



恆宇集團控股有限公司

Space Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

HKEX Stock Code: 2448



**2022**

Interim Report

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Che Chan U (*Chairman*)  
Ms. Lei Soi Kun  
Mr. Lok Wai Tak  
Mr. Ho Kwong Yu

#### Independent Non-Executive Directors

Mr. Li Guohui  
Mr. Eulógio dos Remédios, José António  
Ms. Leong Iat Lun

#### AUDIT COMMITTEE

Mr. Li Guohui (*Chairman*)  
Mr. Eulógio dos Remédios, José António  
Ms. Leong Iat Lun

#### REMUNERATION COMMITTEE

Mr. Eulógio dos Remédios, José António (*Chairman*)  
Ms. Leong Iat Lun  
Mr. Lok Wai Tak  
Mr. Ho Kwong Yu

#### NOMINATION COMMITTEE

Mr. Che Chan U (*Chairman*)  
Ms. Lei Soi Kun  
Mr. Eulógio dos Remédios, José António  
Ms. Leong Iat Lun  
Mr. Li Guohui

#### AUTHORISED REPRESENTATIVES

Mr. Che Chan U  
Mr. Ho Kwong Yu

#### COMPANY SECRETARY

Ms. Chan Hiu Wa

#### AUDITOR

SHINEWING (HK) CPA Limited  
Certified Public Accountants  
Registered Public Interest Entity Auditor

#### REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN MACAU

Edifício Centro Comercial Chong Fok  
8C, Avenida de Marciano Baptista 18  
Macau

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 1905-07, Tower 6, The Gateway  
9 Canton Road  
Tsim Sha Tsui, Kowloon  
Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited  
2103B, 21/F  
148 Electric Road  
North Point  
Hong Kong

### PRINCIPAL BANKERS

The Hongkong and Shanghai Banking  
Corporation Limited  
Macau Chinese Bank  
Bank of China Macau Branch

### LEGAL ADVISER

As to Hong Kong laws  
D.S. Cheung & Co.

### STOCK CODE

2448 (listed on the Main Board of The Stock Exchange  
of Hong Kong Limited)

### WEBSITE

spacegroup.com.mo

## MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “**Board**”) of directors (the “**Directors**”) of Space Group Holdings Limited (the “**Company**”) is pleased to present the unaudited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2022 (the “**Period**”), together with the comparative figures for the corresponding period in 2021 (the “**Previous Period**”).

### BUSINESS REVIEW

In the first half of 2022, the new variant novel coronavirus continued to spread globally. Coupled with the Russia-Ukraine conflict, the risk aversion has risen sharply. The global financial market was severely impacted, and the Hong Kong stock market, bond market, currency market and foreign exchange market experienced sharp fluctuations. The financial market of Hong Kong has also been affected. The sanctions imposed on Russia by numerous European and American countries will significantly increase the prices of oil and other commodities, impacting the global supply chain, thus dragging down global economic growth. The US Federal Reserve announced on 27 July this year that it would raise interest rates by 75 basis points, raising the target range of the federal funds rate to between 2.25% and 2.50%. This is the fourth time the Fed has raised interest rates this year and the second in a row by 75 basis points. U.S. central bank backs aggressive interest rate hikes and scales back bond purchases, tightening market liquidity and thus triggering both stocks and bonds to fall.

Despite the economic volatility of mainland China, Macau and Hong Kong in the wake of the epidemic and the impact of external factors, the Group’s business remained stable and outperformed its peers despite the general downturn. As of the first half of this year, the Group’s construction and financial businesses have experienced a setback. The profit after taxation in the first half of the year was MOP28.6 million.

The construction business of the Group has suffered a setback due to the delays in construction works resulting from the suspension of all non-essential commercial and industrial activities in Macau as a result of the epidemic.

In addition, financial business of the Group was also dragged down by external conditions. The Hong Kong IPO market continues to see a slowdown in fund raising activity across the market due to global uncertainties. In the first half of this year, only 27 companies have been listed, and the number of IPOs on the main board has decreased by 53% compared with the first half of 2021. In terms of fundraising amount, it reached 17.8 billion in the first half of the year, down 92% year-on-year, the lowest level since 2012. In addition, with the news that the bonds of some industries continued to be under pressure in the first half of the year, International rating agencies have downgraded the credit rating of corporate bonds, making investors more conservative about the entire market. However, the Group was able to forge ahead in spite of the adversity and kept expanding its financial business, which grew by 14.6%.



## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### FINANCIAL REVIEW

For the Period, the Group's revenue was approximately MOP233.2 million (30 June 2021: approximately MOP304.1 million). During the Period, the Group also recorded profit of approximately MOP28.6 million (30 June 2021: approximately MOP38.2 million) and has 8 ongoing fitting-out projects. The revenue from provision of financial services for the Period amounted to approximately MOP30.9 million (30 June 2021: MOP27.0 million).

#### Revenue

For the Period, the revenue of the Group amounted to approximately MOP233.2 million, representing a decrease of approximately 23.3% from approximately MOP304.1 million for the Previous Period. The decrease of the Group's revenue was mainly attributable to the COVID-19 pandemic.

The revenue from fitting-out works decreased from approximately MOP277.2 million for the Previous Period to approximately MOP202.3 million for the Period. Such decrease was mainly attributable to the outbreak of fifth wave of the epidemic in Hong Kong and outbreak of epidemic in Macau causing delay in construction projects.

The revenue from provision of financial services increased from approximately MOP27.0 million for the Previous Period to approximately MOP30.9 million. The increase mainly due to the income from financial consultation service in first half of 2022.

#### Cost of sales

For the Period, the cost of sales of the Group decreased by 27.8% to approximately MOP160.8 million when compared with the Previous Period (30 June 2021: approximately MOP222.6 million).

The decrease of the Group's cost of sales was mainly attributable to the decrease in the subcontracting costs and the direct labour costs from the fitting-out works which is in line with the decrease in revenue from fitting-out works.

#### Gross profit and gross profit margin

The gross profit of the Group for the Period decreased by approximately MOP9.1 million to approximately MOP72.4 million (30 June 2021: approximately MOP81.5 million), and the gross profit margin increased to approximately 31.1% (30 June 2021: approximately 26.8%). The increase of the gross profit margin was mainly attributable to the increase in gross profit margin from the financial services segment.

#### Other income

The Group's other income mainly included government grant of approximately MOP0.4 million and exchange losses approximately MOP0.4 million for the Period.



## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### General and administrative expenses

The Group's administrative expenses decreased to approximately MOP28.9 million for the Period from approximately MOP34.9 million for the Previous Period. The decrease by approximately 17.4% was mainly attributable to cost control procedures implemented.

### Finance costs

The finance costs mainly represented interests on bank borrowings and overdrafts and other borrowings. Our finance costs increased by approximately MOP0.5 million to approximately MOP8.7 million for the Period from approximately MOP8.2 million for the Previous Period. The increase was mainly due to an increase in our average outstanding bank loans and overdraft and other borrowings during the Period.

### Income tax expenses

The Group's income tax expenses increased by 9.1% to approximately MOP6.3 million for the Period when compared to approximately MOP5.8 million for the Previous Period. The increase was mainly attributable to the increase in revenue from Hong Kong which subjected to higher tax rate than Macau.

### Profit for the Period

For the Period, our profit after taxation decreased to approximately MOP28.6 million from approximately MOP38.2 million for the Previous Period mainly due to the combined effect of the aforementioned items.

## CORPORATE FINANCE AND RISK MANAGEMENT

### Liquidity, financial and capital resources

#### *Cash position*

The Group's cash and cash equivalents balances (excluding bank overdrafts) as at 30 June 2022 amounted to approximately MOP19.9 million, representing a decrease of approximately MOP76.8 million as compared to approximately MOP96.7 million as at 31 December 2021, which was attributable to the increase in cash used in operating activities and decrease in financing activities.

As at 30 June 2022, the Group's indebtedness comprised bank loans and overdrafts and other borrowings of approximately MOP481.9 million (31 December 2021: approximately MOP499.3 million), of which certain of them were secured by pledged bank deposits.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### *Gearing ratio*

As at 30 June 2022, the gearing ratio (calculated by total debts divided by total equity; total debts include payables incurred not in the ordinary course of business) was 0.75, as compared with 0.82 as at 31 December 2021.

The decrease was primarily attributable to the increase of capital and reserves as at 30 June 2022.

### *Treasury policies*

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period under review. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

### *Foreign currency risk*

The Group has certain bank balances denominated in Hong Kong Dollar other than the functional currency of respective group entities as at 30 June 2022. Since Macau Pataca is pegged to Hong Kong Dollar, the Group does not have significant exposure to foreign currency risk.

### *Capital Structure*

#### *Authorised share capital*

As at 30 June 2022, the authorised share capital of the Company was HK\$20,000,000 divided into 2,000,000,000 shares (the "Shares") of HK\$0.01 each.

#### *Capital commitments*

As at 30 June 2022, the Group had no capital commitments (31 December 2021: Nil).

#### *Contingent liabilities*

As at 30 June 2022, the Group had contingent liabilities of approximately MOP13.0 million (31 December 2021: approximately MOP13.0 million).

## CHARGES ON THE GROUP'S ASSETS

As at 30 June 2022, bank deposits of approximately MOP125.4 million (31 December 2021: approximately MOP119.4 million) were pledged to secure the banking facilities (including bank loans and overdraft).



## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### EMPLOYEES AND REMUNERATION POLICIES

The Group had 78 employees as at 30 June 2022 (30 June 2021: 83). Remuneration is determined by reference to prevailing market terms and in accordance with the job scope, responsibilities, and performance of each individual employee.

The Company has adopted a share option scheme pursuant to which the Directors and employees of the Group are entitled to participate. The local employees are also entitled to discretionary bonus depending on their respective performances and the profitability of the Group.

### EVENTS AFTER THE REPORTING PERIOD

No significant event took place subsequent to 30 June 2022.

### PROSPECTS

With the support of worldwide COVID-19 vaccination, many countries are making efforts to reinvigorate the economy and to create employment opportunities to promote economic growth. Meanwhile, with the support of state policy and the ease of geopolitical tension, we anticipate that mainland China market will become the growing engine of our Group's business in the near future.

Under the difficult conditions of the financial industry, the Group has been able to expand its business in the face of adversity by implements various plans and strategic deployments to meet the business development blueprint, including the MOP38,625,000 acquisition of financial institutions with Type 6 license issued by the SFC to conduct regulated activities. This will enable the Group to advise on corporate finance, qualify as a listing sponsor, compliance advisor, independent financial advisor or provide advice on acquisition and disposal, equity and debt financing and corporate restructuring services. In addition, the Group has further enhanced its digital products, including optimizing and upgrading its existing securities and mobile platforms to provide customers with a more comprehensive, fast and flexible online service experience, which will enhance customer engagement and expand its customer base. We also improve overall administrative efficiency through internal resource sharing to achieve greater synergy, enable the Group to develop more robustly as a top financial institution serving the entire Greater Bay Area.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

The shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 16 January 2018.

As at 30 June 2022, the interests and short positions of Directors and/or the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance) (the "SFO") as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

#### The Company

Name of Director	Capacity	Number of Shares held/ interested <sup>(1)</sup>	Approximate percentage of the total issued Shares
Che Chan U ("Mr. Che")	Interest held jointly with another person; interest in a controlled corporation <sup>(2)</sup>	543,100,000 Shares (L)	67.38%
Lei Soi Kun ("Ms. Lei")	Interest held jointly with another person; interest in a controlled corporation <sup>(2)</sup>	541,500,000 Shares (L)	67.18%

Notes:

- (1) The letter "L" denotes the Directors' long position in the Shares.
- (2) The Company was held as to approximately 67.18% by Space Investment (BVI) Ltd ("Space Investment"). Space Investment is held as to 94.74% by Mr. Che and 5.26% by Ms. Lei.

#### Associated corporation

Name of Director	Name of associated corporation	Capacity	Number of Shares held/ interested in the associated corporation <sup>(1)</sup>	Approximate percentage of the total issued shares in the associated corporation
Mr. Che	Space Investment	Beneficial owner	9,474 Shares (L)	94.74%
Ms. Lei	Space Investment	Beneficial owner	526 Shares (L)	5.26%

Note:

- (1) The letter "L" denotes the Directors' long position in the shares of the associated corporation.



## OTHER INFORMATION (continued)

Save as disclosed in the foregoing, as at 30 June 2022, none of the Directors or chief executive 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 as recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2022, so far as is known to the Directors, the following persons or corporation (other than the Directors and chief executive of the Company) had interests or short positions in the Shares and underlying Shares of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO.

Name of Shareholders	Capacity	Number of Shares held/ interested <sup>(1)</sup>	Approximate percentage of the total issued Shares
Space Investment	Beneficial owner <sup>(2)</sup>	541,500,000 Shares (L)	67.18%
Ng Lai Kuan ("Ms. Ng")	Interest of spouse <sup>(3)</sup>	543,100,000 Shares (L)	67.38%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Space Investment is directly interested in 67.18% in the Company.
- (3) Ms. Ng is the spouse of Mr. Che. Ms. Ng is deemed to be interested in the same number of Shares in which Mr. Che is interested by virtue of the SFO.

Save as disclosed above, as at 30 June 2022, the Directors are not aware of any other persons or corporations (other than the Directors and chief executive of the Company) who/which had any interests or short positions in the Shares or underlying Shares of the Company or any of its associated companies which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

## OTHER INFORMATION (continued)

### SHARE OPTION SCHEME

On 20 December 2017, the then shareholders of the Company approved and conditionally adopted a share option scheme (the “**Share Option Scheme**”). The purpose of the Share Option Scheme is to provide the Company a flexible means of giving incentive to, rewarding, remunerating, compensating and providing benefits to eligible participants and for such other purposes as the Board approves from time to time. From the adoption date of the Share Option Scheme up to 30 June 2022, no option was granted, exercised, cancelled or lapsed and there is no outstanding share option under the Share Option Scheme.

### SIGNIFICANT INVESTMENTS HELD

Except for investment in subsidiaries, during the six months ended 30 June 2022, the Group did not hold any significant investment in equity interest in any company.

### FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 30 June 2022, the Group did not have other plans for material investments and capital assets.

### MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2022.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

### CORPORATE GOVERNANCE PRACTICES AND OTHER INFORMATION

The Company is committed to maintain high standards of corporate governance to protect the interests of its Shareholders and to enhance corporate value and accountability. The Board has reviewed the Company’s corporate governance practices and is satisfied that the Company has complied with all code provisions and, where applicable, the recommended best practices of the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) set out in Appendix 14 of the Listing Rules during the six months ended 30 June 2022.



## OTHER INFORMATION (continued)

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the six months ended 30 June 2022.

### DIVIDEND

The Board takes into account the Group's overall results of operation, financial position and capital requirements, among other factors, in considering the declaration of dividends. The Board does not recommend payment of any dividend in respect of the Period.

### AUDIT COMMITTEE

An audit committee of the Company (the "Audit Committee") has been established on 20 December 2017 in accordance with Rule 3.21 of the Listing Rules with its terms of reference in compliance with paragraph C.3 of the CG Code. The Audit Committee comprises three members, namely Mr. Li Guohui, Mr. Eulógio dos Remédios, José António and Ms. Leong Iat Lun, all being independent non-executive Directors. Mr. Li Guohui serves as the chairman of the Audit Committee.

The Audit Committee is to assist the Board in fulfilling its responsibilities by providing an independent review and supervision of financial reporting of the Group and also a review of risk management and internal control systems of the Group, by satisfying themselves as to the effectiveness of the internal controls, and as to the adequacy of the external and internal audits.

The Audit Committee has reviewed with the management the interim results of the Group for the six months ended 30 June 2022, accounting principles and practices adopted by the Group and discussed auditing, internal controls, risk management and financial reporting matters including a review of the unaudited interim financial information. The Audit Committee is of the view that such interim results complied with the applicable accounting standards, the requirements under the Listing Rules and other applicable legal requirements, and that adequate disclosure have been made.

By order of the Board  
**Space Group Holdings Limited**  
**Che Chan U**  
*Chairman*

Hong Kong, 30 August 2022



## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2022  
(Expressed in Macau Pataca)

	Notes	Six months ended 30 June	
		2022 MOP'000	2021 MOP'000
<b>Revenue</b>	2	233,219	304,119
Cost of sales		(160,773)	(222,648)
<b>Gross profit</b>		72,446	81,471
Other income and gains, net		47	5,587
General and administrative expenses		(28,859)	(34,933)
<b>Profit from operations</b>		43,634	52,125
Finance costs		(8,732)	(8,200)
<b>Profit before taxation</b>	3	34,902	43,925
Income tax	4	(6,292)	(5,769)
<b>Profit for the period</b>		28,610	38,156
<b>Attributable to:</b>			
Equity shareholders of the Company		28,896	38,156
Non-controlling interests		(286)	–
<b>Profit for the period</b>		28,610	38,156
<b>Earnings per share</b>			
– Basic and diluted	5	MOP0.04	MOP0.05

The notes on pages 18 to 28 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 10.

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2022  
(Expressed in Macau Pataca)

	Six months ended 30 June	
	2022 MOP'000	2021 MOP'000
<b>Profit for the period</b>	28,610	38,156
<b>Other comprehensive income for the period:</b>		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of operations based outside Macau	352	-
Other comprehensive income for the period, net of tax	352	-
<b>Total comprehensive income for the period</b>	28,962	38,156
<b>Attributable to:</b>		
Equity shareholders of the Company	29,234	38,156
Non-controlling interests	(272)	-
<b>Total comprehensive income for the period</b>	28,962	38,156

The notes on pages 18 to 28 form part of this interim financial report.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2022  
(Expressed in Macau Pataca)

	Notes	30 June 2022 MOP'000	31 December 2021 MOP'000
<b>Non-current assets</b>			
Property, plant and equipment	6	32,172	37,141
Investment properties		110,210	110,210
Investment in an insurance contract		2,744	2,744
Other non-current assets		812	812
Goodwill		29,596	-
Deferred tax assets		1,072	1,072
		176,606	151,979
<b>Current assets</b>			
Contract assets		87,396	67,378
Trade and other receivables	7	446,860	389,925
Prepayments		413,804	439,643
Financial assets at fair value through profit or loss		30	30
Pledged deposits		125,356	119,352
Cash and cash equivalents (excluding bank overdrafts)		19,924	96,662
		1,093,370	1,112,990
<b>Current liabilities</b>			
Trade and other payables	8	64,946	86,384
Bank loans and overdrafts and other borrowings		478,300	499,273
Lease liabilities		8,608	7,604
Amount due to a director		5,474	4,453
Tax payable		47,808	41,415
		605,136	639,129
<b>Net current assets</b>			
		488,234	473,861
<b>Total assets less current liabilities</b>			
		664,840	625,840
<b>Non-current liabilities</b>			
Bank loans and overdrafts and other borrowings		3,562	-
Lease liabilities		11,804	16,042
Deferred tax liabilities		2,864	2,965
		18,230	19,007
<b>NET ASSETS</b>			
		646,610	606,833
<b>CAPITAL AND RESERVES</b>			
Share capital	9	8,302	8,302
Reserves		630,947	598,623
<b>Total equity attributable to equity shareholders of the Company</b>			
Non-controlling interests		639,249	606,925
		7,361	(92)
<b>TOTAL EQUITY</b>			
		646,610	606,883

The notes on pages 18 to 28 form part of this interim financial report.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2022  
(Expressed in Macau Pataca)

	Attributable to equity shareholders of the Company						Total	Non-controlling interests	Total equity
	Share capital	Share premium	Legal reserve	Other reserve	Exchange reserve	Retained profits			
	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000
<b>Balance at 1 January 2021</b>	7,828	245,822	150	(8,388)	-	197,859	443,271	49	443,320
<b>Changes in equity for the six months ended 30 June 2021:</b>									
Profit for the period	-	-	-	-	-	38,156	38,156	-	38,156
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	38,156	38,156	-	38,156
Transactions with owners in their capacity as owners:									
Ordinary shares issued, net of transaction costs	474	111,418	-	-	-	-	111,892	-	111,892
<b>Balance at 30 June 2021 and 1 July 2021</b>	8,302	357,240	150	(8,388)	-	236,015	593,319	49	593,368
<b>Changes in equity for the six months ended 31 December 2021:</b>									
Profit for the period	-	-	-	-	-	13,669	13,669	(141)	13,528
Other comprehensive income	-	-	-	-	(63)	-	(63)	-	(63)
Total comprehensive income	-	-	-	-	(63)	13,669	13,606	(141)	13,465
<b>Balance at 31 December 2021</b>	8,302	357,240	150	(8,388)	(63)	249,684	606,925	(92)	606,833

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY** (continued)

for the six months ended 30 June 2022  
(Expressed in Macau Pataca)

	Attributable to equity shareholders of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Legal reserve	Other reserve	Exchange reserve	Retained profits	Total		
	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000
<b>Balance at 31 December 2021</b>	8,302	357,240	150	(8,388)	(63)	249,684	606,925	(92)	606,833
<b>Changes in equity for the six months ended 30 June 2022:</b>									
Profit for the period	-	-	-	-	-	28,896	28,896	(286)	28,610
Other comprehensive income	-	-	-	-	338	-	338	14	352
<b>Total comprehensive income</b>	-	-	-	-	338	28,896	29,234	(272)	28,962
Issue of subsidiary's shares in respect of acquisition of a subsidiary	-	-	-	3,090	-	-	3,090	7,725	10,815
<b>Balance at 30 June 2022</b>	8,302	357,240	150	(5,298)	275	278,580	639,249	7,361	646,610

The notes on pages 18 to 28 form part of this interim financial report.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2022  
(Expressed in Macau Pataca)

	Six months ended 30 June	
	2022 MOP'000	2021 MOP'000
<b>Operating activities</b>		
<b>Net cash used in operating activities</b>	(12,423)	(122,248)
<b>Investment activities</b>		
Payment for the purchase of property, plant and equipment	(81)	(15,313)
Interest received	16	262
Payment for acquisition of a subsidiary, net of cash acquired	(23,643)	-
<b>Net cash used in investing activities</b>	(23,708)	(15,051)
<b>Financing activities</b>		
Proceeds from new bank loans and other borrowings	464,729	497,172
Repayment of bank loans and other borrowings	(487,298)	(457,468)
Interest paid	(8,732)	(8,200)
Increase in pledged deposits	(6,004)	(11,808)
Payment for lease liabilities	(4,323)	(1,457)
Net proceeds from issue of ordinary shares	-	109,666
Advance from directors	1,021	-
<b>Net cash (used in)/generated from financing activities</b>	(40,607)	127,905
<b>Net decrease in cash and cash equivalents</b>	(76,738)	(9,394)
<b>Cash and cash equivalents at the beginning of the year</b>	96,662	63,501
<b>Cash and cash equivalents at the end of the period</b>	19,924	54,107
<b>Cash and cash equivalents at the end of the period included:</b>		
Cash at bank and on hand	27,707	67,564
Bank overdrafts	(7,783)	(13,457)
	19,924	54,107

The notes on pages 18 to 28 form part of this interim financial report.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Macau Pataca unless otherwise indicated)

## 1 BASIS OF PREPARATION

This interim report has been prepared in accordance with the applicable disclosure provisions of the Listing Rules, including compliance with Hong Kong Accounting Standard (HKAS) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). It was authorised for issue on 30 August 2022.

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

This interim report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2021 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

The financial information relating to the financial year ended 31 December 2021 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

The accounting policies, basis of presentation and methods of computation used in preparing the interim financial report are consistent with those followed in preparing the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the new or amended HKFRSs and HKASs which are first effective or available for early adoption for accounting periods beginning on or after 1 January 2022 as set out below.

The following new or amended HKFRSs and HKASs are adopted for the financial year beginning 1 January 2022, but have no material effect on the Group's reported results and financial position for the current and prior accounting periods:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 Cycle

The Group has not early adopted any other new or amended HKFRSs and HKASs that are not yet effective for the current accounting period.



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Macau Pataca unless otherwise indicated)

### 2 REVENUE AND SEGMENT REPORTING

The Group manages its businesses by business lines (fitting-out works and provision of financial services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management (i.e. the chief operating decision maker) for the purposes of resource allocation and performance assessment, the Group has identified three reportable segments. No operating segments have been aggregated to form the following reportable segments.

#### (a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers within the scope of HKFRS 15 by business lines is as follows:

	Fitting-out works MOP'000	Financial services MOP'000	Total MOP'000
<b>For the six months ended 30 June 2022</b>			
At a point in time	–	30,878	30,878
Over time	202,341	–	202,341
	<b>202,341</b>	<b>30,878</b>	<b>233,219</b>
<b>For the six months ended 30 June 2021</b>			
At a point in time	–	26,954	26,954
Over time	277,165	–	277,165
	<b>277,165</b>	<b>26,954</b>	<b>304,119</b>

Fitting-out works and building construction works represent performance obligations that the Group satisfies over time for each respective contract. The period of fitting-out works and building construction works varies from 3 to 24 months (2021: from 2 to 24 months).

Financial services represent performance obligations that the Group satisfies at a point in time upon the execution of the underlying transaction.



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

*(Expressed in Macau Pataca unless otherwise indicated)*

### 2 REVENUE AND SEGMENT REPORTING (Continued)

#### (b) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

As at 30 June 2022, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is MOP1,716,272,000 (2021: MOP1,916,459,000). This amount represents revenue expected to be recognised in the future from construction contracts entered into by the customers with the Group. Based on the information available to the Group at the end of the reporting period, the Group will recognise such amount when or as the work is completed which is expected to occur over the next 6 to 24 months (2021: 3 to 24 months).

#### (c) Segment information

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's chief operating decision makers ("CODM") for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Fitting-out works: this segment is involved in the execution of fitting-out works, including procurement of materials, site supervision, management of subcontractors, overall project management, interior decorative and modification works for existing buildings.
- Financial services: this segment is involved in the provision of securities brokerage services and securities and asset management advisory services to customers.

Segment assets and liabilities of the Group are not reported to the Group's CODM regularly. As a result, reportable assets and liabilities have not been presented in the consolidated financial statements.



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Macau Pataca unless otherwise indicated)

### 2 REVENUE AND SEGMENT REPORTING (Continued)

#### (c) Segment information (Continued)

##### (i) Segment results

The Group's CODM monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments. Assistance provided by one segment to another, including sharing of assets, is not measured.

The measure used for reporting segment profit is earnings before tax.

Inter-segment transactions, if any, are conducted with reference to the prices charged to independent third parties.

The unaudited segment results of the Group for the six months ended 30 June 2021 and 2022 are as follows:

	Fitting-out works MOP'000	Financial services MOP'000	Total MOP'000
<b>For the six months ended 30 June 2022</b>			
Segment revenue from external customers	202,341	30,878	233,219
Segment profit	41,978	30,468	72,446
	Fitting-out works MOP'000	Financial services MOP'000	Total MOP'000
<b>For the six months ended 30 June 2021</b>			
Segment revenue from external customers	277,165	26,954	304,119
Segment profit	54,517	26,954	81,471

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Macau Pataca unless otherwise indicated)

### 2 REVENUE AND SEGMENT REPORTING (Continued)

#### (c) Segment information (Continued)

##### (ii) Reconciliations of total segment profit to profit before taxation

	Six months ended 30 June	
	2022 MOP'000	2021 MOP'000
Total segment profit	72,446	81,471
Other income and gains, net	47	5,587
Finance costs	(8,732)	(8,200)
Unallocated head office and corporate expenses	(28,859)	(34,933)
Profit before taxation	34,902	43,925

##### (iii) Geographical information

The following table sets out the information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's property, plant and equipment, intangible assets and investment properties ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided. The geographical location of specified non-current assets is based on the location of the operation to which they are allocated.

	Revenues from external customers		Specified non-current assets	
	Six months ended 30 June		30 June	31 December
	2022 MOP'000	2021 MOP'000	2022 MOP'000	2021 MOP'000
Macau (place of domicile)	54,995	99,559	112,535	110,402
Hong Kong	178,224	204,560	11,721	15,645
Mainland China	-	-	18,938	22,116
	178,224	204,560	30,659	37,761
	233,219	304,119	143,194	148,163

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Macau Pataca unless otherwise indicated)

### 3 PROFIT BEFORE TAXATION

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

	Six months ended 30 June	
	2022 MOP'000	2021 MOP'000
<b>(a) Finance costs</b>		
Interest on bank loans and overdrafts and other borrowings	8,227	7,963
Interest on lease liabilities	505	237
<b>(b) Other items</b>		
Depreciation charge		
– owned property, plant and equipment	1,943	456
– right-of-use assets	4,165	2,088
Interest income	(16)	(262)

### 4 INCOME TAX

	Six months ended 30 June	
	2022 MOP'000	2021 MOP'000
Current tax – Macau Complementary Tax	2,897	999
Current tax – Hong Kong Profits Tax	3,496	4,746
Deferred tax – Original and reversal of temporary differences	(101)	24
	6,292	5,769

The Group is not subject to any income tax in the Cayman Islands and British Virgin Islands pursuant to the rules and regulations in the corresponding jurisdictions.

Macau Complementary Tax is calculated at 12% (2021: 12%) of the estimated assessable profits exceeding MOP600,000 (2021: MOP600,000) for the six months ended 30 June 2022.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

*(Expressed in Macau Pataca unless otherwise indicated)*

### 4 INCOME TAX (Continued)

In March 2018, the Hong Kong Government introduced a two-tiered profits tax rate regime by enacting the Inland revenue (Amendment) (No. 3) Ordinance 2018 (the “**Ordinance**”). Under the two-tiered profits tax rate regime, the first HK\$2 million of assessable profits of qualifying corporations is taxed at 8.25% and the remaining assessable profits at 16.5%. The Ordinance is effective from the year of assessment 2018–2019. Accordingly, the provision for Hong Kong Profits Tax for the six months ended 30 June 2022 is calculated in accordance with the two-tiered profits tax regime.

Corporate Income Tax in the People’s Republic of China (“**the PRC**”) for the six months ended 30 June 2022 is calculated at 25% (2021: 25%). No corporate income tax has been provided because the entities in the PRC has no assessable profits for the six months ended 30 June 2021 and 2022.

### 5 EARNINGS PER SHARE

#### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the parent of MOP28,610,000 (six months ended 30 June 2021: MOP38,156,000) and the weighted average of 806,000,000 ordinary shares (2021: 779,061,000 shares).

#### (b) Diluted earnings per share

The diluted earnings per share is the same as the basic earnings per share as the Group did not have dilutive potential ordinary shares for both periods.

### 6 PROPERTY, PLANT AND EQUIPMENT

#### (a) Right-of-use assets

During the six months ended 30 June 2022, the Group entered into a lease agreement for use of office, and therefore recognised the additions to right-of-use assets of MOP256,000.

#### (b) Acquisitions of owned assets

During the six months ended 30 June 2022, the Group acquired items of property, plant and machinery with a cost of MOP81,000 (six months ended 30 June 2021: MOP15,313,000).



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Macau Pataca unless otherwise indicated)

### 7 TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance, is as follows:

	30 June 2022 MOP'000	31 December 2021 MOP'000
Within 1 month	64,509	29,061
1 to 3 months	38,334	63,447
3 to 6 months	91,926	86,008
6 to 12 months	158,165	114,628
Over 1 year but less than 2 years	50,835	74,444
Over 2 years but less than 3 years	7,575	1,008
Trade debtors, net of loss allowance	411,344	368,596
Deposits and other receivables	35,516	21,329
	446,860	389,925

The balance represents amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 45 days from the date of invoice and therefore are all classified as current. The Group assessed the expected credit loss of trade receivables based on the historical default credit experiences and forward-looking information that is available.

As at 30 June 2022, amount due from a related party of MOP2,567,000 (2021: MOP2,567,000), which is trade-related, unsecured, interest-free and due within 45 days from the date of invoice.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT** (continued)*(Expressed in Macau Pataca unless otherwise indicated)***8 TRADE AND OTHER PAYABLES**

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	30 June 2022 MOP'000	31 December 2021 MOP'000
Within 1 month	7,199	9,118
1 to 3 months	203	184
3 to 6 months	41	502
Over 6 months	18,395	10,112
Trade payables	25,838	19,916
Retention payables	13,978	13,978
Contract liabilities	13,402	13,390
Other payables and accruals	11,728	39,100
	<b>64,946</b>	<b>86,384</b>

**9 ACQUISITION OF A SUBSIDIARY**

On 21 February 2022, the Group acquired an 100% interest in Advent Corporate Finance Limited. Advent Corporate Finance Limited is principally engaged in carrying out Type 6 regulated activity (advising on corporate finance) under the Securities and Futures Ordinance. The acquisition has been accounted for as acquisition of business using the acquisition method.

**Consideration transferred**

	MOP'000
Cash	30,900
Equity instruments issued	7,725
	<b>38,625</b>

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT** (continued)*(Expressed in Macau Pataca unless otherwise indicated)***9 ACQUISITION OF A SUBSIDIARY (Continued)****Assets and liabilities recognised at the date of acquisition**

	MOP'000
Property, plant and equipment	1,680
Trade and other receivables	7,475
Prepayments	181
Cash and cash equivalents (excluding bank overdrafts)	7,257
Trade and other payables	(764)
Lease liabilities	(1,642)
Bank loans and overdrafts and other borrowings	(5,158)
	9,029

The fair value of the identifiable assets and liabilities acquired is determined on a provisional basis and may be adjusted upon completion of initial accounting year which shall not exceed one year from the respective acquisition date.

**Goodwill arising on acquisition**

	MOP'000
Consideration transferred	38,625
Less: recognised amounts of net assets acquired	(9,029)
	29,596

**Net cash outflows arising on acquisition of Advent Corporate Finance Limited**

	MOP'000
Consideration paid in cash	30,900
Less: Cash and cash equivalents acquired	(7,257)
	23,643



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT** (continued)*(Expressed in Macau Pataca unless otherwise indicated)***9 ACQUISITION OF A SUBSIDIARY (Continued)**

Advent Corporate Finance Limited contributed revenues of approximately MOP4,159,000 and net loss of approximately MOP202,000 to the Group for the period from 21 February 2022 to 30 June 2022.

Had the acquisition been completed on 1 January 2022, total Group revenue for the period would have been approximately MOP234,863,000, and profit for the period would have been approximately MOP28,529,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2022, nor is it intended to be a projection of future results.

**10 DIVIDENDS**

The Directors did not recommend the payment of a dividend by the Company for the six months ended 30 June 2022. No dividend was declared or paid by the Company during the six months ended 30 June 2021 to its equity shareholders.

**11 CONTINGENT LIABILITIES**

At the end of the reporting period, contingent liabilities not provided for in these financial statements were as follows:

	30 June 2022 MOP'000	31 December 2021 MOP'000
Performance bonds given to customers for due and proper performance of projects undertaken by the Group's subsidiaries	13,043	13,043

**12 REVIEW OF INTERIM FINANCIAL REPORT**

The unaudited interim financial report for the six months ended 30 June 2022 has been reviewed by the Audit Committee with no disagreement.

