



Great Wall Terroir
長城天下

Great Wall Terroir Holdings Limited 長城天下控股有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 524)



// Interim Report 2024



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—Certificate—



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CORPORATE INFORMATION

BOARD OF DIRECTORS EXECUTIVE DIRECTORS

Cheung Siu Fai (*Chairman and Acting Chief Executive Officer*)
Hui Chun Wai Henry

INDEPENDENT NON-EXECUTIVE DIRECTORS

Fong Wai Ho
Chow Hiu Tung
Cheung Sze Ming

COMPANY SECRETARY

Li Chi Pong

AUDITOR

Confucius International CPA Limited
Certified Public Accountants

LEGAL ADVISERS

Conyers Dill & Pearman (as to Bermuda laws)
Loeb & Loeb LLP (as to Hong Kong laws)

PRINCIPAL BANKERS

The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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No. 89 Queensway
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STOCK CODE

The Stock Exchange of Hong Kong Limited: 524

WEBSITE

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
4th Floor North Cedar House
41 Cedar Avenue
Hamilton HM12
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Secretaries Limited
17/F., Far East Finance Centre
16 Harcourt Road
Hong Kong



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024



The board (the “**Board**”) of directors (the “**Director(s)**”) of Great Wall Terroir Holdings Limited (the “**Company**”) herein presents the unaudited interim results (the “**Interim Results**”) of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024 (the “**Period**”), together with comparative figures for the corresponding period in 2023. The Interim Results are unaudited but have been reviewed by the audit committee (the “**Audit Committee**”) of the Company.

	Notes	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	3		
– Contracts with customers		36,239	40,987
– Leases		672	672
Total revenue		36,911	41,659
Cost of sales		(34,287)	(39,286)
Gross profit		2,624	2,373
Other income, gains and losses	4	95	287
Selling and distribution expenses		(430)	(164)
Operation and administrative expenses		(13,199)	(14,524)
Reversal of loss allowances (loss allowances), net on			
– Trade receivables		263	(362)
– Other receivables		–	(29)
Written-off of other receivables		–	(209)
Net unrealised gain on financial assets at fair value through profit or loss (“ FVTPL ”)		1	–
Gain on derecognition of designated fair value through other comprehensive income (“ FVTOCI ”)		889	–
Finance costs	5(a)	(657)	(166)
Loss before taxation	5	(10,414)	(12,794)
Income tax expense	6	(92)	(99)
Loss for the period attributable to owners of the Company		(10,506)	(12,893)
		HK cents	HK cents
Loss per share	8		
Basic and diluted		(5.3)	(6.5)



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Loss for the period	(10,506)	(12,893)
Other comprehensive (expense) income for the period		
<i>Item that will not be subsequently reclassified to profit or loss:</i>		
Designated FVTOCI		
– net movement in investment revaluation reserve	(394)	–
<i>Item that is or may be subsequently reclassified to profit or loss:</i>		
Exchange differences on translation of foreign subsidiaries	9	(23)
Other comprehensive expense for the period	(385)	(23)
Total comprehensive expense for the period attributable to owners of the Company	(10,891)	(12,916)



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024



	<i>Notes</i>	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment		311	81
Right-of-use assets		1,721	–
Investment properties	9	49,800	49,800
Interest in an associate		–	–
Designated FVTOCI		2,382	1,887
Other receivables	10	770	772
		54,984	52,540
Current assets			
Inventory		1,267	1,279
Trade and other receivables	10	8,777	13,189
Contract costs		400	314
Financial assets at FVTPL		11	10
Pledged bank deposits	11	158	161
Bank balances and cash		6,565	6,121
		17,178	21,074
Current liabilities			
Trade and other payables	12	37,501	28,156
Tax payables		100	56
Borrowing		9,000	9,000
Lease liabilities		3,879	3,402
		50,480	40,614
Net current liabilities		(33,302)	(19,540)
Total assets less current liabilities		21,682	33,000
Non-current liabilities			
Deferred tax liabilities		204	204
Lease liabilities		4,390	4,817
Other payables	12	395	395
		4,989	5,416
Net assets		16,693	27,584
Capital and reserves			
Share capital	13	19,693	19,693
Reserves		(3,000)	7,891
Total equity		16,693	27,584



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company									
	Reserves									Total equity
	Share capital	Share premium	Exchange reserve	Investment revaluation reserve (non-recycling)	Capital redemption reserve	Capital reserve	Contributed surplus	Accumulated losses	Total reserves	
HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
At 1 January 2024	19,693	360,630	780	(5,913)	25	(64)	83,489	(431,056)	7,891	27,584
Loss for the period	-	-	-	-	-	-	-	(10,506)	(10,506)	(10,506)
Other comprehensive (expense) income for the period <i>Item that will not be subsequently reclassified to profit or loss:</i>										
Fair value loss of designated FVTOCI <i>Item that is or may be subsequently reclassified to profit or loss:</i>										
Exchange differences on translation of foreign subsidiaries	-	-	9	(394)	-	-	-	-	9	9
Total other comprehensive (expense) income for the period	-	-	9	(394)	-	-	-	-	(385)	(385)
Total comprehensive (expense) income for the period	-	-	9	(394)	-	-	-	(10,506)	(10,891)	(10,891)
Release of investment revaluation reserve upon derecognition of a designated FVTOCI	-	-	-	(139)	-	-	-	139	-	-
As at 30 June 2024	19,693	360,630	789	(6,446)	25	(64)	83,489	(441,423)	(3,000)	16,693
At 1 January 2023	19,693	360,630	787	(5,890)	25	(64)	83,489	(395,803)	43,174	62,867
Loss for the period	-	-	-	-	-	-	-	(12,893)	(12,893)	(12,893)
Other comprehensive expense for the period <i>Item that is or may be subsequently reclassified to profit or loss:</i>										
Exchange differences on translation of foreign subsidiaries	-	-	(23)	-	-	-	-	-	(23)	(23)
Total other comprehensive expense for the period	-	-	(23)	-	-	-	-	-	(23)	(23)
Total comprehensive expense for the period	-	-	(23)	-	-	-	-	(12,893)	(12,916)	(12,916)
As at 30 June 2023	19,693	360,630	764	(5,890)	25	(64)	83,489	(408,696)	30,258	49,951



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024



	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash used in operating activities	(10,110)	(13,551)
Investing activities		
Purchase of property, plant and equipment	(12)	(34)
Proceeds from disposal of property, plant and equipment	–	5
Decrease in pledged bank deposits	(1)	(6)
Decrease in short-term bank deposits	–	9,000
Net cash (used in) generated from investing activities	(13)	8,965
Financing activities		
Loan from a director raised	13,400	–
Repayment of lease liabilities	(2,224)	(950)
Interest paid	(541)	(166)
Net cash generated from (used in) financing activities	10,635	(1,116)
Net increase (decrease) in cash and cash equivalents	512	(5,702)
Cash and cash equivalents as at 1 January	6,121	18,031
Effect on exchange rate changes on cash and cash equivalents	(68)	(64)
Cash and cash equivalents as at 30 June, represented by bank balances and cash	6,565	12,265



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. GENERAL INFORMATION

Great Wall Terroir Holdings Limited is incorporated in Bermuda as an exempted company with limited liability and its ordinary shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the address of its principal place of business in Hong Kong is Room 1005, 10/F., Tower Two, Lippo Centre, No. 89 Queensway, Hong Kong. The principal activity of the Company is investment holding.

The condensed consolidated interim financial statements (the “**Interim Financial Statements**”) are unaudited, but have been reviewed by the Audit Committee.

The Interim Financial Statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company. In addition, the functional currencies of certain group entities that operate outside Hong Kong are determined based on the currency of the primary economic environment in which the group entities operate.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Interim Financial Statements of the Group for the Period are unaudited and have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS(s)**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and applicable disclosure requirements under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The Interim Financial Statements should be read in conjunction with the 2023 annual financial statements. The accounting policies adopted in preparing the Interim Financial Statements for the Period are consistent with those in the preparation of the Group’s annual financial statements for the year ended 31 December 2023.

In the current interim period, the Group has applied the following amendments to Hong Kong Financial Reporting Standards (“**HKFRS(s)**”) issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the Group’s Interim Financial Statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of amendments to HKFRSs in the current period had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in the Interim Financial Statements.

Going concern

The Group incurred a net loss of approximately HK\$10,506,000 for the Period, and as at 30 June 2024, the Group had net current liabilities of approximately HK\$33,302,000. After taking into account a number of sources of finance available to fund its operations, the Directors are of the opinion that the Group would be able to continue as going concern as the Group has sufficient financial resources to support the operation of the Group in the foreseeable future. Accordingly, the Interim Financial Statements have been prepared on a going concern basis.





3. REVENUE AND SEGMENTAL INFORMATION

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue from contracts with customers		
Income from telecommunication services	35,778	40,292
Income from information technology business (the "IT Business")	461	695
	36,239	40,987
Revenue from leases		
Lease payments that are fixed under operating lease	672	672
	36,911	41,659

The revenue from contracts with customers within HKFRS 15 is disaggregated as follows:

	Telecommunication services		IT Business		Total	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Six months ended 30 June						
Timing of revenue recognition:						
– at a point in time	32,664	37,114	20	–	32,684	37,114
– over time	3,114	3,178	441	695	3,555	3,873
	35,778	40,292	461	695	36,239	40,987

The Group's management, who are the chief operating decision-makers, determine the operating segments for the purposes of resource allocation and performance assessment. The business segments of the Group comprise telecommunication services, IT Business and property investment.

Segment results represent the results before taxation earned by each segment without allocation of central operating and administrative expenses. All assets are allocated to reportable segments other than unallocated assets which are mainly designated FVTOCI and financial assets at FVTPL. All liabilities are allocated to reportable segments other than corporate liabilities.

Analyses of the Group's segmental information by business and geographical segments during the six months ended 30 June 2024 and 2023 are set out below.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

3. REVENUE AND SEGMENTAL INFORMATION *(continued)*

(a) By business segments

Segment results

Six months ended 30 June	Telecommunication services		IT Business		Property investment		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue								
External sales	35,778	40,292	461	695	672	672	36,911	41,659
Results								
Segment results	(1,048)	(2,676)	(2,472)	(2,319)	667	664	(2,853)	(4,331)
Finance costs	–	–	(170)	(107)	–	–	(170)	(107)
	(1,048)	(2,676)	(2,642)	(2,426)	667	664	(3,023)	(4,438)
Unallocated other operating income and expenses							(7,391)	(8,356)
Loss before taxation							(10,414)	(12,794)

Segment assets and liabilities

	Telecommunication services		IT Business		Property investment		Total	
	As at 30 June 2024	As at 31 December 2023	As at 30 June 2024	As at 31 December 2023	As at 30 June 2024	As at 31 December 2023	As at 30 June 2024	As at 31 December 2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Assets								
Segment assets	11,037	15,119	2,068	2,862	50,422	50,454	63,527	68,435
Unallocated assets							8,635	5,179
Consolidated total assets							72,162	73,614
Liabilities								
Segment liabilities	(11,052)	(14,033)	(6,051)	(7,445)	(699)	(655)	(17,802)	(22,133)
Unallocated liabilities							(37,667)	(23,897)
Consolidated total liabilities							(55,469)	(46,030)



3. REVENUE AND SEGMENTAL INFORMATION *(continued)*

(b) By geographical information

The Group's operations are principally located in Hong Kong, Singapore and the People's Republic of China (the "PRC"). The following table provides an analysis of the Group's revenue from external customers by geographical region in which the operations are located:

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Geographical region:		
– Hong Kong	1,651	14,467
– Singapore	22,529	22,214
– PRC	12,731	4,978
	36,911	41,659

The following is an analysis of the carrying amounts of non-current assets (excluding financial instruments) by geographical area in which the assets are located:

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
	Hong Kong	52,588
Singapore	–	41
PRC	14	20
	52,602	50,653

4. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Interest income from bank	4	147
Government subsidy	59	91
Gain on disposal of property, plant and equipment	–	5
Sundry income	32	44
	95	287



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

5. LOSS BEFORE TAXATION

Loss before taxation is stated after charging (crediting) the following:

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
(a) Finance costs		
Interest expenses on lease liabilities	250	166
Interest expenses on loan from a director	244	–
Interest expenses on borrowing	163	–
	657	166
(b) Other items		
Employee salaries and other benefits (including directors' emoluments)	6,541	6,589
Retirement benefit scheme contributions	408	346
Total staff costs	6,949	6,935
Gross rental income from investment properties	(672)	(672)
Less: direct operating expenses incurred for investment properties that generated rental income	1	1
	(671)	(671)
Cost of services (included in cost of sales)	34,275	39,286
Cost of inventory sold (included in cost of sales)	12	–
Depreciation of:		
– property, plant and equipment	48	19
– right-of-use assets	574	507
Lease expenses on short-term leases	305	127
Exchange loss, net	3	31

6. TAXATION

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Current tax:		
Hong Kong Profits Tax		
Current period	(92)	(99)





6. TAXATION (continued)

Hong Kong Profits Tax is calculated at 16.5% (30 June 2023: 16.5%) on the estimated assessable profit for the six months ended 30 June 2024.

The Company's wholly-owned subsidiary in Singapore is subject to Corporate Income Tax at a rate of 17% (30 June 2023: 17%).

The Company's wholly-owned subsidiary in the PRC is subject to PRC Enterprise Income Tax at a rate of 25% (30 June 2023: 25%).

7. INTERIM DIVIDEND

The Board does not recommend the payment of a dividend for the six months ended 30 June 2024 and 2023.

8. LOSS PER SHARE

The calculation of loss per share for the Period is based on the loss attributable to owners of the Company of approximately HK\$10,506,000 (30 June 2023: approximately HK\$12,893,000) and the number of shares of approximately 196,928,000 (30 June 2023: approximately 196,928,000) ordinary shares in issue during the Period.

The Company has no dilutive potential ordinary shares in issue during the current and prior periods and, therefore, the diluted loss per share is the same as the basic loss per share for the periods presented.

9. INVESTMENT PROPERTIES

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Fair value		
Balance at beginning of the period/year	49,800	51,400
Net decrease in fair value recognised in profit or loss	–	(1,600)
Balance at end of the period/year	49,800	49,800

The fair value of the Group's investment properties as at 30 June 2024 was determined by the Directors based on the direct comparison approach. The fair value of the Group's investment properties as at 31 December 2023 has been arrived at on the basis of a valuation on the direct comparison approach carried out on that date by Messrs. Ravia Global Appraisal Advisory Limited, independent qualified professional valuers not connected to the Group.

The direct comparison approach uses prices and other relevant information generated by market transactions involving comparable properties. No change in fair value of investment properties has been recognised in profit or loss for the Period (30 June 2023: nil).

The Group's investment properties are classified as Level 3 in the fair value hierarchy as at 30 June 2024 and 31 December 2023. There were no transfers into or out of Level 3 during the Period.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

10. TRADE AND OTHER RECEIVABLES

	<i>Notes</i>	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Trade receivables			
Trade receivables from contracts with customers		7,662	11,940
Loss allowances on trade receivables		(956)	(1,254)
	(a)	6,706	10,686
Other receivables			
Deposits		1,729	1,622
Prepayments		706	1,225
Other debtors	(b)	4,686	4,664
Deferred lease receivables		216	264
		7,337	7,775
Loss allowances on other receivables		(4,496)	(4,500)
		2,841	3,275
Total trade and other receivables		9,547	13,961
Analysed for reporting purpose as:			
Current assets		8,777	13,189
Non-current assets		770	772
		9,547	13,961

Notes:

- (a) The Group's credit terms on sales mainly ranged from 30 to 90 days. Included in trade and other receivables are trade receivables (net of loss allowances) with the following ageing analysis by transaction date:

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Less than 1 month	2,407	3,796
1 to 3 months	3,516	5,763
More than 3 months but less than 12 months	483	738
More than 12 months	300	389
	6,706	10,686

- (b) Included in other debtors as at 30 June 2024 was a receivable of approximately HK\$4,304,000 (31 December 2023: approximately HK\$4,304,000) due from a third party which was arising from the proceeds from the disposal of financial assets at FVTPL in 2017. Full loss allowance has been provided in previous years.





11. PLEDGED BANK DEPOSITS

As at 30 June 2024, the Group had pledged bank deposits amounting to approximately HK\$158,000 (31 December 2023: approximately HK\$161,000). At the end of the reporting period, bank guarantees of approximately HK\$154,000 (31 December 2023: approximately HK\$159,000) were issued to suppliers for operational requirements. The Directors do not consider it is probable that a claim will be made against the Group under these guarantees. The amounts utilised by the Group at the end of the reporting period under these guarantees were approximately HK\$154,000 (31 December 2023: approximately HK\$159,000), representing the outstanding amounts payable to these suppliers.

12. TRADE AND OTHER PAYABLES

	<i>Notes</i>	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Trade payables	<i>(a)</i>	8,182	11,494
Other payables			
Accrued charges and other creditors		9,048	9,781
Contract liabilities		1,061	1,071
Deposit received		495	495
Loan from a director	<i>(b)</i>	13,400	–
Loans from former directors	<i>(c)</i>	5,710	5,710
		29,714	17,057
Total trade and other payables		37,896	28,551
Analysed for reporting purposes as:			
Current liabilities		37,501	28,156
Non-current liabilities		395	395
		37,896	28,551

Notes:

- (a) Ageing analysis of trade payables by transaction date is summarised as follows:

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Less than 1 month	2,329	3,454
1 to 3 months	3,474	5,649
More than 3 months but less than 12 months	684	886
More than 12 months	1,695	1,505
	8,182	11,494



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

12. TRADE AND OTHER PAYABLES *(continued)*

Notes: *(continued)*

- (b) As at 30 June 2024, the Group has outstanding loan from a Director Mr. Cheung Siu Fai (“**Mr. Cheung**”) of HK\$13,400,000 of which loans are unsecured, unguaranteed, interest bearing at the rate of 9.8% per annum and repayable on demand. As at 31 December 2023, the Group has no loan from a Director.
- (c) As at 30 June 2024 and 31 December 2023, the Group has outstanding loans from former Directors Mr. Zhao Ruiyong of approximately HK\$2,378,000 and Mr. Cheung Ka Heng Frankie of approximately HK\$3,332,000, both of which loans are unsecured, unguaranteed, interest-free and repayable on demand.

13. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.1 (2023: HK\$0.01) each		
Authorised:		
Balance as at 1 January 2023	12,000,000,000	120,000
Share Consolidation <i>(Note (a))</i>	(10,800,000,000)	–
Balance as at 31 December 2023, 1 January 2024 and 30 June 2024	1,200,000,000	120,000
Issued and fully paid:		
Balance as at 1 January 2023	1,969,275,000	19,693
Share Consolidation <i>(Note (a))</i>	(1,772,347,500)	–
Balance at 31 December 2023, 1 January 2024 and 30 June 2024	196,927,500	19,693

Note:

- (a) Pursuant to an ordinary resolution passed by shareholders of the Company at the annual general meeting held on 7 June 2023, every ten (10) issued and unissued ordinary shares with a par value of HK\$0.01 each in the authorised and issued share capital of the Company were consolidated into one (1) ordinary share with a par value of HK\$0.1 each (the “**Consolidated Share(s)**”), which became effective on 9 June 2023 (the “**Share Consolidation**”). Details of the Share Consolidation are disclosed in the Company’s announcements dated 24 March 2023 and 8 June 2023 and circular dated 27 April 2023 respectively.



14. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in the Interim Financial Statements, during the six months ended 30 June 2024 and 2023, the Group had the following transactions with a related party:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Nature of transactions		
Interest expenses on loan from a director	244	–

- (b) Details of the balance with related party as at 30 June 2024 and 31 December 2023 are set out in note 12(b) to the Interim Financial Statements.

15. FAIR VALUE MEASUREMENTS

The following presents the Group's financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy as defined in HKFRS 13 *Fair Value Measurement*, with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 (lowest level): unobservable inputs for the asset or liability.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

15. FAIR VALUE MEASUREMENTS *(continued)*

(a) Assets measured at fair value

	Level 1 HK\$'000 (Unaudited)	Level 2 HK\$'000 (Unaudited)	Level 3 HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
As at 30 June 2024				
Designated FVTOCI				
Equity investment listed outside Hong Kong	701	–	–	701
Unlisted equity securities	–	–	1,681	1,681
	701	–	1,681	2,382
Financial assets at FVTPL				
Equity investments listed in Hong Kong	11	–	–	11
	712	–	1,681	2,393
	Level 1 HK\$'000 (Audited)	Level 2 HK\$'000 (Audited)	Level 3 HK\$'000 (Audited)	Total HK\$'000 (Audited)
As at 31 December 2023				
Designated FVTOCI				
Unlisted equity securities	–	–	1,887	1,887
Financial assets at FVTPL				
Equity investments listed in Hong Kong	10	–	–	10
	10	–	1,887	1,897

During the Period and the year ended 31 December 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.





15. FAIR VALUE MEASUREMENTS *(continued)*

(a) Assets measured at fair value *(continued)*

Description	Fair value at 30 June 2024 HK\$'000 (Unaudited)	Fair value at 31 December 2023 HK\$'000 (Audited)	Fair value hierarchy	Valuation techniques
Assets				
Financial assets at FVTPL				
– Equity investments listed in Hong Kong	11	10	Level 1	Quoted bid prices in an active market
Designated FVTOCI				
– Equity investment listed outside Hong Kong	701	–	Level 1	Quoted bid prices in an active market
– Unlisted equity securities	1,681	1,887	Level 3	Adjusted net asset values as reported by management of investee companies

(b) Reconciliation of level 3 fair value measurement

	Designated FVTOCI HK\$'000
At 1 January 2023	1,910
Total losses: – in other comprehensive expense	(23)
At 31 December 2023 and 1 January 2024	1,887
Derecognition <i>(Note)</i>	(199)
Total losses: – in other comprehensive expense	(7)
At 30 June 2024	1,681

Note:

An unlisted equity security in a company incorporated in British Virgin Islands owned by the Group (the “Old Shares”) is merged with a company incorporated under the laws of Delaware which is listed on the Nasdaq Stock Market (the “Surviving Company”) during the Period. Upon the completion of the merger, the Old Shares was cancelled and automatically converted into the ordinary shares of the Surviving Company (the “New Shares”). The Group derecognised the Old Shares and recognised the New Shares resulting in a gain on derecognition of designated FVTOCI of approximately HK\$889,000 recognised in the profit or loss during the Period.

(c) Financial assets and liabilities carried at amortised cost

The carrying amounts of the financial assets and liabilities of the Group that are carried at amortised cost are not materially different from their fair values as at 30 June 2024 and 31 December 2023.



BUSINESS REVIEW AND OUTLOOK

OVERVIEW

During the first half of 2024, the global economy has continued to display remarkable resilience in the face of a rise in inflation. The expectation of diminishing interest rate is still under discussion by the Federal Reserve of the United States (the “**US**”). The European Union announced the first time to cut interest rate after the Coronavirus Disease 2019 in June 2024. The People’s Bank of China decided to lower the interest rate in July 2024 with a view to relieving the downward pressure on the PRC’s economy. High debt and elevated debt-servicing costs slowed down the improvement of business environment, the progress of construction of infrastructure and restoration of private consumption market. High shipping prices threaten to prop up global inflation as regional military conflicts still continue. The geopolitical landscape has remained fraught with the US presidential election being a key risk on the horizon. Global energy prices could surge due to intensifying geopolitical tensions and production cuts by major energy producers.

In Singapore, despite market indicators such as inflation rate falling to 2.4% in June 2024 from 2.9% at the beginning of 2024 suggest an economic recovery, particularly in industries like aviation and tourism related sectors, the general bearish sentiment in the market makes the general public and SMEs think twice before deciding on any major investments and capital expenditure. This is more apparent in telecommunications sector where capital investment forms an integral part of a growth plan as well as to tackle against decrease in retail revenue following changes in user habits in communication channels.

In Hong Kong, the Government of the HKSAR commented that the underlying consumer price inflation remained modest, and Hong Kong continued to be a vibrant and dynamic hub for global business and strategically located in the heart of Asia. Such inherent strength of the Hong Kong economy is nevertheless overshadowed by the weak performance in the residential real estate market and the overall vacancy rate of commercial blocks in Hong Kong hovering at a record high during the first half year of 2024. The sluggish economy makes the Group’s drive to increase in contributions from our retail voice telecommunication service segment more difficult, especially against competition with major telecommunication service providers which have already invested heavily in infrastructure and capacity and capture a dominant position in a wide variety of services.

In the PRC, protracted weakness in property sector in past years weighs on investment and consumption demands in general. The Government announced the latest property market support measures have helped stabilising the property market and led to a modest recovery in consumption. During the Third Plenary Session of the 20th Central Committee of the Communist Party of the PRC, Chinese leaders reaffirmed their commitment on deepening reform and pursuing modernisation of three key pillars of innovation, green energy and consumption as growth drivers. The PRC remains focused on sustainability and reducing carbon emissions, which benefits businesses that develop and deploy technological measures on enhancing motor vehicles efficiency and promoting greener driving habits such as global positioning system (“**GPS**”) and route optimisation based on real-time traffic data features that reduce fuel consumption and emissions.

In the first half of 2024, with less-than-satisfactory financial performance and the management getting more conservative in business growth in the near future, most listed corporations in Hong Kong and the PRC have announced a decrease in dividend payout ratio in comparison with the preceding period. Against this backdrop, the Group’s revenue for the Period decreased by approximately 11.5% to approximately HK\$36.9 million, from approximately HK\$41.7 million for the preceding period.

The loss attributable to owners of the Company for the Period decreased by approximately 18.6% to approximately HK\$10.5 million, from approximately HK\$12.9 million for the preceding period.





TELECOM BUSINESS

Revenue recorded from the telecom business, which comprised the telecommunication and related information technology businesses in Singapore, Hong Kong and the PRC (the “**Telecom Business**”), amounted to approximately HK\$35.8 million for the Period, representing a decrease of approximately 11.2% compared to approximately HK\$40.3 million for the preceding period, mainly attributable to the decrease in revenue from both retail and wholesale voice telecommunication service segments of the Telecom Business. During the Period, revenue contribution from the wholesale voice telecommunication services continues to be material in the revenue mix of the Group. Additional human resources and efforts were placed in improving customers’ experience at their touchpoints in order to resist churn in the retail segment, but the gradual shift in customer demand amidst intense market competition within the telecommunication industry had undoubtedly posed pressure on the Telecom Business. The Group had expanded its service offerings in the Telecom Business by engaging in the provision of GPS mobile connectivity solutions in the PRC’s automobile market since the preceding period.

The GPS services with mobile connectivity currently provided by the Group mainly include GPS vehicle positioning services and the distribution and installation of GPS vehicle terminal equipment (the “**GPS Services**”) for corporate clients. The GPS Services track the locations of targeted vehicles in real-time to ensure the whereabouts and security of the targeted vehicles. Apart from vehicle positioning, our clients would also be instantly alerted of unusual circumstances associated with their vehicles or any attempt to tamper with the GPS vehicle terminal equipment. The revenue from the provision of GPS Services for the Period increased by approximately 154.0% to approximately HK\$12.7 million, from approximately HK\$5.0 million in the preceding period. The significant increase was mainly due to a full half year effect for the Period versus three months in the preceding period and the rise in the number of orders derived from new customers.

IT BUSINESS

Revenue recorded from the IT Business, comprised the IT Services (as defined below) and E-Commerce Business (as defined below).

Revenue recorded from the IT services provided in Hong Kong, which mainly comprised the provision of one-stop information technology services, including but not limited to maintenance of point-of-sale (“**POS**”) system, installation of server and network equipment, security system and website maintenance (the “**IT Services**”), amounted to approximately HK\$0.5 million for the Period which represents a decrease of approximately 28.6% from approximately HK\$0.7 million for the preceding period.

Since the commencement of the IT Services segment in 2021, the Group has successfully built a strong relationship with its customers, enabling easier cross-selling of other value-added services to them. During the Period, the Group had completed most of the works under the two contracts from its existing customers (the “**e-Shop Revamp Contracts**”) for revamping the online e-shop and POS system with a total contract sum of approximately HK\$0.7 million. The revenue from the e-Shop Revamp Contracts for the Period decreased by approximately 75.0% to approximately HK\$0.1 million, from approximately HK\$0.4 million for the preceding period. As at 30 June 2024, an aggregate revenue of approximately HK\$0.7 million derived from the e-Shop Revamp Contracts was fully recognised.

Other than the IT Services, the Group had actively worked on expanding the sources of revenue for the IT Business by developing an e-Commerce platform on wine, namely Winestry (the “**Platform**” or “**Winestry**”) which allows users of the Platform to buy and sell wine online (the “**E-Commerce Business**”), in light of the rapid development of e-Commerce business in Hong Kong and the potential growth in the local wine market of Hong Kong. The Group generated modest revenue from Winestry for both the Period and the preceding period. The Platform was soft-launched and went live over 1 year with more than 1,400 SKUs as at 30 June 2024.



INVESTMENT PROPERTIES

The rental income from a property acquired by the Group in September 2021 (the “**Property**”) was approximately HK\$0.7 million for both the Period and the preceding period. The Property, located at Units Nos. 4 and 6 on 11th Floor of Block A, Sea View Estate, No. 2 Watson Road, Hong Kong, is an industrial property with a gross area of approximately 5,430 square feet. It is held under a medium-term lease. The Property is held for investment purpose and has been leased on operating leases.

The fair value of the Property, which was determined by the Directors with reference to recent transaction prices of similar properties in the market, amounted to approximately HK\$49.8 million as at 30 June 2024. There was no change in the fair value of the Property for the Period as compared to the fair value of the Property as at 31 December 2023, which was also valued at HK\$49.8 million by an independent qualified professional valuer.

The Property is expected to generate stable income in the future and the Group may also benefit from any long-term capital appreciation of the Property.

OUTLOOK

The economic growth is projected to soften in most countries in the second half of 2024. General macro-financial stability risks to the overall economy receded in 2024 compared with the previous year, albeit with some remaining pockets of risks and vulnerabilities. According to the International Monetary Fund (the “**IMF**”), the latest projection of global GDP growth is 3.2% in 2024. The impact of tight monetary conditions continues being felt, particularly in housing and credit markets.

In Singapore, the Ministry of Trade and Industry of Singapore forecasted the GDP growth for 2024 will be maintained at 1.0% to 3.0% with reference to the economic growth in the US and the PRC as well as regional economies. In Hong Kong, the Government of the HKSAR expected the GDP growth to range from 2.5% to 3.5% for 2024, having regard to the impact of geopolitical tensions and the growth rate of advanced economies. In the PRC, the IMF revised the PRC’s GDP growth forecast for 2024 from 4.6% in April 2024 to 5% in July 2024, pointing to a steady rebound in domestic consumption and a surge in exports.

Against this backdrop, the Group will remain vigilant and disciplined in its business decisions and adopt prudent strategies in its efforts to improve the Group’s operating performance and enhance shareholder value. This will be achieved through instituting targeted measures to enhance operational efficiency, and aligning our cost structure and capital investments with our projected business growth.

The Telecom Business in Singapore, Hong Kong and the PRC is highly competitive with high penetration rate and is well developed with advanced infrastructures. The existing competitors are incumbent players with service offerings across different segments in the industry. In Singapore and Hong Kong, the Group’s competitive advantages including quality customer care and reasonable service fee continued to fulfil demand from our corporate customers for telecommunication services. In the PRC, GPS technology is widely used by motor vehicles across the country in consideration of the wide range of areas and comprehensive network covered in the PRC. The future of the Telecom Business is expected to continue evolving, driven by technological advancements and changing consumer habits. With the ongoing rollout of mobile connectivity and innovative services offerings, the competition will continue to intensify. The Group will keep on seeking new services to be provided to supplement its existing portfolio of service offerings with an aim of creating a well-balanced revenue stream.

Regarding the IT Business, although the investment and support by the HKSAR Government on development of IT innovation technologies are positive and proactive, both local and international companies in Hong Kong are facing the shortage of skilled IT professionals. The IT services market in Hong Kong is highly competitive with both small and sizable players vying for market share. The Group will leverage its existing technology expertise to take advantage of the opportunities arising from the growth demands in the IT industry. Apart from IT Services, the Group has expanded the number of suppliers in support for the growth of its E-Commerce Business, Winestry and has made advertisements on the social media platform to promote the brand of Winestry during the Period. The Group will review from time to time customer feedback and potential return on its capital and human resources investments in our E-Commerce and other businesses, and make adjustments in our strategy and development plans with reference to the market conditions and our positioning in the market, while actively looking for new business opportunities to enhance its business diversification and deliver improved returns for the shareholders of the Company.





REVENUE AND RESULTS

The revenue of the Group for the Period decreased by approximately 11.5% to approximately HK\$36.9 million, from approximately HK\$41.7 million for the preceding period. The revenue from the Telecom Business for the Period decreased by approximately 11.2% to approximately HK\$35.8 million, from approximately HK\$40.3 million for the preceding period. The decrease in revenue was mainly due to a decline in revenue from the voice telecommunication business following intense competition during the Period, which was partially compensated by revenue generated from the GPS Services during the Period. The revenue from the IT Business for the Period decreased by approximately 28.6% to approximately HK\$0.5 million, from approximately HK\$0.7 million for the preceding period, mainly due to decrease in the revenue recognised for the e-Shop Revamp Contracts during the Period. The rental income from the Property for both the Period and the preceding period remained unchanged at approximately HK\$0.7 million.

The gross profit of the Group for the Period increased by approximately 8.3% to approximately HK\$2.6 million, from approximately HK\$2.4 million for the preceding period. The overall gross profit margin of the Group for the Period increased to approximately 7.1% from approximately 5.7% for the preceding period. The increase in gross profit and gross profit margin of the Group was mainly due to an increase in gross profit and an improving gross profit margin in GPS Services during the Period.

Other income, gains and losses of the Group decreased from a net gain of approximately HK\$287,000 for the preceding period to approximately HK\$95,000 for the Period. The change was mainly due to the decrease in bank interest income of approximately HK\$143,000.

Selling and distribution expenses of the Group for the Period increased to approximately HK\$0.4 million, from approximately HK\$0.2 million for the preceding period. The increase was mainly due to an increase in sales staff costs in the Telecom Business and an increase in marketing expenses in relation to the Platform.

Operation and administrative expenses of the Group for the Period decreased slightly to approximately HK\$13.2 million, from approximately HK\$14.5 million for the preceding period. The decrease was mainly due to the decrease in legal and professional costs and consultancy fee for various areas during the Period, including the development and maintenance of the Platform and the telecommunication service segment and professional advice on evaluation of potential investment and business development opportunities.

Finance costs of the Group for the Period increased by approximately HK\$0.5 million to approximately HK\$0.7 million, from approximately HK\$0.2 million for the preceding period. The increase was due to the combined effect of (i) the increase in the interest expenses on lease liabilities of approximately HK\$0.1 million; (ii) the increase in interest on bank loan of approximately HK\$0.2 million and (iii) the increase in interest on loan from a Director of approximately HK\$0.2 million during the Period.

As a result of the foregoing, the loss attributable to owners of the Company for the Period decreased by approximately 18.6% to approximately HK\$10.5 million, from approximately HK\$12.9 million for the preceding period.



CAPITAL STRUCTURE, LIQUIDITY AND FINANCING

As at 30 June 2024, the net assets of the Group amounted to approximately HK\$16.7 million, compared to approximately HK\$27.6 million as at 31 December 2023. The decrease in net assets was mainly due to the Group's operating loss for the Period.

As at 30 June 2024, the bank balances and cash (excluding pledged bank deposits) of the Group amounted to approximately HK\$6.6 million (31 December 2023: approximately HK\$6.1 million). The slight increase was mainly due to the net effect of (i) net cash used in operating activities of approximately HK\$10.1 million and (ii) the cash inflow from the loan from a Director of HK\$13.4 million.

As at 30 June 2024, the pledged bank deposits of the Group amounted to approximately HK\$0.2 million (31 December 2023: approximately HK\$0.2 million). Bank guarantees of approximately HK\$0.2 million as at 30 June 2024 (31 December 2023: approximately HK\$0.2 million) were issued to suppliers for operational requirements.

As at 30 June 2024, the loans from two former Directors amounted to approximately HK\$5.7 million (31 December 2023: approximately HK\$5.7 million) and the loan from a Director amounted to HK\$13.4 million (31 December 2023: nil). The loans from two former Directors are unsecured, unguaranteed and interest-free. The loan from a Director is unsecured, unguaranteed and interest bearing at 9.8% per annum.

As at 30 June 2024, the bank loan amounted to HK\$9.0 million (31 December 2023: HK\$9.0 million).

As at 30 June 2024, the Group's gearing ratio, measured on the basis of loans from former Directors, loan from a Director and bank loan as a percentage of net assets was approximately 168.3% (31 December 2023: approximately 53.3%). The higher gearing ratio was mainly due to the decrease in net assets of the Group as a result of the operating loss recorded by the Group for the Period.

As at 30 June 2024, the lease liabilities of the Group amounted to approximately HK\$8.3 million (31 December 2023: approximately HK\$8.2 million). The slight increase was mainly due to the recognition of lease liabilities for the Period in relation to the lease of an additional property offset by the repayment of lease liabilities for the Period.

FOREIGN EXCHANGE EXPOSURE

The Group has certain assets, liabilities, and transactions which are denominated in Singapore dollars and Renminbi. The Group continues to closely monitor the exchange rates of both Singapore dollar and Renminbi and will, when appropriate, take appropriate action to mitigate such exchange risks. As at 30 June 2024, no related currency hedges had been undertaken by the Group.

CAPITAL COMMITMENTS

As at 30 June 2024, the Group had no material capital commitments (31 December 2023: nil).

CONTINGENT LIABILITIES

As at 30 June 2024, the Group had no material contingent liabilities (31 December 2023: nil).

MATERIAL ACQUISITIONS AND DISPOSAL

There were no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period.





DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2024, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, the "SFO") as required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or as 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 for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules were as follows:

Interests in shares, underlying shares and debentures of the Company

Name of Director	Capacity	Number of Shares [#] interested	Approximate percentage of shareholding
Mr. Cheung	Interest of a controlled corporation	135,589,342 (Note 1)	68.85% (Note 2)

[#] "Shares" means ordinary shares of HK\$0.10 each in the share capital of the Company.

Notes:

- The 135,589,342 Shares are beneficially owned by Beta Dynamic Limited ("Beta Dynamic") which is wholly and beneficially owned by Mr. Cheung. Mr. Cheung is also the sole director of Beta Dynamic. Prior to the Share Consolidation which became effective on 9 June 2023, where every ten (10) issued and unissued then existing Shares were consolidated into one (1) Consolidated Share, 1,355,893,423 Shares were beneficially owned by Beta Dynamic. The 1,355,893,423 Shares were also subject to stock borrowing arrangements between Beta Dynamic (as lender) and Hammer Capital Ventures Limited ("Hammer Capital", which is also wholly and beneficially owned by Mr. Cheung) (as borrower) pursuant to a securities borrowing and lending agreement dated 29 September 2022. On 6 February 2023, Hammer Capital has returned the 1,355,893,423 Shares to Beta Dynamic. After the Share Consolidation, on 28 June 2023, Beta Dynamic has lent 70,000,000 Shares to Hammer Capital. On 18 July 2023, Beta Dynamic has further lent 65,589,342 Shares, in aggregate of 135,589,342 Shares, to Hammer Capital.
- The percentage of shareholding was calculated based on 196,927,500 Shares, being the total issued share capital of the Company as at 30 June 2024.

All interests disclosed above represent long positions in the shares of the Company and there were no underlying shares or debentures of the Company held by the Directors or the chief executives of the Company as at 30 June 2024.



DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(continued)*

Interests in shares, underlying shares and debentures of associated corporations

Name of Director	Name of associated corporation	Capacity	Number of shares held by Director and the percentage of interests in the share capital of the associated corporation
Mr. Cheung	Beta Dynamic <i>(Note 3)</i>	Beneficial owner	130,000 shares, 100%

Note:

- Beta Dynamic, which holds more than 50% of the total issued share capital of the Company, is the holding company of the Company and thus an associated corporation of the Company under the SFO.

All interests disclosed above represent long positions.

Save as disclosed above, as at 30 June 2024, none of the Directors or the chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or as 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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2024, the interests and short positions of the persons, other than the Directors or the chief executives of the Company, in the shares and underlying shares of the Company as required to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of shareholder	Capacity	Number of Shares [#] interested	Approximate percentage of shareholding
Beta Dynamic	Beneficial owner	135,589,342 <i>(Note 1 above)</i>	68.85% <i>(Note 2 above)</i>

[#] "Shares" means ordinary shares of HK\$0.10 each in the share capital of the Company.

All interests disclosed above represent long positions in the shares of the Company.

Save as disclosed above, as at 30 June 2024, no other person, other than the Directors or the chief executives of the Company, had any interests or short positions in the shares and underlying shares of the Company as required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept under section 336 of the SFO or as otherwise notified to the Company.





SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**Share Option Scheme**”) on 28 June 2018 which is valid and effective for a period of 10 years until 27 June 2028. The scheme mandate limit of the Share Option Scheme has been refreshed upon the shareholders’ approval at the annual general meeting of the Company held on 31 May 2022, which allowed the Company to grant up to 157,542,000 share options pursuant to the Share Option Scheme, details of which were disclosed in the Company’s circular dated 27 April 2022 and announcement dated 31 May 2022. Upon the Share Consolidation becoming effective on 9 June 2023, where every ten (10) issued and unissued then existing shares of the Company were consolidated into one (1) Consolidated Share, the maximum number of share options which can be granted under the Share Option Scheme amounts to 15,754,200, representing 8% of the issued shares of the Company as at the date of this report. A summary of the principal terms of the Share Option Scheme was set out in the circular of the Company dated 28 May 2018.

During the Period, no share option was outstanding or had been granted or agreed to be granted under the Share Option Scheme. No options were ever granted under the Share Option Scheme.

At the beginning and the end of the Period, the total number of share options that can be granted under the Share Option Scheme was 15,754,200, which represented approximately 8% of the issued share capital of the Company at such dates.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board is committed to maintaining high standards of corporate governance in performing its obligations to act in the best interests of shareholders and enhance long-term shareholder value. Except for the non-compliance and deviations described below, the Directors are not aware of any information which would reasonably indicate that the Company is not, or was not at any time during the Period, acting in compliance with the code provisions (the “**Code Provision(s)**”) of the Corporate Governance Code (the “**Corporate Governance Code**”) set out in Appendix C1 to the Listing Rules.

Under Code Provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. No chief executive officer was appointed by the Company upon the resignation of Ms. Li Bing on 9 November 2020. With effect from 2 March 2021, Mr. Cheung has become the chairman of the Board and also assumed the role of acting chief executive officer of the Company until a suitable candidate is identified. The Board believes that vesting the roles of the chairman of the Board and the acting chief executive officer of the Company in Mr. Cheung will provide the Company with strong and consistent leadership and promote effective and efficient formulation and implementation of business decisions and strategies. The Board considers that such structure is in the best interests of the Company and its shareholders at this stage. The Board however will keep reviewing the current structure of the Group’s management from time to time and should a candidate with suitable knowledge, skill and experience be identified, the Company will make such nomination as appropriate to ensure that the roles of the chairman of the Board and the chief executive officer of the Company are performed by two separate individuals.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirms that the Directors have complied with the required standard set out in the Model Code during the Period.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Period (30 June 2023: nil).

ASSET CHARGES

The Group had no material asset charges as at 30 June 2024 (31 December 2023: nil).

REVIEW OF INTERIM FINANCIAL STATEMENTS

The unaudited Interim Financial Statements of the Group for the Period have been reviewed by the Audit Committee before they were duly approved by the Board and the Board is of the opinion that such financial information has been prepared in accordance with the applicable accounting standards.



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

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

EVENTS AFTER THE REPORTING PERIOD

No significant event affecting the Group has occurred since the end of the Period and up to the date of this report.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2024, the Group had 29 (31 December 2023: 28) employees, including Directors, in Hong Kong, Singapore and the PRC and its total staff costs for the Period were approximately HK\$6.9 million (30 June 2023: approximately HK\$6.9 million).

The Group's remuneration policies and structure have remained unchanged since the date of the 2023 annual report of the Company. The Share Option Scheme was adopted by the Company on 28 June 2018 as set out in the section headed "Share Option Scheme" on page 27 of this report.

ENVIRONMENTAL AWARENESS

Over the years, the Group has made considerable endeavours in reducing waste in the course of its operations. Since 2015, the Company has participated in the "Wastewi\$e Certificate" of the Hong Kong Green Organisation Certification, which is a recognition scheme established by, among others, the Environmental Protection Department and Environmental Campaign Committee to encourage Hong Kong businesses and organisations in adopting structured measures to reduce the amount of waste generated within their establishments or generated through the services and products they provide. For details, please refer to the section headed "The Company's Mission and Vision on Sustainability Commitment" of the Company's environmental, social and governance report incorporated in the 2023 annual report as issued and published on 24 April 2024.

By Order of the Board

Cheung Siu Fai

Chairman and Executive Director

Hong Kong, 20 August 2024

