International Genius Company

(formerly known as Amber Hill Financial Holdings Limited)
(Incorporated in the Cayman Islands with limited liability)
Stock Code: 33

Annual Report 2022

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CORPORATE INFORMATION

Executive Directors

Ng Yu *(Chairman)*
Lin Feng
Wei Weicheng *(Resigned on 25 August 2021)*

Non-executive Directors

Dai Chengyan *(Appointed on 25 August 2021)*
Cheung Bonathan Wai Ka *(Appointed on 20 June 2022)*
Huang Shao Long *(Resigned on 25 August 2021)*

Independent Non-executive Directors

Lo Hang Fong
Wang Jun Sheng
Yip Tze Wai Albert *(Appointed on 17 May 2022)*
Anthony Espina *(Passed away and ceased to be Director with effect from 6 February 2022)*

Executive Committee

Ng Yu *(Chairman)*
Lin Feng *(Appointed on 25 August 2021)*
Wei Weicheng *(Resigned on 25 August 2021)*

Audit Committee

Yip Tze Wai Albert *(Chairman) (Appointed on 17 May 2022)*
Lo Hang Fong
Wang Jun Sheng
Anthony Espina *(Chairman) (Passed away and ceased to be Director with effect from 6 February 2022)*
Huang Shao Long *(Resigned on 25 August 2021)*

Remuneration Committee

Wang Jun Sheng *(Chairman)*
Ng Yu
Yip Tze Wai Albert *(Appointed on 17 May 2022)*
Anthony Espina *(Passed away and ceased to be Director with effect from 6 February 2022)*

Nomination Committee

Wang Jun Sheng *(Chairman)*
Lin Feng *(Appointed on 25 August 2021)*
Yip Tze Wai Albert *(Appointed on 17 May 2022)*
Anthony Espina *(Passed away and ceased to be Director with effect from 6 February 2022)*
Wei Weicheng *(Resigned on 25 August 2021)*

Risk Management Committee

Lin Feng *(Chairman) (Appointed on 25 August 2021)*
Wang Jun Sheng
Yip Tze Wai Albert *(Appointed on 17 May 2022)*
Anthony Espina *(Passed away and ceased to be Director with effect from 6 February 2022)*
Wei Weicheng *(Resigned on 25 August 2021)*

Authorised Representatives

Ng Yu
Leong Kai Weng Subrina *(Appointed on 7 October 2021)*
Tsang King Sun *(Resigned on 7 October 2021)*
Wei Weicheng *(Resigned on 25 August 2021)*

Joint Company Secretaries

Leong Kai Weng Subrina *(Appointed on 7 October 2021)*
Cheung Ka Fai *(Appointed on 1 November 2021)*
Tsang King Sun *(Resigned on 7 October 2021)*

Website

www.geniusi.com

Registered Office

94 Solaris Avenue
Camana Bay
PO Box 1348
Grand Cayman, KY1-1108
Cayman Islands

CORPORATE INFORMATION

Principal Place of Business in Hong Kong

Unit Nos. 4202–05
42/F, Cosco Tower
183 Queen's Road Central
Hong Kong

Principal Share Registrar and Transfer Office

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D, P.O. Box 1586
Gardenia Court, Camana Bay
Grand Cayman
KY1-1100, Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Principal Bankers

CMB Wing Lung Bank

Auditor

CHENG & CHENG LIMITED

Stock Code

0033 (Listed on the Main Board of The Stock Exchange of Hong Kong Limited)

CHAIRMAN'S STATEMENT

2022 was a volatile year for the global economy. Uncertainties about COVID-19 remained, and the conflict between Russia and Ukraine has led to high energy and food prices; on the other hand, major central banks are actively raising interest rates to combat inflation, which has caused the economy to fall into stagflation. The International Monetary Fund has again lowered its forecast for global economic growth this year and next to 3.2% and 2.7% respectively, and warned that the probability of a global recession have become higher.

The U.S. Federal Reserve has repeatedly hiked interest rates significantly and shrank its balance sheet to curb inflation given that the inflation rate in the U.S. rose to over 9% year-on-year in June, hitting a 41-year high. The consumer confidence index also showed a marked decline due to inflation, prompting the Federal Reserve raised interest rates four times this year by a total of 2.25%. The strengthening of the U.S. dollar caused a sharp depreciation of major currencies in various countries, and the yen and sterling hit a new low in recent years. The Federal Reserve stated that it is still appropriate to continue raising interest rates at this stage until inflation drops to the forecasted 2% level, and will determine the future trend of interest rates based on economic data.

The Hong Kong economy improved slightly as a whole in 2022, with the decrease in GDP slowing to 1.3% in the second quarter. As for business environment, the weakening of the overall economic outlook and the haze of interest rate hikes has built up corporate borrowing costs and operating pressures. Furthermore, weaker global demand and continuous disruption of cross-border transportation have dragged export performance such that enterprises became more prudent when investing in assets. Affected by the sharp interest rate hikes in the United States and the uncertain global economic outlook, asset prices such as Hong Kong stocks and properties have continued to fall, with Hong Kong stocks hitting new lows recently. Looking forward to the second half of the year, the further decline of Hong Kong stocks is relatively limited, mainly benefitted from the already low valuation level.

As cities in Mainland China gradually lift the lockdowns and supply chains continue to resume operation, according to the National Bureau of Statistics, in the first half of the year, GDP increased by 2.5% year-on-year, showing a trend of stabilization and recovery, and the recovery momentum has gradually shifted from external demand to growing domestic demand. Compared with global inflation, inflationary pressure in China is under control in general, with CPI increasing by 1.7% year-on-year in the first half of the year. In the second half of the year, China will continue to implement the core policy of stabilizing the market and its expectations, that is, the epidemic and epidemic prevention policies are still the crucial factors in determining the pace of economic recovery, real estate regulation will continue, and supply chain layout will put more emphasis on resilience and anti-risk capabilities. In view of this, the 14th Five-Year Plan highlights economic autonomy and drives the "dual circulation" economy, boosting consumption and investment. The national development strategy targets self-reliance and self-improvement by technology, focusing on technological innovation and green transformation, mastery of core technologies and independence of supply chains, and attaches great importance to the manufacturing industry to fully develop the real economy in order to reduce external reliance. The IMF's growth rate for China's economy is around 3.2% and 4.4% in 2022 and 2023 respectively.

Global growth rate will slow to 2.7% next year, which would be the weakest growth since 2001 excluding financial tsunami and COVID-19. Over one-third of the world's economies are expected to fall into recession this year or next whilst the three largest economies, including the United States, the Euro zone and China, remain stagnant.

Despite that the overall business environment is in decline, the Group's results for the year ended 30 June 2022 successfully achieved a turnaround. The net profit attributable to equity holders of the Company was approximately HK$41.38 million, while the loss for the same period last year was approximately HK$67.79 million. Taking into consideration the more volatile economic and market environment in the future, the controlling shareholder of the Company has granted the Group an unsecured and interest-free revolving loan of up to US$200 million at the end of 2021, enabling the Group to strengthen its working capital base and improve its financial position. The Group will enhance its risk management capability, in order to respond to the uncertainties in the market by leveraging of its consolidated business model. In terms of investment, the Group has also injected resilience into its investment portfolio by creating a more stable and diversified investment portfolio, creating values for our Shareholders, staff, clients and society.

Dr. Ng Yu
Chairman

Hong Kong, 31 October 2022

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY PROFILE

International Genius Company (formerly known as Amber Hill Financial Holdings Limited) (the "Company") was incorporated in the Cayman Islands under Companies Law (2004 Revision) of the Cayman Islands as an exempted company with limited liability on 20 March 2007. The Company's shares were listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 19 November 2007. On 31 December 2020, the Company announced the change of its financial year end date from 31 December to 30 June. Accordingly, the consolidated financial statements of the Company for the year ended 30 June 2022 (the "Reporting Period") was presented together with the audited comparative figures for the eighteen months ended 30 June 2021 (the "Corresponding Period").

The Company and its subsidiaries (the "Group") are principally engaged in trading of party products, securities brokerage and asset management, advancing business and trading of commodities.

FINANCIAL REVIEW

During the year ended 30 June 2022, the Group prudently maintained its existing business operations and continued its stringent control over the operating costs.

The Group recorded revenue of approximately HK$295.56 million for the Reporting Period (Corresponding Period: HK$339.44 million), representing a decrease of 12.93%. The decrease in revenue was mainly due to the decrease of revenue generated in the trading of party products. For details, please refer to Business Review Section.

Operating costs was approximately HK$47.75 million for the Reporting Period (Corresponding Period: HK$69.43 million), representing a decrease of 31.23%. Considering the corresponding period covered 18 months instead of 12 months as in the Reporting Period, the amount of operating costs is consistent among the two periods.

Net profit attributable to equity shareholders of the Company for the Reporting Period was approximately HK$41.38 million while in last corresponding period, there was a loss of approximately HK$67.79 million. The Group successfully achieved a turnaround from a loss to a profit position in the Reporting Period.

During the Reporting Period, the earnings per share of the Company was HK$7.70 cents (Corresponding Period: loss per share HK$28.55 cents).

BUSINESS REVIEW

Trading of Party Products

During the Reporting Period, the revenue generated from the trading of party products segment was approximately HK$115.51 million (Corresponding Period: HK$174.67 million), representing a decrease of 33.87%. After considered the comparative period covered 18 months instead of 12 months as in the Reporting Period and pro-rata the figures to an annual figure (the "Pro-rata Effect"), the amount of revenue has decreased by around 0.80%. During the Reporting Period, especially in the first half of 2022, the outbreak of the COVID-19 was spread in the People's Republic of China (the "PRC"), logistics in many provinces suspended and such suspension adversely impacted the trading of party products as the delivery of goods to the customers was restricted. With the continued lessen of the effect of the COVID-19 pandemic, revenue in this segment is expected to resume gradually.

Securities Brokerage and Asset Management

The Group recorded a revenue of approximately HK$46.49 million (Corresponding Period: HK$23.92 million) for this segment during this Reporting Period.

During the Reporting Period, the Group provided segregated management account services to an independent third party for a segregated portfolio with an asset value of approximately US$180 million (the "Segregated Portfolio"). The Segregated Portfolio involved spot foreign exchange trading with the aid of algorithmic model. During the Reporting Period, the Group achieved a year-to-date portfolio return of approximately 7.4% for the Segregated Portfolio and generated revenue of approximately HK$46.49 million in terms of performance fee and account setup and administrative fees from the provision of asset management services.

Leveraging the use of algorithmic model, the Group's experience in providing asset management services to customers as well as its ability in generating a satisfactory return for the Segregated Portfolio, the Directors consider that the Group is equipped with the necessary skills, knowledge and experience in (i) further strengthening its asset management business by building up its own track record in conducting spot foreign exchange trading and exploring the potential clients for its asset management services; and (ii) conducting its own proprietary trading in spot foreign exchange which shall supplement the source of income for the Group.

To support this, the controlling shareholder of the Company, Neo Tech Inc. ("Neo Tech"), has granted an interest-free facility of US$200 million to the Group and during the Reporting Period, the Group has drawn down approximately US$161 million ("Shareholder's Loan") for building up its track record in conducting spot foreign exchange trading and exchange trading. In January 2022, the Group has fully repaid the Shareholder's Loan and maintained the facility. For further details, please refer to the Group's announcement dated 20 January 2022.

As at 30 June 2022, the Group was licensed to carry on business in Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of laws of Hong Kong) (the "SFO"). The relevant licenses of the Group to carry out Type 1 (Dealing in Securities), Type 2 (Dealing in Futures Contracts) and Type 5 (Advising on Futures Contracts) regulated activities under the SFO were suspended due to the insufficient appointment of Representative Officer ("RO") and the Group is in the process of looking for an appropriate RO and will apply for the resumption of these licenses. The Group will continue to identify and evaluate suitable business expansion and investment management opportunities for the asset management business of the Group in other countries and regions, as well as to explore and devote resources to the application of technological innovation in this business segment.

Trading of Commodities

During the Reporting Period, the Group generated revenue of approximately HK$133.23 million (Corresponding Period: HK$141.52 million) from this segment, representing a decrease of 5.86%. After considered the Pro-rata Effect, the rate of increase was around 41.21%. Such increase was contributed by the success in securing reliable upstream companies. The Group will continue its efforts to expand this segment by purchasing different commodities from upstream companies and sell them to downstream companies as well as exploring other business opportunities in the Asian regions.

Advancing Business

Due to the spread of the COVID-19, the management continued its prudent approach in managing this business segment. The Group commenced its money lending business by lending loan in the amount of HK$2 million (the "Loan") (Corresponding Period: Nil) to a borrower (the "Borrower") who is an independent third party.

The Loan was overdue and defaulted during the year ended 30 June 2022 and an impairment loss of HK$2 million was recorded in the profit or loss for the year ended 30 June 2022.

Prior to granting the Loan to the Borrower, the Group had (i) conducted background search and assessed the social status on the Borrower; and (ii) obtained and reviewed information in relation to the financial background of the Borrower, as part of the credit assessment on the Borrower's ability for the repayment of the Loan. However, the Borrower failed to repay the Loan on the due date. In order to recover the Loan, amid negotiating with the Borrower for settlement of the Loan by the Group, the Group has instructed its lawyers to issue demand letters to the Borrower to demand for repayment of the Loan. No repayment of the Loan has been made by the Borrower as at this annual report date.

The Group will continue to negotiate with the Borrower for the settlement of the Loan and will consider to commence legal proceedings against the Borrower to recover the Loan in due course.

Originally and as previously disclosed, the Company proposed to apply approximately HK$15 million from the proceeds of the Rights Issue and Share Subscription for financing the advancing business of the Group. However, the operating environment of the Group continued to be challenged by the continuing COVID-19 situation, thus the Group has prudently further prolonged the timeline for its business plans. In future, the Company will develop this advancing business with relatively larger sum to borrowers who are capable of providing personal guarantee, asset pledge or other collaterals to secure the loans. It is anticipated that interest from the advancing business will generate stable source of revenue to the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2022, (i) the Group's net current assets were approximately HK$174.09 million (30 June 2021: HK$132.53 million); (ii) the Group's total assets less current liabilities were approximately HK$187.58 million (30 June 2021: HK$150.91 million); (iii) the Group's current ratio was 4.34 (30 June 2021: 1.54); and (iv) the Group did not have any gearing as at 30 June 2022 (30 June 2021: the gearing ratio was -23.46%). The Group's gearing ratio was calculated as net debts divided by total assets. The Group's net debts include convertible bonds, shareholder's loan and other loan less cash and bank balances.

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

In November 2021, the controlling shareholder of the Company, Neo Tech, has granted an interest-free facility of US$200 million to the Group and as at 30 June 2022, there was no outstanding for the loan (30 June 2021: Nil).

As at 30 June 2022, there were no outstanding loans due to third parties (30 June 2021: HK$41.85 million).

As at 30 June 2022, the Group had cash and bank balances of approximately HK$99.19 million (30 June 2021: HK$248.78 million). The cash and bank balances were denominated in Hong Kong dollar, Renminbi and US dollar. The Group had no structured investment products and foreign exchange contracts as at 30 June 2022. The Group is not exposed to material fluctuations in exchange rates.

CAPITAL STRUCTURE AND FUND-RAISING ACTIVITIES

As at 30 June 2022, the authorised share capital of the Company was HK$10,000,000,000 divided into 1,000,000,000,000 shares of HK$0.01 each, and the issued share capital of the Company was HK$5,372,451 divided into 537,245,104 shares of HK$0.01 each.

For the year ended 30 June 2022, there was no change in the capital structure of the Company.

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

A. Share Capital

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

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

On 11 September 2020, the Company announced, among other things, a rights issue (the "Rights Issue") at the subscription price of HK$0.71 per rights share on the basis of three (3) rights shares for every one (1) Consolidated Share held by the qualifying shareholders on the record date; and the issuance of up to 330,664,157 subscription shares (the "Share Subscription") under specific mandate for subscription by Neo Tech, where such shares for subscription shall be equivalent to the number of unsold right shares under the Rights Issue and subject to the public float requirement under the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange. The Rights Issue and Share Subscription were approved by the shareholders at the extraordinary general meeting of the Company held on 27 November 2020. On 13 January 2021, the Rights Issue was approximately 29.35% subscribed, and the remaining 284,673,884 unsubscribed rights shares, representing approximately 70.65% of the total number of rights shares offered under the Rights Issue, and no unsubscribed rights shares were placed under the compensatory arrangements. Accordingly, on 25 January 2021, 284,673,884 subscription shares were allotted and issued by the Company to Neo Tech for a total consideration of HK$202,118,000 at the subscription price of HK$0.71 per share. The gross proceeds and the net proceeds (after deducting expenses) raised from the Rights Issue and the Share Subscription are approximately HK$286 million and approximately HK$284 million respectively. Details of the Rights Issue and Share Subscription were set out in the circular of the Company dated 4 November 2020, the prospectus of the Company dated 11 December 2020 and the announcements of the Company dated 7 December 2020, 31 December 2020, 13 January 2021 and 25 January 2021 respectively.

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

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

Notes:

Use of proceeds	Estimated amount	Proposed timeline of the intended use of proceeds	Actual use of proceeds
Repayment of overdue external debts of the Group	HK$50 million	Within 6 months after the Rights Issue	Applied as intended
Repayment of the shareholder's loan owing by the Company to Dr. Ng Yu	HK$40 million	Within 6 months after the Rights Issue	Applied as intended
Repayment of overdue Convertible Bonds	HK$110 million	Within 12 months after the Rights Issue	Applied as intended
Additional capital for trading of party products business	HK$30 million	Within 6 months after the Rights Issue	Applied as intended
Additional liquid capital for the securities brokerage and assets management business	HK$15 million	Within 6 months after the Rights Issue	Applied as intended
Additional capital for the advancing business of the Group	HK$15 million	Within 12 months after the Rights Issue	Due to the COVID-19 pandemic, the Group applied HK$2 million. For details please refer to the section Advancing Business
General working capital	HK$24 million	Within 36 months after the Rights Issue	Currently contemplated to apply as intended

B. Convertible Bonds

Details on the movements of the convertible bonds during the Reporting Period are set out in note 35.

MERGERS, ACQUISITIONS AND DISPOSAL

Save for the two sale and purchase agreements dated 29 September 2021 and 28 June 2022 entered into by the Group with two different independent third parties, in relation to the disposals of the entire issued share capital of (i) Market Season Limited ("Market Season") and AIF Finance Limited ("AIF Finance") and (ii) Asiagoal Holdings Limited ("Asiagoal"), which were completed on 31 December 2021 and 28 June 2022 respectively, the Group did not have any significant merger, acquisition or disposal during the Reporting Period. Details of the disposal of subsidiaries are set out in note 18.

SIGNIFICANT INVESTMENTS

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the Rights Issue and the Share Subscription as stipulated in the circular dated 4 November 2020 and the prospectus of the Company dated 11 December 2020, the Group did not have other plan for material investments or acquisition of material capital assets as at 30 June 2022.

CHARGE OF ASSETS

As at 30 June 2022, the Group did not have any charge of assets.

CONTINGENT LIABILITIES

As at 30 June 2022, the Group did not have any material contingent liabilities.

FOREIGN CURRENCY RISK

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

HUMAN RESOURCES

As at 30 June 2022, the Group had 42 employees (30 June 2021: 32 employees). It is the Group's policy to recruit the right person for each position based on the person's qualification and experience. The remuneration of each employee is reviewed every year based on the performance of the employee with reference to the prevailing market conditions.

CAPITAL COMMITMENTS

As at 30 June 2022, the Group did not have any material capital commitment.

PROSPECTS

With the restructuring of the business and operations, the strengthening of the Group's financial positions by various fund raising activities in the past three years, the continuous support from the shareholders and management, the Group has successfully turnaround the business from loss making into profit in this Reporting Period despite the severe challenges from COVID-19 pandemic. In future,with the higher community vaccination rate, the COVID-19 pandemic will be under control and the Global Economy will surely resumed. With the well preparation by the Group and management, the Group will be in the advantageous position to reap such resuming opportunities ahead.

The Company is committed to maintaining a high standard corporate governance and has put in place self-regulatory corporate practices to protect the interests of its shareholders and the enhancement of shareholder's value. We are committed to providing high-quality products and services to the satisfaction of our customers; to maintaining high standards of business ethics and achieving these goals while, at the same time, providing satisfactory and sustainable returns to shareholders. The Board had adopted the Code on Corporate Governance Practices (the "CG Code") as contained in Appendix 14 of the Listing Rules.

For the year ended 30 June 2022 (the "Year"), the Company has complied with the code provisions set out in the CG Code as set out in Appendix 14 of the Listing Rules except the following:

1. Under C.2.1 of the CG Code, the role of Chairman and Chief Executive Officer should be separated and should not be performed by the same individual and the division of responsibilities between Chairman and Chief Executive Officer should be established and set out in writing. The Company had no Chief Executive Officer for the Year. The functions of Chief Executive Officer were performed by the Executive Committee of the Board. The Board considered that this structure had not impaired the balance of the power and authority between the Board and the management of the Company, and had been effective in discharging its responsibilities satisfactorily and facilitating the Company's operation and business development.

2. C.6.2 of the CG Code stipulates that a Board meeting should be held to discuss the appointment and dismissal of the company secretary and the matter should be dealt with by a physical Board meeting rather than a written resolution. However, the Company did not hold a physical Board meeting to accept the appointment of the company secretary, Ms. Leong Kai Weng Subrina and Mr. Cheung Ka Fai during the Year. The Board will hold a physical Board meeting to discuss the appointment and dismissal of the company secretary in the future.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules regarding directors' dealing in securities. Having made specific enquiries to all Directors, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code for the Year.

THE BOARD

The Board is responsible for the formulation of business policies and strategies in relation to the business operation of the Group, for nomination and appointment of directors, and to ensure the availability of resources as well as to the effectiveness of its system of internal control. The senior management was delegated the authority and responsibilities by the Board for the day-to-day management and operations of the Group. In addition, the Board has also established Board sub-committees and has delegated to these Board committees various responsibilities set out in their terms of reference respectively. Each Director shall ensure that he/she carries out his/her duty in good faith and in compliance with the standards of applicable laws and regulations, and acts as in the interests of the Company and its shareholders at all times. During the Year, five Board meetings were held and one annual general meeting held on 23 December 2021 were held. The composition of the Board and attendance of each director are set out as follows:

	Number of Attendance	
Directors	**Board Meetings**	**General Meetings**
Executive Directors		
Ng Yu *(Chairman)*	5/5	1/1
Lin Feng *(Appointed on 10 January 2020)*	5/5	1/1
Wei Weicheng *(Resigned on 25 August 2021)*	N/A	N/A
Non-executive Director		
Dai Chengyan *(Appointed on 25 August 2021)*	5/5	1/1
Cheung Bonathan Wai Ka *(Appointed on 20 June 2022)*	N/A	N/A
Huang Shao Long *(Resigned on 25 August 2021)*	N/A	N/A
Independent Non-executive Directors		
Lo Hang Fong	5/5	1/1
Wang Jun Sheng	5/5	1/1
Yip Tze Wai Albert *(Appointed on 17 May 2022)*	1/1	N/A
Anthony Espina *(Passed away and ceased to be Director with effect from 6 February 2022)*	2/2	1/1

The Directors and the auditor had attended the annual general meeting to answer questions at the meeting.

Board minutes are kept by the Company Secretary and are open for inspection by the Directors.

NON-EXECUTIVE DIRECTORS AND INDEPENDENT NON-EXECUTIVE DIRECTORS

The Independent Non-executive Directors are persons with academic and professional qualifications as stated in Directors and Senior Management section. They support the effective discharge of the duties and responsibilities of the Board, and to bring independent views and input to the Board. The Company has sent out annual confirmation of independence to all independent non-executive directors who were on board at any time during the Year. Each of the current Independent Non-executive Director has provided an annual confirmation of independence to the Company and the Company considers these Directors to be independent under Rule 3.13 of the Listing Rules. No equity-based remuneration with performance-related elements will be granted to Independent Non-executive Directors to avoid bias in their decision-making and compromise their objective and independence.

The change of the Non-executive Directors and Independent Non-executive Directors during the Year are set out in the section headed "the Board" in this corporate governance report.

BOARD COMMITTEES

A. Executive Committee

To assist the board of directors in running the operations on a daily basis, the Board had set up a sub-committee, namely Executive Committee on 15 July 2009. The terms of reference of the Executive Committee are available on the Company's website at www.geniusi.com and the website of the Stock Exchange.

During the Year, no Executive Committee meeting was held.

B. Audit Committee

The Audit Committee was established on 30 October 2007. The primary duties of the Audit Committee are to make recommendations on the appointment, re-appointment and removal of external auditor, to review financial statements and making recommendations on the financial reporting, and to review and supervise the financial reporting and internal control procedures of the Group. The Audit Committee shall meet at least four times a year. The Audit Committee had reviewed the Group's internal control during the Year. The Group's final results for the Year had been reviewed by the Audit Committee before submission to the Board for approval. The Audit Committee had also reviewed this annual report, and confirmed that the annual report is complete and accurate and complies with all relevant rules and regulations, including but not limited to the Listing Rules. There is no disagreement between the Directors and the Audit Committee regarding the selection and appointment of the Auditor.

The Audit Committee comprises Independent Non-executive Directors, namely Mr. Yip Tze Wai Albert (Appointed on 17 May 2022), Mr. Wang Jun Sheng, Mr. Lo Hang Fong, Mr. Anthony Espina (Passed away and ceased to be Director with effect from 6 February 2022) and Non-executive Director, Mr. Huang Shao Long (Resigned on 25 August 2021). Mr. Yip Tze Wai Albert is the Chairman of the Audit Committee. The terms of reference of Audit Committee are available on the Company's website at www.geniusi.com and the website of the Stock Exchange.

During the Year, three Audit Committee meetings were held to consider and approve, among other things, (i) the audit planning; (ii) the audited consolidated financial statements for the year ended 30 June 2022; and (iii) the unaudited consolidated financial statements for the six months ended 31 December 2021. The attendance of each member of Audit Committee is set out as follows:

Directors	**Number of Attendance/ Number of Audit Committee Meeting(s) held**
Independent Non-executive Directors	
Yip Tze Wai Albert *(Appointed on 17 May 2022)*	N/A
Wang Jun Sheng	3/3
Lo Hang Fong	3/3
Anthony Espina *(Passed away and ceased to be Director with effect from 6 February 2022)*	2/2
Non-executive Director	
Huang Shao Long *(Resigned on 25 August 2021)*	1/1

C. Remuneration Committee

The Remuneration Committee was established on 30 October 2007. The Remuneration Committee assists the Board to determine the policy for the remuneration of executive directors and senior management, assessing performance of executive directors and senior management and approving the terms of executive directors' and senior management's service contracts and to develop a formal and transparent remuneration policy. The Remuneration Committee makes recommendations to the board on the remuneration packages of individual executive directors and senior management.

The Remuneration Committee comprises Independent Non-executive Directors, namely Mr. Yip Tze Wai Albert (Appointed on 17 May 2022), Mr. Wang Jun Sheng, Mr. Anthony Espina (Passed away and ceased to be Director with effect from 6 February 2022) and Executive Director, namely Dr. Ng Yu. Mr. Wang Jun Sheng is the Chairman of the Remuneration Committee. The terms of reference of Remuneration Committee are available on the Company's website at www.geniusi.com and the website of the Stock Exchange.

During the Year, three Remuneration Committee meeting was held. The attendance of each member of Remuneration Committee is set out as follows:

Directors	**Number of Attendance/ Number of Remuneration Committee Meeting(s) held**
Independent Non-executive Directors	
Wang Jun Sheng *(Chairman)*	3/3
Yip Tze Wai Albert *(Appointed on 17 May 2022)*	1/1
Anthony Espina *(Passed away and ceased to be Director with effect from 6 February 2022)*	1/1
Executive Director	
Ng Yu	3/3

During these meetings, the Remuneration Committee reviewed the remuneration packaged for all Directors and senior management, the employee's salary increment proposal and relevant reports.

Details of remuneration paid to members of senior management other than the directors fell within the following bands:

	Number of individuals
HK$500,001 to HK$1,000,000	2
HK$1,000,001 to HK$1,500,000	2
HK$1,500,001 to HK$2,000,000	1

D. Nomination Committee

The Nomination Committee was established on 27 March 2012. The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment of Directors and management of the Board's succession, to ensure that the candidates to be nominated as Directors are experienced, high caliber individuals.

The Nomination Committee shall meet at least once every year.

The Board has adopted the "Nomination Policy" on 1 January 2019 in relation to the nomination, appointment, re-appointment of new Directors and the nomination procedure of the Company, which provides that in evaluating and selecting any candidate for directorship, the Nomination Committee shall consider the candidates' character and integrity, skills, experience and professional expertise, diversity on the Board, independence, willingness to devote adequate time to discharge duties as a Board member and such other criteria that are appropriate to the business of the Company.

Pursuant to the Articles of Association, the Company may from time to time in general meeting by ordinary resolution appoint directors to fill a casual vacancy on the Board or as an addition to the existing Board. In accordance with provisions of the relevant laws and regulations and the Articles of Association, new candidates suitable for appointment is recommended to the Board by the Nomination Committee following a process involving: (i) review of the structure, size, composition and diversity of the Board; (ii) identification of individuals suitably qualified to become Board members; and (iii) recommendations made to the Board on matters relating to the appointment or re-appointment of, and succession planning for directors.

The Nomination Committee comprises Independent Non-executive Directors, namely Mr. Wang Jun Sheng (Chairman), Mr. Yip Tze Wai Albert (Appointed on 17 May 2022), Mr. Anthony Espina (Passed away and ceased to be Director with effect from 6 February 2022), and Executive Director, namely Mr. Lin Feng (appointed on 25 August 2021) and Mr. Wei Weicheng (resigned on 25 August 2021). The terms of reference of Nomination Committee are available on the Company's website at www.geniusi.com and the website of the Stock Exchange.

During the Year, one Nomination Committee meeting was held. The attendance of each member of Nomination Committee is set out as follows:

Directors	**Number of Attendance/ Number of Nomination Committee Meeting(s) held**
Independent Non-executive Directors	
Wang Jun Sheng *(Chairman)*	3/3
Yip Tze Wai Albert *(Appointed on 17 May 2022)*	1/1
Anthony Espina *(Passed away and ceased to be Director with effect from 6 February 2022)*	1/1
Executive Directors	
Lin Feng *(Appointed on 25 August 2021)*	3/3
Wei Weicheng *(Resigned on 25 August 2021)*	N/A

During the meeting, the Nomination Committee reviewed the board structure of the Company and recommended candidates for directorship.

Board Diversity Policy

The Board has adopted a Board Diversity Policy in August 2013 which sets out the approach to achieve diversity on the Board. The Board reviews and monitors the implementation of the Board Diversity Policy on a regular basis to ensure its effectiveness.

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance.

The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Company also takes into consideration its own business model and specific needs from time to time in determining the optimum composition of the Board.

The Nomination Committee has set measurable objectives based on four focus areas: gender, age, working experience and ethnicity to implement the Board Diversity Policy. The Board plans to appoint at least one female Director by 31 December 2024. Such objectives will be reviewed from time to time to ensure their appropriateness and the progress made towards achieving those objectives will be ascertained. The Nomination Committee will review the Board Diversity Policy, the measurable objectives and the progress on achieving the objectives, as appropriate, to evaluate the continued effectiveness and successful implementation of the Board Diversity Policy from time to time.

E. Risk Management Committee

The Risk Management Committee was established on 28 December 2015. The Risk Management Committee is responsible for assisting the Board to evaluate and determine the nature and extent of the risks (including ESG risks) the Board is willing to take in achieving the Group's strategic objectives, ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems, and assisting the Board to oversee management in the design, implementation and monitoring of the risk management and internal control system.

The Risk Management Committee comprises executive Directors, namely, Mr. Lin Feng (Chairman) (Appointed on 25 August 2021) and Mr. Wei Weicheng (Chairman) (Resigned on 25 August 2021) and Independent Non-executive Directors, namely Mr. Wang Jun Sheng, Mr. Yip Tze Wai Albert (Appointed on 17 May 2022) and Mr. Anthony Espina (Passed away and ceased to be Director with effect from 6 February 2022). The terms of reference of Risk Management Committee are available on the Company's website at www.geniusi.com and the website of the Stock Exchange.

During the Year, one Risk Management Committee meeting was held. The attendance of each member of Risk Management Committee is set out as follows:

Directors	Number of Attendance/ Number of Risk Management Committee Meeting(s) held
Independent Non-executive Directors	
Yip Tze Wai Albert *(Appointed on 17 May 2022)*	N/A
Wang Jun Sheng	1/1
Anthony Espina *(Passed away and ceased to be Director with effect from 6 February 2022)*	1/1
Executive Directors	
Lin Feng *(Chairman) (Appointed on 25 August 2021)*	1/1
Wei Weicheng *(Chairman) (Resigned on 25 August 2021)*	N/A

During the meeting, the Risk Management Committee reviewed the Group's risk management process and internal control system.

Internal Control and Risk Management

The Board is responsible for maintaining a sound and effective internal control and risk management systems. Such systems are in place and designed to manage risk rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable assurance against material misstatement or loss in order to safeguard the interests of the shareholders and the assets of the Group against unauthorised use or disposition, ensuring maintenance of proper books and records for the provision of reliable financial information, and ensuring compliance with the relevant rules and regulations.

During the Year, the Group has engaged a professional firm as an independent advisor to perform an annual internal control review. For details, please refer to "Risk Management and Internal Control" section of this Corporate Governance Report.

Corporate Governance Functions

No Corporation Governance Committee has been established and the Board is responsible for performing the corporate governance functions such as development and reviewing the Company's policies and practices on corporate governance; reviewing and monitoring the training and continuous professional development of directors and senior management; reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; and reviewing the Company's compliance with the code and disclosure in this Corporate Governance Report.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The procedures and process of appointment, re-election and removal of Directors are laid down in the Company's Articles of Association. The Board as a whole is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of Directors, monitoring the appointment and succession planning of Directors and assessing the independence of Independent Non-executive Directors. Non-executive Directors are appointed for a fixed terms of 3 years.

According to Article 130, one-third of the Directors for the time being, or if their number is not a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation at every annual general meeting provided that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. Accordingly, Mr. Dai Chengyan, Mr. Lo Hang Fong and Mr. Wang Jun Sheng shall retire from office at the forthcoming annual general meeting and shall offer themselves for re-election.

Board Process

The Board held meetings from time to time whenever necessary. Reasonable prior notice of regular Board meetings is given to all directors and they can include matters for discussion in the agenda as they think fit. The agenda accompanying Board papers are sent to all directors at reasonable time before the date of every Board meeting in order to allow sufficient time for the directors to review the documents.

Minutes of every Board meeting are circulated to all directors for their perusal and comments prior to confirmation of the minutes. The Board also ensures that it is supplied in a timely manner with all necessary information in a form and of a quality appropriate to enable it to discharge its duties.

Every Board member has full access to the advice and services of the Company Secretary with a view to ensuring that Board procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

Professional Development

Each newly appointed Director receives induction on the first occasion of his/her appointment, so as to ensure that he/she has an appropriate understanding of the business and operations of the Company.

To assist directors' continuing professional development, the Company recommends directors to attend relevant seminars to develop and refresh their knowledge and skills. Pursuant to the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. During the Year, based on information available to the Board and to the best knowledge of the Board, details of Directors participation in continuous professional development programmes are as follows:

	Training activities including in-house activities/briefings, seminars/talks held by professional organisations and/or reading materials on relevant topics
Executive Directors	
Ng Yu *(Chairman)*	✓
Lin Feng	✓
Wei Weicheng *(Resigned on 25 August 2021)*	N/A
Non-executive Directors	
Dai Chengyan *(Appointed on 25 August 2021)*	✓
Cheung Bonathan Wai Ka *(Appointed on 20 June 2022)*	✓
Huang Shao Long *(Resigned on 25 August 2021)*	N/A
Independent Non-executive Directors	
Wang Jun Sheng	✓
Lo Hang Fong	✓
Yip Tze Wai Albert *(Appointed on 17 May 2022)*	✓
Anthony Espina *(Passed away and ceased to be Director with effect from 6 February 2022)*	N/A

All the Directors also understand the importance of continuous professional development and are committed to participating any suitable training to develop and refresh their knowledge and skills.

DIRECTOR'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the consolidated financial statements of the Group for the Year and ensure that they are prepared in accordance with statutory requirements and applicable accounting standards. The Director also ensure the timely publication of such consolidated financial statements.

The statement of the external auditor of the Company, CHENG & CHENG LIMITED, with regard to its reporting responsibilities on the Group's consolidated financial statements, is set out in the Independent Auditor's Report included in this annual report.

The Directors confirm that, to the best of their knowledge, having made a reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions which may cause the Group not to continue as a going concern. For details, please refer to "Liquidity and Financial Resources" in the "Management Discussion and Analysis" section.

BUSINESS MODEL AND STRATEGY

The Group has the mission to excelling its diversified business whilst maintaining long term profitability and assets growth with adoption of flexible business model and strategy and prudential risk and capital management framework. The Board have played and will continue to play a proactive role in the Group's development of business model to preserve the culture of the Group in serving customers well with premium service quality; the Group's business strategic drive for business expansion and opportunities; and the Group's setting of strategic goals, priorities and initiatives undertaken to motivate staff to achieve business and financial targets. Details of the Group's Business Review and Financial Review during the Year are set out in the "Management Discussion and Analysis" section of this annual report.

AUDITOR'S REMUNERATION

For the Year, the fees paid/payable to the Company's auditor in respect of audit and non-audit services provided by the Company's auditor to the Group were as follows:

	HK$'000
Audit services	1,150
Non-audit services	318
	1,468

Non-audit services included review of interim financial statements for the six months ended 31 December 2021 and taxation services for the Group during the Year.

JOINT COMPANY SECRETARIES

Ms. Leong Kai Weng Subrina ("Ms. Leong") and Mr. Cheung Ka Fai ("Mr. Cheung") were the joint company secretaries of the Company during the Year. The biographical details of Ms. Leong and Mr. Cheung are set out under the section headed "Directors and Senior Management". According to the Rule 3.29 of the Listing Rules, both Ms. Leong and Mr. Cheung has taken no less than 15 hours of relevant professional training during the Year.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the Group's system of risk management and internal control and for monitoring its adequacy and effectiveness. The systems are designed to manage the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has overall responsibility for evaluating and determining the nature and extent of the risks (including ESG risks) it is willing to take in achieving the Group's strategic objectives, and maintaining appropriate and effective risk management and internal control systems for the Group.

The management of the Company has established a set of comprehensive policies, standards and procedures in areas of operational, financial and risk controls for (i) safeguarding assets against unauthorised use or disposition; (ii) maintaining proper accounting records; and (iii) ensuring the reliability of financial information to achieve a satisfactory level of assurance against the likelihood of the occurrence of fraud and errors.

The Board through the Risk Management Committee, has overseen the Company's risk management and internal control systems on an ongoing basis. A year-end review of the effectiveness of the Group's risk management and internal control systems has been conducted annually by the Risk Management Committee, and the significant risk issues, if any, are referred to the Board with management responses and recommendations for consideration. The Company engaged ZHONGHUI ANDA Risk Services Limited ("Zhong Hui Anda Risk") as the internal control consultant, to perform internal audit function of the Company by conducting an independent internal control review to assess the effectiveness of the financial, operational and compliance controls, and risk management functions of the Company and the Group's major subsidiaries on a rotation basis since the financial year ended 31 December 2017. For the Year, the internal control review performed by Zhong Hui Anda Risk covered major activities and material controls including operational, financial and compliance of the Group's business units and no material deficiencies were discovered. The Board has reviewed and considered the Company's risk management and internal control systems were effective and adequate during the Year.

The Group has formulated the whistleblowing policy for employees to raise concerns, in confidence, about possible improprieties in operation, financial reporting or other matters. Such arrangement will be reviewed by the Audit Committee/ Risk Management Committee which ensures that proper arrangement is in place for fair and independent investigation of the matters.

The Group also issued prevention of bribery and corruption policy to ensure employees are aware of anti-corruption laws and regulations and regulatory obligations.

Shareholder's Rights

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an Extraordinary General Meeting ("EGM").

— Right to convene Extraordinary General Meeting

Any two or more members or any one member of the Company which is a recognised clearing house (or its nominee(s)) holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, shall at all times have the right, by written requisition sent to the Company's principal office as set out in the manner below, to require an EGM to be called by the Board for the transaction of any business specified in such requisition.

The written requisition must state the purposes of the meeting, signed by the requisitionist(s) and deposit it to the Board or the Company Secretary of the Company at the Company's principal place of business at Unit Nos. 4202-05, 42/F, Cosco Tower, 183 Queen's Road Central, Hong Kong.

The request will be verified with the Company's branch share registrar in Hong Kong and upon their confirmation that the request is proper and in order, the Company Secretary of the Company will ask the Board to convene an EGM by serving sufficient notice in accordance with the statutory requirements to all registered members. On the contrary, if the request has been verified in not in order, the shareholders will be advised of this outcome and accordingly, an EGM will not be convened as requested. If within twenty-one days from the date of the deposit of the requisition the Board fails to proceed to convene such meeting to be held with a further 21 days, the requisitionist(s), may convene a meeting in the same manner within three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed by the Company to the requisitionist(s).

The Notice period to be given to all registered members for consideration of the proposal raised by the requisitionist(s) concerned at the EGM varies according to the nature of the proposal, as follows:

— At least 14 clear days' notice writing (and not less than 10 clear business days) if the proposal constitutes an ordinary resolution of the Company;

— At least 21 clear days' notice in writing (and not less than 10 clear business days) if the proposal constitutes a special resolution of the Company in EGM.

— Right to put enquiries to the Board

Shareholders have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong for the attention of the Company Secretary.

— Right to put forward proposals at general meetings

There are no provisions allowing shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law (2011 Revision). However, shareholders are requested to follow Article 79 of the Company's Articles of Association for including a resolution at an EGM. The requirements and procedures are set out above. Pursuant to Article 116 of the Company's Articles of Association, no person shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless during the period, which shall be at least seven days, commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the Company Secretary notice in writing by a member of the Company (not being the person to be proposed), entitled to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and notice in writing signed by the person to be proposed of his willingness to be elected. The written notice must state that person's biographical details as required by Rule 13.51(2) of the Listing Rules. The procedures for shareholders of the Company to propose a person for election as director is posted on the Company's website.

Investor Relations

The Company has established a range of communication channels between itself and its shareholders, investors and other stakeholders. These include the annual general meeting, the annual and interim reports, notices, announcements and circulars and the Company's website at www.geniusi.com.

The Company has established a Shareholder's communications policy and will review it on a regular basis to ensure its effectiveness.

Constitutional Documents

During the Year, there was no change in the Company's constitutional documents.

Dr. Ng Yu
Chairman and Executive Director

Hong Kong
31 October 2022

INTRODUCTION

International Genius Company (formerly known as Amber Hill Financial Holdings Limited) (the "Company") and its subsidiaries (collectively, the "Group") are principally engaged in, trading of party products, provision of securities brokerage and asset management services, provision of advisory services, provision of advancing services and trading of commodities.

The Environmental, Social and Governance Report (the "ESG Report") discloses the Group's performance and initiatives implemented regarding environmental, social and governance issues and relevant key performance indicators ("KPIs") between 1 July 2021 to 30 June 2022 (the "Reporting Period" or "Year 2022"). The last ESG report covered a 18-month period from 1 January 2020 to 30 June 2021 (the "Period 2021"). The ESG Report demonstrates to both internal and external stakeholders its efforts on sustainability developments. The report is prepared based on the information available and the best knowledge of the Board of Directors (the "Board").

The ESG Report has been prepared as far as practicable in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") as set out in Appendix 27 to the Rules Governing the Listing of Securities of the Stock Exchange. The reporting principles stated in the ESG Reporting Guide include:

- Materiality: Stakeholder engagement and materiality review were conducted to ensure material ESG issues identified remain relevant and material to our business operations and stakeholders.

- Quantitative: Quantitative KPI are disclosed and accompanied by narrative, explaining its purpose and giving comparative data where appropriate.

- Balance: To provide an unbiased picture of the Group's performance and avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.

- Consistency: Unless otherwise stated, the disclosures, KPI data and calculation methods remain consistent throughout the years to facilitate comparability over time.

Sustainability Mission and the Board Statement

The Group strives to operate and develop its business in a sustainable manner with the aims to reduce impact to the environment resulted from its businesses and create values to the community, its people and other stakeholders. With the above objective in mind, the Group established policies in various aspects including, but not limited to, environment, human resources, occupational health and safety and quality control, to govern the required operational standards and to ensure compliance with all relevant laws and regulations. The policies will be reviewed and updated on ongoing basis to cope with any changes in technology, law and regulation and politics.

ESG Governance

The Board takes the overall responsibility to assess the potential impacts of ESG issues. The Board regularly evaluate and identify the ESG related risks and opportunities and setting corresponding ESG strategy and objectives. The Group's business and functional departments also help for formulating relevant strategies in their respective areas and for the effectiveness of implementation in accordance with the sustainable development strategies and objectives suggested by the Board. Meetings are arranged regularly by the Board to evaluate the effectiveness of current policies and procedures and formulate appropriate solutions to improve the overall ESG performance.

Reporting Boundary

Same as the reporting scope of the previous report, this report focuses on operations of the Group in the Hong Kong headquarter ("Hong Kong Office") in relation to securities and commodities brokerage and asset management and advancing business. The securities products business was disposed and therefore not covered in the ESG report for the Reporting Period. Currently, the report does not cover all sites and operations of the Group. In the future, the Group will regularly review the reporting scope to ensure that investors and other stakeholders are provided with sufficient and reliable information.

Stakeholder Engagement

The Group values stakeholder engagement and firmly believes that building mutually trusting relationships not only helps stakeholders understand the Group's work and performance in promoting sustainability, but also allows the Group to understand stakeholders' opinions and needs so as to review its potential risks and business opportunities. The Group gets in touch with key stakeholders within and outside the organisation through various open, honest and clear communication channels.

Stakeholder Group	***Communication Channels***
Customers	• Corporate website • Customer assessment • Customer service hotline/email
Employees	• Performance appraisals • Internal emails • Trainings/Meetings
Suppliers	• Supplier assessment • Site visit
Government and regulatory authorities	• Announcement and other regulatory reports • Correspondences through emails and letters
Investors/Shareholders	• Annual/Extraordinary general meeting • Annual and interim reports, announcement • Corporate website
Community	• Industry events • Corporate social responsibility activities

Materiality Assessment

The Board takes the following approach to identify and review the material ESG issues to our business operations:

- Identification — Review the ESG Reporting Guide to identify a pool of potential material ESG issues for the Group's business operations.
- Prioritisation — Prioritise the identified ESG issues based on the concerns of our stakeholders conducted through discussions and communications with them.
- Validation — The Board reviews the materiality assessment result from our stakeholders and confirms the list of material ESG issues.
- Review — ESG issues identified are regularly reviewed for their materiality to the Group and formulate corresponding ESG strategies for improvement.

We updated the stakeholder-based materiality assessment during the Reporting Period to ensure that the lists of material ESG issues that identified by the Group are in line with the industry's development and expectation. The following table summarise the material ESG issues identified by the stakeholders.

Emissions	Employment	Anti-corruption
Use of Resources	Development and Training	Product Responsibility
Climate Change	Health and Safety	Supply Chain Management
Waste	Labour Standards	Community Investment
The Environment and Natural Resources	Response to COVID-19	

Opinion and Feedback

We value your opinion and feedback on our ESG report, and we would like to hear from you on how we could further improve our performance. Readers are welcome to share valuable views and opinion with the Group at contact@geniusi.com.

ENVIRONMENTAL

The Group attaches much value to environmental protection and sets its goal to create a sustainable living environment for the next generation. The Group identifies materials, processes, products and wastes that cause or may cause pollution, and implements measures to avoid, reduce or control pollution where technically and economically viable. In order to achieve this objective, the Group formulates and implements green guidelines to facilitate the more effective use of resources and reduce the environmental impact of our business operation. During the Reporting Period, the Group did not record any non-compliance with relevant laws and regulations that have a significant impact relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Emissions

Greenhouse gas and exhaust gas emission

The air pollutants directly emitted by the Group are mainly exhaust gas from vehicle and vessel engines. The Group believes that maintaining good conditions of vehicles and vessel are important to the efficient performance of works, workplace safety and environment protection. As such, the Group regularly carries out inspection, repair and maintenance work to maintain its vehicles and vessels in good condition.

As greenhouse gas emission is closely linked to climate change and global warming, enterprises around the world have introduced carbon reduction initiatives and goals. By minimising the use, recycling and fully utilising of resources to avoid depletion of resources, the Group strives to reduce carbon footprint to address climate change. Office electricity consumption is the major source of carbon emission of the Group's operation. Therefore, the Group promoted a range of energy saving initiatives at offices, including but not limited to, shifting to low-power light tubes and encouraging energy-saving practices. Moreover, in order to reduce carbon emission from business travel, the Group has set up the audio conference room and encouraged meeting on online platforms to reduce business travel.

Below sets out the KPIs for air emission and Greenhouse Gas ("GHG") emissions for the Reporting Period.

		Unit	Year 2022	Period 2021
Air Emission Data				
Nitrogen Oxides ("NOx") Emissions		kg	1,137.89	7,103.51
Sulphur Oxides ("SOx") Emissions		kg	8.46	41.48
Particulate matter ("PM") Emissions		kg	91.05	199.72
GHG Emission Data				
Scope 1 — Direct Emissions	*Note 1*	tonnes	94.95	198.53
Scope 2 — "Energy Indirect" Emissions	*Note 2*	tonnes	19.43	4.86
Scope 3 — Other Indirect Emissions	*Note 3*	tonnes	7.28	3.57
Total GHG emissions		tonnes	121.66	206.96
Intensity of GHG (tonnes of CO_2 equivalent/sq. ft.)			0.01	0.03

Notes:

1. Scope 1: Direct emission from mobile combustion sources that are owned by the Group.

2. Scope 2: Indirect emissions from the generation of purchased electricity consumed by the Group.

3. Scope 3: Other indirect emission from paper waste disposed at landfills, electricity used for processing fresh water and sewage by government departments and business travel by employees.

Decrease in Air Emission and GHG Emission (Scope 1)

The usage of vessel has been significantly reduced due to the local social quarantine measures for Novel Coronavirus ("COVID-19") imposed by the Hong Kong Special Administrative Region Government, which successfully reduced the air emission and GHG emission — Scope 1 during the Reporting Period. The Group targets to reduce the air and GHG emission continuously by setting policy and instruction for use of vehicles and vessel to improve utilisation efficiency.

Increase in GHG Emission (Scope 2)

Work-from-home policy was implemented by the Group for Hong Kong office in Period 2021 to alleviate the spread of COVID-19. The work-from-home policy was suspended in the Reporting Period due to mild of COVID-19 and office electricity consumption was back to normal.

Waste

No hazardous waste is generated during the Group's routine operations in the Hong Kong office whereas non-hazardous wastes generated mainly come from office wastes and other domestic wastes such as wastepaper. The generation of wastepaper from the business operation is not material and the Group has contacted recyclers to pick them up from time to time. Other general refuse was collected and handled by the property management company of the office building. Thus the evaluation of hazardous and non-hazardous data as well as description of reduction target set and steps taken to achieve them are not available and applicable to the Group.

The Group takes action to reduce waste by encouraging waste reduction, including but not limited to promote the use of recycled paper/double-sided printing practice and reuse of recycled envelops for internal documents. Besides, the Group are concentrating our attention and our resources toward alleviating the use of plastic products and other disposable products, as well as reusing festive decorations. The Group promotes internal and external communications using electronic means instead of printed version. In additions to waste reduction, the Group implements an office recycling scheme to guide employees to sort and recycle wastepaper, plastics, aluminum cans and old batteries.

Use of Resources

The Group is aware of the challenge that Hong Kong faces against climate change and understands that saving resources is one critical mean to reduce carbon footprint. The major direct energy consumption sources include use of lighting, air-conditioning and other office equipment. The Group makes great effort to improve and develop the way to build in a resource efficient manner.

Below sets out the KPIs for energy usage for the Reporting Period.

Energy Consumption	**Unit**	**Year 2022**	**Period 2021**
Electricity consumption	MWh	28.95	7.26
Energy intensity (MWh/sq. ft.)		> 0.01	> 0.01

The work-from-home policy was suspended due to mild of COVID-19 and office electricity consumption was back to normal in the Reporting Period. Going forward, we will continue to maintain the energy intensity target as minimal. The Group targets to reduce the usage of electricity by implementing several resource saving initiatives in the daily operation as below:

- Employ energy-efficient electric appliance and office equipment
- Maintain air-conditioning at room temperature between 22 degrees Celsius and 25 degrees Celsius
- Switch off lights, air-conditioners and computers when they are not in use

The Group was unable to disclose water consumption data since the operation of our Group do not involve material consumption of water and the usage of water in our office was recorded by property management company of the office building. The Group did not encounter any issue in sourcing water for our operation. Nevertheless, the Group regularly investigates water leakage and employs water-saving measurements so as to avoid unnecessary water consumption. The Group also creates an awareness of the need for water conservation among employees by promoting easy-to-learn daily behaviours and enhancing internal communication.

The Group does not consume packaging materials for our operations in Hong Kong. Therefore, the data on total amount of packaging materials does not applicable to the Group.

The Environment and Natural Resources

In view of our plan to support the green environment, the Group will prudently consider the establishment of an environmental impact assessment mechanism for investment projects and explore the feasibility of developing green financial services. With the integration of policies and measures to reduce emissions and resources consumption, the Group strives to reduce the negative impacts on the environment and natural resources. The Group will also keep a close eye on any updates of relevant laws and regulations related to environment and natural resources.

The Group raises staff awareness on environmental issues at work and in life through education and training and enlists employees' support in improving the Group's performance. The Group supports community activities in relation to environmental protection and sustainability. The Group also evaluates regularly and monitors the past and present business activities impacting health, safety and environmental matters.

Climate Change

Global warming has been one of the utmost concerned issues in recent years. The Group has assessed and evaluated the potential climate physical and transitional risks to understand the climate risks that we may face and the effects on the Group's business.

Risks	**Description**	**Response strategies**
Physical risks		
Acute risk	Increased severity of extreme weather conditions such as flooding and storms may have adverse impacts on the operational activities.	The Group has established disasters emergency plan for work arrangements of extreme weather conditions such as black rainstorm warning, flooding and typhoon signal No. 8.
Chronic risk	Sustained high temperature may result in an elevation of electricity consumption.	The Group has adopted energy conservation measures in managing such risk, which are detailed in the sub-section of "Use of Resources"
Transition risks		
Policy and legal risks	Change in environmental-related regulations or reporting obligations may increase the Group's operating costs.	The Group keeps track of the updates of the reporting obligation and environmental-related policies/regulations.
Market risks	The customers appetite for environmental protection and change in customer preferences.	The Group continues to monitor the market environment to ensure that our services meet customers preference.

It is expected that potential extreme weather condition, sustained high temperature, change in environmental-related regulations do not have a material impact on the Group's operations. However, we will continue to monitor the climate-related risks and implement relevant measures to minimise the potential impact of climate change.

SOCIAL

Employment

People are our most significant assets. A sound employment system is the foundation of talent acquisition and retention. The Group stipulates staff handbook and employment policies relating to compensation, recruitment, promotion, dismissal, working hours, rest periods, equal opportunity, anti-discrimination and other benefits and welfares.

Recruitment

The Group adopts fair and merit-based practices in recruitment activities by assessing applicants based on their relevant skills, experience and qualifications. The Group supports workforce diversity and encourages individuals with different age, race, gender and religion to join the Group.

Retention

The Group offers fair and competitive salary and welfare to employees. Apart from statutory and public holidays, the Group provides employees with different paid leaves, such as annual leave, maternity leave, marriage leave and examination leave. The staff handbook stipulates that employees promotion are determined by factors such as capabilities, knowledge at work and actual work performance. Employees should not be treated differently on the basis of gender, marital status, pregnancy or disability. Besides, the Group supports work-life balance by implementing regular working hours and emphasises that overtime hours should be kept to a minimum.

Dismissal

The Group do not tolerate unfair or wrongful dismissal of employees under any circumstances. Employees are only terminated on the grounds of serious violations to Company's Code of Conduct, criminal wrongdoings or misconduct that harm the Group, customers, other employees.

The Group strictly complies with the policies and guidelines in the employment laws. Besides, the Group prohibits sexual discrimination in the workplace such as sexual harassment. Employees can lodge complaints of the relevant cases through the administrative and human resources department to protect their legal rights from violation. During the Reporting Period, the Group has not identified any non-compliance with relevant laws and regulations that have a significant impact relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

As at 30 June 2022, the Hong Kong office of the Group has employed 23 (30 June 2021: 28) full-time employees and turnover rate of the Reporting Period was 73.9% (Period 2021: 28.6%). The decrease in the number of employees and increase in employees turnover rate was mainly due to disposals of certain subsidiaries and tighten cost control implemented during the Reporting Period. The following table set out breakdowns of these employees by gender, employment type and age group. Breakdowns of workforce and employee turnover by geographical region are not presented as the report focuses on operations of the Group in Hong Kong office.

	Unit	Year 2022	Period 2021
TOTAL WORKFORCE	No. of employees	23	28
Workforce by gender			
Female	No. of employees	11	11
Male	No. of employees	12	17
Workforce by age group			
30 or below	No. of employees	4	5
31–50	No. of employees	13	21
51 or above	No. of employees	6	2
Workforce by employment type			
Senior management	No. of employees	3	9
Middle management	No. of employees	8	8
Entry level	No. of employees	12	11
EMPLOYEE TURNOVER			
Employee turnover rate by gender			
Female	%	54.5	27.3
Male	%	91.7	29.4
Employee turnover rate by age group			
30 or below	%	100.0	20.0
31–50	%	84.6	23.8
51 or above	%	16.7	100.0

Note: The employee turnover rates are calculated using number of employees leaving employment during the year and divided by total number of employees at the year end. Comparative figures have been revised to comfort with current year presentation.

Health and Safety

The Group cares about employee health and safety and strives to create a safe workplace. To create a safe and friendly working environment, the Group regulates measures to prevent occupational diseases or accidents through the staff handbook and provides regular safety instructions to employees. The Group also implemented the "Guide to Prevent Occupational Disease and Accidents", which regulates preventive measures for occupational disease and accidents. This is to reduce the possibility of injury and occupational diseases of staff, such as upper limb pain, eyestrain and physical fatigue caused by prolonged use of computers.

Work-related accidents handling procedures	Specify procedures to handle minor accident and severe injury, including the location of the first-aid kit Carry out thorough investigation plan for any unfortunate event of work injuries
Guide to prevent occupational disease	Remind employees of safety practices regarding lifting heavy goods, using computer equipment and operating other office equipment
Fire guidelines	Establish an emergency contingency plan Hold emergency drills regularly to ensure employees are familiar with evacuation routes
Bad weather arrangement	Specify work arrangements when typhoon and heavy rain warnings are hoisted

The Group abides by the relevant laws and regulations such as the Occupational Safety and Health Ordinance. During the Reporting Period, there were no cases of non-compliance with relevant laws and regulations that have a significant impact relating to providing a safe working environment and protecting employees from occupational hazards.

In addition, the Group has purchased employees' compensation insurance and medical insurance for our employees in order to offer protection against treatment of work-related injury and diseases. Staff has been notified to report any potential or suspected occupational health and safety-related issues to the human resources department. Due to the nature of its business, the Group's office operation mainly involves desk work, and no position was found to be associated with high safety risks. Below sets out work-related fatalities and lost days due to work injury during the past three years.

		Year 2022	**Period 2021**	**Year 2019**
Work-related fatalities	Number	–	–	–
Lost days due to work injury	day(s)	1	–	–

Our response to COVID-19

COVID-19 continues to put lives and livelihoods at risk around the world. As a caring employer who always puts our staff's health as a top priority, we have adopted different control measures and flexible work arrangements to ensure employees' health is safeguarded. Our measures to combat COVID-19 include:

- Providing protective and disinfection products such as face masks, alcohol-based hand sanitisers, and cleansers in our office
- Requiring employees to check body temperature/rapid antigen test before reporting for duty and wear a mask in our office
- Monitoring employees' health status and report of confirmed case for any close relatives
- Regular cleaning of common area
- Enhance usage of video conferencing system to minimise physical face-to-face meetings

Development and Training

The Group values employee training and development opportunities and encourages employees in different roles to continuously strengthen their knowledge and skills required in career development so that their potential can be developed.

Our staff handbook stipulates the management approach to employee development and training. All new employees have to attend the induction session to learn about the company structure and objectives, employee duties and industry regulations, etc. In addition, the Group provides employees with regular training on licensing requirements of the Securities & Futures Commission ("SFC") of Hong Kong. For compliance with the continuous professional training ("CPT") requirements for employees carrying on regulated activities set out by the SFC, the Group is committed to evaluate its training programs annually to cater for the training needs of the relevant employees.

The Group arranges annual performance appraisal for employees to facilitate communication between employees and their head of department. All employees have participated in the performance appraisal. The Group also conducts regular reviews on its training strategies to enable its talents to develop themselves to their fullest potential. During the Reporting Period, the Group has offered 118 (Period 2021: 127) hours of training to the employees.

DEVELOPMENT AND TRAINING	Year 2022	Period 2021
Total number of hours of training received by employees	118	127
Average training hours per employee	5.1	4.5

The following table set out breakdowns of training for our employees by employment category and gender.

DEVELOPMENT AND TRAINING		Year 2022	Period 2021
Total workforce trained	% of employees	100.0	46.4
Employees trained by employment category			
Senior management	% of employees	26.1	25.0
Middle management	% of employees	47.8	17.8
Entry level	% of employees	26.1	3.6
Employees trained by gender			
Female	% of employees	39.1	10.7
Male	% of employees	60.9	35.7
Average training hours per employees by employee category			
Senior management	hours/employees	12.9	7.1
Middle management	hours/employees	3.0	6.9
Entry level	hours/employees	1.2	0.7
Average training hours per employees by gender			
Female	hours/employees	4.9	3.7
Male	hours/employees	5.2	5.1

Note: The percentage of employees trained is calculated using number of trained employees divided by number of employees at the end of reporting period. Comparative figures have been revised to comfort with current year presentation.

Average training hours per employee are calculated using total training hours divided by number of employees trained for the year.

Labour Standards

The Group respects employees' rights and stipulates the prohibition of child labour or forced labour. The human resources department should verify the identity documents and age of applicants during the process of recruitment to prevent hiring any underage individuals. The Group also maintained a whistleblowing system to report any irregularities. In the event that any irregularities in ages, identities and/or validities of employment status is subsequently found, employment with all such concerned candidates will be immediately terminated, and the Group will report such incident to the relevant authorities as soon as possible. The Group would also investigate the causes of improper events and discipline against the wrongdoer.

During the Reporting Period, the Group has not identified any non-compliance with relevant laws and regulations that have a significant impact relating to preventing child and forces labour.

Supply Chain Management

We continuously evaluate the Group's suppliers in respect to products supplied, service quality and reliability. In addition to the quality of product or service, the Group also pays attention to the environmental and social performance of suppliers as supply chain management is playing an important role in the development of business. The Group is committed to take environmental and social risks into consideration in the supply chain management as below.

Environmental	• Abide by all the environmental laws and regulations applicable to locations where it operates; • Prevention and treatment of pollution; • Ensure the hazardous chemical substances, volatile organic compounds and wastewater are properly handled; and • Recycle resources that can be reused wherever possible
Social	• Prohibit any form of child labour and forced labour; • Promote health and safety working environment; • Maintain reasonable working hours; • Respect intellectual property rights including copyrights, patents and trademarks; and • Prevent any acts of corruption, bribery and extortion

The Group has stringent controls over vendors selection and evaluation processes. When choosing suppliers, the Group requires its supply chain partners to uphold principles of ethical business conduct and supervises their modes of operation so as to reduce their impact to the society. Suppliers with certain qualifications will be given preference. The Group performs annual evaluation of the supplier's performance regarding safety, validity, quality and traceability of product. Those vendors will be replaced if their performance and quality are below the agreed standard and no improvements have been made. The Group will terminate business relationship in the case of the suppliers overlook the environmental and social consideration.

The Group is not a manufacturing enterprise and its operation does not involve bulk procurement. With an objective to minimise the carbon emission, suppliers engaged by the Group are local suppliers.

Product Responsibility

The Group is committed to maintain quality of its regulated activities by compliance with such prevailing guidelines and codes issued by the regulatory authorities. To ensure the legal and regulatory compliance measures, the Group has formulated internal policies such as customers complaint handling procedure, compliance manual and staff handbook, to improve the services responsibility management of the Group.

The Group emphasises the provision of clear and accurate guidelines for customers to help them understand the characteristics and risks of the Group's products or services. All promotional materials must be accurate, free from error and easy to understand. Provision of suitable financial products would base on clients' needs and affordability. The Group is actively formulating the relevant advertising policies to regulate affairs related to product/service responsibility. For protection of interest of clients, the investment advisors shall ensure client have basic knowledge of the characteristics and relevant risk level when recommending the investment products.

The Group has established a customer complaint handling mechanism. When customer complaints are received, the employees should record the content of the complaint and report to management for further processing. Management will handle all queries and complaints on timely manner. Upon completion of complaint handling, the relevant employees should give the customer a reply of the complaint. Relevant training/other preventive measurement will be implemented to avoid the same mistake in future. Engagement of regulated activities is not subject to any recall for safety and health reasons, and the Group has not received any service related complaints in the Group's business during the Reporting Period.

The Group is committed to protecting intellectual property rights and not to infringe any third-party interests. The Group protects intellectual property rights by ensuring licensed software is used for our business operations. Anti-virus software and firewall are installed on all networked servers and constantly updated to prevent virus attack and external hacking.

The Group attaches great significance to information security and personal data protection by maintaining policies and guidelines in place which were designed to protect customer data and privacy. The Group's compliance manual stipulates that appropriate preventive measures should be adopted to protect customers' personal information from being disclosed to any third-party organisations or individuals. All personal data is protected by passwords or stored in a safe location which is only accessible by authorised persons. The staff handbook also lists the specific requirements for employees on protecting client confidentiality and regulates the confidentiality management. Also, all client communication content should be kept at confidential and the Group prohibits the staff to transmit or disclose any personal data of the customers. The Group also prohibits the use of any personal information of clients by other parties for direct marketing purposes, without the explicit and implicit consent of the client. Collection of personal information is used for said purposes only.

During the Reporting Period, the Group was not aware of any case of non-compliance with relevant laws and regulations that have a significant impact relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and method of redress.

Anti-corruptions

The Group requests all staff to maintain a high-level ethical practice. The Group issued Prevention of Bribery and Corruption policy to remind all employees that no one may solicit or accept, without the prior and specific approval of the top management, for his/her personal benefit and advantage, in money or in kind, from any customers, guests, brokers, vendors, suppliers, dealers, or person having business relation with the Group. To ensure the staff is aware of the regulatory obligations and the possible consequences of breaching the obligations, the Group provides regular training to our staff with reference to anti-corruption. The Group also send internal notice in daily communication to ensure the staff is fully aware with the compliance of law and regulations. Depending on the nature of corruption incidents, the Group may adopt actions such as carrying out internal investigation and transferring the incidents to external agency or law enforcement agencies.

The Group has formulated the whistleblowing policy and the staff handbook to regulate employee and corporate behaviour and to ensure the Group's operation is free of any form of corruption, bribery, extortion, fraud and money laundering. The Group has set up channels such as designated letter box and mailbox to allow employees and other relevant personnel to report cases of corruption. The Group promises that whistleblowers will not be dismissed or mistreated due to the reporting and their personal data will be treated with confidentiality. Investigation work for whistleblowing reports will be handled with strict confidentiality under any circumstances to preserve anonymity. The Group ensures that no one suffers any detrimental treatment as a result of refusing to accept or offer a bribe or other corrupt activities or because they reported a concern relating to potential act(s) of bribery or corruption.

During the Reporting Period, no legal cases regarding corrupt practices brought against the issuer or its employees and the Group was not aware of any case of non-compliance with relevant laws and regulations that have a significant impact relating to bribery, extortion, fraud and money laundering.

Community Investment

The Group participates in social charity and takes the initiatives to reward the society by providing career opportunities for local residents, and participating in social charity activities. The Group values community and social responsibility by encouraging the staff to participate in the volunteer services at leisure times. In response to the COVID-19 outbreak, the Group safeguarded the health of our employees by providing epidemic care packs including rapid antigen test, alcohol-based hand sanitisers, masks, wet wipes and cleansers to prevent the spread of the virus to the community. During the Reporting Period, the Group has sponsored HK$500,000 for exhibitions organised in schools and communities to spread the traditional Chinese culture and build up the sense of national identity. The Group will devote more resources to volunteering activities in the future and seek for opportunities to support any charitable organisations from time to time where appropriate.

ESG REPORT INDEX

ENVIRONMENTAL		**Section Reference**
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	• Emissions • Use of Resources • The Environment and Natural Resources
KPI A1.1	The types of emissions and respective emissions data.	• Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	• Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	• Waste
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	• Waste
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	• Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	• Waste

ENVIRONMENTAL		**Section Reference**
Aspect A2: Use of Resources		
General Disclosure	Information on: Policies on the efficient use of resources, including energy, water and other raw materials.	• Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	• Use of Resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	• Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	• Use of Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	• Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	• Use of Resources
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	• The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	• Emissions • Use of Resources • The Environment and Natural Resources
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	• The Environment and Natural Resources
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	• Climate Change

SOCIAL		Section Reference
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	• Employment
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	• Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	• Employment
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	• Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	• Health and Safety
KPI B2.2	Lost days due to work injury.	• Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	• Health and Safety

SOCIAL		**Section Reference**
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. *Note:* Training refers to vocational training. It may include internal and external courses paid by the employer.	• Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	• Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	• Development and Training
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forces labour.	• Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	• Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	• Labour Standards

SOCIAL		Section Reference
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	• Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	• Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	• Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	• Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	• Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	• Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	• Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	• Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	• Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	• Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	• Product Responsibility

SOCIAL		Section Reference
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	• Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	• Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	• Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	• Anti-corruption
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	• Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	• Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	• Community Investment

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Dr. Ng Yu *("Dr. Ng")*, aged 32, is the Chairman of the Board and an executive Director. He is also the Chairman of the Board of Amber Hill Group and the founder and Chairman of Smile Charity Foundation. He has broad business connection in Hong Kong, Mainland China, Europe and America and has extensive experience in financial innovation, internet technology, assets and wealth management.

Dr. Ng was graduated from King's College in Hong Kong and later studied in the United States. He obtained an advanced technology leadership professional certificate from the Massachusetts Institute of Technology and a family wealth inheritance program certificate from the Harvard Law School. Dr. Ng was awarded of Doctor of Business Administration (Honoris Causa) from Westcliff University in March 2021. Dr. Ng is appointed as the adjunct associate professor and advisor to Dean of the Business School of the Hong Kong Polytechnic University.

The Amber Hill private group, under the management of Dr. Ng, is principally engaged in various licensed regulated activities, including financial services such as life insurance, asset management, wealth management, family trusts, securities trading and futures trading.

Founded by Dr. Ng, the Smile Charity Foundation is dedicated to solving the problems of survival and learning of poor children in Greater China by donating daily necessities, school supplies, scholarships and school buses and providing funds to build and repair school buildings, etc. in different regions of Greater China.

Dr. Ng was the executive Director of Target Insurance (Holdings) Limited (stock code: 6161) from December 2020 to May 2022.

Mr. Lin Feng *("Mr. Lin")*, aged 34, was appointed as an executive Director on 10 January 2020. Mr. Lin has extensive experience in corporate finance, franchising and scale development. Mr. Lin founded MyCharm, a franchised retail brand in 2011 and Guangzhou Baikong Biotechnology Limited in 2015, focusing on research vector control technology. His innovative research achievement and intellectual property rights have contributed to the development of biotechnology market in Mainland China. In the same year, Mr. Lin established Shenzhen Qianhai Water & Wood Fund Management Limited, principally engaged in the algorithmic trading & private equity, and introduced one of the five most significant overseas hedge funds into China market. He was the executive Director of Target Insurance (Holdings) Limited (Stock Code: 6161) from December 2020 to May 2022. Mr. Lin obtained a bachelor's degree in 2012 and currently pursuing further doctorate studies at Southern Medical University, China.

Non-executive Directors

Mr. Dai Chengyan *("Mr. Dai")*, aged 53, was appointed as a Non-executive Director on 25 August 2021. Mr. Dai was the general manager of the wealth management department of China Resources SZITIC Trust Co., Ltd. from May 2016 to July 2020. He was the deputy general manager of the investment banking department of China Resources Bank from July 2015 to May 2016. From January 2010 to July 2015, Mr. Dai was the general manager of the investment banking and finance department of the China Merchants Bank Guangzhou Branch. Mr. Dai was the executive Director of Target Insurance (Holdings) Limited (stock code: 6161) from December 2020 to May 2022. Mr. Dai obtained a Master degree in Business Administration in Maastricht School of Management Maastricht, the Netherlands.

Mr. Cheung Bonathan Wai Ka *("Mr. Cheung")*, aged 30, has been appointed as a Non-executive Director with effect from 20 June 2022. Mr. Cheung has 8 years of experience in working in securities brokerage companies. Mr. Cheung has served as a licensed person for dealing in securities (Type 1 regulated activity), advising on corporate finance (Type 6 regulated activity) and asset management (Type 9 regulated activity) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") of various registered institutions. Mr. Cheung was a representative of each of (i) VC Brokerage Limited, which is licensed to carry out Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) regulated activities under the SFO, from August 2020 to June 2022; (ii) VC Capital Limited, which is licensed to carry out Type 6 (Advising on corporate finance) regulated activity under the SFO, from September 2017 to June 2022; and (iii) VC Asset Management Limited, which is licensed to carry out Type 9 (asset management) regulated activity under the SFO, from August 2018 to June 2022. Mr. Cheung is currently an Independent Non-executive Director of China Silver Technology Holdings Limited, a company listed on Main Board of the Stock Exchange (stock code: 515), since 2016. Mr. Cheung holds the Bachelor of Arts degree in Economics of the University of Waterloo.

For community services, Mr. Cheung is the Chief Advisor of The Honorary Consulates for Fiji of Hong Kong since 2021. Mr. Cheung is also the Honorary Vice President of Hong Kong Industrial & Commercial Association Limited (Tuen Mun Branch) since 2019.

Independent Non-executive Directors

Mr. Wang Jun Sheng *("Mr. Wang")*, aged 61, was appointed as an Independent Non-executive Director on 16 October 2018. Mr. Wang has more than twenty years of experience in equity investment, asset management and banking industry. Mr. Wang is currently a researcher of China Economic and Technological Research Consulting Company Limited. He served as an independent non-executive director of two companies listed on the Shenzhen Stock Exchange, namely Shenzhen Nanshan Power Co. Ltd (Stock code: 000037 & 2000037) and China Merchants Shekou Industrial Zone Holdings Co., Ltd (stock code: 001979). Mr. Wang was the independent non-executive Director of Target Insurance (Holdings) Limited (stock code: 6161) from December 2020 to May 2022. Save as disclosed above, Mr. Wang does not on the date hereof hold, and has not in the last three years held, any directorship in other public listed companies in Hong Kong or overseas. Mr. Wang received a Ph.D. from Huazhong University of Science & Technology.

Mr. Lo Hang Fong *("Mr. Lo'')*, aged 59, was appointed as an Independent Non-executive Director on 19 March 2020. He is currently a partner of a law firm, Stevenson, Wong & Co. Mr. Lo has been admitted as a solicitor to the High Court of Hong Kong since 1989. He was also admitted as a solicitor to the Supreme Court of Singapore in 1995 and the Supreme Court of England and Wales in 1996. From 2004 to 2020, Mr. Lo was an independent non-executive director of Bonjour Holdings Limited (Stock Code: 653), a company listed on the Main Board of the Stock Exchange. Save as disclosed above, Mr. Lo does not on the date hereof hold, and has not in the last three years held, any directorship in other public listed companies in Hong Kong or overseas. He was graduated from the University of Bristol with a bachelor of law degree in 1986.

Mr. Yip Tze Wai Albert *("Mr. Yip")*, aged 57, has been appointed as an Independent Non-executive Director of the Company with effect from 17 May 2022. Mr. Yip is the Chairman of Syndicate Capital (Asia) Limited and has over 30 years of banking and financial experience leading strategic planning, corporate finance, internal audit, operations, risks management, compliance and regulatory functions in multi-national corporations. During the past three decades, Mr. Yip was appointed as Chief Executive Officer, Chief Financial Officer, Chief Audit Executive and other senior executive positions across Asia Pacific and the United States by Fortune 500 leaders in the banking and financial sectors. Mr. Yip was the former Senior Vice President and Asia Pacific Regional Head of Corporate Audit at State Street Corporation. Mr. Yip was also the former Asia Head of Audit Services at Manulife Financial. He served other senior management roles in BOA, State Street Bank and Westpac Bank.

Mr. Yip holds the Master of Science Degree in Information System and Bachelor of Arts (Honorary Degree) in Accountancy. Mr. Yip also earned designations of Fellow Certified Practicing Accountant (FCPA) of CPA Australia, and Forensic Certified Public Accountant (Forensic CPA) of Forensic CPA Society. Among his public duties in professional bodies, he currently serves as the Chairman of WealthTech Committee and Convenor of Investment Committee at Institute of Financial Technologists of Asia (IFTA), promoting the development and investment in fintech. Mr. Yip was the former Governor and Chairman of Professional Development Committee of the Institute of Internal Auditors Hong Kong Chapter and the former Chairman of the Financial Services Committee of CPA Australia, Greater China Division.

For community services, Mr. Yip is the honoree in Asia to receive the WACE Award from Advancing Cooperative & Work-Integrated Education for his achievement and contribution to university students' career developments globally. Mr. Yip also received the Honorary Doctorate of Business Administration (Hon. DBA) designation due to his significant contribution to ESG initiatives on a worldwide basis.

SENIOR MANAGEMENT AND COMPANY SECRETARY

Mr. Cheung Ka Fai ***("Mr. Cheung")*** has been appointed as the chief financial officer and the joint company secretary of the Company effective from 1 November 2021. Mr. Cheung has over 23 years of experience in auditing, accounting and finance. Mr. Cheung is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants. He obtained his Bachelor's degree in accountancy from the Hong Kong Polytechnic University in 1997 and a Master's degree in business administration from the University of Bradford in 2008. Prior to joining the Company, Mr. Cheung worked as an auditor in Deloitte Touche Tohmatsu, served as the financial controller of two companies listed on the GEM of the Stock Exchange and served as the company secretary of a company listed on the GEM of the Stock Exchange. Mr. Cheung was the chief financial officer and company secretary from June 2008 to July 2012 and an executive Director from October 2009 to July 2012 of Huscoke Holdings Limited (stock code: 704), a company listed on the Main Board of the Stock Exchange. He has been serving as the chief financial officer from August 2012 to May 2020, and was transferred to chief executive officer from May 2020 to July 2020 of Bonjour Holdings Limited (stock code: 653), a company listed on the Main Board of the Stock Exchange. He is currently an Independent Non-executive Director of Zall Smart Commerce Group Limited (stock code: 2098), a company listed on the Main Board of the Stock Exchange.

Ms. Leong Kai Weng Subrina ***("Ms. Leong")*** was appointed as the company secretary of the Company with effect from 7 October 2021. Ms. Leong has over 10 years of experience in the fields of financial reporting, corporate finance, company secretarial and auditing. Ms. Leong is a member of Hong Kong Institute of Certified Public Accountants and an associate member of The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute. Ms. Leong obtained her Bachelor's degree in Business Administration in Professional Accountancy from The Chinese University of Hong Kong in 2009 and a Master's degree in Corporate Governance from The Hong Kong Polytechnic University in 2017. Prior to joining the Company, Ms. Leong served as financial controller or finance manager of various companies listed on the Stock Exchange from 2013 to 2020 and worked at PricewaterhouseCoopers from 2009 to 2013. Ms. Leong is currently the company secretary of Kelfred Holdings Limited (stock code: 1134) and Target Insurance (Holdings) Limited (stock code: 6161).

The directors present their annual report and audited consolidated financial statements for the year ended 30 June 2022.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its principal subsidiaries are set forth in note 1 to the consolidated financial statements. The discussion and analysis as required by schedule 5 to the Hong Kong Companies Ordinance are set out in the Management Discussion and Analysis in this annual report. The aforesaid discussion forms part of the report of the directors.

RESULTS AND DIVIDEND

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income in this annual report.

The Directors do not recommend the payment of any dividends for the Year.

BUSINESS REVIEW

The business review of the Group for Year is set out in Management Discussion and Analysis in this annual report.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 30 June 2022 are set out in note 29 to the consolidated financial statements.

DONATION

Donation was made by the Group amounted to HK$500,000 during the Year (Corresponding Period: Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in note 13 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in note 27 to the consolidated financial statements.

For issue of new shares under General Mandate, please refer to "Capital Structure and Fund Raising Activities" under Management Discussion and Analysis section.

COMMITMENTS

Details of commitments of the Group are set out in note 38 to the consolidated financial statements.

EVENTS AFTER THE REPORTING PERIOD

Details of the Group's events after the reporting period are set out in note 42 to the consolidated financial statements.

CONVERTIBLE BONDS

Details of the convertible bonds of the Company and its movements during the Year are set out in note 35 to the consolidated financial statements.

DIRECTORS

Executive Directors

Ng Yu *(Chairman)*
Lin Feng
Wei Weicheng *(Resigned on 25 August 2021)*

Non-executive Directors

Dai Chengyan *(Appointed on 25 August 2021)*
Cheung Bonathan Wai Ka *(Appointed on 20 June 2022)*
Huang Shao Long *(Resigned on 25 August 2021)*

Independent Non-executive Directors

Lo Hang Fong
Wang Jun Sheng
Yip Tze Wai Albert *(Appointed on 17 May 2022)*
Anthony Espina *(Passed away and ceased to be Director with effect from 6 February 2022)*

Pursuant to Article 114 of the Articles, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.

Pursuant to Article 115 of the Articles, the Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election.

None of the Directors offering themselves for re-election at the forthcoming Annual General Meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

The Company has sent out annual confirmation of independence to all directors who were on board at an time being the Year and up to the date of this report. The Company has received an annual confirmation of independence from each of the current Independent Non-executive Directors pursuant to Listing Rule 3.13 and considers that these current the Independent Non-executive Directors to be independent.

Each of the Independent Non-Executive Directors was appointed for a fixed term and is subject to retirement by rotation at the Annual General Meeting.

None of the Executive Directors has any service contract with any member of the Group.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND THE ASSOCIATED CORPORATIONS

As at 30 June 2022, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or 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 the Appendix 10 of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") Listing Rules, were as follows:

Name	Nature of Interests	Number of shares	Class of Share	Percentage to the issued share capital of the Company
Ng Yu	Beneficial Owner	244,800 (long position)	Ordinary shares	0.05%
	Interest in controlled corporation	390,821,084	Ordinary shares	72.74%

Save as disclosed above, as at 30 June 2022, as far as the Directors are aware, none of the Directors had any other interests, long positions or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code. As at 30 June 2022, the Company had no Chief Executive Officer.

SUBSTANTIAL SHAREHOLDER'S INTERESTS

Based on information available to the Board and to the best knowledge of the Board, as at 30 June 2022, other than the interests of the Directors and Chief Executive Officer as disclosed above, the following persons had interests in the shares or underlying shares of the Company 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. The number of shares in the issued share capital of the Company as at 30 June 2022 was 537,245,104.

Name	Nature of Interests	Number of shares	Percentage to the issued share capital of the Company
Neo Tech *(Note)*	Beneficial Owner	390,821,084 (long position)	72.74%

Note: Neo Tech is a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Dr. Ng. Dr. Ng is therefore deemed to be interested in the Shares held by Neo Tech Inc. in accordance with the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Based on information available to the Board and to the best knowledge of the Board, at no time during the Year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACTS OF SIGNIFICANCE

Based on information available to the Board and to the best knowledge of the Board, save as disclosed in the section headed "Connected Transaction", there was no transaction, arrangement or contract of significance to which the Company, its holding company, any of its subsidiaries or any of its fellow subsidiaries was a party in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

DIRECTORS' INTEREST IN COMPETING BUSINESS

Based on information available to the Board and to the best knowledge of the Board, none of the Directors or their respective associates had an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group during the Year.

CONTROLLING SHAREHOLDER'S INTEREST IN CONTRACTS

Based on information available to the Board and to the best knowledge of the Board, save as disclosed in the section headed "Connected Transaction", no contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which the Group's controlling shareholder had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Year.

CONNECTED TRANSACTION

On 19 November 2021, the Company entered into a revolving loan agreement (the "Loan Agreement") with Neo Tech. Neo Tech is the immediate controlling shareholder of the Company and is wholly and beneficially owned by Dr. Ng Yu, the Chairman and an executive Director of the Company. Pursuant to the Loan Agreement, Neo Tech agreed to provide a revolving loan up to the principal amount of US$200,000,000 (which is equivalent to approximately HK$1,560,000,000) (the "Shareholder's Loan") to the Company for a term of 12 months effective from the date of the Loan Agreement. The Shareholder's Loan is unsecured, interest free and repayable on demand. The Company has drawn down a total of approximately US$161,000,000 (which is equivalent to approximately HK$1,255,800,000) of the Shareholder's Loan, and has fully repaid it during the Year.

As at the effective date of the Loan Agreement, Neo Tech is the immediate controlling shareholder and holds approximately 72.74% of the shareholding of the Company, and hence is a connected person of the Company pursuant to the Listing Rules. As such, the Loan constituted a connected transaction for the Company under Chapter 14A of the Listing Rules. According to Rule 14A.90 of the Listing Rule, such financial assistance received by the Group is fully exempt from the reporting, announcement and independent Shareholder's approval requirements under Chapter 14A of the Listing Rules as the Board considers that it is conducted on normal commercial terms or better and it is not secured by the assets of the Group.

EMPLOYEES AND REMUNERATION POLICIES

The remuneration policy of the senior management of the Group is set up by the remuneration committee of the Company (the "Remuneration Committee") on the basis of the merits, qualifications and competence of employees. The emoluments of the Directors are decided by the Remuneration Committee with regard to the Group's operating results, individual performance and comparable market statistics. Based on information available to the Board and to the best knowledge of the Board, none of the Directors or any of their associates, and executives is involved in deciding his own remuneration during the Year. As at 30 June 2022, the Group had 42 employees (30 June 2021: 32 employees). The Group remunerates its employees based on their individual performance, job nature and responsibilities. Moreover, the Group provides its employees with training and various benefits including medical care, provident funds, bonuses and other incentives.

PERMITTED INDEMNITY PROVISION

The Company has arranged appropriate liability insurance for the Directors and senior management of the Group to indemnify their liabilities arising out of corporate activities.

The insurance coverage is reviewed on an annual basis.

Throughout the Year, no claim had been made against the Directors and the officers of the Company.

SHARE OPTION SCHEME

Details of the share option scheme adopted by the Company on 26 June 2017 (the "Adoption Date") and movements of the share options during the Year are set out in note 28 to the consolidated financial statements.

The life of the Share Option Scheme is 10 years commencing on the Adoption Date and will expire on 25 June 2027. Accordingly, the remaining life of the Share Option Scheme as at the date of this report is approximately 5 years.

KEY RISKS AND UNCERTAINTIES

The following section lists out the key risks and uncertainties facing the Group. It is a non-exhaustive list and there may be other risks and uncertainties further to the key risk areas outlined below.

Liquidity Risk

Liquidity risk mainly refers to the risk of liquid capital deficiency when the Group performs its obligations in relation to its financial liabilities. Liquidity risk management constitutes an essential part of the Group's risk management function. The Group is required to meet various statutory liquidity requirements as prescribed by the relevant regulatory authorities and has put in place a monitoring system to ensure that it maintains adequate liquid capital to support its business commitments and to comply with the relevant Financial Resources Rules.

Credit Risk

Credit risk refers to the risk of economic losses stemming from failure of any counterparty or borrower to meet their contractual obligations. The Group monitors closely the changes in loan balances and positions of any single major client. In the event of any sudden adverse change in market conditions, the relevant salesperson will be urged to take prompt remedial action, such as requesting clients to reduce positions, depositing funds or improving quality of their stock portfolio to maintain risks at a level acceptable to the Group. Meanwhile, to avoid over concentration of credit risk, the Group has set upper limits on client concentration risk and stock concentration risk and imposed caps on margin lending secured against a single stock for individual clients. The Group also performs due diligence reviews to examine the background of applicants and project authenticity before any sizable loan applications are submitted for approval. In the course of project approval, the team provides suggestions on risk prevention and control over critical risk factors of projects and delivers separate risk analysis reports. As for post-financing management, the responsible business team and the relationship managers perform on-going monitoring over existing projects and pay heed to any change in the operating and financial position of borrowers and investment projects. They also monitor the quality of the relevant collaterals, perform internal rating for the approved projects based on their latest credit standing and issue a warning to the management when abnormalities arise. The monitoring findings will be reported to the management on a monthly basis.

Regulatory and Compliance Risks

The Group upholds a robust Legal and Compliance Risk Management Framework by understanding the regulatory environment on current business, assessing severity level and causes of identified legal and compliance risk and formulate on-going comprehensive plan to carry out remedies and refinements for mitigation and remediation. To mitigate the relevant risks, all rounded Group policies, procedures and standardized templates are implemented and updated timely with business development and regulatory rules changes. Through sounded management system and procedures, the professional team monitors and prevents compliance risks in relation to anti-money laundering, conflict of interests, information barriers, market misconducts etc.

Technology Risk

Technology risk refers to the risk of loss related to information technology due to inadequate information technology and processing in terms of manageability, integrity, controllability, and continuity. The Group has established internal control policy which covers risk governance, communication, monitoring, assessment, mitigation and acceptance and is supported by a set of IT policies, standards and controls.

Reputational Risk

Reputational risk is the risk that the Group's reputation is damaged by reputation events, as reflected from negative publicity, as a result of business practices, conduct or financial condition of the Group or its representatives, potentially causing irreparable damage to the Group's brand value. The Group has adopted the prudent and proactive approach to managing reputational risk. The Group's corporate governance system, clearly communicated corporate values emphasizing integrity and ethical conduct in every business decision and activity; and integrated approach to managing risk set the foundation for minimizing reputation risk.

Details of the Group's financial risks which include credit risk, liquidity risk, interest risk, currency risk and equity price risk and the relevant management policies are set out in note 39 in the consolidated financial statements.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to supporting the environmental sustainability. The Group is committed to implementing policies and measures in our daily business operations to foster reduction of the Group's environmental impact. Energy saving and power monitoring systems are in place for various business units to monitor our environmental performance. The Company also strives to implement recycling and reducing measures in office premises where applicable.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Year, based on information available to the Board and to the best knowledge of the Board, there was no material breach of or non-compliance with applicable laws and regulations by our Group that has a significant impact on the business and operations of our Group.

RELATIONSHIP WITH SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Group understands that the success of the Group's business depends on the support from its key stakeholders, including employees, customers, suppliers, banks, regulators and shareholders. The Group will continue to ensure effective communication and maintain good relationships with each of its key stakeholders.

The details of the Group's major customers, the credit terms granted to them and credit risk exposure are set out in the section headed "Major Customers and Suppliers" in the "Report of the Directors" and note 39(a)(i) to the consolidated financial statements.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Based on information available to the Board and to the best knowledge of the Board, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

DIVIDEND POLICY

According to recent amendments to the Corporate Governance Code and the related listing rules, the Company has set up dividend policy as from 1 January 2019. In determining whether to propose a dividend and the relevant dividend pay-out ratio, the Board will consider, including but not limited to, the Group's earnings performance, financial position, expected working capital requirements, investment requirements, future expansion plan and general economic condition as well as other external factors that may have an impact on the business of the Company. The payment of dividend is also subject to any restrictions and requirements under the Cayman Islands law, the Company's articles of association and the Listing Rules. There is no assurance that a dividend will be proposed or declared in any given year.

CORPORATE GOVERNANCE

The Company's corporate governance principles and practices are set out in the Corporate Governance Report of this annual report.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

MANAGEMENT CONTRACT

Based on information available to the Board and to the best knowledge of the Board, no contract for the management and administration of the whole or any substantial part of any business of the Company was entered into or existed during the Year.

MAJOR CUSTOMERS AND SUPPLIERS

For the Year, the percentages of purchases attributable to the Group's largest supplier and five largest suppliers combined were 34.91% and 91.30%, respectively (Corresponding Period: 16.25% and 57.44%). For the Year, the percentages of sales attributable to the Group's largest customer and 5 largest customers combined were 25.17% and 79.40%, respectively (Corresponding Period: 17.13% and 60.86%). Based on information available to the Board and to the best knowledge of the Board, at no time during the Year did a director, an associate of a director or a substantial shareholder (owned more than 5% of the Company's issued share capital to the knowledge of the directors) has a beneficial interest in any of the Group's five largest suppliers or customers.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association, or the laws of the Cayman Islands.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51(B) of the Listing Rules, saved for disclosures elsewhere in this report, no other changes in information of directors subsequent to the date of this report.

AUDIT COMMITTEE

The audited consolidated financial statements of the Group for the year ended 30 June 2022 have been reviewed and approved by the audit committee of the Company (the "Audit Committee"). The Audit Committee is of the opinion that such audited consolidated financial statements comply with the applicable accounting standards, the Listing Rules and all other applicable legal requirements. The Audit Committee therefore recommended for the Board's approval of the Group's audited consolidated financial statements for the year ended 30 June 2022.

AUDITOR

The consolidated financial statements of the Group for the Year have been audited by CHENG & CHENG LIMITED ("C&C") who will retire and, being eligible, offer themselves for re-appointment. A resolution for re-appointment of C&C as auditor of the Company is to be proposed at the forthcoming AGM.

On behalf of the Board

Dr. Ng Yu
Chairman and Executive Director

Hong Kong, 31 October 2022

CHENG & CHENG LIMITED
CERTIFIED PUBLIC ACCOUNTANTS
鄭 鄭 會 計 師 事 務 所 有 限 公 司

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INTERNATIONAL GENIUS COMPANY (FORMERLY KNOWN AS AMBER HILL FINANCIAL HOLDINGS LIMITED 安山金控股份有限公司)

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of International Genius Company (formerly known as Amber Hill Financial Holdings Limited 安山金控股份有限公司) (the "Company") and its subsidiaries (the "Group") set out on pages 68 to 165, which comprise the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 30 June 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2022, and its consolidated financial performance and its consolidated cash flows for the year ended 30 June 2022 in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS *(CONTINUED)*

Key audit matter	How our audit addressed the key audit matter
Revenue recognition for trading of party products and commodities	
Refer to notes 2(w), 3 and 4 to the consolidated financial statements	
We identified the revenue recognition for trading of party products and commodities as a key audit matter due to its significance to the consolidated statement of profit or loss and other comprehensive income. The accounting policy for revenue recognition for trading of party products and commodities are disclosed in note 2 to the consolidated financial statements. During the year ended 30 June 2022, the revenue generated from trading of party products and commodities are HK$115,510,000 and HK$133,227,000, respectively, as set out in note 4 to the consolidated financial statements.	Our procedures in relation to the revenue recognition for trading of party products and commodities included: • Obtained an understanding of the Group's revenue recognition policy and key controls for trading of party products and commodities; • Evaluated the key controls over the revenue recognition process for trading of party products and commodities; • Inspected contracts with customers, on a sample basis, to understand the terms of the sales transactions including the terms of delivery and acceptance to assess the Group's revenue recognition criteria with reference to the requirements of the prevailing accounting standards; • Tested the revenue derived from customers for selected samples by examination of the invoices and goods delivery notes to revenue recorded; and • Compared the delivery dates based on delivery notes with the timing of revenue recognition, and examined transactions which occurred immediately before and after the end of the reporting period for their recording as revenue in the proper periods.

KEY AUDIT MATTERS *(CONTINUED)*

Key audit matter	How our audit addressed the key audit matter
Nature and recoverability of trade deposits paid	
Refer to note 24 to the consolidated financial statements	
As at 30 June 2022, the Group's prepayments, deposits and other receivables were mainly represented by trade deposits of approximately RMB77,895,000 (equivalent to approximately HK$90,241,000) paid to a supplier. We identified the nature of trade deposits paid and its recoverability as a key audit matter because the balance was significant to the consolidated financial statements and a deficiency in internal controls in respect of the approval of the payment of such trade deposits was identified during our audit. Management engaged an expert to review the nature, approval and payment of those trade deposits.	Our procedures in relation to the nature and recoverability of trade deposits paid included: • Obtained an understanding of the management's internal control and assessment process of recoverability of trade deposits paid and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias and fraud; • Obtained and evaluated the review report issued by the management's expert; • Evaluated the expert's independence, competence, capabilities and objectivity; • Assessed the procedures performed by the expert in verifying the nature and business justification of the trade deposits paid; • Reviewed the expert's assessment on the internal controls and approval procedures on the payments; • Discussed and challenged the work of the expert leading to the conclusion on nature of the trade deposit balance and subsequent utilisation; • Reviewed management's impairment assessment based on the report from the expert; • Tested the accuracy of trade deposits paid by checking bank advices of payments on a sample basis; • Obtained and checked the information of subsequent utilisation or refund; • Arranged and received audit confirmation for the balance as at 30 June 2022; and • Communicated with those charged with governance and management of the Company about the deficiency identified in the internal controls of the Group.

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

CHENG & CHENG LIMITED
Certified Public Accountants

Chan Shek Chi
Practising Certificate Number P05540
Hong Kong
31 October 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Notes	**For the year ended 30 June 2022 HK$'000**	For the eighteen months ended 30 June 2021 HK$'000
Continuing operations			
Revenue	3 & 4	**295,561**	339,436
Cost of sales and services		**(244,735)**	(306,568)
Gross profit		**50,826**	32,868
Other revenue and other net gain	5	**12,580**	4,020
Operating expenses		**(47,750)**	(69,431)
Profit/(loss) from operations		**15,656**	(32,543)
Finance costs	6	**(996)**	(14,466)
Other non-operating income/(expenses)			
Loss on disposal of property, plant and equipment		**–**	(3)
Loss on cancellation of profit guarantee and convertible bonds		**–**	(10,647)
Gain on deregistration of subsidiaries		**70**	–
Gain on disposal of subsidiaries	18	**30,427**	13,444
		30,497	2,794
Profit/(loss) before impairment and tax		**45,157**	(44,215)
Impairment loss on right-of-use assets	14	**(806)**	(3,387)
Impairment loss on loan receivables, net	39	**(2,000)**	–
Reversal of impairment loss/(impairment loss) on trade receivables, net	39	**879**	(1,239)
Impairment loss on deposit paid, net	39	**–**	(5,855)
Reversal of impairment loss/(impairment loss) on other receivables, net	39	**181**	(6,198)
		(1,746)	(16,679)
Profit/(loss) before tax	7	**43,411**	(60,894)
Income tax expense	8	**(2,710)**	(2,355)
Profit/(loss) for the year/period from continuing operations		**40,701**	(63,249)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Notes	**For the year ended 30 June 2022 HK$'000**	For the eighteen months ended 30 June 2021 HK$'000
Discontinued operation			
Loss for the year/period from discontinued operation	19	**–**	(4,548)
Profit/(loss) for the year/period		**40,701**	(67,797)
Other comprehensive income/(loss) for the year/period			
Item that may be reclassified subsequently to profit or loss:			
Release of translation reserve upon disposal of foreign subsidiaries		**1,869**	(479)
Release of translation reserve upon deregistration of foreign subsidiaries		**15**	–
		1,884	(479)
Exchange differences on translating financial statements of subsidiaries		**(4,535)**	1,350
Total other comprehensive (loss)/income for the year/period		**(2,651)**	871
Total comprehensive income/(loss) for the year/period		**38,050**	(66,926)
Profit/(loss) for the year/period attributable to:			
Equity shareholders of the Company			
— Continuing operations		**41,375**	(63,238)
— Discontinued operation		**–**	(4,548)
		41,375	(67,786)
Non-controlling interests			
— Continuing operations		**(674)**	(11)
— Discontinued operation		**–**	–
		(674)	(11)
		40,701	(67,797)

For the year ended 30 June 2022

	Notes	**For the year ended 30 June 2022 HK$'000**	For the eighteen months ended 30 June 2021 HK$'000
Total comprehensive income/(loss) for the year/period attributable to:			
Equity shareholders of the Company			
— Continuing operations		**38,857**	(62,364)
— Discontinued operation		**–**	(4,548)
		38,857	(66,912)
Non-controlling interests			
— Continuing operations		**(807)**	(14)
— Discontinued operation		**–**	–
		(807)	(14)
		38,050	(66,926)
Earnings/(loss) per share	10		
— Basic			
— Continuing operations (HK$ cents)		**7.70**	(26.63)
— Discontinued operation (HK$ cents)		**–**	(1.92)
		7.70	(28.55)
— Diluted			
— Continuing operations (HK$ cents)		**7.70**	(26.63)
— Discontinued operation (HK$ cents)		**–**	(1.92)
		7.70	(28.55)

The notes on pages 76 to 165 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Notes	**As at 30 June 2022 HK$'000**	As at 30 June 2021 HK$'000
Non-current assets			
Property, plant and equipment	13	**13,089**	17,984
Right-of-use assets	14	**–**	–
Intangible assets	15	**–**	–
Deposit paid	24	**400**	400
		13,489	18,384
Current assets			
Inventories	20	**10,884**	–
Trading securities	21	**160**	174
Loan receivables	22	**–**	–
Trade receivables	23	**20,060**	108,998
Prepayments, deposits and other receivables	24	**95,035**	18,006
Client trust bank balance	25	**820**	763
Cash and cash equivalents	26	**99,191**	248,778
		226,150	376,719
Total assets		**239,639**	395,103
Capital and reserves			
Share capital	27	**5,372**	5,372
Reserves		**182,964**	144,107
Equity attributable to shareholders of the Company		**188,336**	149,479
Non-controlling interests		**(760)**	3
Total equity		**187,576**	149,482

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Notes	**As at 30 June 2022 HK$'000**	As at 30 June 2021 HK$'000
Non-current liabilities			
Lease liabilities	32	**–**	1,427
		–	1,427
Current liabilities			
Trade payables	30	**13,254**	53,436
Accruals and other payables	31	**31,687**	30,445
Lease liabilities	32	**2,181**	1,860
Other loans	33	**–**	41,852
Convertible bonds	35	**–**	114,248
Tax payables		**4,941**	2,353
		52,063	244,194
Total equity and liabilities		**239,639**	395,103
Net current assets		**174,087**	132,525
Total assets less current liabilities		**187,576**	150,909

Approved and authorised for issue by the Board of Directors on 31 October 2022.

On behalf of the board

Dr. Ng Yu
Chairman and Executive Director

Mr. Lin Feng
Executive Director

The notes on pages 76 to 165 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	Attributable to equity shareholders of the Company									
	Share capital HK$'000	Share premium HK$'000	Translation reserve HK$'000	Share option reserve HK$'000	Capital reserve HK$'000	Convertible bonds reserve HK$'000	Accumulated losses HK$'000	Subtotal HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 July 2021	**5,372**	**4,317,787**	**(968)**	**–**	**(15,000)**	**1,493**	**(4,159,205)**	**149,479**	**3**	**149,482**
Release of convertible bonds reserves	**–**	**–**	**–**	**–**	**–**	**(1,493)**	**1,493**	**–**	**–**	**–**
Release upon deregistration of subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**44**	**44**
Total comprehensive income for the year	**–**	**–**	**(2,518)**	**–**	**–**	**–**	**41,375**	**38,857**	**(807)**	**38,050**
At 30 June 2022	**5,372**	**4,317,787**	**(3,486)**	**–**	**(15,000)**	**–**	**(4,116,337)**	**188,336**	**(760)**	**187,576**
At 1 January 2020	938	3,995,137	(1,842)	15,570	(15,000)	25,893	(4,130,843)	(110,147)	8,829	(101,318)
Share issuance	4,434	322,650	–	–	–	–	–	327,084	–	327,084
Capital injection by non-controlling interests	–	–	–	–	–	–	–	–	60	60
Equity settled share-based payment	–	–	–	(546)	–	–	–	(546)	–	(546)
Lapse of share options	–	–	–	(15,024)	–	–	15,024	–	–	–
Release of convertible bonds reserves	–	–	–	–	–	(24,400)	24,400	–	–	–
Release upon disposal of subsidiaries	–	–	–	–	–	–	–	–	(8,872)	(8,872)
Total comprehensive loss for the period	–	–	874	–	–	–	(67,786)	(66,912)	(14)	(66,926)
At 30 June 2021	5,372	4,317,787	(968)	–	(15,000)	1,493	(4,159,205)	149,479	3	149,482

The notes on pages 76 to 165 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

	Notes	**For the year ended 30 June 2022 HK$'000**	For the eighteen months ended 30 June 2021 HK$'000
Operating activities			
Profit/(loss) before tax from continuing operations		**43,411**	(60,894)
Loss before tax from discontinued operation		**–**	(4,548)
Adjustments for:			
Depreciation on right-of-use assets	14	**806**	403
Interest income	5	**(28)**	(185)
Sundry income		**–**	(2,403)
Finance costs	6	**996**	14,590
Loss on written off of property, plant and equipment	5	**–**	118
Depreciation on property, plant and equipment	13	**4,934**	4,848
Reversal of equity settled share-based payment expenses	7	**–**	(546)
Realised gain on disposal of trading securities	5	**–**	(62)
Unrealised (gain)/loss on fair value changes in trading securities	5	**(14)**	2
Gain on deregistration of subsidiaries		**(70)**	–
Gain on disposal of subsidiaries		**(30,427)**	(13,932)
Gain on disposal of property, plant and equipment		**–**	(387)
Impairment loss on right-of-use assets	14	**806**	3,387
Impairment loss on loan receivables, net		**2,000**	–
(Reversal of impairment loss)/impairment loss on trade receivables, net		**(879)**	5,649
(Reversal of impairment loss)/impairment loss on other receivables, net		**(181)**	6,328
Impairment loss on deposit paid, net		**–**	5,855
Loss on cancellation of profit guarantee and convertible bonds		**–**	10,647
Operating profit/(loss) before changes in working capital		**21,354**	(31,130)
Increase in inventories		**(11,234)**	–
Increase in loan receivables		**(2,000)**	–
Decrease/(increase) in trade receivables		**88,838**	(97,438)
Increase in prepayments, deposits and other receivables		**(79,237)**	(23,058)
(Increase)/decrease in client trust bank balance		**(57)**	1,161
(Decrease)/increase in trade payables		**(39,569)**	46,052
Increase/(decrease) in accruals and other payables		**23,315**	(1,901)
Decrease in loan from a securities broker		**(1,358)**	(104)
Decrease in provisions		**–**	(6,580)
Cash generated from/(used in) operations		**52**	(112,998)
Profits tax paid		**(122)**	(2)
Net cash used in operating activities		**(70)**	(113,000)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

	Notes	**For the year ended 30 June 2022 HK$'000**	For the eighteen months ended 30 June 2021 HK$'000
Investing activities			
Purchase of property, plant and equipment		**(39)**	(8,457)
Interest received		**28**	4
Proceeds from disposal of property, plant and equipment		**–**	399
Net cash inflow from disposal of subsidiaries	18	**781**	2,947
Net cash outflow from deregistration of subsidiaries		**(18)**	–
Net cash generated from/(used in) investing activities		**752**	(5,107)
Financing activities			
Redemptions of convertible bonds		**(114,248)**	–
Proceeds from shareholder's loan		**1,255,800**	–
Proceeds from other loans		**–**	33,852
Repayments of shareholder's loan		**(1,255,800)**	–
Repayments of other loans		**(28,852)**	–
Interest paid		**(2,467)**	(908)
Capital element of lease payments		**(2,718)**	(6,479)
Interest element of lease payments		**(359)**	(111)
Proceeds from issuance of shares		**–**	327,084
Capital injection by non-controlling interests		**–**	60
Net cash (used in)/generated from financing activities		**(148,644)**	353,498
Net (decrease)/increase in cash and cash equivalents		**(147,962)**	235,391
Cash and cash equivalents at beginning of year/period		**248,778**	13,525
Effect of exchange rate changes		**(1,625)**	(138)
Cash and cash equivalents at end of year/period	26	**99,191**	248,778

The notes on pages 76 to 165 form an integral part of these consolidated financial statements.

1. CORPORATE INFORMATION

General Information

International Genius Company (formerly known as Amber Hill Financial Holdings Limited) (the "Company") was incorporated and domiciled in the Cayman Islands under Companies Law (2004 Revision) of the Cayman Islands as an exempted company with limited liability on 20 March 2007. Its parent is Neo Tech Inc. ("Neo Tech") (incorporated in British Virgin Islands ("BVI")). Its ultimate controlling party is Dr. Ng Yu ("Dr. Ng") who is also the Chairman of the Company. The Company's shares were listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange") on 19 November 2007.

The Company is an investment holding company. The Group is principally engaged in trading of party products, provision of securities brokerage and assets management services, provision of advisory services, provision of advancing services, and trading of commodities.

The security products trading business of the Group had ceased due to cessation of control over the relevant operating subsidiary in February 2020, while provision of security services business had ceased in December 2020 upon completion of the conditional sale and purchase agreement as set out in the announcement of the Company dated 30 June 2020.

The address of the principal place of business of the Company is Unit Nos. 4202–05, 42/F, Cosco Tower, 183 Queen's Road Central, Hong Kong and the Company has been registered as a non-Hong Kong company under Part XI of the Hong Kong Companies Ordinance since 4 September 2007. The address of the registered office of the Company is 94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman, KY1-1108, Cayman Islands.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

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

The HKICPA has issued certain new and revised HKFRSs that are first effective for the current accounting period of the Group and the Company. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in this report.

2. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(b) Basis of Preparation of the Consolidated Financial Statements

The consolidated financial statements for the year ended 30 June 2022 comprise of the Company and its subsidiaries have been prepared in accordance with HKFRSs and under the historical cost convention except where stated otherwise in the accounting policies set out below.

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

During the last financial period, the reporting period end date of the Company was changed from 31 December to 30 June. The Group considered that the change of financial year end date to 30 June would (i) avoid competition of resources with other listed companies with financial year end date of 31 December with regard to results announcement and interim/annual reports-related external services under the peak reporting season in the market; and (ii) allow the Company to better plan its audit schedules with its auditors by removing the uncertainty from the variation in the dates of the Chinese New Year and Easter holidays which put pressure on the workflow, as set out in the announcement of the Company dated 31 December 2020. Accordingly, the consolidated financial statements for the last period cover the eighteen months period ended 30 June 2021. The corresponding comparative amounts shown for the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and related notes cover a eighteen months period from 1 January 2020 to 30 June 2021 and therefore may not be comparable with amounts shown for the current period.

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

(c) Changes in Accounting Policies and Disclosures

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

Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2

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

There was no material impact on the financial statements of the Group as the new HKFRSs and amendments to HKFRSs were consistent with policies already adopted by the Group.

2. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(d) Possible Impact of New and Amendments to HKFRSs in issue but not yet effective for the year ended 30 June 2022

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

HKFRS 17	Insurance Contracts and the related Amendments[1]
Amendments to HKAS 1	Disclosure of Accounting Policies[1]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from Single Transaction[1]
Amendments to HKFRS 3	Reference to the Conceptual Framework[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[1]
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before intended use[2]
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020[2]

1 Effective for annual periods beginning on or after 1 January 2023.
2 Effective for annual periods beginning on or after 1 January 2022.
3 Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of these new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

(e) Business Combinations under Common Control

Business combinations under common control are accounted for in accordance with the merger accounting. In applying merger accounting, the combined financial information incorporates the consolidated financial statements items of the combining entities or business in which the common control combination occurs as if they had been combined from the date when the combining entities or business first came under the control of controlling party.

The net assets of the combining entities or businesses are combined using the existing book values prior to the common control combinations from the controlling parties' perspective. No account is recognised in respect of goodwill or excess acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The combined statement of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of common control combination.

2. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(e) Business Combinations under Common Control *(continued)*

The comparative amounts in the combined financial statements are presented as if the entities or business had been combined at the end of the previous reporting period or when they first came under common control, whichever is shorter.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of an impairment of the asset transferred.

(f) Subsidiaries and Non-controlling Interests

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Company has power, only substantive rights (held by the Company and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or jointly controlled entity.

In the Company's statement of financial position an investment in a subsidiary is stated at cost less any impairment losses unless the investment is classified as held for sale.

2. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(g) Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measures the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below);

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale* and *Discontinued Operations* are measured in accordance with that standard; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(h) Goodwill

Goodwill represents the excess of:

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment.

On disposal of a cash-generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(i) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

Leasehold improvement	the shorter of lease-term or 5 years
Plant and machinery	5 years
Furniture, fixtures and equipment	3–6 years
Moulds	5 years
Motor vehicles	3–5 years
Vessel	10 years

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

(j) Intangible Assets (Other than Goodwill)

Intangible assets are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(j) Intangible Assets (Other than Goodwill) *(continued)*

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

(k) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily laptops and office furniture. When the Group enters into a lease in respect of a low- value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(k) Leases *(continued)*

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities separately in the statement of financial position.

(l) Financial Assets

The Group's policies for investment in debt and equity securities, other than investments in subsidiaries and associate, are set out below.

Investments in debt and equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVTPL) for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 39. These investments are subsequently accounted for as follows, depending on their classification.

Classification

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at fair value through other comprehensive income ("FVOCI") (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to accumulated losses. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVOCI, are recognised in profit or loss as other income in accordance with the policy set out in note 2(w)(iii).

Under HKFRS 9, financial assets such as receivables shall be subsequently measured at amortised cost if both of the following conditions are met: (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from the financial asset is calculated using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(m) Credit Losses and Impairment of Assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses (ECLs) on the financial assets measured at amortised cost (including cash and cash equivalent, client trust bank balance, trade and other receivables and loan receivables).

Financial assets measured at fair value, including the trading securities, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discontinued using the following discount rates where the effect of discounting is material:

— fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof; and

— variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

— 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date and

— Lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowance for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(m) Credit Losses and Impairment of Assets *(continued)*

(i) Credit losses from financial instruments (continued)

Measurement of ECLs *(continued)*

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

— failure to make payments of principal or interest on their contractually due dates;

— an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

— an actual or expected significant deterioration in the operating results of the debtor; and

— existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

2. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(m) Credit Losses and Impairment of Assets *(continued)*

(i) Credit losses from financial instruments (continued)

Basis of calculation of interest income

Interest income recognised in accordance with note 2(w)(ii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

— significant financial difficulties of the debtor;

— a breach of contract, such as a default or delinquency in interest or principal payments;

— it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;

— significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or

— the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

2. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(m) Credit Losses and Impairment of Assets *(continued)*

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

— property, plant and equipment;

— right-of-use assets;

— investment in subsidiaries in the Company's statement of financial position;

— intangible assets; and

— goodwill.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal, or value in use, if determinable.

2. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(m) Credit Losses and Impairment of Assets *(continued)*

(ii) Impairment of other assets (continued)

— Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(n) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprise all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(o) Convertible Bonds

Convertible bonds that can be converted into equity share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

2. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(o) Convertible Bonds *(continued)*

At initial recognition the liability component of the convertible bonds is measured as the present value of the future interest and principal payments, discounted at the market rate of interest applicable at the time of initial recognition to similar liabilities that do not have a conversion option. Any excess of proceeds over the amount initially recognised as the liability component is recognised as the equity component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method. The equity component is recognised in the convertible bond reserve until either the bond is converted or redeemed.

If the convertible bond is converted, the convertible bond reserve, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the convertible bond is redeemed, the convertible bond reserve is released directly to accumulated losses.

(p) Trade and Other Payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(q) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowing are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(r) Client Trust Bank Balance

The Group maintains trust and segregated accounts with authorised financial institutions to hold clients' deposits arising from normal business transactions. The Group has classified the clients' monies as client trust bank balance under the current assets in the consolidated statement of financial position as the Group is allowed to retain some or all of the interest income on the clients' monies and recognised corresponding accounts payable to the respective customers in the current liabilities. Under the Hong Kong Securities and Futures Ordinance (Cap. 571), the Group is not allowed to use the clients' monies to settle its own obligation.

2. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(s) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(t) Employee Benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(iii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase share option reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to accumulated losses).

2. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(u) Income Tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Company controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

2. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(u) Income Tax *(continued)*

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

— in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

— in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  — the same taxable entity; or

  — different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(v) Provisions and Contingent Liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(w) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied or services provided, stated net of discounts returns and value added taxes. The Group recognises revenue when control over a product or service is transferred to the customers.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Sales of party products and commodities

Sales of party products and commodities to customers. Revenue is recognised when control of the goods has been transferred to the customer, being at the point the goods are delivered to the customers.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the assets.

(iii) Dividend income

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(iv) Assets management fee income

(a) Assets management fee income is recognised on accrual basis when services are provided; or

(b) Investment income under assets management is recognised according to the accounting policies of note 2(l).

(v) Other income not stated above is recognised whenever received or received.

2. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(w) Revenue Recognition *(continued)*

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

(x) Foreign Currencies

The Group's consolidated financial statements are presented in Hong Kong dollars, which is also the Company's functional currency.

(i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(x) Foreign Currencies *(continued)*

(ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Hong Kong dollars at the rate of exchange prevailing at the reporting date and their income and expenses items are translated at exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

(y) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(z) Related Parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

2. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(z) Related Parties *(continued)*

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(aa) Segment Reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. SEGMENT REPORTING

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

The Group has six reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

— Securities brokerage and assets management

— Advancing business

— Credit guarantee and investment business

— Trading of party products

— Trading of metals and minerals

— Trading of commodities

An operating segment regarding the trading of security products and provision of security services was discontinued in the last financial period. The segment information reported on the next pages does not include any amounts for this discontinued operation, which are described in more detail in note 19.

3. SEGMENT REPORTING *(CONTINUED)*

(a) Segment Revenues and Results

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

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

For the year ended 30 June 2022

	Securities brokerage and assets management HK$'000	Advancing business HK$'000	Credit guarantee service and investment business HK$'000	Trading of party products HK$'000	Trading of metal and minerals HK$'000	Trading of commodities HK$'000	Total HK$'000
Revenue							
Segment revenue	46,491	333	–	115,510	–	133,227	295,561
Inter-segment revenue	–	–	–	–	–	–	–
Revenue from external customers	46,491	333	–	115,510	–	133,227	295,561
Result							
Segment results	39,931	(2,697)	(17)	(4,848)	–	1,357	33,726
Reconciliation:							
Unallocated corporate income							188
Unallocated corporate expenses							(16,924)
Net exchange loss							(2,483)
Bank interest income							28
Finance costs							(996)
Gain on deregistration of subsidiaries							70
Gain on disposal of subsidiaries							30,427
Impairment loss on right-of-use assets							(806)
Reversal of impairment loss on other receivables, net							181
Profit before tax							43,411
Income tax							(2,710)
Profit for the year							40,701

3. SEGMENT REPORTING *(CONTINUED)*

(a) Segment Revenues and Results *(continued)*

For the year ended 30 June 2022 *(continued)*

	Securities brokerage and assets management HK$'000	Advancing business HK$'000	Credit guarantee service and investment business HK$'000	Trading of party products HK$'000	Trading of metal and minerals HK$'000	Trading of commodities HK$'000	Unallocated HK$'000	Total HK$'000
Other segment information:								
Capital expenditure of property, plant and equipment	–	–	–	–	–	–	39	39
Depreciation on property, plant and equipment	1,113	306	–	6	–	–	3,509	4,934
Depreciation on right-of-use assets	603	–	–	203	–	–	–	806
Impairment loss on right-of-use assets	603	–	–	203	–	–	–	806
Impairment loss on loan receivables, net	–	2,000	–	–	–	–	–	2,000
Impairment loss/(reversal of impairment loss) on trade receivables, net	–	333	–	–	–	(1,212)	–	(879)
Reversal of impairment loss on other receivables, net	–	–	–	–	–	–	(181)	(181)
Unrealised gain on fair value changes in trading securities	(14)	–	–	–	–	–	–	(14)

3. SEGMENT REPORTING *(CONTINUED)*

(a) Segment Revenues and Results *(continued)*

For the eighteen months ended 30 June 2021

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

3. SEGMENT REPORTING *(CONTINUED)*

(a) Segment Revenues and Results *(continued)*

For the eighteen months ended 30 June 2021 (continued)

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

3. SEGMENT REPORTING *(CONTINUED)*

(b) Segment Assets and Liabilities

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

- all assets are allocated to operating segments other than certain right-of-use assets, property, plant and equipment, certain prepayments, deposits and other receivables and cash and cash equivalents; and
- all liabilities are allocated to operating segments other than certain accruals and other payables, certain lease liabilities, convertible bonds, other loan and tax payables.

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

As at 30 June 2022

	Securities brokerage and assets management HK$'000	Advancing business HK$'000	Credit guarantee service and investment business HK$'000	Trading of party products HK$'000	Trading of metal and minerals HK$'000	Trading of commodities HK$'000	Total HK$'000
ASSETS							
Segment assets	3,706	257	–	32,813	–	90,588	127,364
Bank balances and cash							99,191
Unallocated corporate assets							13,084
Consolidated total assets							239,639
LIABILITIES							
Segment liabilities	(2,274)	(490)	–	(23,731)	(2,112)	(11,737)	(40,344)
Tax payables							(4,941)
Unallocated corporate liabilities							(6,778)
Consolidated total liabilities							(52,063)

3. SEGMENT REPORTING *(CONTINUED)*

(b) Segment Assets and Liabilities *(continued)*

As at 30 June 2021

	Securities brokerage and assets management HK$'000	Advancing business HK$'000	Credit guarantee service and investment business HK$'000	Trading of party products HK$'000	Trading of metal and minerals HK$'000	Trading of commodities HK$'000	Total HK$'000
ASSETS							
Segment assets	5,391	556	–	104,262	–	19,808	130,017
Bank balances and cash							249,541
Unallocated corporate assets							15,545
Consolidated total assets							395,103
LIABILITIES							
Segment liabilities	(11,719)	(640)	(15)	(54,979)	(2,112)	(1,086)	(70,551)
Other loan							(41,852)
Convertible bonds							(114,248)
Tax payables							(2,353)
Unallocated corporate liabilities							(16,617)
Consolidated total liabilities							(245,621)

3. SEGMENT REPORTING *(CONTINUED)*

(c) Geographic information

Revenue

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

	For the year ended 30 June 2022 HK$'000	For the eighteen months ended 30 June 2021 HK$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Hong Kong	**54,979**	102,964
Mainland China	**133,227**	141,519
Malaysia	**107,022**	55,625
Singapore	**–**	12,669
United States of America	**–**	3,975
	295,228	316,752
Revenue from other sources		
Hong Kong	**333**	22,684
Total	**295,561**	339,436

Specified non-current assets

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

3. SEGMENT REPORTING *(CONTINUED)*

(c) Geographic information *(continued)*

Specified non-current assets (continued)

	For the year ended 30 June 2022 HK$'000	For the eighteen months ended 30 June 2021 HK$'000
Hong Kong	**13,089**	17,984

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

	For the year ended 30 June 2022 HK$'000	For the eighteen months ended 30 June 2021 HK$'000
Revenue from customer attributable to trading of party products business Company A*	**74,383**	–
Revenue from customer attributable to trading of commodities business Company B*	**68,551**	–
Revenue from customer attributable to investment business Company C*	**46,302**	–
Revenue from customer attributable to trading of party products business Company D#	**–**	37,924
Revenue from customer attributable to trading of commodities business Company E#	**–**	58,271
Revenue from customer attributable to trading of party products business Company F#	**–**	52,859

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

These three customers mentioned in above did not individually contribute 10% or more of total revenue of the Group during the year ended 30 June 2022.

4. REVENUE

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

Disaggregation of Revenue

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

	For the year ended 30 June 2022 HK$'000	For the eighteen months ended 30 June 2021 HK$'000
Continuing operations		
Revenue from contracts with customers within the scope of HKFRS 15		
Trading of party products	**115,510**	174,666
Trading of commodities	**133,227**	141,519
Assets management fee income	**46,302**	–
Advisory income	**189**	567
	295,228	316,752
Revenue from other sources		
Interest income from cash and margin client earned from securities brokerage and assets management business	**–**	3
Investment income under assets management segment	**–**	22,681
Interest income from advancing business	**333**	–
	333	22,684
Total	**295,561**	339,436
Disaggregation by timing of revenue recognition within the scope of HKFRS 15		
— Over time	**46,491**	567
— At a point in time	**248,737**	316,185
	295,228	316,752

4. REVENUE *(CONTINUED)*

Disaggregation of Revenue *(continued)*

	For the year ended 30 June 2022 HK$'000	For the eighteen months ended 30 June 2021 HK$'000
Discontinued operation		
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of security products	–	784
Total	–	784
Disaggregation by timing of revenue recognition within the scope of HKFRS 15		
— At a point in time	–	784
	–	784

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

5. OTHER REVENUE AND OTHER NET GAIN

	For the year ended 30 June 2022 HK$'000	For the eighteen months ended 30 June 2021 HK$'000
Continuing operations		
Net exchange (loss)/gain	**(2,483)**	1,539
Dividend income	**3**	3
Interest income	**28**	185
Investment income under spot foreign exchange currency trading	**14,341**	–
Sundry income	**477**	2,351
Government subsidies	**200**	–
Realised gain on disposal of trading securities	**–**	62
Unrealised gain/(loss) on fair value changes in trading securities	**14**	(2)
Loss on written off of property, plant and equipment	**–**	(118)
	12,580	4,020
Discontinued operation		
Net exchange loss	**–**	(1)
Government subsidies	**–**	147
	–	146

6. FINANCE COSTS

	For the year ended 30 June 2022 HK$'000	For the eighteen months ended 30 June 2021 HK$'000
Continuing operations		
Interest on convertible bonds	**159**	10,079
Interest on lease liabilities	**359**	111
Interest on other borrowings	**317**	4,044
Interest on loan from a securities broker	**161**	232
	996	14,466
Discontinued operation		
Interest on other borrowings	**–**	124
	–	124

7. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax is arrived after charging/(crediting) the following:

	For the year ended 30 June 2022 HK$'000	For the eighteen months ended 30 June 2021 HK$'000
Continuing operations		
Auditor's remuneration		
— Audit service	**1,150**	1,202
— Non-audit service	**318**	796
Cost of inventories included in cost of sales and services	**244,735**	306,568
Depreciation		
— Owned property, plant and equipment	**4,934**	4,848
— Right-of-use assets	**806**	403
Staff costs (including directors' emoluments):		
— Salaries, wages and other benefits	**21,076**	22,802
— Contributions to defined contribution retirement plans	**835**	692
— Reversal of equity settled share-based payment expenses	**–**	(546)
Discontinued operation		
Staff costs (including directors' emoluments):		
— Salaries, wages and other benefits	**–**	1,248
Gain on disposal of property, plant and equipment	**–**	(390)
Gain on disposal of subsidiaries	**–**	(488)
Impairment loss on trade receivables, net	**–**	4,410
Impairment loss on other receivables, net	**–**	130

8. INCOME TAX EXPENSE

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

	For the year ended 30 June 2022 HK$'000	For the eighteen months ended 30 June 2021 HK$'000
Continuing operations		
Current tax — Hong Kong Profits Tax		
Charge for the year/period	**2,588**	2,353
Current tax — PRC Income Tax		
Charge for the year/period	**122**	2
Total income tax expense	**2,710**	2,355

The provision for Hong Kong Profits Tax for the year ended 30 June 2022 and the eighteen months ended 30 June 2021 was calculated at 16.5%, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

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

8. INCOME TAX EXPENSE *(CONTINUED)*

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is exempted from any income tax in the Cayman Islands and the BVI.

Reconciliation between actual tax expense and notional tax on profit/(loss) before taxation at the applicable tax rates:

	For the year ended 30 June 2022 HK$'000	For the eighteen months ended 30 June 2021 HK$'000
Continuing operations		
Profit/(loss) before tax	**43,411**	(60,894)
Tax at the applicable rate of 16.5% (2021: 16.5%)	**7,163**	(10,048)
Effect of different tax rate of subsidiaries operating in other jurisdictions	**6**	(432)
Tax effect of income not subject to taxation	**(8,290)**	(3,442)
Tax effect of expenses not deductible for taxation purposes	**3,858**	8,562
Utilisation of tax losses previously not recognised	**(2,080)**	(19)
Tax effect of tax losses not recognised	**2,404**	8,045
Tax effect of origination and reversal of temporary differences	**(160)**	(116)
Tax effect on two-tiered tax rate	**(165)**	(165)
Tax relief for the year/period	**(26)**	(30)
Income tax expense	**2,710**	2,355
Discontinued operation		
Loss before tax	**–**	(4,548)
Tax at the applicable rate of 16.5% (2021: 16.5%)	**–**	(750)
Tax effect of expenses not deductible for taxation purposes	**–**	626
Tax effect of tax losses not recognised	**–**	89
Tax effect of origination and reversal of temporary differences	**–**	35
Income tax credit	**–**	–

9. DIVIDENDS

The Board did not recommend any final dividend for the year ended 30 June 2022. No dividend was paid during the year (For the eighteen months ended 30 June 2021: Nil).

10. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity shareholders of the Company over the weighted average number of ordinary shares in issue during the year/period.

	For the year ended 30 June 2022 HK$'000	For the eighteen months ended 30 June 2021 HK$'000
Profit/(loss) attributable to equity shareholders of the Company		
— Continuing operations	**41,375**	(63,238)
— Discontinued operation	**–**	(4,548)
Profit/(loss) attributable to equity shareholders of the Company	**41,375**	(67,786)

	For the year ended 30 June 2022 '000 shares	For the eighteen months ended 30 June 2021 '000 shares
Weighted average number of ordinary shares	**537,245**	237,473

Total issued ordinary shares at 30 June 2022 and 30 June 2021 was 537,245,000 shares.

(b) Diluted earnings/(loss) per share

For the year ended 30 June 2022, the calculation of diluted earnings per share does not assume the conversion of the Company's outstanding convertible bonds since their assumed exercise would result in an increase in earnings per share.

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

11. RETIREMENT BENEFITS COSTS

The Group operates the mandatory provident fund scheme (the "MPF Scheme") for its Hong Kong staff. The MPF Scheme is a defined contribution retirement benefit scheme administered by independent trustees. Under the rules of the MPF Schemes, each of the employer and its employees are generally required to make contributions to the schemes at 5% (For the eighteen months ended 30 June 2021: 5%) of the employee's relevant monthly income, subject to a cap of monthly relevant income of HK$30,000 (For the eighteen months ended 30 June 2021: HK$30,000). Contributions from the employer are vested in the employees as soon as they are paid to relevant MPF Scheme but all benefits derived from the mandatory contributions must be preserved until the employee reaches the retirement age of 65 subject to a few exceptions. The assets of the schemes are held separately from those of the Group in independently administered funds. Except for voluntary contribution, no forfeited contribution under the MPF Scheme is available to reduce the contribution payable in future years.

The employees of the Group's subsidiaries that operated in the PRC are required to participate in a central pension scheme operated by the local governments in different cities of the PRC (the "Central Schemes"). These subsidiaries are required to contribute pension, based on a certain percentage of their payroll costs, to the Central Schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme. No forfeited contributions will be used by the employees to reduce the existing level of contributions.

The Group's contributions to the defined contribution retirement schemes are expensed as incurred. The Group has no further payment obligations once the contributions have been made.

12. DIRECTORS' REMUNERATION AND INDIVIDUALS WITH HIGHEST PAY

(a) Directors' remuneration is disclosed as follows:

	For the year ended 30 June 2022				
	Fees HK$'000	Basic salaries, allowance and other benefits HK$'000	Discretionary Bonus HK$'000	Contributions to retirement scheme HK$'000	Total HK$'000
Executive Directors *(Note ii)*					
Ng Yu	–	–	–	–	–
Lin Feng	600	–	–	–	600
Wei Weicheng *(resigned on 25 August 2021)*	–	–	–	–	–
Non-executive Directors *(Note iii)*					
Huang Shao Long *(resigned on 25 August 2021)*	–	–	–	–	–
Dai Chengyan *(appointed on 25 August 2021)*	51	–	–	–	51
Cheung Bonathan Wai Ka *(appointed on 20 June 2022)*	18	–	–	–	18
Independent Non-executive Directors *(Note iv)*					
Anthony Espina *(passed away on 6 February 2022)*	160	–	–	–	160
Wang Jun Sheng	240	–	–	–	240
Lo Hang Fong	240	–	–	–	240
Yip Tze Wai Albert *(appointed on 17 May 2022)*	45	–	–	–	45
	1,354	–	–	–	1,354

12. DIRECTORS' REMUNERATION AND INDIVIDUALS WITH HIGHEST PAY *(CONTINUED)*

(a) Directors' remuneration is disclosed as follows: *(continued)*

	For the eighteen months ended 30 June 2021				
	Fees HK$'000	Basic salaries, allowance and other benefits HK$'000	Discretionary Bonus HK$'000	Contributions to retirement scheme HK$'000	Total HK$'000
Executive Directors *(Note ii)*					
Ng Yu	–	–	–	–	–
Lin Feng *(appointed on 10 January 2020)*	600	142	–	–	742
Wei Weicheng *(resigned on 25 August 2021)*	–	–	–	–	–
Chan Chi Ming *(appointed on 6 April 2020 and resigned on 31 March 2021)*	–	1,420	–	18	1,438
Zhao Hong Mei *(ceased to be Director with effect from 4 September 2020)*	–	–	–	–	–
Huang Shao Long *(appointed on 10 January 2020, re-designated as Non-executive Director on 19 March 2020 and resigned on 25 August 2021)*	–	–	–	–	–
Li Junheng *(ceased to be Director with effect from 10 January 2020)*	–	–	–	–	–
Non-executive Directors *(Note iii)*					
Huang Shao Long *(appointed on 10 January 2020 and re-designated as Non-executive Director on 19 March 2020 and resigned on 25 August 2021)*	–	–	–	–	–
Dai Chengyan *(appointed on 25 August 2021)*	–	–	–	–	–
Independent Non-executive Directors *(Note iv)*					
Anthony Espina *(passed away on 6 February 2022)*	360	–	–	–	360
Wang Jun Sheng	360	–	–	–	360
Lo Hang Fong *(appointed on 19 March 2020)*	308	–	–	–	308
	1,628	1,562	–	18	3,208

Notes:

i. No emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office for the year ended 30 June 2022 and the eighteen months ended 30 June 2021.

ii. The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

iii. The non-executive directors' emoluments shown above were for their services as directors of the Company and its subsidiaries, if applicable.

iv. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

v. None of the directors has waived any emoluments for the year ended 30 June 2022 and the eighteen months ended 30 June 2021.

12. DIRECTORS' REMUNERATION AND INDIVIDUALS WITH HIGHEST PAY *(CONTINUED)*

(b) Individuals with highest emoluments

Of the five individuals with the highest paid in the Group, none (For the eighteen months ended 30 June 2021: Two) were directors of the Company whose emoluments are disclosed in note 12(a) above. The emoluments of the remaining five (For the eighteen months ended 30 June 2021: Three) individual were as follows:

	For the year ended 30 June 2022 HK$'000	For the eighteen months ended 30 June 2021 HK$'000
Salaries and other benefits	**5,715**	4,292
Contributions to defined contribution retirement plans	**69**	71
Discretionary bonus	**300**	4,987
	6,084	9,350

Their emoluments were within the following bands:

	For the year ended 30 June 2022 Number of employees	For the eighteen months ended 30 June 2021 Number of employees
HK$500,001 to HK$1,000,000	**2**	1
HK$1,000,001 to HK$1,500,000	**2**	1
HK$1,500,001 to HK$7,500,000	**1**	1

During the year ended 30 June 2022 and the eighteen months ended 30 June 2021, no inducement payment or compensation for loss of office was paid to the five highest paid individuals.

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement HK$'000	Plant and machinery HK$'000	Furniture, fixtures and equipment HK$'000	Moulds HK$'000	Motor vehicles HK$'000	Vessel HK$'000	Total HK$'000
Cost							
At 1 January 2020	–	714	263	155	2,339	27,000	30,471
Additions	1,320	5	290	–	4,187	–	5,802
Disposal	–	(16)	–	–	(1,213)	–	(1,229)
Written off for the period	–	(703)	–	(155)	–	–	(858)
Disposal of subsidiaries *(Note 18)*	–	–	(230)	–	–	–	(230)
Exchange adjustments	–	–	8	–	–	–	8
At 30 June 2021 and 1 July 2021	**1,320**	**–**	**331**	**–**	**5,313**	**27,000**	**33,964**
Additions	**–**	**–**	**39**	**–**	**–**	**–**	**39**
At 30 June 2022	**1,320**	**–**	**370**	**–**	**5,313**	**27,000**	**34,003**
Accumulated depreciation and impairment							
At 1 January 2020	–	529	218	101	2,318	10,125	13,291
Charge for the period	55	94	70	21	558	4,050	4,848
Eliminated on disposal	–	(5)	–	–	(1,212)	–	(1,217)
Eliminated on written off	–	(618)	–	(122)	–	–	(740)
Disposal of subsidiaries *(Note 18)*	–	–	(209)	–	–	–	(209)
Exchange adjustments	–	–	7	–	–	–	7
At 30 June 2021 and 1 July 2021	**55**	**–**	**86**	**–**	**1,664**	**14,175**	**15,980**
Charge for the year	**715**	**–**	**100**	**–**	**1,419**	**2,700**	**4,934**
At 30 June 2022	**770**	**–**	**186**	**–**	**3,083**	**16,875**	**20,914**
Net book values							
At 30 June 2022	**550**	**–**	**184**	**–**	**2,230**	**10,125**	**13,089**
At 30 June 2021	1,265	–	245	–	3,649	12,825	17,984

14. RIGHT-OF-USE ASSETS

	Leased properties HK$'000
At 1 July 2021	**–**
Additions	**1,612**
Depreciation charge	**(806)**
Impairment for the year	**(806)**
At 30 June 2022	**–**
Expense relating to short-term leases	**1,279**
Total cash outflow for leases including short-terms leases	**4,356**

14. RIGHT-OF-USE ASSETS *(CONTINUED)*

	Leased properties HK$'000
At 1 January 2020	–
Additions	3,790
Depreciation charge	(403)
Impairment for the period	(3,387)
At 30 June 2021	–
Expense relating to short-term leases	352
Total cash outflow for leases including short-terms leases	6,942

The Group has obtained the right to use property as its operation through tenancy agreements. The lease typically run for an initial period of 1 to 2 years from 1 July 2021 and without break-clause for early termination.

Impairment assessment

The Group estimates the recoverable amount of two cash-generating units ("CGUs") of securities brokerage and asset management segment and one CGU of advancing business segment to which the right-of-use assets belong, including allocation of corporate assets when reasonable and consistent basis can be established.

Since the CGUs with right-of-use assets incurred losses during the year ended 30 June 2022 and the eighteen months ended 30 June 2021, the management of the Group expected the revenue generated from the CGUs are minimal and therefore performed an impairment review of the recoverable amount on the right-of-use assets.

The recoverable amount of the relevant CGUs was determined based on value in use calculation. Value in use calculation was based on cash flow projections prepared from financial forecasts approved by the management. Other key assumptions for the value in use calculation related to the estimation of cash flows which included budgeted revenue and expected gross margins during the budget period which had been determined based on the past performance and management's expectations for the market development.

During the year ended 30 June 2022, the Group recognised full impairment losses of approximately HK$806,000 (For the eighteen months ended 30 June 2021: approximately HK$3,387,000) related to the right-of-use assets.

15. INTANGIBLE ASSETS

	Type 1 Regulated Activity License	Type 4 and Type 9 Regulated Activity License	Money Lending License	Software Licenses	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Cost					
At 1 January 2020	12,388	5,500	500	26,666	45,054
Disposal of subsidiaries *(Note 18)*	–	–	–	(26,666)	(26,666)
At 30 June 2021 and 1 July 2021	**12,388**	**5,500**	**500**	**–**	**18,388**
Disposal of subsidiaries *(Note 18)*	**–**	**–**	**(500)**	**–**	**(500)**
At 30 June 2022	**12,388**	**5,500**	**–**	**–**	**17,888**
Accumulated amortisation and impairment					
At 1 January 2020	12,388	5,500	500	15,478	33,866
Disposal of subsidiaries *(Note 18)*	–	–	–	(15,478)	(15,478)
At 30 June 2021 and 1 July 2021	**12,388**	**5,500**	**500**	**–**	**18,388**
Disposal of subsidiaries *(Note 18)*	**–**	**–**	**(500)**	**–**	**(500)**
At 30 June 2022	**12,388**	**5,500**	**–**	**–**	**17,888**
Carrying values					
At 30 June 2022	**–**	**–**	**–**	**–**	**–**
At 30 June 2021	–	–	–	–	–

The regulated activities licenses and software licenses acquired in business combinations were recognised at fair value at the acquisition date for securities brokerage and asset management business and trading of security products and provision of security services business respectively. The regulated activities licenses have indefinite useful lives and carried at cost less accumulated impairment losses. The software licenses have estimated useful lives of 5 years and carried at cost less accumulated amortisation and impairment loss.

16. INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries represents investments in unlisted shares at cost.

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Name of company	Place of establishment/ incorporation and operation	Particulars of issued and paid up/ registered capital	Group's effective interest	Principal activities
Directly held				
Asiagoal Holdings Limited ("Asiagoal")#	Hong Kong	HK$1	– (30 June 2021: 100%)	Investment holding
AIF Finance Limited ("AIF Finance")^	Hong Kong	HK$100,000	– (30 June 2021: 100%)	Advancing business
A-United Health Medical Company Limited	Hong Kong	HK$1	100%	Trading of metals and minerals
Amber Hill Global Investment Limited	Hong Kong	HK$1	100%	Investment holding and trading of party products
Indirectly held				
Cheerful Arts Group Limited	Hong Kong	HK$1	100%	Trading of party products
AIF Securities Limited	Hong Kong	HK$41,000,000	100%	Engaging in the business of a dealer in securities
Amber Hill Asset Management Limited (formerly known as AIF Asset Management Limited)	Hong Kong	HK$18,000,000	100%	Provision of securities advisory and asset management services
廣州零零叁叁貿易有限公司 Guangzhou Zero Zero Three Three Trading Co., Ltd.*	PRC	RMB100,000,000	100%	Trading of commodities
陝西寰安遠宇實業有限公司 Shaanxi Huan'an Yuanyu Industrial Co., Limited*	PRC	RMB20,000,000	70%	Trading of party products

* The English name is for identification purpose only.

The company was disposed of on 28 June 2022.

^ The company was disposed of on 31 December 2021.

17. GOODWILL

	As at 30 June 2022 HK$'000	As at 30 June 2021 HK$'000
At the beginning of the year/period	**–**	489
Disposal of subsidiaries *(Note 18)*	**–**	(489)
At the end of the year/period	**–**	–

18. DISPOSAL OF SUBSIDIARIES

(a) Disposal of subsidiaries during the year ended 30 June 2022

During the year ended 30 June 2022, the Group had the following disposals of subsidiaries:

(i) On 29 September 2021, the Company has entered into a disposal agreement with an independent third party to dispose of 100% equity interest in the subsidiaries, Market Season Limited ("Market Season") and AIF Finance which are listed below. The disposal was completed on 31 December 2021.

List of Market Season, its subsidiaries and AIF Finance:

Name of subsidiaries	**Place of establishment/ incorporation and operation**	**Particulars of issued and paid up/ registered capital**	**Group's effective interest**	**Principal activities**
Market Season	BVI	US$1	100%	Investment holding
Green Link Holdings Limited	Hong Kong	HK$1	100%	Investment holding
Hong Kong New Smart Energy Group Limited	Hong Kong	HK$1,000,000	100%	Investment holding
AIF Finance	Hong Kong	HK$100,000	100%	Advancing business

18. DISPOSAL OF SUBSIDIARIES *(CONTINUED)*

(a) Disposal of subsidiaries during the year ended 30 June 2022 *(continued)*

(ii) On 28 June 2022, the Company has entered into a disposal agreement with an independent third party to dispose of 100% equity interest in the subsidiary, Asiagoal, which is listed below, at a consideration of HK$1. The disposal was completed on 28 June 2022.

List of Asiagoal and its subsidiary:

Name of subsidiaries	Place of establishment/ incorporation and operation	Particulars of issued and paid up/ registered capital	Group's effective interest	Principal activities
Asiagoal	Hong Kong	HK$1	100%	Investment holding
匯金協和投資咨詢(深圳)有限公司 Hui Jin Xie He Investment Consultancy (Shenzhen) Company Limited*	PRC	HK$30,000,000	100%	Investment holding

* The English name is for identification purpose only.

Consideration received:

	Market Season HK$'000	AIF Finance HK$'000	Asiagoal HK$'000	Total HK$'000
Consideration received in cash and cash equivalents	425	733	–	1,158
Consideration receivable	426	733	–	1,159
	851	1,466	–	2,317

18. DISPOSAL OF SUBSIDIARIES *(CONTINUED)*

(a) Disposal of subsidiaries during the year ended 30 June 2022 *(continued)*

Analysis of assets and liabilities over which control was lost:

	Market Season HK$'000	**AIF Finance** HK$'000	**Asiagoal** HK$'000	**Total** HK$'000
Net assets/(liabilities) disposed of:				
Trading securities	–	–	28	28
Prepayments, deposits and other receivables	–	–	510	510
Cash and cash equivalents	–	9	368	377
Accruals and other payables	(8,482)	(276)	(9,136)	(17,894)
Other loans	–	–	(13,000)	(13,000)
Net liabilities disposed of	(8,482)	(267)	(21,230)	(29,979)

Gain on disposal of subsidiaries:

	Market Season HK$'000	**AIF Finance** HK$'000	**Asiagoal** HK$'000	**Total** HK$'000
Consideration received/receivable	851	1,466	–	2,317
Cumulative exchange difference on translation of a subsidiary reclassified from equity to profit or loss	–	–	(1,869)	(1,869)
Net liabilities disposed of	8,482	267	21,230	29,979
Gain on disposal of subsidiaries	9,333	1,733	19,361	30,427

Net cash inflow/(outflow) arising on disposal of subsidiaries:

	Market Season HK$'000	**AIF Finance** HK$'000	**Asiagoal** HK$'000	**Total** HK$'000
Consideration received in cash and cash equivalents	425	733	–	1,158
Less:				
Cash and cash equivalents disposed of	–	(9)	(368)	(377)
Net cash inflow/(outflow) arising on disposal of subsidiaries	425	724	(368)	781

18. DISPOSAL OF SUBSIDIARIES *(CONTINUED)*

(b) Disposal of subsidiaries during the eighteen months ended 30 June 2021

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

(i) On 30 June 2020, the vendors of International Security Net Co., Limited ("ISN") and Dewe Kexin (Beijing) Technology Co., Ltd.* (德威可信(北京)科技有限公司 ("Dewe Kexin")) entered into the sale and purchase agreement with the Group in relation to the disposal by the Group of the entire issued share capital of ISN and the other receivables for a total consideration of HK$8,750,000 by way of surrendering by the vendors of ISN and Dewe Kexin of the relevant convertible bonds in principal amount of HK$8,750,000 issued by the Company and arising from the profit guarantee. For details, please refer to notes 32 and 37 to the annual report for the eighteen months ended 30 June 2021. The disposal has been completed on 31 December 2020.

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

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

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

* The English name is for identification purpose only.

18. DISPOSAL OF SUBSIDIARIES *(CONTINUED)*

(b) Disposal of subsidiaries during the eighteen months ended 30 June 2021 *(continued)*

Consideration received:

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

Analysis of assets and liabilities over which control was lost:

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

18. DISPOSAL OF SUBSIDIARIES *(CONTINUED)*

(b) Disposal of subsidiaries during the eighteen months ended 30 June 2021 *(continued)*

Gain/(loss) on disposal of subsidiaries:

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

Net cash inflow/(outflow) arising on disposal of subsidiaries:

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

19. DISCONTINUED OPERATION

As detailed in notes 18(b)(i) and (ii) to the consolidated financial statements of the results of the disposal of subsidiaries ISN and Dewe Kexin, 100% and 51% interest in ISN and Dewe Kexin, respectively, with principal operation as trading of security products and provision of security services is presented as discontinued operation.

The loss for the period from discontinued operation is set out below:

	For the eighteen months ended 30 June 2021 HK$'000
Gain on disposal of subsidiaries	488
Loss of discontinued operation for the period	(5,036)
	(4,548)

19. DISCONTINUED OPERATION *(CONTINUED)*

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

	For the eighteen months ended 30 June 2021 HK$'000
Revenue	784
Cost of sales and services	–
Gross profit	784
Other revenue and other net gain	146
Operating expenses	(1,692)
Loss from operations	(762)
Finance costs	(124)
Other non-operating expenses	
Gain on disposal of property, plant and equipment	390
Loss before impairment and tax	(496)
Impairment loss on trade receivables, net	(4,410)
Impairment loss on other receivables, net	(130)
Loss before tax	(5,036)
Income tax	–
Loss for the period	(5,036)
Net cash outflow from operating activities	(5,240)
Net cash inflow from investing activities	646
Net cash inflow from financing activities	4,556
Net decrease in cash from discontinued operation	(38)

20. INVENTORIES

	As at 30 June 2022 HK$'000	As at 30 June 2021 HK$'000
Finished goods	**10,884**	–

21. TRADING SECURITIES

	As at 30 June 2022 HK$'000	As at 30 June 2021 HK$'000
Trading securities		
— Equity shares listed in Hong Kong	**160**	174

The trading securities are initially recognised at fair value. The Group holds the trading securities for trading purpose. At the end of reporting period the fair value is re-measured, with any resultant gain or loss being recognised in profit or loss. The fair value is measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

22. LOAN RECEIVABLES

	As at 30 June 2022 HK$'000	As at 30 June 2021 HK$'000
Loan receivables from advancing business	**2,000**	122,555
Less: Impairment	**(2,000)**	(122,555)
	–	–

(a) At 30 June 2022, loan receivables were bearing interest at 20% per annum (30 June 2021: 5% to 17%), and with maturity date on 28 February 2022. At 30 June 2022, the Group had loan receivables due from a borrower who is an independent third party amounting to HK$2,000,000 (30 June 2021: HK$122,555,000), of which HK$2,000,000 was unsecured (30 June 2021: HK$17,245,000 was secured by a personal guarantee of a customer and HK$99,128,000 was secured by unlisted equity shares of certain PRC companies).

(b) At the end of the reporting period, all loan receivables are past due.

(c) During the year ended 30 June 2022, the Group derecognised the loan receivables with gross carrying amount of HK$122,555,000, which had been fully impaired in the prior reporting period, upon the disposal of the subsidiaries, Market Season and AIF Finance. Details of the disposal are set out in note 18(a)(i).

(d) During the year ended 30 June 2022, due to the default of the loan receivables made to a borrower who is an independent third party, the Group made full provision for impairment on loan receivables.

23. TRADE RECEIVABLES

	As at 30 June 2022 HK$'000	As at 30 June 2021 HK$'000
Trade receivables arising from dealing in securities	**2,814**	2,813
Interest receivables arising from advancing business	**333**	12,387
Trade receivables arising from trading of party products	**19,995**	104,246
Trade receivables arising from trading of commodities	**–**	5,905
	23,142	125,351
Less: Impairment	**(3,082)**	(16,353)
	20,060	108,998

Customers from trading of party products are usually offered a credit period of up to 90 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

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

	As at 30 June 2022 HK$'000	As at 30 June 2021 HK$'000
Within 30 days	**3,352**	104,296
31 to 60 days	**–**	–
61 to 90 days	**–**	–
Over 90 days	**16,708**	4,702
	20,060	108,998

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2022 HK$'000	As at 30 June 2021 HK$'000
Trade deposits and other receivables	**98,688**	42,483
Prepayments and other deposits	**8,303**	23,572
	106,991	66,055
Less: Impairment	**(11,556)**	(47,649)
	95,435	18,406
Representing:		
Current portion	**95,035**	18,006
Non-current portion	**400**	400
	95,435	18,406

The amount of prepayments, deposits and other receivables expected to be recovered or recognised as expense after more than one year is approximately HK$400,000 (30 June 2021: HK$400,000). The remaining amount is expected to be recovered or recognised as expense within one year.

As at 30 June 2022, total impairment loss for prepayment, deposits and other receivables was approximately HK$11,556,000, of which approximately HK$5,556,000 related to impairment of other receivables and HK$6,000,000 related to impairment of other deposits. As at 30 June 2021, total impairment loss for prepayment, deposits and other receivables was approximately HK$47,649,000, of which approximately HK$31,149,000 related to impairment of other receivables, HK$6,000,000 related to impairment of other deposits and HK$10,500,000 related to impairment of trade deposits paid in previous year due to uncertainty in future prospects of trading of metals and minerals business.

During the year ended 30 June 2022, the impairment of other receivables amounting to approximately HK$25,384,000 and the impairment of trade deposits amounting to HK$10,500,000 were written off. During the eighteen months ended 30 June 2021, the impairment of deposits amounting HK$5,855,000 of which HK$978,000 was written off in the same period.

In response to the internal control deficiency identified during the audit, on 13 October 2022, the Company engaged an independent professional advisory firm to conduct an independent review on the internal control, nature and business justification of certain trade deposits paid during the year, amounting to RMB77,895,000 (equivalent to approximately HK$90,241,000). The review also covered the subsequent utilisation of such trade deposits after the end of the current reporting period.

Based on the report from the independent professional advisory firm, the directors concluded that despite certain internal control procedures can be improved, there were no material discrepancies noted in relation to trade deposits paid during the year. Subsequent refund and utilisation up to 31 October 2022 amounted to approximately HK$34,759,000 and HK$55,329,000 respectively also confirmed the recoverability of these trade deposits. As such, no impairment was provided on the trade deposits as at 30 June 2022.

25. CLIENT TRUST BANK BALANCE

The Group receives and holds monies deposited by clients and other institutions in the course of the conduct of the regulated activities of securities brokerage. These clients' monies are maintained in a client trust bank account. The Group has recognised the corresponding trade payables to respective clients (Note 30).

26. CASH AND CASH EQUIVALENTS

	As at 30 June 2022 HK$'000	As at 30 June 2021 HK$'000
Cash at other financial institution	**60,292**	–
Cash and bank balances	**38,899**	248,778
Cash and cash equivalents in the statement of cash flows	**99,191**	248,778

Cash and cash equivalents include short-term bank deposits and cash at other financial institution, carrying interest at prevailing market rates.

27. SHARE CAPITAL

	Number of shares '000	**Amount** HK$'000
Authorised:		
Ordinary shares of HK$0.001 each		
At 1 January 2020	10,000,000,000	10,000,000
Share consolidation *(Note (c))*	(9,000,000,000)	–
Ordinary shares of HK$0.01 each		
At 30 June 2021 and 1 July 2021 and 30 June 2022	1,000,000,000	10,000,000
Issued and fully paid:		
Ordinary shares of HK$0.001 each		
At 1 January 2020	937,797	938
Issue of new shares *(Note (a))*	181,463	181
Issue of new shares *(Note (b))*	223,852	224
Share consolidation on 1 December 2020 *(Note (c))*	(1,208,801)	–
Subscription shares under specific mandate in January 2021 *(Notes (d) and (e))*	402,934	4,029
Ordinary shares of HK$0.01 each		
At 30 June 2021 and 1 July 2021 and 30 June 2022	537,245	5,372

27. SHARE CAPITAL *(CONTINUED)*

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

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

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

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

(e) On 25 January 2021, 284,673,884 subscription shares were allotted and issued by the Company to Neo Tech for a total consideration of approximately HK$202,118,000 at the subscription price of HK$0.71 per share, in accordance with the subscription agreement and the specific mandate approved by the independent shareholders at the extraordinary general meeting held on 27 November 2020. The consideration for the subscription had been fully settled in cash.

28. EQUITY SETTLED SHARE-BASED TRANSACTIONS

At the annual general meeting of the Company held on 26 June 2017, the shareholders of the Company approved the adoption of a share option scheme (the "Share Option Scheme") which took effect from 26 June 2017 (the "Commencement Date"). The purpose of the Share Option Scheme is to provide incentives or rewards to participants (the "Participants") of the Share Option Scheme for their contribution to, and continuing efforts to promote the interests of the Group. The Participants (as defined in the Share Option Scheme) include any employees of the Group (including any directors, whether executive or non-executive and whether independent or not, of the Company or any of its subsidiaries) and any distributor, contractor, business partner, promoter, service provider, customer, supplier, consultant, agent and adviser or any person who, in the sole discretion of the Board, has contributed or may contribute to the Group. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for 10 years from 26 June 2017. The scheme mandate limit in respect of the granting of options to subscribe for shares under the Share Option Scheme was refreshed and renewed at the annual general meeting of the Company held on 18 June 2019. The maximum number of the ordinary shares (the "Shares") of the Company upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Company must not in aggregate exceed 10% of the ordinary shares of the Company in issue as at the date of passing the resolution on 18 June 2019 (the "Refreshed Limit") and that the directors be and were authorised, subject to compliance with the listing rules, to grant options under the Share Option Scheme up to the Refreshed Limit and to exercise all powers of the Company to allot, issue and deal with Shares of the Company pursuant to the exercise of such options. Save as disclosed above, the other principal terms of the Share Option Scheme are as follows:

(i) The overall maximum number of Shares which may be issued upon the exercise of all outstanding options grants and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the Shares in issue from time to time.

(ii) The total number of Shares in respect of which options may be granted to each eligible participant in any 12-month period must not exceed 1% of the issued share capital of the Company for the time being.

(iii) The subscription price shall be a price determined by the Directors, but shall not be less than the highest of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations on the date of grant, which must be a business day; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of grant; and (c) the nominal value of the Share.

(iv) An option may be accepted by an eligible participant for a period of 21 days from the date upon which the offer of the grant of option is made. A non-refundable nominal consideration of HK$1.00 is payable by the grantee upon acceptance of an option.

28. EQUITY SETTLED SHARE-BASED TRANSACTIONS *(CONTINUED)*

No share option was granted during the year ended 30 June 2022 and the eighteen months ended 30 June 2021, and the Company had no share options outstanding under the Share Option Scheme as at 30 June 2022 and 30 June 2021.

Details of the share options granted and summary of movements of the outstanding share options for the eighteen months ended 30 June 2021 under the Share Option Scheme are as follows:

					Number of share options			
	Date of grant	Exercise price HK$	Note	Exercisable period	Outstanding as at 1 January 2020	Lapsed	Forfeited	Outstanding as at 30 June 2021
Executive Directors								
Cheung Kwan *(Removed on 19 December 2019)*	27 July 2017	0.15	(i)	From 27 July 2017 to 26 July 2020	25,000,000	(25,000,000)	–	–
Liu Hu *(Resigned on 6 November 2019)*	29 November 2017	0.15	(iv)	From 29 November 2017 to 28 November 2020	5,000,000	(5,000,000)	–	–
Ling Zack Xiange *(Resigned on 15 January 2019)*	7 September 2018	0.15	(v)	From 7 September 2018 to 6 September 2021	1,000,000	(700,000)	(300,000)	–
Non-executive Director								
Wang Dayong *(Resigned on 9 December 2019)*	7 September 2018	0.15	(v)	From 7 September 2018 to 6 September 2021	9,000,000	(6,300,000)	(2,700,000)	–
Independent Non-executive Director								
Anthony Espina *(Passed away on 6 February 2022)*	27 July 2017	0.15	(ii)	From 27 July 2017 to 26 July 2020	900,000	(900,000)	–	–
Employees	27 July 2017	0.15	(ii)	From 27 July 2017 to 26 July 2020	1,400,000	(1,400,000)	–	–
	29 November 2017	0.15	(iv)	From 29 November 2017 to 28 November 2020	7,000,000	(7,000,000)	–	–
	7 September 2018	0.15	(v)	From 7 September 2018 to 6 September 2021	14,100,000	(9,400,000)	(4,700,000)	–
Consultants	27 July 2017	0.15	(ii)	From 27 July 2017 to 26 July 2020	4,000,000	(4,000,000)	–	–
	27 July 2017	0.15	(iii)	From 27 July 2017 to 26 July 2020	15,300,000	(15,300,000)	–	–
Others	27 July 2017	0.15	(ii)	From 27 July 2017 to 26 July 2020	900,000	(900,000)	–	–
					83,600,000	(75,900,000)	(7,700,000)	–

28. EQUITY SETTLED SHARE-BASED TRANSACTIONS *(CONTINUED)*

Notes:

(i) Share options were conditionally granted and vested subject to the approval of the shareholders of the Company, and such approval was obtained on 20 March 2018.

(ii) Share options were vested immediately on the date of the options granted.

(iii) Each of the one third of the share options will be vested on the date of the options granted, 1 January 2018 and 1 January 2019 respectively. The exercise period is from the effective vested dates to 26 July 2020.

(iv) 50% of the share options were vested immediately on the date of the options granted and the remaining 50% of the share options will be vested on 29 November 2018. The exercise period is from the effective vested dates to 28 November 2020.

(v) Each of the one third of the share options will be vested on the date of the options granted, 1 January 2020 and 1 January 2021 respectively. The exercise period is from the effective vested dates to 6 September 2021.

29. RESERVES

The Company

	Share premium HK$'000	Contributed surplus HK$'000	Convertible bond reserve HK$'000	Share option reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 January 2020	3,995,137	31,971	25,893	15,570	(4,219,087)	(150,516)
Share issuance	322,650	–	–	–	–	322,650
Release of convertible bonds reserves	–	–	(24,400)	–	24,400	–
Equity settled share-based payment	–	–	–	(546)	–	(546)
Lapse of share options	–	–	–	(15,024)	15,024	–
Total comprehensive loss for the period	–	–	–	–	(33,225)	(33,225)
At 30 June 2021 and 1 July 2021	**4,317,787**	**31,971**	**1,493**	**–**	**(4,212,888)**	**138,363**
Release of convertible bonds reserves	**–**	**–**	**(1,493)**	**–**	**1,493**	**–**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**6,979**	**6,979**
At 30 June 2022	**4,317,787**	**31,971**	**–**	**–**	**(4,204,416)**	**145,342**

(i) Share premium

The application of the share premium account is governed by the Companies Law of the Cayman Islands. Under the Companies Law of the Cayman Islands, the funds in share premium account are distributable to shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Translation reserve

Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operation.

29. RESERVES *(CONTINUED)*

(iii) Capital reserve

Capital reserve of the Group represents the difference between the nominal values of the ordinary shares issued by the Company and the share capital of Silver Pattern Limited acquired through the share swap pursuant to the reorganisation of the Group for the listing of the Company's shares (the "Reorganisation") in 2017.

(iv) Contributed surplus

Contributed surplus represents the excess of the fair value of the shares of Silver Pattern Limited determined on the basis of the consolidated net assets of Silver Pattern Limited at the due of the Reorganisation over the nominal value of the shares issued by the Company in exchange thereof.

(v) Convertible bond reserve

The convertible bond reserve represents the unexercised equity component of the convertible bond issued by the Company recognised in accordance with the accounting policy adopted for convertible bond.

(vi) Distributability of reserves

At 30 June 2022, the Company's reserves available for distribution, comprising share premium and accumulated losses in aggregate, amounted to HK$113,371,000 (30 June 2021: HK$104,899,000).

(vii) Share option reserve

The share option reserve represents the recognition of the value of equity settled share-based payments provided to non-employee and employees, including key management personnel, as part of the remuneration. Please refer to note 28 for further details.

30. TRADE PAYABLES

	As at 30 June 2022 HK$'000	As at 30 June 2021 HK$'000
Trade payables arising from dealing in securities	**820**	763
Trade payables arising from trading of party products	**12,434**	52,673
	13,254	53,436

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

	As at 30 June 2022 HK$'000	As at 30 June 2021 HK$'000
0 to 30 days	**–**	52,673
31 to 60 days	**–**	–
61 to 90 days	**–**	–
Over 90 days	**12,434**	–
	12,434	52,673

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

31. ACCRUALS AND OTHER PAYABLES

	Notes	**As at 30 June 2022 HK$'000**	As at 30 June 2021 HK$'000
Contract liabilities	(a)	**16,270**	–
Deposits received		**709**	720
Loan from a securities broker		**–**	1,358
Accrued salaries and bonus	(b)	**3,110**	2,835
Accrued interests		**–**	4,246
Other accrued expenses		**5,457**	5,753
Dividend payable		**3**	7
Other tax payables		**7**	59
Other payables		**6,131**	7,000
Amount due to a deconsolidated subsidiary	(c)	**–**	8,467
		31,687	30,445

The carrying amounts of accruals and other payables at the end of the reporting period approximated their fair values. All of the accrued expenses and other payables are expected to be settled or recognised as income within one year.

Notes:

(a) When the Group receives deposits from customer in advance of sales of goods, the deposits are recognised as contract liabilities until the control of the goods has been transferred to the customers.

Movements in contract liabilities

	As at 30 June 2022 HK$'000	As at 30 June 2021 HK$'000
Balance at the beginning of the year/period	**–**	–
Increase in contract liabilities as a result of receipts in advance from sales of goods	**16,270**	–
Balance at the end of the year/period	**16,270**	–

The balance of the contract liabilities is expected to be recognised as income within one year.

(b) As at 30 June 2022, accrued salaries and bonuses amounted to approximately HK$3,110,000 (30 June 2021: HK$2,835,000) was payable to the existing and former directors (including both executive and independent non-executive directors).

(c) As at 30 June 2021, the balance of approximately HK$8,467,000 was an amount due to a deconsolidated subsidiary, which is unsecured, interest free and repayable on demand.

32. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the reporting period:

	As at 30 June 2022		As at 30 June 2021	
	Present value of the minimum lease payments HK$'000	**Total minimum lease payments HK$'000**	Present value of the minimum lease payments HK$'000	Total minimum lease payments HK$'000
Within 1 year	**2,181**	**2,258**	1,860	2,079
After 1 year but within 2 years	**–**	**–**	1,427	1,480
	2,181	**2,258**	3,287	3,559
Less: Total future interest expenses		**(77)**		(272)
Present value of lease liabilities		**2,181**		3,287

The weighted average incremental borrowing rates applied to lease liabilities range from 9.18% to 12.0% (30 June 2021: from 9.18% to 12.0%).

33. OTHER LOANS

At 30 June 2021, other loan included HK$13,000,000 overdue unsecured loan bearing fixed interest of 5% per annum. The principal balance and accrued interest of HK$2,255,000 was settled by the Group through disposal of the subsidiary, Asiagoal (Note 18), during the year ended 30 June 2022.

At 30 June 2021, other loans included approximately HK$28,852,000 unsecured loan bearing fixed interest of 8% per annum. The principal balance and accrued interest have been settled during the year ended 30 June 2022.

34. DEFERRED TAX LIABILITIES

The component of deferred tax liabilities recognised in the consolidated statement of financial position and the movements during the year/period are as follows:

	Intangible assets HK$'000
At 1 January 2020	2,797
Disposal of subsidiaries *(Note 18)*	(2,797)
At 30 June 2021, 1 July 2021 and 30 June 2022	–

At the end of the reporting period, the Group has unused tax losses of HK$98,500,000 (30 June 2021: HK$633,892,000) available for offset against future profits. No deferred tax asset has been recognised in respect of these unused tax losses due to the unpredictability of future profit streams. Included in unrecognised tax losses, losses of HK$432,000 (30 June 2021: Nil) will expire in 2027. Other losses may be carried forward indefinitely.

35. CONVERTIBLE BONDS

	As at 30 June 2022			As at 30 June 2021		
	Liability portion HK$'000	**Equity portion HK$'000**	**Total HK$'000**	Liability portion HK$'000	Equity portion HK$'000	Total HK$'000
2020 Convertible Bonds	–	–	–	114,248	1,493	115,741
Representing:						
Current liabilities	–	–	–	114,248	–	114,248
Convertible bonds reserve	–	–	–	–	1,493	1,493

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

35. CONVERTIBLE BONDS *(CONTINUED)*

On 5 October 2021, the Company redeemed the 2020 Convertible Bonds with principal amount of HK$5,000,000 with 5% interest per annum accruing from 26 June 2019 up to 18 February 2020 and with default interest at 10% per annum accruing from 19 February 2020 up to the date of actual repayment, which have already fallen due on 18 February 2020.

The 2020 Convertible Bonds	**Liability Portion**	**Equity Portion**	**Total**
	HK$'000	HK$'000	HK$'000
At 1 January 2020	108,601	1,493	110,094
Interest charged to consolidated statement of profit or loss	5,647	–	5,647
At 30 June 2021 and 1 July 2021	**114,248**	**1,493**	**115,741**
Interest charged to consolidated statement of profit or loss	**159**	**–**	**159**
Redemption	**(114,407)**	**(1,493)**	**(115,900)**
At 30 June 2022	**–**	**–**	**–**

Details of convertible bonds structure are set out in note 37 to the annual report for the eighteen months ended 30 June 2021.

As at 30 June 2022, the Group did not have any outstanding convertible bonds.

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	**As at 30 June 2022 HK$'000**	As at 30 June 2021 HK$'000
Non-current assets			
Property, plant and equipment		**670**	1,459
Right-of-use assets		**–**	–
Investment in subsidiaries		**11**	12,474
Amounts due from subsidiaries		**150,741**	90,316
		151,422	104,249
Current assets			
Prepayments, deposits and other receivables		**1,407**	1,095
Cash and cash equivalents		**3,780**	160,302
		5,187	161,397
Total Assets		**156,609**	265,646
Capital and reserves			
Share capital	27	**5,372**	5,372
Reserves	29	**145,342**	138,363
		150,714	143,735
Current liabilities			
Amounts due to subsidiaries		**–**	994
Accruals and other payables		**4,933**	4,441
Lease liabilities		**962**	1,171
Convertible bonds		**–**	114,248
		5,895	120,854
Non-current liabilities			
Lease liabilities		**–**	1,057
		–	1,057
Total Liabilities		**5,895**	121,911
Total Equity and Liabilities		**156,609**	265,646
Net current (liabilities)/assets		**(708)**	40,543
Total assets less current liabilities		**150,714**	144,792

37. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in the consolidated financial statements, the Group had the following significant transactions and balances with related parties during the year/period:

(a) On 19 November 2021, the Company entered into a revolving loan agreement (the "Loan Agreement") with Neo Tech. Pursuant to the Loan Agreement, Neo Tech agreed to provide a revolving loan up to the principal amount of US$200,000,000 (which is equivalent to approximately HK$1,560,000,000) (the "Shareholder's Loan") to the Company for a term of 12 months effective from the date of the Loan Agreement. The Shareholder's Loan was unsecured, interest-free and repayable on demand. During the year ended 30 June 2022, the Company has drawn down a total of approximately US$161,000,000 (which is equivalent to approximately HK$1,255,800,000) of the Shareholder's Loan. The Company has fully repaid the Shareholder's Loan on 6 January 2022.

(b) During the year ended 30 June 2022, the Group entered several insurance service agreements with Target Insurance Company, Limited ("Target Insurance"), whereas Dr. Ng (the ultimate controlling party of the Company), was the director and substantial shareholder of Target Insurance. The Group recognised insurance expenses in profit or loss with a total amount of HK$694,000 (For the eighteen months ended 30 June 2021: HK$26,000) for the Directors' & Officers' Liability insurance, employees' compensation insurance and vehicle insurance for the year ended 30 June 2022. Those insurances cover one year period.

(c) During the year ended 30 June 2022, a subsidiary of the Group had spot foreign currency trading transactions through YF Securities Pte. Ltd ("YF Securities"), a brokerage company incorporated in Singapore with limited liability and beneficially owned by Dr. Ng (the ultimate controlling party of the Company). The transactions fees with a total amount of HK$344,000 (For the eighteen months ended 30 June 2021: Nil) recognised in profit or loss for the year ended 30 June 2022 were charged on the spot foreign currency trading transactions by YF Securities.

(d) As at 30 June 2022, the Group had cash and cash equivalents of HK$60,292,000 (30 June 2021: Nil) deposited in YF Securities. The balance was unsecured and no provision for doubtful debts had been made in respect of the balance.

(e) At 30 June 2021, the Company had outstanding unsecured convertible bonds of principal amount of HK$100,000,000 held by the New Bondholder, Neo Tech, whereas Dr. Ng (the chairman, executive director and the controlling party of the Company), is the beneficial owner. Details of the convertible bonds are set out in note 35.

(f) During the eighteen months ended 30 June 2021, the Group entered into agreements (the "Agreements") with Neo Tech, pursuant to which the Group, by paying a premium, would be entitled to the profits (the "Relevant Profits"), if any, from the difference between the opening value and the closing value of the long position of certain investment funds as the underlying assets respectively specified in the Agreements as at the respective dates of expiry of the Agreements. Neo Tech and its sole beneficial owner, namely Dr. Ng (who is also the chairman and executive Director of the Company), are the controlling party of the Company. The transactions contemplated under the Agreements (including the payment of the abovementioned premium) were of normal commercial terms and exempted connected transactions according to Chapter 14A of the Listing Rules. Upon expiry of the Agreements, the Relevant Profits in the total amount of HK$22,681,000 were recognised during the eighteen months ended 30 June 2021.

37. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(g) During the eighteen months ended 30 June 2021, Dr. Ng provided loans in total amount of HK$38,500,000 to the Company at annual interest rate of 2.5%, unsecured and repayable on demand. The relevant principal and interest, in the amount of approximately HK$877,000, were repaid in full on 27 January 2021.

(h) On 11 September 2020, the Company announced that, among other things, an agreement was entered into by the Company (as issuer) and Neo Tech (as subscriber) on 31 July 2020 in relation to a share subscription (the "Subscription"). It was further announced by the Company on 25 January 2021 that the Subscription was completed on that date, pursuant to which a total of 284,673,884 shares were issued and allotted by the Company to Neo Tech at the price of HK$0.71 per share. Details of the Subscription were set out in note 27(e).

(i) Compensation of key management of the Group:

	For the year ended 30 June 2022 HK$'000	For the eighteen months ended 30 June 2021 HK$'000
Salaries, allowance and other benefits	**5,510**	9,402
Contributions to defined contribution retirement plans	**54**	111
Discretionary bonus	**300**	4,987
	5,864	14,500

Note: Further details of directors' and employees' emoluments and post-employment benefits are included in notes 11 and 12 to the consolidated financial statements. Total remuneration is included in staff costs (see Note 7).

38. COMMITMENTS

Capital Commitments

As at 30 June 2022 and 30 June 2021, the Group did not have capital commitments contracted but not provided for in the consolidated financial statements.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Financial risk factors

The Group's major financial instruments include, cash and cash equivalents, client trust bank balance, trade receivables, deposits and other receivables, loan receivables, trading securities, trade payables, other payables, other loans, lease liabilities, convertible bonds and amount due to a deconsolidated subsidiary. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include credit risk, liquidity risk, interest rate risk, currency risk and equity price risk. The Group does not hold or issue derivative financial instruments either for hedging or trading purposes. The policies on how to mitigate these risks are set out as below.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Fair values of financial assets and liabilities:

Financial instruments not measured at fair value

At the end of the reporting period, the fair values of the Group's financial assets and liabilities not measured at fair value are not materially different from their carrying amount.

Financial instruments measured at fair value

Group's valuation process

The fair values of trading securities are measured with reference to quoted market prices.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments.

Financial assets	**Fair value as at**		**Fair value hierarchy**	**Valuation technique(s) and key input(s)**	**Significant unobservable input(s)**
	30 June 2022 HK$'000	30 June 2021 HK$'000			
Trading securities — Listed equity securities	**160**	174	Level 1	Quoted prices in active market	–

During the year, there were no transfer of fair value measurements between Level 1, Level 2 and Level 3 (For the eighteen months ended 30 June 2021: Nil).

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

(a) Financial risk factors *(continued)*

(i) Credit risk

Credit risk arises from the possibility that the counterparty to transaction is unwilling or unable to fulfill its obligation thereby incurring financial loss to the Group.

1. Trade and other receivables

As at 30 June 2022, the maximum exposure to credit risk is represented by the carrying amount of trade and other receivables in the consolidated statement of financial position.

In respect of trade and other receivables, in order to minimise risk, management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations of customers' financial position and condition are performed on all customers periodically. In addition, credit evaluations are performed on all customers requiring credit over a certain amount. Trade receivables are usually due within 90 days from the date of delivery of goods or billing. Debtors with overdue balances, which will be reviewed on a case-by-case basis, are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collaterals from customers.

For trade receivables, the Group performs impairment assessment under ECL model individually. Net reversal of impairment loss of HK$879,000 (For the eighteen months ended 30 June 2021: net impairment loss of HK$5,649,000) is recognised during the period. Details of the quantitative disclosure are set out below in this note.

For other receivables, the directors of the Group make periodic individual assessment on recoverability of deposits and other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The directors of the Group considered that there are increase in credit risk of certain other receivables and no significant increase in credit risk in certain other receivables. Therefore, the Group provided impairment based on both 12-month ECL and lifetime ECL. Net reversal of impairment loss of HK$181,000 (For the eighteen months ended 30 June 2021: net impairment loss of HK$6,328,000) is recognised during the period. Details of the quantitative disclosure are set out below in this note.

In respect of trade receivables, the Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk. At 30 June 2022, the Group has certain concentration of credit risk as approximately equals to 83.0% (30 June 2021: 23.7%) and 100.0% (30 June 2021: 88.4%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively. The Group also has certain concentration of credit risk as approximately equals to 40.2% (30 June 2021: 15.8%) and 72.1% (30 June 2021: 53.4%) of the total other receivables was due from the Group's largest other receivables and the five largest other receivables respectively.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

(a) Financial risk factors *(continued)*

(i) Credit risk (continued)

2. Deposits with banks and other financial institution

The Group mitigates its exposure to credit risk by placing deposits with the financial institutions with established credit rating and with strict liquidity compliance requirement. Given the high credit ratings and strict liquidity requirements of the banks and other financial institution, management does not expect any counterparty to fail to meet its obligations.

3. Loan receivables

As at 30 June 2022, the maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of loan receivables in the consolidated statement of financial position.

In respect of loan receivables, in order to minimise risk, management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations of customers' financial position and condition are performed on all customers periodically. In addition, credit evaluations are performed on all customers requiring credit over a certain amount. These receivables are usually due within six months (30 June 2021: one to two years) from the date of loan agreement. Debtors with overdue balances, which will be reviewed on a case-by-case basis, are requested to settle all outstanding balances before any further credit is granted.

The Group has made full impairment on loan receivables as at 30 June 2022 as the collectability of the loans was doubtful.

In respect of loan receivables, the Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk. At 30 June 2022, the Group has concentration of credit risk as of the gross carrying amount of loan receivables, 100% was due from one debtor (30 June 2021: 23.4% and 90.6% were due from the Group's largest debtor and the five largest debtors respectively).

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

(a) Financial risk factors *(continued)*

(i) Credit risk (continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Loan receivables	Trade receivables	Other receivables
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL	Lifetime ECL — not credit-impaired	12-month ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit-impaired	Lifetime ECL — not credit-impaired	Lifetime ECL — not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL — credit-impaired	Lifetime ECL — credit-impaired	Lifetime ECL — credit-impaired

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

Financial assets at amortised costs	Internal credit rating	12-month or lifetime ECL	Gross carrying amount			
			As at 30 June 2022 HK$'000	**As at 30 June 2022 HK$'000**	As at 30 June 2021 HK$'000	As at 30 June 2021 HK$'000
Loan receivables	Loss	Lifetime ECL — credit-impaired	**2,000**	**2,000**	122,555	122,555
Trade receivables	Low risk	Lifetime ECL — not credit-impaired	**3,417**		110,216	
	Doubtful	Lifetime ECL — not credit-impaired	**16,643**		–	
	Loss	Lifetime ECL — credit-impaired	**3,082**	**23,142**	15,135	125,351
Other receivables	Low risk	12-month ECL	**1,405**		889	
	Doubtful	Lifetime ECL — not credit-impaired	**–**		1,059	
	Loss	Lifetime ECL — credit-impaired	**5,556**	**6,961**	30,035	31,983

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

(a) Financial risk factors *(continued)*

(i) Credit risk (continued)

1. The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	HK$'000	HK$'000	HK$'000
As at 1 January 2020	3,972	15,135	19,107
Transfer to credit-impaired	(3,972)	3,972	–
Impairment loss for the period	1,218	4,431	5,649
Disposal of subsidiaries	–	(8,403)	(8,403)
As at 30 June 2021 and 1 July 2021	**1,218**	**15,135**	**16,353**
Impairment loss reversed for the year	**(1,212)**	**–**	**(1,212)**
Impairment loss for the year	**–**	**333**	**333**
Disposal of subsidiaries	**–**	**(12,387)**	**(12,387)**
Exchange adjustment	**(6)**	**–**	**(6)**
Other	**–**	**1**	**1**
As at 30 June 2022	**–**	**3,082**	**3,082**

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

(a) Financial risk factors *(continued)*

(i) Credit risk (continued)

1. *(continued)*

Net (reversal of impairment losses)/impairment losses on trade receivables for the year/period represented by:

	For the year ended 30 June 2022 HK$'000	For the eighteen months ended 30 June 2021 HK$'000
Advancing business	**333**	21
Trading of commodities	**(1,212)**	1,218
Trading of security products and provision of security services	**–**	4,410
Total	**(879)**	5,649

The following table provides information about the exposure to credit risk for trade receivables:

	As at 30 June 2022 Gross carrying amount of trade receivables HK$'000	As at 30 June 2021 Gross carrying amount of trade receivables HK$'000
Current (not past due)	**3,417**	78,448
1–30 days past due	**–**	25,848
31–60 days past due	**8,088**	–
61–90 days past due	**8,555**	–
More than 90 days past due	**–**	4,702
	20,060	108,998

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

(a) Financial risk factors *(continued)*

(i) Credit risk (continued)

1. *(continued)*

Changes in the loss allowance for trade receivables are mainly due to:

	As at 30 June 2022		As at 30 June 2021	
	Increase/(decrease) in lifetime ECL			
	Not credit-impaired HK$'000	**Credit-impaired HK$'000**	Not credit-impaired HK$'000	Credit-impaired HK$'000
One trade debtor (30 June 2021: One trade debtor) from the advancing business defaulted as at 30 June 2022	**–**	**333**	–	21
One trade debtor from trading of commodities business with a gross carrying amount of HK$5,858,000 increased credit risk as at 30 June 2021	**–**	**–**	1,218	–
One trade debtor from provision of security services business with a gross carrying amount of HK$10,462,000 increased credit risk as at 30 June 2021	**–**	**–**	–	4,410
Settlement in full of one trade debtor with gross carrying amount of HK$5,858,000	**(1,212)**	**–**	–	–
Disposal of subsidiaries	**–**	**(12,387)**	–	(8,403)
	(1,212)	**(12,054)**	1,218	(3,972)

As at 30 June 2022, the total impairment loss of approximately HK$3,082,000 (30 June 2021: HK$16,353,000) represented impairment loss on overdue interest receivables of HK$333,000 (30 June 2021: HK$12,387,000) from advancing business, impairment loss on overdue account receivables of HK$2,749,000 (30 June 2021: HK$2,748,000) from securities brokerage and assets management business, and impairment loss on overdue balance of Nil (30 June 2021: HK$1,218,000) from commodities business respectively.

In view of the history of business dealings with the debtors from trading of party products and the sound collection history of the receivables due from them, the management believes that there is no material credit risk inherent in the Group's outstanding balances of the trade receivables due from these debtors. Management makes periodic assessment on the recoverability of the trade receivables based on historical payment records, the length of overdue period, the financial strength of the debtors and whether there are any disputes with the debtors. The directors consider the Group's credit risk of these receivables to be low. Up to the date of this report, subsequent settlements of the trade receivables from trading of party products amounted to HK$16,643,000 also support the management's judgement. As such, no impairment was provided on the balances of these trade receivables as at 30 June 2022.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

(a) Financial risk factors *(continued)*

(i) Credit risk (continued)

2. The following tables show reconciliation of loss allowances that has been recognised for loan receivables.

	Lifetime ECL (credit-impaired) HK$'000	**Total** HK$'000
As at 1 January 2020, 30 June 2021 and 1 July 2021	122,555	122,555
Impairment loss for the year	2,000	2,000
Disposal of subsidiaries	(122,555)	(122,555)
As at 30 June 2022	**2,000**	**2,000**

Changes in the loss allowance for loan receivables are mainly due to:

	For the year ended 30 June 2022 Increase/ (decrease) in Lifetime ECL (credit-impaired) HK$'000
Loan receivables which were default payment and the collectability of the loans was doubtful	**2,000**
Disposal of subsidiaries	**(122,555)**
	(120,555)

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

(a) Financial risk factors *(continued)*

(i) Credit risk (continued)

3. The following tables show reconciliation of loss allowances that has been recognised for other receivables.

	12-month ECL	**Lifetime ECL (not credit-impaired)**	**Lifetime ECL (credit-impaired)**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
As at 1 January 2020	127	236	24,857	25,220
Impairment loss for the period	449	568	5,311	6,328
Disposal of subsidiaries	(67)	(66)	(130)	(263)
Written off	(1)	(160)	(3)	(164)
Exchange adjustment	27	1	–	28
As at 30 June 2021 and 1 July 2021	**535**	**579**	**30,035**	**31,149**
Transfer to credit-impaired	**–**	**(556)**	**556**	**–**
Impairment loss reversed for the year	**–**	**–**	**(181)**	**(181)**
Disposal of subsidiaries	**–**	**(12)**	**–**	**(12)**
Written off	**(519)**	**(11)**	**(24,854)**	**(25,384)**
Exchange adjustment	**(16)**	**–**	**–**	**(16)**
As at 30 June 2022	**–**	**–**	**5,556**	**5,556**

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

(a) Financial risk factors *(continued)*

(i) Credit risk (continued)

3. *(continued)*

Changes in the loss allowance for other receivables are mainly due to:

	For the year ended 30 June 2022		
	12-month ECL HK$'000	**Decrease in Lifetime ECL (not credit-impaired) HK$'000**	**Lifetime ECL (credit-impaired) HK$'000**
Disposal of subsidiaries	**–**	**(12)**	**–**
Written off	**(519)**	**(11)**	**(24,854)**
	(519)	**(23)**	**(24,854)**

	For the eighteen months ended 30 June 2021		
	12-month ECL HK$'000	Increase/(decrease) in Lifetime ECL (not credit-impaired) HK$'000	Lifetime ECL (credit-impaired) HK$'000
Disposal of subsidiaries	(67)	(66)	(130)
One debtor under other receivables were default	–	–	5,181
	(67)	(66)	5,051

Other receivables of HK$181,000 (30 June 2021: Nil) were reversed during the year due to the recovery of the other receivables. As a result, a reversal of impairment loss has been recognised in profit or loss.

(ii) Liquidity risk

Liquidity risk is the risk of non-availability of funds to meet all contractual financial commitments as they fall due.

The Group is responsible for its own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demand, subject to board approval. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

(a) Financial risk factors *(continued)*

(ii) Liquidity risk

Sources of liquidity are daily reviewed by the Group to ensure the availability of sufficient liquid funds to meet all obligation. Management monitors rolling forecasts of the Group's liquidity reserve and cash and cash equivalents on the basis of expected cash flows in strict compliance with statutory requirements.

The following liquidity risk tables set out the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on current rates at the end of the reporting period) and the earliest date the Group is required to pay.

	As at 30 June 2022					
	Within 1 year or on demand HK$'000	**More than 1 year but less than 2 years HK$'000**	**More than 2 years but less than 5 years HK$'000**	**More than 5 years HK$'000**	**Total undiscounted cash flows HK$'000**	**Total carrying amount HK$'000**
Trade payables	**13,254**	**–**	**–**	**–**	**13,254**	**13,254**
Accruals and other payables	**15,417**	**–**	**–**	**–**	**15,417**	**15,417**
Lease liabilities	**2,258**	**–**	**–**	**–**	**2,258**	**2,181**
	30,929	**–**	**–**	**–**	**30,929**	**30,852**

	As at 30 June 2021					
	Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	More than 5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
Trade payables	53,436	–	–	–	53,436	53,436
Accruals and other payables	30,445	–	–	–	30,445	30,445
Convertible bonds	114,248	–	–	–	114,248	114,248
Other loans	41,852	–	–	–	41,852	41,852
Lease liabilities	2,079	1,480	–	–	3,559	3,287
	242,060	1,480	–	–	243,540	243,268

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

(a) Financial risk factors *(continued)*

(iii) Interest rate risk

The Group's interest rate risk arises primarily from cash and cash equivalents, client trust bank balances, loan receivables, other loans and convertible bonds. Bank balances expose the Group to cash flow interest rate risk; while loan receivables, other loans and convertible bonds issued at fixed rates expose the Group to fair value interest rate risk. The Group currently does not have any interest rate hedging policy in relation to fair value and cash flow interest rate risks. The directors monitor the Group's exposure on an ongoing basis and will consider hedging the interest rate should the need arises.

(1) Interest rate profile

The effective interest rate of convertible bonds is disclosed in note 35. The interest rates of loan receivables and other loans are disclosed in notes 22 and 33 respectively.

(2) Sensitivity analysis

At 30 June 2022, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have increased/decreased the Group's profit after tax and decrease in accumulated losses by approximately HK$1,000,000 (For the eighteen months ended 30 June 2021: HK$2,495,000). Other components of consolidated equity would not be affected (For the eighteen months ended 30 June 2021: Nil) in response to the general increase/decrease in interest rates.

The sensitivity analysis above indicates the instantaneous change in the Group's profit/(loss) after tax (and accumulated losses) and other components of consolidated equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit/(loss) after tax (and accumulated losses) and other components of consolidated equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for the eighteen months ended 30 June 2021.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

(a) Financial risk factors *(continued)*

(iv) Currency risk

The Group is exposed to currency risk primarily through ordinary business operations which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily United States dollars ("US$") and Renminbi ("RMB").

(1) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

	As at 30 June 2022	
	US$	**RMB**
	HK$'000	**HK$'000**
Cash and cash equivalents	**65,278**	**2**
Trade and other receivables	**21,490**	**1,159**
Trade and other payables	**(10,714)**	**–**
Overall exposure arising from recognised assets and liabilities	**76,054**	**1,161**

	As at 30 June 2021	
	US$	RMB
	HK$'000	HK$'000
Cash and cash equivalents	188,846	7
Trade and other receivables	104,246	–
Trade and other payables	(49,943)	(42)
Overall exposure arising from recognised assets and liabilities	243,149	(35)

Management closely monitors currency risk position to ensure that the net exposure is kept at an acceptable level.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

(a) Financial risk factors *(continued)*

(iv) Currency risk (continued)

(2) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit/(loss) after tax (and accumulated losses) and other components of consolidated equity that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the Hong Kong dollars and the United States dollars would be materially unaffected by any changes in movement in value of the United States dollars against other currencies.

	For the year ended 30 June 2022		For the eighteen months ended 30 June 2021	
	Increase/ (decrease) in foreign exchange rates	**Effect on profit after tax and accumulated losses HK$'000**	Increase/ (decrease) in foreign exchange rates	Effect on loss after tax and accumulated losses HK$'000
Renminbi	**5%**	**48**	5%	(1)
	(5%)	**(48)**	(5%)	1

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit/(loss) after tax and equity measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for the eighteen months ended 30 June 2021.

(v) Equity price risk

Equity price risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting equity instruments traded in the market.

The Group is exposed to price risk arising from individual equity investment classified as trading securities. The directors of the Company manage the exposure by closely monitoring the portfolio of investments.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

(a) Financial risk factors *(continued)*

(v) Equity price risk (continued)

The management estimates that reasonable possible change in price is 10%. If the prices of the respective equity instruments had been 10% higher/lower, and held other variables constant, the impacts to the profit/(loss) for the year/period and accumulated losses are as follows:

	For the year ended 30 June 2022 HK$'000	For the eighteen months ended 30 June 2021 HK$'000
Profit/(loss) for the year/period and accumulated losses		
Decrease by 10%	**(16)**	(17)
Increase by 10%	**16**	17

(b) Capital risk management

The primary objective of the Group's capital risk management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives or policies during the year.

The Group monitors capital on the basis of the debt-to-equity ratio. Net debt is calculated as convertible bond and other loans less cash and cash equivalents. Total equity represents equity attributable to the shareholders of the Company.

No debt-to-equity ratio is presented because there was negative net debt (i.e. cash and cash equivalents were higher than debts) as at 30 June 2022 (30 June 2021: N/A because there was negative net debt).

The capital structure of the Group consists of liquid capital of two licensed corporations which are required to comply with certain minimum capital requirements according to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The management monitors liquid capital of those two licensed corporations daily to ensure they meet the minimum liquid capital requirement in accordance with the Securities and Futures (Financial Resources) Rules (the "FRR") adopted by the Securities and Futures Commission of Hong Kong. Under the FRR, those licensed corporations must maintain the liquid capital in excess of HK$100,000 and HK$3,000,000 respectively.

As at the end of the reporting period, the licensed corporations have fulfilled the required capital as required by the FRR.

40. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In determining the carrying amounts of some assets and liabilities, the Group makes assumptions for the effects of uncertain future events on those assets and liabilities at the end of the reporting period. These estimates involve assumptions about such items as cash flows and discount rates used. The Group's estimates and assumptions are based on historical experience and expectations of future events and are reviewed periodically. In addition to assumptions and estimations of future events, judgements are also made during the process of applying the Group's accounting policies.

In the process of applying the Group's accounting policies which are described in note 2, management has made certain key assumptions concerning the future, and other key sources of estimated uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts and liabilities within the next financial year, as discussed below.

(i) Impairment of non-financial assets (including trade deposits)

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, or in the case of goodwill and intangible assets with indefinite useful lives, the recoverable amount of the asset is determined annually. Calculations performed in assessing recoverable amounts incorporate a number of key estimates and assumptions about future events, which are subject to uncertainty and might materially differ from the actual results. In making these key estimates and judgements, the directors take into consideration assumptions that are mainly based on market condition existing at the reporting dates and appropriate market and discount rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

(ii) ECLs on trade and other receivables and loans receivables

The measurement of loss allowance under HKFRS 9 across all categories of financial assets require judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining loss allowance and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The provision of ECLs is sensitive to changes in circumstances and of forecast general economic conditions. If the financial condition of the customers or the forecast economic conditions were to deteriorate, actual loss allowance would be higher than estimated.

The following is the critical judgement, apart from those involving estimation, that the Board has made in the process of applying the Group's accounting policies and that has the most significant effect on the amounts recognised in the consolidated financial statements.

Principal versus agent consideration (agent)

The Group is considered as an agent for two (For the eighteen months ended 30 June 2021: one) of its contracts with a customer relating to trading of commodities (For the eighteen months ended 30 June 2021: party products) as the Group did not act as the principal for trading of commodities (For the eighteen months ended 30 June 2021: party products) to the customer taking into consideration indicator such as the Group does not control specified good or service provided by another party before that good or service is transferred to the customer. When the Group act as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchanging for arranging for the specified goods or services to be provided by the other party.

During the year ended 30 June 2022, the Group recognised revenue relating to trading of commodities (For the eighteen months ended 30 June 2021: party products), which was considered as an agent, amounted to approximately RMB355,000 (For the eighteen months ended 30 June 2021: RMB1,830,000) equivalent to approximately HK$425,000 (For the eighteen months ended 30 June 2021: HK$2,086,000).

41. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year ended 30 June 2022 and the eighteen months ended 30 June 2021, the Group entered into several new lease agreements for the purpose of offices, director's quarter and directors' meeting for two years. On the lease commencement, the Group recognised both right-of-use assets and lease liabilities of HK$1,612,000 (30 June 2021: HK$3,790,000) and HK$1,612,000 (30 June 2021: HK$3,790,000).

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Shareholder's loan HK$'000	Lease liabilities HK$'000	Other loans HK$'000	Accruals and other payables HK$'000	Convertible bonds HK$'000	Total HK$'000
At 1 July 2021	–	3,287	41,852	4,246	114,248	163,633
Changes from financing cash flows:						
Proceeds from shareholder's loan	1,255,800	–	–	–	–	1,255,800
Repayments of shareholder's loan	(1,255,800)	–	–	–	–	(1,255,800)
Repayments of other loans	–	–	(28,852)	–	–	(28,852)
Redemption of convertible bond	–	–	–	–	(114,248)	(114,248)
Interest paid	–	–	–	(2,308)	(159)	(2,467)
Capital element of lease payments	–	(2,718)	–	–	–	(2,718)
Interest element of lease payments	–	(359)	–	–	–	(359)
Total changes from financing cash flows	–	(3,077)	(28,852)	(2,308)	(114,407)	(148,644)
Other changes:						
Addition of lease liabilities	–	1,612	–	–	–	1,612
Imputed interest	–	359	–	317	159	835
Disposal of subsidiaries	–	–	(13,000)	(2,255)	–	(15,255)
	–	1,971	(13,000)	(1,938)	159	(12,808)
At 30 June 2022	–	2,181	–	–	–	2,181

41. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(CONTINUED)*

(b) Reconciliation of liabilities arising from financing activities *(continued)*

	Lease liabilities HK$'000	Other loans HK$'000	Accruals and other payables HK$'000	Convertible bonds HK$'000	Total HK$'000
At 1 January 2020	5,976	13,000	2,185	161,491	182,652
Changes from financing cash flows:					
Proceeds from other loan	–	33,852	–	–	33,852
Interest paid	–	–	(908)	–	(908)
Capital element of lease payments	(6,479)	–	–	–	(6,479)
Interest element of lease payments	(111)	–	–	–	(111)
Total changes from financing cash flows	(6,590)	33,852	(908)	–	26,354
Other changes:					
Addition of lease liabilities	3,790	–	–	–	3,790
Imputed interest	111	–	4,168	10,079	14,358
Cancellation of convertible bond	–	–	–	(49,693)	(49,693)
Cancellation of convertible bond upon disposal of a subsidiary	–	–	–	(7,629)	(7,629)
Disposal of subsidiaries	–	(5,000)	(1,199)	–	(6,199)
	3,901	(5,000)	2,969	(47,243)	(45,373)
At 30 June 2021	3,287	41,852	4,246	114,248	163,633

42. EVENTS AFTER THE REPORTING PERIOD

No significant events were occurred subsequent to the end of the reporting period and up to the date of this report.

43. COMPARATIVE FIGURES

Certain comparative figures have been re-classified to conform with the current year's presentation.

FINANCIAL SUMMARY

The financial results and the assets and liabilities of the Group for the last five years are summarised as follows:

Results	**Year ended 30 June 2022 HK$'000**	Eighteen months ended 30 June 2021 HK$'000	Year ended 31 December 2019 HK$'000	Year ended 31 December 2018 HK$'000	Year ended 31 December 2017 HK$'000
Revenue	**295,561**	339,436	53,692	66,933	176,728
Profit/(loss) before tax	**43,411**	(60,894)	(382,217)	(102,899)	(141,133)
Income tax expenses	**(2,710)**	(2,355)	(10)	(432)	(1,827)
Profit/(loss) for the year/period from continuing operations	**40,701**	(63,249)	(382,227)	(103,331)	(142,960)
Discontinued operation					
Loss for the year/period from discontinued operation	**–**	(4,548)	(1,171)	–	–
Profit/(loss) for the year/period	**40,701**	(67,797)	(383,398)	(103,331)	(142,960)
Profit/(loss) for the year/period attributable to:					
Equity shareholders of the Company					
— Continuing operations	**41,375**	(63,238)	(377,578)	(103,031)	(141,274)
— Discontinued operation	**–**	(4,548)	(2,798)	–	–
	41,375	(67,786)	(380,376)	(103,031)	(141,274)
Non-controlling interests					
— Continuing operations	**(674)**	(11)	(4,649)	(300)	(1,686)
— Discontinued operation	**–**	–	1,627	–	–
	(674)	(11)	(3,022)	(300)	(1,686)
	40,701	(67,797)	(383,398)	(103,331)	(142,960)

	As at 30 June 2022 HK$'000	As at 30 June 2021 HK$'000	As at 31 December 2019 HK$'000	As at 31 December 2018 HK$'000	As at 31 December 2017 HK$'000
Assets and liabilities					
Total assets	**239,639**	395,103	151,022	522,279	525,575
Total liabilities	**(52,063)**	(245,621)	(252,340)	(229,661)	(167,841)
Total equity	**187,576**	149,482	(101,318)	292,618	357,734