 June 2022

12. ACCOUNTS AND BILLS PAYABLES – continued

An average credit period for accounts payables from trading of electronic products and equipment business is 30 days. The accounts payable from trading of electronic products and equipment business aged within 30 days.

The accounts payable amounting to approximately of HK\$96,928,000 (31 December 2021: HK\$87,378,000) 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.

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

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
0 – 90 days	4,936	37,308
91 – 180 days	7,156	6,735
181 – 365 days	28,292	10
Over 365 days	16,405	10,428
	56,789	54,481

The aged analysis of accounts payables arising from properties investment business is as follow:

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
91 – 180 days	–	7,116
Over 365 days	6,805	–
	6,805	7,116

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For the six months ended 30 June 2022

13. SHARE CAPITAL

	Number of shares	Share capital
	'000	HK\$'000
<i>Authorised</i>		
At 1 January 2022 and 30 June 2022		
– Ordinary shares of HK\$0.1 each	10,000,000	1,000,000
<i>Issued and fully paid</i>		
At 1 January 2022		
– Ordinary shares of HK\$0.1 each	4,000,000	400,000
Allotment of rights issue during the period	1,610,531	161,053
Subscription of new shares under general mandate	193,750	19,375
At 30 June 2022	5,804,281	580,428

14. RELATED PARTY TRANSACTIONS

Transactions with related parties:

- (a) During the period, the Group received commission income and other securities dealing income from securities and futures dealing of approximately HK\$24,000 (six months ended 30 June 2021: HK\$38,000) from close family members of two Directors, Messrs. Lam Kwok Hing and Nam Kwok Lun.
- (b) During the period, the Group received commission income and other income from securities dealing of approximately HK\$1,430,000 (six months ended 30 June 2021: HK\$18,000) from Asia Tele-Net and Technology Corporation Limited (“ATNT”), in which two directors, Messrs. Lam Kwok Hing and Nam Kwok Lun, have controlling interests.
- (c) As at 30 June 2022, outstanding advances from a director, Mr. Nam Kwok Lun, amounted to HK\$56,624,000 (31 December 2021: HK\$64,772,000). During the period, the Group paid finance cost of HK\$1,217,000 (six months ended 30 June 2021: HK\$1,446,000) to the director.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

14. RELATED PARTY TRANSACTIONS — continued

- (d) At 30 June 2022, a director, Dr. Hui Chi Ming, advanced approximately HK\$22,542,000 (31 December 2021: HK\$161,225,000) to the Group. It is unsecured, repayable on demand and non-interest bearing.
- (e) During the period, the Group paid rental fee amounting to HK\$1,230,000 (six months ended 30 June 2021: HK\$1,260,000) to a company in which Dr. Hui Chi Ming, a director, has beneficial interest.
- (f) As at 30 June 2022, outstanding advance from PAL Finance Limited, a wholly-owned subsidiary of ATNT, amounted to HK\$24,000,000 (31 December 2021: HK\$36,000,000). During the period, the Group paid finance costs approximately of HK\$1,099,000 (six months ended 30 June 2021: HK\$1,405,000) to PAL Finance Limited.

The remuneration of key management personnel who are the Directors of the Company during the period was as follow:

	Six Months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Short-term benefits	4,685	5,165
Post-employment benefits	50	45
	4,735	5,210