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FUTURE WORLD HOLDINGS LIMITED

未來世界控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 572)

**ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of Future World Holdings Limited (the “**Company**”) hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2024 (the “**Period**”) together with comparative figures for the corresponding period of 2023 (the “**Previous Period**”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

		Six months ended 30 June	
	<i>Notes</i>	2024	2023
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Net realised loss from securities trading and investment	4	<u>–</u>	<u>(4,483)</u>
Revenue	4	23,598	28,897
Cost of sales		<u>(8,869)</u>	<u>(17,646)</u>
Gross profit		14,729	11,251
Other income and gains		1,467	1,028
Selling and distribution costs		(855)	(892)
Administrative expenses		(17,974)	(17,462)
Gain on disposal of subsidiaries		–	4,838
Reversal of credit loss allowances on loan and interest receivables, net		7,835	6,933
Reversal of credit loss allowances on trade and other receivables, net		23,957	11,079
Reversal of credit loss allowances on loan commitment		–	2,086
Impairment loss on asset classified as held for sale		(671)	–
Change in fair value of financial assets at fair value through profit or loss		15,147	(39,851)
Change in fair value of investment properties	11	<u>(17,106)</u>	<u>(21,854)</u>
Operating profit/(loss)		26,529	(47,327)
Finance costs	6	<u>(9,204)</u>	<u>(9,743)</u>
Profit/(loss) before income tax	7	17,325	(57,070)
Income tax expense	8	<u>(5,049)</u>	<u>(3,541)</u>
Profit/(loss) for the period		<u>12,276</u>	<u>(60,611)</u>

	<i>Note</i>	Six months ended 30 June	
		2024	2023
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Other comprehensive loss:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations		(4,004)	(3,124)
Release of exchange reserve upon disposals of subsidiaries		–	(226)
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Change in fair value of financial assets at fair value through other comprehensive income		(1,191)	(40,709)
Other comprehensive loss for the period, net of income tax		(5,195)	(44,059)
Total comprehensive income/(loss) for the period		7,081	(104,670)
Profit/(loss) for the period attributable to:			
Owners of the Company		13,089	(59,810)
Non-controlling interest		(813)	(801)
		12,276	(60,611)
Total comprehensive income/(loss) for the period attributable to:			
Owners of the Company		7,891	(105,151)
Non-controlling interest		(810)	481
		7,081	(104,670)
Earnings/(loss) per share attributable to the owners of the Company			
– Basic and diluted	10	HKD0.06	HKD(0.52)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		30 June 2024	31 December 2023
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
Non-current assets			
Property, plant and equipment	11	2,000	570
Right-of-use assets	11	794	1,845
Investment properties	11	814,710	770,723
Goodwill	22(a)	3,471	–
Interest in an associate		–	–
Financial assets at fair value through other comprehensive income	12	8,963	10,154
Investment in corporate bond		14,014	14,039
Loan receivables	14	11,064	10,978
Deferred tax assets		2,847	6,877
Rental deposit	15	249	249
		858,112	815,435
Current assets			
Inventories		7,485	–
Loan and interest receivables	14	144,193	187,300
Financial assets at fair value through profit or loss	13	103,980	88,833
Trade and other receivables, deposits and prepayments	15	34,315	52,632
Amount due from a director	15(ii)	65,746	–
Cash and bank balances		135,217	81,721
		490,936	410,486
Asset classified as held for sale	16	37,829	–
		528,765	410,486

		30 June 2024	31 December 2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
Current liabilities			
Trade payables, accruals and other payables	17	146,557	14,638
Lease liabilities		626	1,595
Bank borrowings	18	272,160	276,783
Other borrowings	19	88,238	88,119
Bond payable	20	42,200	–
Tax payables		2,309	1,213
Loan from a director		21,496	–
		573,586	382,348
Net current (liabilities)/assets		(44,821)	28,138
Total assets less current liabilities		813,291	843,573
Non-current liabilities			
Bond payable	20	–	42,200
Lease liabilities		176	308
		176	42,508
Net assets		813,115	801,065
Capital and reserves			
Share capital	21	92,876	92,876
Reserves		716,080	708,189
Equity attributable to the owners of the company		808,956	801,065
Non-controlling interests		4,159	–
Total equity		813,115	801,065

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. GENERAL

Future World Holdings Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 21 October 2002 under the Companies Law of the Cayman Islands. The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business is Unit 612, Tai Yau Building, 181 Johnston Road, Wan Chai, Hong Kong. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company. The Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) are principally engaged in (i) hotel operation and ancillary business; (ii) high technology business; (iii) property investment, management and agency; (iv) provision of financing services; (v) securities trading and investment; (vi) trading business and related services and (vii) securities brokerage business.

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

The Interim Financial Statements were approved for issue by the board of directors on 28 August 2024.

2. BASIS OF PREPARATION

The Interim Financial Statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosures requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

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

The Interim Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 December 2023, and therefore, do not include all of the information required in annual financial statements in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2023.

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

The Interim Financial Statements have not been audited.

Going concern

As at 30 June 2024, the Group has net current liabilities of approximately HKD44,821,000. This condition indicates a material uncertainty exists which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

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

The current liabilities of the Group include bank borrowings of approximately HKD182,635,000, which have been classified as current liabilities as the related loan agreements contain a repayment on demand clause. According to the loan agreements, the loans are repayable by monthly instalments in 13 to 19 years. The Group regularly monitors its compliance with covenants and scheduled repayments of such bank borrowings and the directors of the Company do not consider that the banks will exercise their discretion to demand repayment so long as the Group continues to meet these requirements.

In addition, the directors of the Company also consider several measures together aiming at improving the working capital and cash flow position of the Group which include taking stringent cost controls of the Group, seeking opportunities on new businesses and equity fund-raising.

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

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

3. ADOPTION OF NEW AND AMENDMENTS TO HKFRSs

(a) Adoption of amendments to HKFRS – effective 1 January 2024

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

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

(b) New and amendments to HKFRSs that have been issued but not yet effective

The following new and amendments to HKFRSs have been issued but are not effective for the financial year beginning on 1 January 2024 and have not been early adopted by the Group:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKAS 21	Lack of Exchangeability ²
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments ³
HKFRS 18	Presentation and Disclosure in Financial Statement ⁴
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ⁴
Amendments to HK Int 5	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ⁴

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2025

³ Effective for annual periods beginning on or after 1 January 2026

⁴ Effective for annual periods beginning on or after 1 January 2027

Those new and amendments to HKFRSs that have been issued but are not yet effective are unlikely to have material impact on the Group's results and financial position upon application.

4. REVENUE

Revenue represents the income received and receivable arising from the Group's operating activities including (i) hotel operation and ancillary business; (ii) high technology business; (iii) property investment, management and agency; (iv) provision of financing services; (v) securities trading and investment; (vi) trading business and related services; and (vii) securities brokerage business during the six months ended 30 June 2024. An analysis of the Group's revenue for the six months ended 30 June 2024 is as follows:

	Six months ended 30 June	
	2024	2023
	<i>HKD'000</i>	<i>HKD'000</i>
	(Unaudited)	(Unaudited)
Revenue		
Revenue from contracts with customers within the scope of HKFRS 15 recognised at a point in time:		
Income from high technology business	–	17,479
Service income from hotel ancillary business	10,203	–
Consultancy income from securities brokerage business	–	450
Commission income from property agency service	4,066	–
	<hr/> 14,269	<hr/> 17,929
Revenue from contracts with customers within the scope of HKFRS 15 recognised overtime:		
Service income from property management	1,284	–
	<hr/> 1,284	<hr/> –
Revenue from other sources:		
Rental income from property investment	3,615	3,433
Interest income from provision of financing services	4,430	6,492
Dividend income from securities trading and investment	–	830
Interest income from debt instrument	–	213
	<hr/> 8,045	<hr/> 10,968
	<hr/> 23,598	<hr/> 28,897
Net realised loss from securities trading and investment	<hr/> –	<hr/> (4,483)

5. SEGMENT INFORMATION

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

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

- Hotel operation and ancillary business
- High technology business
- Property investment, management and agency
- Provision of financing services
- Securities trading and investment
- Trading business and related services
- Securities brokerage business

Segment revenues and financial performance

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

	Hotel operation and ancillary business		High technology business		Property investment, management and agency		Provision of financing services		Securities trading and investment		Trading business and related services		Securities brokerage business		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Revenue																
- External sales	10,203	-	-	17,479	8,965	3,433	4,430	6,492	-	1,043	-	-	-	450	23,598	28,897
Segment financial performance	(1,318)	-	(57)	2,908	(18,251)	(22,512)	28,413	26,974	(161)	(52,665)	(28)	(688)	(608)	(83)	7,990	(46,066)
Unallocated corporate income															20,207	1,098
Unallocated corporate expenses															(8,968)	(10,321)
Unallocated finance cost															(1,904)	(1,781)
Profit/(loss) before income tax															17,325	(57,070)

The accounting policies of the operating segments are the same as the Group’s accounting policies. Segment profit/(loss) represents the profit earned/(loss incurred) by each segment without allocation of certain administration costs, directors’ emoluments, other income, and certain finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

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

	30 June	31 December
	2024	2023
	<i>HKD'000</i>	<i>HKD'000</i>
	(Unaudited)	(Audited)
Segment assets		
Hotel operation and ancillary business	32,580	–
High technology business	2,171	2,262
Property investment, management and agency	877,927	776,548
Provision of financing services	198,600	229,204
Securities trading and investment	126,267	74,158
Trading business and related services	1,072	1,145
Securities brokerage business	4,758	3,666
	<hr/>	<hr/>
Total segment assets	1,243,375	1,086,983
Unallocated corporate assets	143,502	138,938
	<hr/>	<hr/>
Consolidated assets	1,386,877	1,225,921
	<hr/> <hr/>	<hr/> <hr/>
Segment liabilities		
Hotel operation and ancillary business	3,903	–
High technology business	183	189
Property investment, management and agency	272,484	200,503
Provision of financing services	52	52
Securities trading and investment	168,388	168,269
Trading business and related services	1,845	1,893
	<hr/>	<hr/>
Total segment liabilities	446,855	370,906
Unallocated corporate liabilities	126,907	53,950
	<hr/>	<hr/>
Consolidated liabilities	573,762	424,856
	<hr/> <hr/>	<hr/> <hr/>

6. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	<i>HKD'000</i>	<i>HKD'000</i>
	(Unaudited)	(Unaudited)
Interest expenses on bank borrowings	6,457	5,635
Interest expenses on other borrowings	841	2,314
Interest expenses on leases liabilities	46	123
Interest expenses on bond payables	1,815	1,671
Interest expenses on other payables	45	–
	<hr/>	<hr/>
	9,204	9,743
	<hr/> <hr/>	<hr/> <hr/>

7. PROFIT/(LOSS) BEFORE INCOME TAX

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

	Six months ended 30 June	
	2024 HKD'000 (Unaudited)	2023 HKD'000 (Unaudited)
Directors' and chief executive's emoluments	672	1,633
Other staff costs	3,280	4,483
Contributions to retirement benefits scheme	99	176
Total staff costs	<u>4,051</u>	<u>6,292</u>
Auditor's remuneration		
– Non-audit services	490	300
Cost of inventories recognised as expenses	8,869	17,449
Depreciation of property, plant and equipment	1,200	232
Depreciation of right-of-use assets	1,378	1,316
Direct operating expenses arising from investment properties that generated rental income during the period	187	389
Direct operating expenses arising from investment properties that did not generate rental income during the period	192	4
Loss on disposal of property, plant and equipment, net	–	70
Reversal of credit loss allowances on loan and interest receivables, net	(7,835)	(6,933)
Reversal of credit loss allowances on trade and other receivables, net	(23,957)	(11,079)
Reversal of credit loss allowances on loan commitment	–	(2,086)
Impairment loss on asset classified as held for sales	671	–

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2024 HKD'000 (Unaudited)	2023 HKD'000 (Unaudited)
Current tax:		
– Hong Kong Profits Tax	–	–
– The People's Republic of China (the "PRC") Enterprise Income Tax ("EIT")	1,019	87
Deferred tax charged to profit or loss	1,019 <u>4,030</u>	87 <u>3,454</u>
Income tax expense	<u>5,049</u>	<u>3,541</u>

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

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “BVI”), the Group is not subject to any income tax under these jurisdictions during the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

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

No Hong Kong Profits Tax has been provided for the six months ended 30 June 2024 and 2023, as the Group has no assessable profits derived in Hong Kong during the six months ended 30 June 2024 and 2023.

The PRC EIT has been provided at the rate of 25% (six months ended 30 June 2023: 25%) on the taxable profits of the Group’s subsidiaries in the PRC during the six months ended 30 June 2024. Certain subsidiaries of the Group, which are qualified small and micro-sized enterprises (“SMEs”) under Caishui 2019 No.13, are eligible for certain tax reduction.

9. DIVIDEND

The directors of the Company do not recommend for payment of a dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

10. EARNINGS/(LOSS) PER SHARE

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

	Six months ended 30 June	
	2024	2023
	<i>HKD’000</i>	<i>HKD’000</i>
	(Unaudited)	(Unaudited)
Profit/(loss) for the period attributable to the owners of the Company for the purpose of basic earnings/(loss) per share	13,089	(59,810)

Number of shares

	Six months ended 30 June	
	2024	2023
	<i>HKD’000</i>	<i>HKD’000</i>
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	232,191	116,095

The Company had no outstanding share option or of other potential ordinary shares during the six months ended 30 June 2024, and the computation of diluted loss per share for the six months ended 30 June 2023 did not assume the exercise of the Company’s outstanding share options since it would result in a decrease in the loss per share. Therefore, the amount of diluted earnings/(loss) per share is the same as the amount of basic earnings/(loss) per share for the six months ended 30 June 2024 and 2023.

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

During the six months ended 30 June 2024, the Group have additions to property, plant and equipment amounting to approximately HKD2,691,000 (six months ended 30 June 2023: HKD853,000), including of approximately HKD2,691,000 due to acquisition of subsidiaries as disclosed in Note 22(b) (six months ended 30 June 2023: Nil).

During the six months ended 30 June 2024, the Group have disposal of property, plant and equipment of Nil (six months ended 30 June 2023: HKD1,067,000).

During the six months ended 30 June 2024, the additions of right-of-use assets were approximately HKD327,000 (six months ended 30 June 2023: Nil).

During the six months ended 30 June 2024, the Group had additions to investment property amounting to approximately HKD103,033,000 due to acquisition of subsidiaries as disclosed in Note 22(b).

On 15 April 2024, a wholly-owned subsidiary of the Company entered into a sales and purchase agreement with an independent third party as disclosed in Note 16, of which the investment property is the only significant asset of the subsidiary. Therefore, the original carrying amount of investment property has been reclassified to be the asset classified as held for sale amounting to approximately HKD38,500,000 as at 30 June 2024.

The fair value of the Group's investment properties at 30 June 2024 have been arrived at on the basis of a valuation carried out by CBRE Limited ("CBRE") and Masterpiece Valuation Advisory Limited ("Masterpiece") (31 December 2023: CBRE), firms of independent qualified professional valuers, which are not connected to the Group. CBRE and Masterpiece (31 December 2023: CBRE) have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

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

Fair value loss of approximately HKD17,106,000 (six months ended 30 June 2023: fair value loss of approximately HKD21,854,000) of investment properties has been recognised in consolidated profit or loss for the six months ended 30 June 2024.

As at 30 June 2024, the Group's investment property located in Hong Kong, with carrying amount amounting to approximately HKD264,000,000 (31 December 2023: HKD270,000,000), has been pledged to secure the bank borrowings and other borrowings granted to the Group (Notes 18 and 19). Another investment property located in Hong Kong, with carrying amount amounting to approximately HKD327,000,000 (31 December 2023: HKD334,000,000) has been pledged to secure the bank borrowings granted to the Group (Note 18) as at 30 June 2024.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2024	31 December 2023
	<i>HKD'000</i>	<i>HKD'000</i>
	(Unaudited)	(Audited)
Listed securities, at fair value:		
Equity securities listed in Hong Kong	8,963	10,154

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

	<i>HKD'000</i>
At 1 January 2024 (Audited)	10,154
Changes in FVTOCI	(1,191)
At 30 June 2024 (Unaudited)	8,963

The fair values of the listed equity securities investments were determined based on the quoted market closing prices on the Stock Exchange. During the six months ended 30 June 2024, no dividend was received from these investments (six months ended 30 June 2023: Nil).

As at 30 June 2024, the Group's financial assets at FVTOCI, with carrying amount of approximately HKD8,963,000 (31 December 2023: HKD10,154,000), have been pledged to secure the other borrowings granted to the Group (Note 19).

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2024	31 December 2023
	<i>HKD'000</i>	<i>HKD'000</i>
	(Unaudited)	(Audited)
Equity securities listed in Hong Kong, held for trading	66,107	62,542
An unlisted investment fund in Cayman Islands	37,873	26,291
	103,980	88,833

The below table reconciled carrying amount of financial asset at fair value through profit or loss:

	<i>HKD'000</i>
At 1 January 2024 (Audited)	88,833
Changes in fair value	15,147
At 30 June 2024 (Unaudited)	103,980

The fair values of the listed equity securities investments were determined based on the quoted market closing prices on the Stock Exchange for listed equity securities. During the six months ended 30 June 2024, the dividends received from these securities were nil (six months ended 30 June 2023: HKD830,000).

During the year ended 31 December 2023, the Group had invested in a segregated portfolio of an exempted company incorporated with limited liability under the laws of Cayman Island (the “**Cayman Fund**”) by the subscription of redeemable non-voting participating shares of the Cayman Fund at a consideration of HKD32,000,000 with primary objectives for capital appreciation and investment income. The fair value of the Cayman Fund as at the end of the reporting period was estimated by the management of the Company by reference to the quarterly performance reports of the Cayman Fund issued by the fund administrator.

As at 30 June 2024, the Group’s financial assets at FVTPL with carrying amount of approximately HKD15,129,000 (31 December 2023: HKD15,594,000) have been pledged to secure the other borrowing granted to the Group (Note 19).

14. LOAN AND INTEREST RECEIVABLES

	30 June 2024	31 December 2023
	<i>HKD’000</i>	<i>HKD’000</i>
	(Unaudited)	(Audited)
Current	144,193	187,300
Non-current	11,064	10,978
	155,257	198,278
Representing:		
From money lending business (including interest receivables of approximately HKD12,558,000 (31 December 2023: HKD16,978,000)) (<i>Note (i)</i>)	166,565	213,272
Less: Allowance for expected credit losses	(17,251)	(24,865)
	149,314	188,407
Note receivables (including interest receivables of nil (31 December 2023: HKD582,000)) (<i>Note (ii)</i>)	9,233	13,382
Less: Allowance for expected credit losses	(3,290)	(3,511)
	5,943	9,871
	155,257	198,278

Notes:

- (i) The loan receivables from 7 (31 December 2023: 11) independent borrowers bear fixed interest rates ranging from 5% to 7.7% (31 December 2023: 5% to 7.7%) per annum and repayable according to the respective loan agreements. During the period ended 30 June 2024, 2 (31 December 2023: 2) borrowers with loan receivables (net of allowance for credit loss) amounted to approximately HKD27,613,000 (31 December 2023: HKD52,407,000) in aggregate provided several properties to the Group as collateral with fair value amounting to approximately RMB35,907,000 (equivalent to approximately HKD38,593,000) (31 December 2023: RMB35,907,000 (equivalent to approximately HKD39,505,000)) in aggregate. As at 30 June 2024, Central Wealth with loan receivables (net of allowance for expected credit loss) amounted to approximately HKD99,397,000 (31 December 2023: HKD96,289,000) provided shares of a company listed in Hong Kong with fair value amounting to approximately HKD396,711,000 to the Group as collateral. The loan receivables from the remaining 4 (31 December 2023: 8) borrowers with loan receivables (net of allowance for credit loss) amounted to approximately HKD22,304,000 (31 December 2023: HKD39,711,000) in aggregate are unsecured as at 30 June 2024.

On 2 February 2024, the Group entered into a conditional supplemental agreement with Central Wealth, pursuant to which the outstanding loan and interest receivables shall be extended from 31 December 2023 to 31 December 2024, loan drawn under the loan facility shall not exceed approximately HKD96,853,000 and the loan principal amount shall be approximately HKD96,853,000 with interest 7% per annum with effect from 3 February 2024, which was approved by the shareholders of the Company at the EGM on 15 March 2024.

- (ii) During the year ended 31 December 2023, the Group subscribed two short-term notes from two independent issuers at a consideration of HKD7,800,000 and HKD5,000,000, which both carried 5.5% interest rate per annum and due on the maturity date on 2 March 2024 and 8 March 2024, respectively. The note receivables were secured by certain bonds or listed securities with fair values of approximately HKD7,800,000 and HKD5,425,000 respectively at the date of subscription. As at 30 June 2024, the note receivable (net of allowance for credit loss) amounted to approximately HKD5,943,000.

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

	30 June 2024 HKD'000 (Unaudited)	31 December 2023 HKD'000 (Audited)
On demand or within 1 year after the end of reporting period	144,193	187,300
More than one year, but not more than two years after the end of reporting period	11,064	10,978
	<u>155,257</u>	<u>198,278</u>

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

15. TRADE AND OTHER RECEIVABLES, DEPOSIT AND PREPAYMENT

	30 June 2024 HKD'000 (Unaudited)	31 December 2023 HKD'000 (Audited)
Trade receivables, gross	4,844	2,277
Less: Allowance for expected credit losses	(946)	(665)
Trade receivables, net (<i>Note (i)</i>)	<u>3,898</u>	<u>1,612</u>
Other receivables, gross	20,204	71,983
Less: Allowance for expected credit losses	–	(24,251)
Other receivables, net (<i>Note (ii)</i>)	<u>20,204</u>	<u>47,732</u>
Deposit and prepayment	<u>10,462</u>	<u>3,537</u>
	34,564	52,881
Less: Rental deposit classified as non-current asset	(249)	(249)
	<u>34,315</u>	<u>52,632</u>

Notes:

- (i) Trade receivables mainly comprise amounts receivable from property investment, management and agency segment. No interest was charged on trade receivables.

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

	30 June 2024 HKD'000 (Unaudited)	31 December 2023 HKD'000 (Audited)
0 – 30 days	1,503	290
31 – 90 days	762	580
91 – 180 days	840	300
181 – 360 days	641	600
Over 360 days	1,098	507
Less: Allowance for credit losses	(946)	(665)
	<u>3,898</u>	<u>1,612</u>

Movement of impairment loss allowance for trade receivables are as follows:

	30 June 2024 HKD'000 (Unaudited)	30 June 2023 HKD'000 (Unaudited)
At 1 January (Audited)	665	8,937
Provision for loss allowance recognised in consolidated profit or loss during the year	290	834
Reversal of loss allowance due to disposal of subsidiary	–	(9,272)
Exchange realignment	(9)	–
	<hr/>	<hr/>
At 30 June (Unaudited)	946	499

- (ii) As at 31 December 2023, included in other receivables were the gross receivables of Considerations in relation to the transfer of Charged Securities amounting to approximately HKD45,746,000. As at 31 December 2023, the Group recognised a provision for expected credit loss allowance of HKD16,810,000 in relation to the receivables of Considerations. On 22 March 2024, Globally Finance assigned the Considerations to the Company at a consideration of approximately HKD45,746,000.

As at 31 December 2023, the Company has a debt assignment amounted to approximately HKD21,060,000 plus interests of approximately HKD7,389,000 payable by a debtor of the assignor were assigned by the assignor to the Company in a consideration of HKD20,000,000. As at 30 June 2024, the Group recognised a provision for expected credit loss allowance of Nil (31 December 2023: HKD6,925,000) in relation to the receivables of the Debt Assignment. On 22 March 2024, the Company and the assignor voluntarily terminated, rescinded and cancelled the Debt Assignment, and the consideration of HKD20,000,000 shall be refunded by the assignor to the Company (the “Refund”).

On 22 March 2024, the Group has conditionally agreed to assign, and Mr. Lai Long Wai (“**Mr. Lai**”), a director and a substantial shareholder of the Company, has conditionally agreed to accept the assignment of the gross receivables of Considerations in relation to the transfer of Charged Securities and the Refund in relation to the Debt Assignment at a consideration of approximately HKD65,746,000, being the amount due from a director as at 30 June 2024.

As at 30 June 2024, the balance included other receivables (net of credit loss allowance) in relation to the rental income of investment properties in the PRC collected on behalf of the Group by an individual amounting to approximately HKD4,684,000 (31 December 2023: HKD3,431,000). As at 30 June 2024, the Group recognised a provision for credit loss allowance of HKDNil (2023: HKD516,000) in relation to the rental income receivables.

Movement of impairment loss allowance for other receivables

	30 June 2024 HKD'000 (Unaudited)	30 June 2023 HKD'000 (Unaudited)
At 1 January (Audited)	24,251	12,059
Reversal of loss allowance recognised in condensed consolidated profit or loss during the period	(24,247)	(11,913)
Exchange realignment	(4)	(7)
	<hr/>	<hr/>
At 30 June (Unaudited)	–	139

16. ASSET CLASSIFIED AS HELD FOR SALE

On 15 April 2024, Alpha Idea Holdings Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with a purchaser, who is independent to the Group. The purchaser has conditionally agreed to acquire and Alpha Idea Holdings Limited has conditionally agreed to sell the entire equity interest in Topsy Eagle Limited (the “**Target Company**”), an indirectly wholly-owned subsidiary of the Company, and to take assignment of the intercompany loans provided by the Group to the Target Company, at a consideration of HKD38,000,000.

As at 30 June 2024, besides the intercompany loans, the major asset of the Target Company is an investment property with carrying amount of HKD38,500,000, which is expected to be sold within twelve months and therefore classified as a disposal asset held for sale presenting separately in the Condensed Consolidated Statement of Financial Position. In the opinion of the directors of the Company, the fair value less costs to sell of the asset classified as held for sale are expected to be approximately HKD37,829,000 (being the gross proceed of HKD38,000,000 less costs to sell of approximately HKD171,000) and accordingly, impairment loss on asset classified as held for sale of approximately HKD671,000 (Note 7) is recognised in the profit or loss. The disposal of the Target Company was completed subsequently on 10 July 2024.

17. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

		30 June	31 December
		2024	2023
	<i>Notes</i>	HKD'000	HKD'000
		(Unaudited)	(Audited)
Trade payables	(i)	2,149	337
Other payables	(ii)	138,793	3,440
Accruals	(iii)	5,238	9,657
Rental deposits received		377	1,204
		146,557	14,638

Notes:

(i) Trade payables

The credit period granted by suppliers of the Group is ranging from 30 to 120 days (31 December 2023: 30 to 120 days) for the period. The ageing analysis of the trade payables based on invoice date is as follows:

	30 June	31 December
	2024	2023
	HKD'000	HKD'000
	(Unaudited)	(Audited)
0 – 30 days	1,546	–
31 – 90 days	151	–
91 – 360 days	92	–
Over 360 days	360	337
	2,149	337

(ii) As at 30 June 2024, amounted to HKD2,690,000 (31 December 2023: HKD3,440,000) represented the loan from an independent third party bearing 3% interest per annum. Interest payable (included in accruals) was approximately HKD167,000 as at 30 June 2024 (31 December 2023: HKD122,000).

- (iii) As at 30 June 2024, accruals included interest payables of approximately HKD868,000 (31 December 2023: HKD3,552,000) in relation to a bond payable at principal amount of HKD42,200,000 (Note 20).

18. BANK BORROWINGS

	30 June 2024	31 December 2023
	<i>HKD'000</i>	<i>HKD'000</i>
	(Unaudited)	(Audited)
Secured bank borrowings	272,160	276,783
Represented by:		
Carrying amount of the bank borrowings that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	182,635	187,443
Carrying amount repayable within one year	89,525	89,340
	272,160	276,783

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

	30 June 2024	31 December 2023
	<i>HKD'000</i>	<i>HKD'000</i>
	(Unaudited)	(Audited)
Within one year	89,525	89,340
More than one year, but within two years	9,871	9,694
More than two years, but within five years	31,848	31,279
More than five years	140,916	146,470
	272,160	276,783

As at 30 June 2024, the bank borrowings bear interest at (i) 2.5% per annum below HKD Prime Rate, (ii) 2% per annum over HIBOR (1 month) or 2.5% per annum below HKD Prime Rate, whichever is the lower, (iii) 2.5% per annum over HIBOR (1 week to 1 month) (31 December 2023: (i) 2.5% per annum below HKD Prime Rate, (ii) 2% per annum over HIBOR (1 month) or 2.5% per annum below HKD Prime Rate, whichever is the lower, (iii) 2.5% per annum over HIBOR (1 week to 1 month)).

At 30 June 2024, the Group's bank borrowings are secured by the investment properties amounting to approximately HKD591,000,000 (31 December 2023: HKD604,000,000) (Note 11).

19. OTHER BORROWINGS

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

	30 June 2024	31 December 2023
	<i>HKD'000</i>	<i>HKD'000</i>
	(Unaudited)	(Audited)
Within one year or on demand	88,238	88,119

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

		30 June 2024	31 December 2023
	<i>Notes</i>	<i>HKD'000</i>	<i>HKD'000</i>
		(Unaudited)	(Audited)
Investment property	11	264,000	270,000
Financial assets at FVTOCI	12	8,963	10,154
Financial assets at FVTPL	13	15,129	15,594

The other borrowings are also guaranteed by the Company.

Partial of the other borrowings amounting to approximately HKD50,283,000 (31 December 2023: HKD50,283,000) are subject to the fulfilment of covenants, but certain covenants have not been fulfilled. The directors of the Company do not consider that it is probable that the securities brokers will exercise their discretion to demand immediate repayment. The directors of the Company believe that such other borrowings will be repaid in accordance with the scheduled repayment dates as determined by the agreements.

20. BOND PAYABLE

The Group issued a bond at principal amount of HKD42,200,000 with maturity date on 4 January 2025 which bears a floating interest at 2.5% per annum over HKD Prime rate payable quarterly in arrears with a net carrying amount of approximately HKD43,068,000, including interest payable of approximately HKD868,000 (Note 17(iii)), was classified as current liabilities as at 30 June 2024 (31 December 2023: interest payable of approximately HKD3,552,000 was classified as current liabilities and HKD42,200,000 was classified as non-current liabilities).

21. SHARE CAPITAL

	Number of ordinary shares <i>(Note (i))</i>	Number of preference shares	Amount <i>HKD'000</i>
Ordinary shares HKD0.4 each			
Authorised:			
At 1 January 2023, 31 December 2023, 1 January 2024 (Audited) and 30 June 2024 (Unaudited)	623,700,000	1,300,000	250,000
Issued and fully issued:			
At 1 January 2023 (Audited)	116,095,491	–	46,438
Issuance of share upon rights issue and placing <i>(Note (ii))</i>	116,095,491	–	46,438
At 31 December 2023, 1 January 2024 (Audited) and 30 June 2024 (Unaudited)	<u>232,190,982</u>	<u>–</u>	<u>92,876</u>

Notes:

- (i) All the ordinary shares which were issued by the Company rank pari passu with each other in all respects.
- (ii) On 16 June 2023, the Company announced the proposed rights issue on the basis of one rights share for every one rights share at the subscription price of HKD0.6 per right share. Pursuant to the underwriter agreement entered with an independent placing agent, Central Wealth Securities Investment Limited (“CWSI”) on 16 June 2023, shares to be underwritten by the underwriter shall be equivalent to the number of the rights issue.

The rights issue and placing for those unsubscribed rights shares were completed on 3 October 2023, and 116,095,491 rights shares, including those unsubscribed rights shares issued through placing, were allotted and issued to the shareholders accordingly. The net proceeds after deducting the related expenses approximately HKD3,691,000, amounted to approximately HKD65,966,000. Accordingly, the Company’s share capital increased by approximately HKD46,438,000 and the remaining balance of the net proceeds of approximately HKD19,528,000 was credited to the share premium account.

22. ACQUISITIONS OF SUBSIDIARIES

- (a) **Acquisitions of subsidiaries accounted for as business combination – Shanxi Ronghuitong Junting Hotel Co., Ltd.* (山西融匯通君亭酒店有限公司) (“SR Junting”) and Shanxi Ronghuitong Hotel Management Co., Ltd.* (山西融匯通酒店管理有限公司) (“SR Hotel Management”)**

On 29 December 2023, Shenzhen Baiyi Industrial Investment Co., Ltd.* (深圳柏億實業投資有限公司) (the “SZ Baiyi”), a wholly-owned subsidiary of the Company, entered into the first equity transfer agreement with a vendor (“Vendor A”), SR Hotel Management and SR Junting, who are independent to the Group. Pursuant to the agreement, SZ Baiyi has agreed to acquire, and Vendor A and SR Hotel Management have agreed to sell, 40% and 60% equity interest in SR Junting at a cash considerations of RMB1 and RMB2,500,000 respectively, which was RMB2,500,001 (equivalent to approximately HKD2,687,000) in aggregate.

On the same date, SZ Baiyi entered into the second equity transfer agreement with another independent vendor (“Vendor B”) and SR Hotel Management, pursuant to which SZ Baiyi has conditionally agreed to acquire, and Vendor B has conditionally agreed to sell 100% equity interest in SR Hotel Management at a cash consideration of RMB15,400,000 (equivalent to approximately HKD16,552,000).

The acquisitions of the entire equity interests in SR Junting and SR Hotel Management were completed on 5 March 2024 and 12 March 2024 respectively. Upon the completion of acquisitions, SR Junting and SR Hotel Management became indirectly wholly-owned subsidiaries of the Company. The principal activities of SR Junting and SR Hotel Management are hotel operation and ancillary business in the PRC. As at the dates of completion of acquisitions, each of SR Junting and SR Hotel Management had secured a management contracts with two 4 to 5-star hotels in the PRC respectively, and SR Hotel Management had carried out certain hotel ancillary businesses. The acquisitions provided a platform for the Group to expand, explore and capitalise in the new market of hotel business in the PRC.

The fair values of the identifiable assets acquired and liabilities assumed of SR Junting and SR Hotel Management at the date of acquisitions, were as follows:

	<i>HKD'000</i>
Prepayments and other receivables	12,946
Inventories	3,279
Cash and bank balances	1,925
Accruals and other payables	<u>(2,382)</u>
Total identifiable net assets	15,768
Goodwill	<u>3,471</u>
Total consideration to be satisfied by cash	<u><u>19,239</u></u>

* For identification purpose only

Cashflow movement in relation to acquisitions of the SR Junting and the SR Hotel Management during the period ended 30 June 2024:

	<i>HKD'000</i>
Cash consideration payable – included in other payables	<u>19,239</u>
	<i>HKD'000</i>
Cash at bank acquired – net cash inflow on acquisition	<u>1,925</u>

(b) Acquisitions of assets through acquisitions of subsidiaries – Shanxi Mei Lian Hang Property Management Co., Ltd.* (山西美聯行物業管理有限公司) (“MLH Property”) and Shanghai Zhi Ying Property Management Co., Ltd.* (上海知盈物業管理有限公司) (“Zhi Ying Property”)

On 18 March 2024, SZ Baiyi entered into first sale and purchase agreement with an independent vendor (“**Vendor C**”), pursuant to which SZ Baiyi has conditionally agreed to acquire and take assignment of, and Vendor C has conditionally agreed to sell and assign, the 100% equity interest in MLH property and the shareholder’s loan at considerations of RMB3,400,000 (equivalent to approximately HKD3,654,000) and RMB32,000,000 (equivalent to approximately HKD34,394,000) respectively. As at that date, MLH Property had 90% equity interest of Zhi Ying Property.

On the same date, MLH Property entered into the second sale and purchase agreement with an independent vendor (“**Vendor D**”), pursuant to which MLH Property has conditionally agreed to acquire, and Vendor D has conditionally agreed to sell, 10% equity interest in Zhi Ying Property at a consideration of RMB3,900,000 (equivalent to approximately HKD4,192,000).

The acquisition of 100% equity interest in MLH Property was completed on 6 May 2024. Upon the completion of acquisition, MLH Property became an indirectly wholly-owned subsidiary of the Company, and Zhi Ying Property became an indirectly non wholly-owned subsidiary of the Company. The acquisition of 10% equity interest in Zhi Ying Property was not yet completed as at 30 June 2024 or up to the date of approval of these condensed consolidated interim financial statements.

The principal activities of MLH Property and Zhi Ying Property are real estate and property management which held 13 properties in the PRC. The Group determined that substantially all of the fair value of the gross assets acquired was concentrated in a group of similar identifiable assets and concluded the acquisitions were accounted for as acquisitions of assets by applying the optional concentration test in accordance with HKFRS 3 “Business Combinations”. The acquisitions represent an investment opportunity to expand the Group’s service offerings to property management and diversified the Group’s property investment portfolio in the PRC.

* For identification purpose only

The fair values of identifiable assets acquired and liabilities assumed of MLH Property and Zhi Ying Property, at the date of acquisition, were as follows:

	<i>HKD'000</i>
Investment properties	103,033
Properties, plant and equipment	2,691
Right-of-use assets	327
Prepayments and other receivables	10,598
Cash and bank balances	4,077
Account payables	(75)
Accruals and other payables	(77,306)
Lease liabilities	(328)
Shareholder's loan	(34,394)
	<hr/>
Total identifiable net assets	8,623
Non controlling interests (<i>Note</i>)	(4,969)
	<hr/>
Net assets assigned by the Group	3,654
Add: assignment of shareholder's loan	34,394
	<hr/>
Total consideration to be satisfied by cash	38,048
	<hr/> <hr/>

Cashflow movement in relation to acquisitions of the MLH Property and the Zhi Ying Property during the period ended 30 June 2024:

	<i>HKD'000</i>
Cash consideration payable – included in other payable	38,048
	<hr/> <hr/>
	<i>HKD'000</i>
Cash at bank acquired – net cash inflow on acquisition	4,077
	<hr/> <hr/>

Note: Non-controlling interest represented the 10% fair value of the identifiable net assets of Zhi Ying Property at the date of acquisition.

23. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in the condensed consolidated interim financial announcements, the Group had the following events after the reporting period:

(a) Acquisition of a hotel property through acquisition of a company

On 26 June 2024, the Company entered into a sales and purchase agreement with a vendor, who is independent to the Group, pursuant to which the Company has conditionally agreed to acquire the entire equity interest in Elite Holdings International Limited and to take assignment of the shareholder's loan at the considerations of approximately of RMB1,775,000 and RMB25,000,000, respectively.

The considerations shall be satisfied by the Company upon the completion of acquisition (i) as to RMB14,127,000 by the allotment and issue of 21,700,000 consideration shares to the vendor at the issue price of HKD0.7 per consideration share; and (ii) the balance of RMB12,648,000 by the issue of a promissory note in the principal amount of HKD13,600,000 to the vendor or its designated entity.

Elite Holdings International Limited and its subsidiaries had no business operation and their sole material asset is a 9-floor building consisting of 129 guest rooms located in Shanxi Province, which is operated as a hotel. The acquisition was completed on 31 July 2024 and the directors of the Company are in the process of finalising the financial information and initial accounting in relation to the acquisition up to the date of approval of these condensed consolidated interim financial statements. Details of the acquisition are set out in the announcement made by the Company on 26 June 2024.

(b) Leasing arrangement of the hotel premise

In July 2024, the Group entered into a leasing agreement with a lessor, who is independent to the Group, pursuant to which the Group leased a hotel premise for the period of three years.

(c) Acquisition of an asset management company

On 26 June 2024, the Company entered into a share transfer agreement with a vendor, who is independent to the Group, to acquire entire issued share capital of Excelerate Holdings Limited at a consideration of HKD2,000,000 of which HKD1,000,000 shall be settled by cash and HKD1,000,000 shall be settled by the allotment and issue of 1,428,600 shares of the Company at the issue price of HKD0.7 per share upon the completion of the acquisition.

Excelerate Holdings Limited is holding 100% equity interest in a corporation licensed to carry on Type 9 (Asset Management) regulated activities under the Securities and Futures Ordinance. The acquisition is expected to be completed before 31 December 2024. Details of the acquisition are shown in the announcement made by the Company on 26 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

The Board of Directors hereby present the unaudited condensed consolidated interim results of the Group during the Period.

The Group's revenue for the Period amounted to HKD23,598,000, which is 18.3% lower compared with the revenue of approximately HKD28,897,000 during the Previous Period. The Group recorded a net profit of approximately HKD13,089,000 attributable to the owners of the Company for the Period (2023: net loss of approximately HKD59,810,000) and basic profit per share of HKD6 cents (2023: basic loss per share of HKD52 cents) for the Period. The profit was mainly attributable to (i) a gain in fair value of financial assets at fair value through profit or loss of approximately HKD15,147,000 (2023: a loss in fair value of financial assets at fair value through profit or loss of approximately HKD39,851,000) and (ii) an increase in the reversal of credit loss allowances on trade and other receivables by 118.9% from approximately HKD11,079,000 in the Previous Period to approximately HKD23,957,000 in the Period.

BUSINESS REVIEW

The business of the Group are divided into hotel operation and ancillary business, high technology business, property investment, management and agency, provision of financing services, securities trading and investment, trading business and related services and securities brokerage business.

Property investment, management and agency

As at 30 June 2024, the details of the Group's investment property portfolio are as follows:

Address	Market value as at 30 June 2024 HKD'000
1. No. 1, Lincoln Road, Kowloon Tong, Hong Kong	327,000
2. No. 19, Cumberland Road, Kowloon Tong, Hong Kong	264,000
3. 19 retail units located on Building Nos. 1, 2, 4 of Fortune Town, Liuyue Community, Longgang District, Shenzhen, the PRC	117,154
4. No. 301, Unit 2, Building No. 6, Luding No. 9 Yuan, No. 9 East Street, Changzhi City, Shanxi Province, the PRC	5,439
5. Room 601, 6/F, Unit 1, Building No. 2, Shijiyilongwan East, Luzhou District, Changzhi City, Shanxi Province, the PRC	1,053
6. Room 601, 6/F, Unit 2, Building No. 1, Shijiyilongwan East, Luzhou District, Changzhi City, Shanxi Province, the PRC	989
7. Room 1701, 17/F, Unit 2, Building No. 2, Jinxiang Neighborhood, Changzhi City, Shanxi Province, the PRC	1,419
8. Room 2302, Unit 2, Building No. 3, Huaxiyuan, Luzhou District, Changzhi City, Shanxi Province, the PRC	1,301
9. No. 2702, 27/F, Unit 2, Building No. 5, No. 45 Xin Jinzi Road, Rongchuang Xuefu No. 1 Yuan, Taiyuan City, Shanxi Province, the PRC	4,794
10. Shop No. 1002, No. 45 Xin Jinzi Road, Rongchuang Xuefu No. 1 Yuan, Taiyuan City, Shanxi Province, the PRC	9,211
11. Building No. 5 and No.6, Qianfengshijia, Lot D-06, Kangzhuang Industrial Park, Tuenliu District, Changzhi City, Shanxi Province, the PRC City, Shanxi Province, the PRC	13,456
12. Room 3403 and Car Parking Space No. 575, No. 1, Lane 258, Puming Road, Fortune Seascape Garden, Pudong New District, Shanghai, the PRC	49,118
13. Room 706-709, Building No. 1, Dongsha Holiday Hotel, No. 1288 Jiari Road, Zhujiajianjiedao, Zhoushan City, Zhejiang Province, the PRC	4,363
14. Unit 2, Building No. 11, Dongfangrunyuan, Lincheng Street, Dinghai District, Zhoushan City, Zhejiang Province, the PRC	5,159
15. Building No. 30 and No.33, Wentaoyuan, Dongsha Resort, No. 1289 Jiari Road, Zhujiajianjiedao, Zhoushan City, Zhejiang Province, the PRC	2,730
16. Room 1801, Residential Building No. 6, Phase II, Haishangdaduhui, Xincheng Road, Tianya District, Sanya City, Hainan Province, the PRC	7,524
	<hr/>
	814,710
17. G/F, No. 20 Kwun Chung Street, Kowloon, Hong Kong (classified as asset held for sale)	38,500
	<hr/>
Total	<u><u>853,210</u></u>

In May 2024, the Group completed the acquisition of the entire equity interests in Shanxi Mei Lian Hang Property Management Co., Ltd.* (山西美聯行物業管理有限公司) (“**MLH Property**” and together its subsidiaries, the “**MLH Group**”) (the “**MLH Acquisition**”). MLH Group owns and manages properties numbered 4-16, which are located across provinces and cities in the PRC, including Shanxi Province, Hainan Province, Zhejiang Province and Shanghai.

The MLH Acquisition represents an opportunity to expand the Group’s service offerings to property agency and property management and diversify the Group’s property investment portfolio in the aforementioned regions in the PRC. In addition, the Group may reap the benefits from the long term potential appreciation of the properties held by the MLH Group.

In July 2024, the Group completed the disposal of all issued shares of Topsky Eagle Limited (天鷹有限公司) (“**Topsky**”) and to take assignment of the intercompany loans provided by the Group to Topsky, at a consideration of HKD38,000,000. Topsky is the legal and beneficial owner of the property numbered 17. As a result, the Group realised its investment into cash.

During the Period, the Group recorded rental income of approximately HKD3,615,000 (2023: approximately HKD3,433,000). The fair value loss of approximately HKD17,106,000 (2023: approximately HKD21,854,000) on investment properties, primarily due to the poor sentiment in the real estate market. In addition, after the MLH Acquisition, the Group recorded commission income from property agency service of HKD4,066,000 (2023: Nil) and property management services income of HKD1,284,000 (2023: Nil) during the Period.

The Group will continue to look for opportunities to expand and optimise its investment property portfolio with the aim of generating stable rental income and/or capital appreciation.

Securities trading and investment

The Group identified its investments based on the share price, the gain potential and the future prospect of the investments. The securities investments were classified under financial assets at fair value through other comprehensive income (“**Financial Assets at FVTOCI**”) and financial assets at fair value through profit or loss (“**Financial Assets at FVTPL**”) in the consolidated financial statements. As at 30 June 2024, the Group’s securities trading portfolio comprised equity securities of seven companies listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), namely Central Wealth Group Holdings Limited (“**Central Wealth**”, stock code: 139), CMBC Capital Holdings Limited (“**CMBC Capital**”, stock code: 1141), Shandong Hi-Speed Holdings Group Limited (“**SDHG**”, stock code: 412), Shanghai Conant Optical Co., Ltd (“**SH Optical**”, stock code: 2276), LX Technology Group Limited (“**LX Tech**”, stock code: 2436), Fenbi Ltd. (“**Fenbi**”, stock: 2469) and HG Semiconductor Limited (“**HG**”, stock code: 6908).

* For identification purpose only

As at 30 June 2024, details of the securities investments held are as follows:

Name of the investees	Number of shares held	Percentage of equity interests as at 30.06.2024	Market value of the interests as at 30.06.2024 <i>HKD'000</i>	Market value of the interests as at 31.12.2023 <i>HKD'000</i>	Fair value loss for the Period <i>HKD'000</i>	Release of fair value loss from fair value reserve for the Period <i>HKD'000</i>
FVTOCI						
Central Wealth (Stock code: 139)	426,061,316	2.472%	7,243	7,669	(426)	–
CMBC Capital (Stock code: 1141)	7,890,000	0.712%	1,720	2,485	(765)	–
Subtotal			<u>8,963</u>	<u>10,154</u>	<u>(1,191)</u>	<u>–</u>
Name of the investees	Number of shares held	Percentage of equity interests as at 30.06.2024	Market value of the interests as at 30.06.2024 <i>HKD'000</i>	Market value of the interests as at 31.12.2023 <i>HKD'000</i>	Fair value gain/(loss) for the Period <i>HKD'000</i>	Realised gain/(loss) for the Period <i>HKD'000</i>
FVTPL						
Central Wealth (Stock code: 139)	507,724,000	2.946%	8,631	9,139	(508)	–
SDHG (Stock code: 412)	6,715,500	0.112%	41,032	40,763	269	–
SH Optical (Stock code: 2276)	1,020,000	0.239%	12,607	7,201	5,406	–
LX Tech (Stock code: 2436)	540,000	0.153%	2,662	4,104	(1,442)	–
Fenbi (Stok code: 2469)	240,000	0.010%	1,001	1,102	(101)	–
HG (Stock code: 6908)	390,000	0.052%	174	233	(59)	–
Investment fund in Cayman Islands	N/A	N/A	37,873	26,291	11,582	–
Subtotal			<u>103,980</u>	<u>88,833</u>	<u>15,147</u>	<u>–</u>
Total			<u>112,943</u>	<u>98,987</u>	<u>13,956</u>	<u>–</u>

As at 30 June 2024, the Group held securities investment portfolio with market value of approximately HKD112,943,000 (31 December 2023: HKD98,987,000). As at 30 June 2024, none of the investments held by the Group the value of which was more than 5% of the total assets of the Group.

Performance and prospects of the major investees

Central Wealth

Central Wealth and its subsidiaries (the “**Central Wealth Group**”) are currently licensed under the Securities and Futures Commission (“**SFC**”) to engage in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities. In addition, the Central Wealth Group also engages in money lending business under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) (the “**Money Lenders Ordinance**”), financial investments and the Chinese medicine clinics business.

As mentioned in Central Wealth’s annual report for the year ended 31 December 2023, the Central Wealth Group recorded a revenue of approximately HKD90.2 million for the year ended 31 December 2023, representing a decrease of approximately 67.5% from approximately HKD277.8 million for the year ended 31 December 2022. Loss after tax of approximately HKD133.9 million was recorded for the year ended 31 December 2023, representing an increase of approximately 26.2% from approximately HKD106.1 million for the year ended 31 December 2022. The basic and diluted loss per share attributable to owners of the Central Wealth Group for the year ended 31 December 2023 were HKD0.80 cent (31 December 2022: HKD0.67 cent).

The closing price of Central Wealth was HKD0.017 as at 30 June 2024 (31 December 2023: HKD0.018).

CMBC Capital

CMBC Capital and its subsidiaries (the “**CMBC Capital Group**”) are currently licensed under SFC to engage in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities. In addition, the CMBC Capital Group also engages in financing and money lending business with the capacity as “exempted persons” defined in the Money Lenders Ordinance (no license required pursuant to the Money Lenders Ordinance). China Minsheng Banking Corporation Limited, a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Stock Exchange (stock code: 1988) and the A shares of which are listed on the Shanghai Stock Exchange (stock code: 600016), was a substantial shareholder holding over 60% of the issued shares of CMBC Capital as at 30 June 2024.

As mentioned in CMBC Capital’s annual report for the year ended 31 December 2023, the CMBC Capital Group recorded a revenue of approximately HKD493.9 million for the year ended 31 December 2023, representing a decrease of approximately 38.4% from approximately HKD802.0 million for the year ended 31 December 2022. Loss after tax of approximately HKD572.3 million was recorded for the year ended 31 December 2023, representing an increase of approximately 31.1% from approximately HKD436.6 million for the year ended 31 December 2022. The basic and diluted loss per share attributable to owners of the CMBC Capital Group for the year ended 31 December 2023 were HKD51.04 cents (31 December 2022: HKD37.96 cents).

The closing price of CMBC Capital was HKD0.218 as at 30 June 2024 (31 December 2023: HKD0.315).

SDHG

SDHG and its subsidiaries (the “**SDHG Group**”) are principally engaged in industrial investment, standard investment business, non-standard investment business and license financial services.

As mentioned in SDHG’s interim result announcement for the six months ended 30 June 2024, the SDHG Group recorded a revenue of approximately HKD3,069.2 million for the six months ended 30 June 2024, representing a decrease of approximately 0.2% from approximately HKD3,074.2 million for the six months ended 30 June 2023. Profit after tax of approximately HKD85.0 million was recorded for the six months ended 30 June 2024, representing a decrease of approximately 5.6% from approximately HKD90.0 million for the six months ended 30 June 2023. The basic and diluted loss per share attributable to owners of the SDHG Group for the six months ended 30 June 2024 were HKD6.54 cents (30 June 2023: HKD4.89 cents).

The closing price of SDHG was HKD6.11 as at 30 June 2024 (31 December 2023: HKD6.07).

SH Optical

SH Optical and its subsidiaries (the “**SH Optical Group**”) are principally engaged in manufacture and sale of resin spectacle lenses.

As mentioned in SH Optical’s interim result announcement for the six months ended 30 June 2024, the SH Optical Group recorded a revenue of approximately RMB976.4 million for the six months ended 30 June 2024, representing an increase of approximately 17.5% from approximately RMB831.2 million for the six months ended 30 June 2023. Profit after tax of approximately RMB208.7 million was recorded for the six months ended 30 June 2024, representing an increase of approximately 31.6% from approximately RMB158.6 million for the six months ended 30 June 2023. The basic and diluted earnings per share attributable to owners of the SH Optical Group for the six months ended 30 June 2024 were RMB0.50 (30 June 2023: RMB0.37).

The closing price of SH Optical closed was HKD12.36 as at 30 June 2024 (31 December 2023: HKD7.06).

LX Tech

LX Tech and its subsidiaries (the “**LX Group**”) are engaged in device recycling business, provision of device subscription services and information technology technical subscription services.

As mentioned in LX Tech’s interim result announcement for the six months ended 30 June 2024, the LX Group recorded a revenue of approximately RMB942.6 million for the six months ended 30 June 2024, representing an increase of approximately 14.6% from approximately RMB822.4 million for the six months ended 30 June 2023. Loss after tax of approximately RMB40.6 million was recorded for the six months ended 30 June 2024, representing a decrease of approximately 4.2% from approximately RMB42.4 million for the six months ended 30 June 2023. The basic and diluted loss per share attributable to owners of the LX Group for the six months ended 30 June 2024 were RMB0.13 (30 June 2023: RMB0.14).

The closing price of LX Tech was HKD4.93 as at 30 June 2024 (31 December 2023: HKD7.60).

Fenbi

Fenbi and its subsidiaries (the “**Fenbi Group**”) are principally engaged in providing non-formal vocational education and training services in the PRC.

As mentioned in Fenbi’s interim result announcement for the six months ended 30 June 2024, the Fenbi Group recorded a revenue of approximately RMB1,630.5 million for the six months ended 30 June 2024, representing a decrease of approximately 3.1% from approximately RMB1,682.3 million for the six months ended 30 June 2023. Profit after tax of approximately RMB277.7 million was recorded for the six months ended 30 June 2024, representing an increase of approximately 240.9% from approximately RMB81.5 million for the six months ended 30 June 2023. The basic and diluted earnings per share attributable to owners of the Fenbi Group for the six months ended 30 June 2024 were RMB0.13 (30 June 2023: RMB0.04).

The closing price of Fenbi was HKD4.17 as at 30 June 2024 (31 December 2023: HKD4.59).

HG

HG and its subsidiaries (the “**HG Group**”) are principally engaged in the design, development, manufacturing, subcontracting service and sales of semiconductors products, including light-emitting diode (LED) beads, next-generation semiconductor gallium nitride (GaN) chips, GaN devices and their related applications in the PRC.

As mentioned in HG's annual report for the year ended 31 December 2023, the HG Group recorded a revenue of approximately RMB88.6 million for the year ended 31 December 2023, representing an increase of approximately 1.2% from approximately RMB87.5 million for the year ended 31 December 2022. Loss after tax of approximately HKD157.6 million was recorded for the year ended 31 December 2023, representing an increase of approximately 55.6% from approximately HKD101.3 million for the year ended 31 December 2022. The basic and diluted loss per share attributable to owners of the HG Group for the year ended 31 December 2023 were RMB23.65 cents (31 December 2022: RMB17.81 cents).

The closing price of HG was HKD0.445 as at 30 June 2024 (31 December 2023: HKD0.60).

Provision of financing services

The Group provides financial services through its wholly-owned subsidiary Globally Finance Limited (“**Globally Finance**”), a company incorporated in Hong Kong and the holder of a valid money lender's license under the Money Lenders Ordinance. Globally Finance is principally engaged in loan financing business by providing secured and unsecured loans to its customers. All money lending transactions to borrowers are financed by the Group's internal funds.

The Group reaches out to potential individual and corporate customers through the business and social networks of its management. Referrals of borrowers from existing clients are also welcomed. Globally Finance assesses the creditworthiness of each potential customers based on its credit policies and procedures to evaluate their loan applications.

While there are no specific industry requirements for corporate customers, corporate customers which are listed on the Main Board of the Stock Exchange are preferred. Updated financial statements from corporate customers are required for the approval of loans. There is no specific industry background requirements for individual borrowers. However, through the network of the management, existing individual borrowers are mainly merchants engaged in property investment industry. The Group requests that individual borrowers to have stable incomes, free from any secured loan products (except self-residential mortgage) under other banks or financial institutions or unsecured loan products under financial institutions (except banks) by customers' declaration.

The Group adhered to its effective comprehensive policy and prudent procedures relating to loan approvals, renewals, top-ups, recovery, compliance, monitoring and anti-money laundering.

Globally Finance is managed by its sole director who has years of experience in accounting, corporate development and/or financial management experience and has overseen the business operations of Globally Finance. All loans are required to be approved by the director of Globally Finance.

Interest income from the Group's money lending business during the Period amounted to approximately HKD4,430,000, showing a decrease of approximately 31.8% from approximately HKD6,492,000 in the Previous Period. Operating profit from this business segment amounted to approximately HKD28,413,000 during the Period (2023: approximately HKD26,974,000).

As at 30 June 2024, the total gross amount of loan and interest receivables amounted to HKD166,565,000 (31 December 2023: HKD213,272,000). Globally Finance granted loans to 7 (31 December 2023: 11) borrowers under its money lending business. 2 (31 December 2023: 2) of the borrowers were corporate borrowers and were listed companies in Hong Kong. The remaining 5 (31 December 2023: 9) borrowers were individual borrowers and the loans were personal loans. As at 30 June 2024, all borrowers were third parties independent of and not connected with the Group. The annual interest rates for loans ranged from 5.0% to 7.7% (31 December 2023: 5.0% to 7.7%).

Details of loans granted as at 30 June 2024 are as follows:

Borrowers	Original principal HKD	Tenure	Interest rate	Secured
Individual Borrower A	25,000,000	21/12/2020–21/12/2023 (Note (i))	5.0%	Y (Note (i))
Individual Borrower B	28,300,000	21/12/2020–21/12/2023 (Note (ii))	6.0%	Y (Note (ii))
Individual Borrower C	4,000,000	2/6/2021–1/6/2024 (Note (iii))	5.0%	N
Individual Borrower D	3,000,000	21/9/2022–20/9/2024	7.5%	N
	6,500,000	20/10/2022–19/10/2024	7.5%	N
Individual Borrower E	15,000,000	17/10/2022–16/10/2025	7.7%	N
Corporate Borrower A	236,000,000	7/10/2020–31/12/2024 (Note (iv))	7.0%	Y (Note (iv))
Corporate Borrower B	10,000,000	8/1/2021–7/1/2024 (Note (v))	7.0%	N

Notes:

- (i) As at the date of this announcement, the loan and interest receivable from individual borrower A amounted to HKD19.1 million. The balance was secured by PRC properties valued at HKD21.0 million as at 30 June 2024. It will be settled by December 2024 according to the repayment schedule agreed with individual borrower A.
- (ii) As at the date of this announcement, the loan and interest receivable from individual borrower B amounted to HKD8.6 million. The balance was secured by PRC properties valued at HKD17.6 million as at 30 June 2024. It will be settled by December 2024 according to the repayment schedule agreed with individual borrower B.
- (iii) As at the date of this announcement, the loan and interest receivable from individual borrower C amounted to HKD4.5 million. It will be settled by December 2024 according to the repayment schedule agreed with individual borrower C.

- (iv) Corporate Borrower A provided 65,356,000 shares of a company listed in Hong Kong to the Group as collateral with a total fair value of approximately HKD399,325,000 as at 30 June 2024. The loan was secured by collaterals which are equity securities listed in Hong Kong.
- (v) Corporate Borrower B was under winding-up procedure and the outstanding balance due from this borrower has been fully written-off in the financial year ended 31 December 2023.

The ageing analysis of loan and interest receivables as at 30 June 2024 is as follows:

	<i>HKD'000</i>
Neither past due nor impaired	123,065
Past due but not impaired	
0 to 30 days	4,500
31 to 90 days	–
91 to 180 days	11,387
181 to 365 days	27,613
	<hr/>
	166,565

For the concentration of the Group's loan portfolio as at 30 June 2024, the outstanding loan and accrued interest receivables of the top borrower and the top five borrowers amounted to approximately HKD99.4 million (31 December 2023: HKD96.2 million) and HKD153.3 million (31 December 2023: HKD182.0 million) respectively, which represented approximately 59.7% (31 December 2023: 45.1%) and 92.0% (31 December 2023: 85.3%) of the total loan and accrued interest receivables of the Group. Set out below is the summary of the top five borrowers of the provision of financing services business as at 30 June 2024:

Rank	Borrower	Book value of loan and interest receivables (HKD million)	Proportion of the Group's total loan and interest receivables (%)
1.	Corporate Borrower A	99.4	59.7
2.	Individual Borrower A	19.1	11.5
3.	Individual Borrower E	14.8	8.9
4.	Corporate Borrower B	11.4	6.8
5.	Individual Borrower B	8.6	5.1

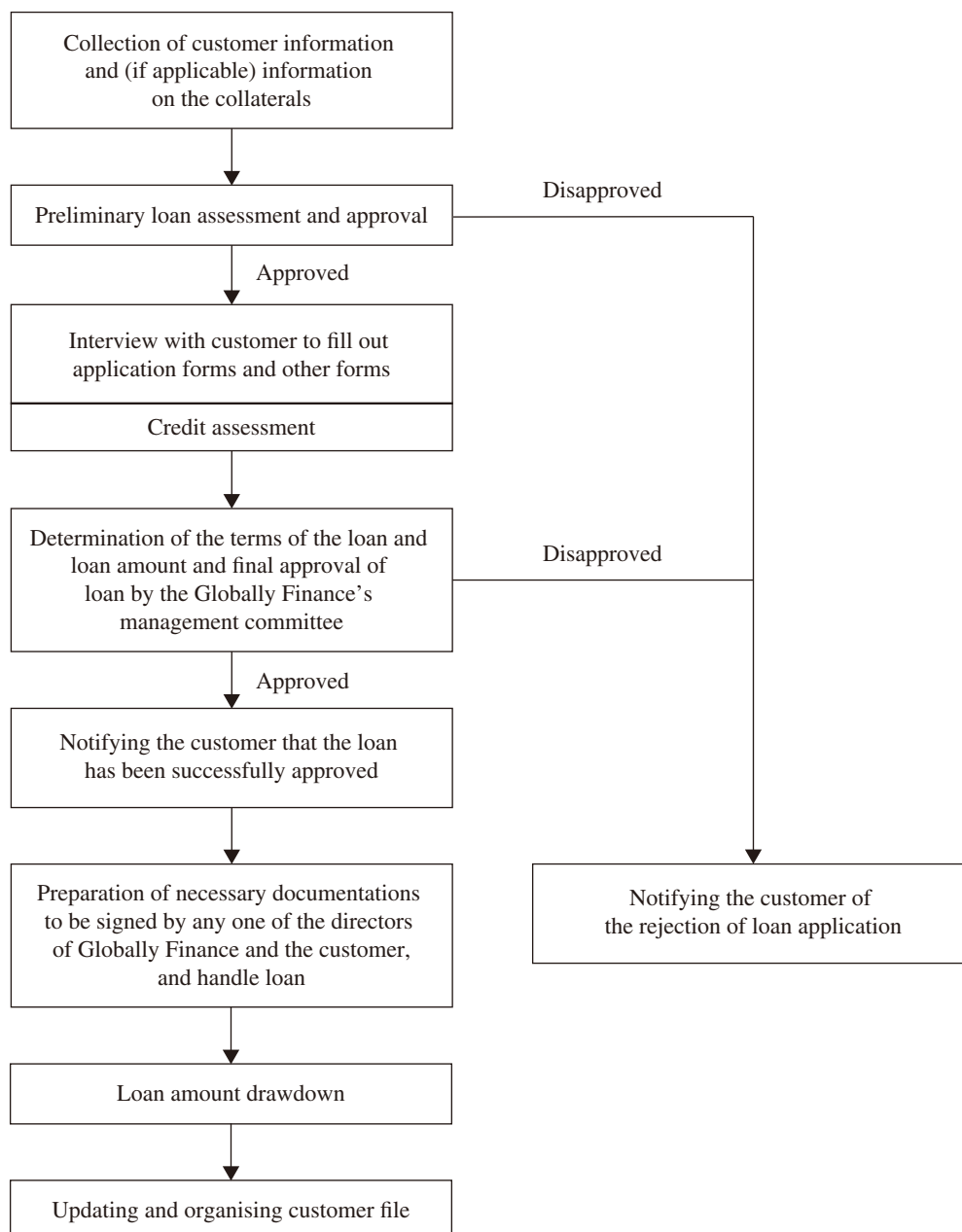
The actual interest rate offered by Globally Finance is affected by a number of factors including the term and amount of the loans, the availability of collaterals and the prevailing bank lending interest rate. Applicants with stronger repayment ability usually receive more favourable financing terms and less security and/or collaterals may be required. In general, unsecured loans have higher interest rates and shorter loan terms, while secured loans usually have lower interest rates. Furthermore, the loan size is taken into consideration, with larger loans generally charging higher interest rates.

In respect of the loan granted to Corporate Borrower A, the revolving loan facility was originally granted in 2017 with an interest rate of 8%, which was the market rate at that time. The interest rate was reduced to 7% in 2020 after arm's length negotiations taking into consideration of a number of factors, including the credit assessment, the loan amount and the bank lending rate at that time. Corporate Borrower A is a company listed on the Main Board of the Stock Exchange. The grant of loan to Corporate Borrower A and the extension of loan tenor of such loan were duly approved by the shareholders of the Company (the "**Shareholders**") at the extraordinary general meetings held on 16 December 2020 and 15 March 2024, respectively. As such, Globally Finance considered that whilst the loan amount granted to Corporate Borrower A was significantly higher than the other borrowers, the loan amount and the interest rate were justified.

To mitigate the risks associated with its business, Globally Finance has adopted a set of credit policies and procedures as set out in its credit policy and procedure manual, which gives a clear guideline for credit assessment and granting loans. Globally Finance follows standard commercial practices by conducting credit review procedures to determine the ability of applicants to fulfill their financial obligations. Applications must comply with specific credit constraints before being reviewed by Globally Finance. Applicants are required to submit all information necessary for conducting the reviews as required by Globally Finance. In assessing a borrower's application, the following parameters must be reasonably taken into consideration:

- (A) the amount of Globally Finance's potential financial exposure associated with the applicant;
- (B) the repayment ability of the applicant;
- (C) the security and/or collateral provided; and
- (D) others, e.g. external market condition, legal compliance etc..

Set out below is the standard credit review procedure adopted by Globally Finance:



Upon receiving the required application and supplemental information, Globally Finance will conduct a financial review to evaluate an applicant’s financial viability and determine the appropriate amount of credit limit. Interest rate posed on the approved loan amount will be set with reference to the prevailing market rate, the level of risk involved in each case as well as the general economic and business environment. The interest rate shall not exceed the threshold as stipulated in the Money Lenders Ordinance.

The Group confirms that it has complied with the requirements in Chapters 14 and/or 14A of the Listing Rules when granting loans to each of the borrowers, whose loan(s) remained outstanding as at 30 June 2024.

The Group had no agreement, arrangement, understanding or undertaking (whether formal or informal and whether express or implied) with a connected person with respect to the grant of loans to the borrower(s) whose loan(s) remained outstanding as at 30 June 2024.

During the Period, the Group assessed and estimated credit loss allowances (“ECL”) for the loan and interest receivables according to the requirement of Hong Kong Financial Reporting Standard (“HKFRS”) 9 issued by the Hong Kong Institute of Certified Public Accountants. In calculating the ECL rates, the Group considered historical loss rates for each category, the prevailing economic conditions, the value of the collateral and adjusts for forward looking data. Loans which were classified as “Loss” should be written off and the final approval should be obtained from the director of Globally Finance.

Normally, Globally Finance will assess the repayment ability and the risk of default for each borrower every year or every half year except for the high risk borrowers, for which the assessment will be made more frequently. Globally Finance will conduct reviews of customers’ financial standing to assess any necessary adjustments to the amounts of credit limits and collateral (if any). For the purpose of conducting such reviews, all customers will be required to submit the updated financial proof documents promptly upon Globally Finance’s request. These reviews will be carried out from time to time.

Credit reviews may be performed in response to material changes in a customer’s financial standing or as requested by a customer. Customers will be required to inform Globally Finance in writing of any material change in their financial status within 10 days of its occurrence. Customers are required to disclose the following material change in their financial status to Globally Finance:

- the latest income proof
- any material change in assets/liabilities
- bank account statement
- property land search report
- the latest company balance sheet and profit or loss

Globally Finance will review the reported material changes in terms of their impact on a customer’s financial capacity. Depending on the nature of these material changes, Globally Finance may find it necessary to reassess the customer’s credit limit and collateral requirement (if any).

Based on the result of credit assessment on debtors, the credit loss allowances for loan and interest receivables as at 30 June 2024 was approximately HKD17,251,000 (31 December 2023: HKD24,865,000), and reversal of provision for credit loss allowances for loan and interest receivables of approximately HKD7,835,000 was made during the Period (2023: approximately HKD6,933,000).

The movement of provision for estimated credit loss allowances of loan and interest receivables is as follows:

	<i>HKD'000</i>
As at 1 January 2024	24,865
Addition	342
Repayment	(11,886)
Change in risk parameter	3,930
	<hr/>
As at 30 June 2024	<u>17,251</u>

High technology business

In light of the disruption in the supply chain as a result of the COVID-19 pandemic and the overall highly competitive, challenging and uncertain business environment, the Group has ceased its integrated circuit business since the beginning of this Period.

During the Period, no revenue (2023: HKD17,479,000) was generated from high technology business segment. A loss of approximately HKD57,000 (2023: a profit of approximately HKD2,908,000) was recorded for the segment of high technology business.

Securities brokerage business

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

During the Period, no revenue (2023: HKD450,000) was generated and a loss of approximately HKD608,000 (2023: HKD83,000) was recorded for the segment of securities brokerage business.

Hotel operation and ancillary business

With the expected recovery in tourism in China, especially in second to third tier cities in the PRC, in March 2024, the Group commenced its hotel operation and ancillary business through acquiring the entire interests in Shanxi Ronghuitong Junting Hotel Co., Ltd.* (山西融匯通君亭酒店有限公司) ("**SR Junting**") and Shanxi Ronghuitong Hotel Management Co., Ltd.* (山西融匯通酒店管理有限公司) ("**SR Hotel Management**"), which are principally engaged in hotel management and operation in the PRC (the "**Hotel Operations Acquisitions**").

* For identification purpose only

SR Hotel Management will manage the hotel operation of Hampton by Hilton Changzhi Luzhou (長治潞州希爾頓歡朋酒店) and the hotel has not commenced operation as at 30 June 2024. The hotel property is owned by the Group upon the completion of the acquisition of Elite Holdings Limited on 31 July 2024. SR Hotel Management entered into a long term hotel management agreement with 歡朋酒店管理(廣州)有限公司. The Hampton by Hilton Changzhi Luzhou has commenced its business by soft opening in July 2024.

SR Junting will run the hotel operation of Ronghuitong Junting Hotel (融匯通君亭酒店) and the hotel has not commenced operation as at 30 June 2024. The hotel property is owned by an independent third party and SR Junting has entered into a long term lease with the property owner. SR Junting entered into a hotel management agreement with SSAW Hotels & Resorts Co., Ltd. (君亭酒店集團股份有限公司). Ronghuitong Junting Hotel has commenced its business by soft opening in July 2024.

Given the Group has already established the management and operational teams for the hotels, with food and beverage and cleaning services being pivotal service areas in hotels, the Group commenced ancillary business by providing catering and cleaning services to local corporate customers in Shanxi, the PRC, leveraging the Group's established management expertise and resources.

During the Period, the Group recorded segment revenue of approximately HKD10,203,000 (2023: nil) and a segment loss of approximately HKD1,318,000 (2023: nil).

FINANCIAL REVIEW

Liquidity, financial, resources and funding

During the Period, the Group mainly financed its operations by cash generated from operation, bank borrowings and net proceeds from the Rights Issue 2023 as set forth in the section headed "Use of Proceeds from the Rights Issue". The Group had total cash and bank balances of approximately HKD135,217,000 as at 30 June 2024 (31 December 2023: approximately HKD81,721,000). The Group had total borrowings of approximately HKD360,398,000 (31 December 2023: approximately HKD364,902,000), comprising bank borrowings of approximately HKD272,160,000 (31 December 2023: approximately HKD276,783,000) and other borrowings of approximately HKD88,238,000 (31 December 2023: approximately HKD88,119,000) as at 30 June 2024.

As at 30 June 2024, among the bank borrowings of the Group, approximately HKD89,525,000 were repayable within one year, approximately HKD9,871,000 were repayable over one year but not exceeding two years, approximately HKD31,848,000 were repayable over two years but not exceeding five years and approximately HKD140,916,000 were repayable over five years. The bank borrowings had interest at (i) 2.5% per annum below HKD Prime Rate, (ii) 2% per annum over HIBOR (1 month) or 2.5% per annum below HKD Prime Rate, whichever is the lower and (iii) 2.5% per annum over HIBOR (1 week to 1 month). Details are set out in Note 18 to the condensed consolidation interim results announcement.

Other borrowings of the Group were comprised of margin loans and revolving loan. The margin loan payables had a fixed interest at 7.5% per annum. The margin loan payables were repayable within one year and guaranteed by the Company as at 30 June 2024. The revolving loans had an interest rate of 2% per annum below HKD Prime Rate. Details are set out in Note 19 to the condensed consolidated interim results announcement.

The gearing ratio, calculated by dividing total borrowings by total equity, was approximately 44.32% as at 30 June 2024 (31 December 2023: 45.55%). Net assets were approximately HKD813,115,000 (31 December 2023: approximately HKD801,065,000) on the same date.

As at 30 June 2024, the Group has total current assets of approximately HKD528,765,000 (31 December 2023: HKD410,486,000) and total current liabilities of approximately HKD573,586,000 (31 December 2023: HKD382,348,000). The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was approximately 0.92 as at 30 June 2024 (31 December 2023: 1.07).

The Group's finance costs for the Period was approximately HKD9,204,000 (2023: HKD9,743,000) and was mainly related to interests paid on the bank borrowings and margin loans.

Pledge of assets

As at 30 June 2024, the Group's investment properties with carrying amount of HKD591,000,000 (31 December 2023: HKD604,000,000) have been pledged to secure the bank borrowings granted to the Group.

As at 30 June 2024, the Group had pledged an investment property with carrying amount of HKD264,000,000 (31 December 2023: HKD270,000,000); the securities investment under FVTOCI of approximately HKD8,963,000 (31 December 2023: HKD10,154,000); and the securities investment under FVTPL of approximately HKD15,129,000 (31 December 2023: HKD15,594,000) to secure the other borrowings.

TREASURY POLICIES

The Group has adopted a prudent approach to its treasury and funding policies. The Board closely manages risks associated with transactions related to the Group's business and ensures sufficient financial resources to support its business activities.

CAPITAL STRUCTURE

The share capital of the Company only comprises ordinary shares. As at 30 June 2024 and the date of this announcement, the Company had 232,190,982 and 253,890,982 Shares in issue, respectively.

FOREIGN CURRENCY MANAGEMENT

The Group has minimal exposure to foreign currency risks as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars. The Group currently does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging foreign currency exposure if necessary. As at 30 June 2024, no financial instrument was used for hedging purposes, and we did not commit to any financial instruments to hedge our exposure to foreign exchange risk.

MATERIAL ACQUISITIONS AND DISPOSAL

(i) Acquisitions of SR Junting and SR Hotel Management (the “Acquisitions”)

On 29 December 2023, Shenzhen Baiyi Industrial Investment Co., Ltd.* (深圳柏億實業投資有限公司) (“**Shenzhen Baiyi**”), a wholly-owned subsidiary of the Company, entered into two sales and purchase agreements with respective vendors to acquire the entire interests in SR Junting and SR Hotel Management, which were principally engaged in hotel management and operation in the PRC, at a total consideration of RMB17,900,001 (the “**Hotel Operation Acquisitions**”). For details of the Hotel Operation Acquisitions, please refer to the announcement of the Company dated 29 December 2023.

The Hotel Operation Acquisitions were completed in March 2024.

(ii) Acquisitions of MLH Property and Zhi Ying Property

On 18 March 2024, Shenzhen Baiyi, a wholly-owned subsidiary of the Company, entered into a sales and purchase agreement (the “**First Sales and Purchase Agreement**”) with a vendor to acquire and take assignment of (i) the entire equity interest in Shanxi Mei Lian Hang Property Management Co., Ltd.* (山西美聯行物業管理有限公司) (“**MLH Property**”) and (ii) the non-interest bearing and unsecured shareholder’s loan provided by the vendor to MLH Property in the carrying amount of RMB32,000,000, at a total consideration of RMB35,400,000 (the “**MLH Property Acquisition**”). On the same date, MLH Property, entered into a sales and purchase agreement with another vendor to acquire 10% equity interest in Shanghai Zhi Ying Property Management Co., Ltd.* (上海知盈物業管理有限公司) (“**Zhi Ying Property**”) at a consideration of RMB3,900,000 (the “**Zhi Ying Property Acquisition**”, together with MLH Property Acquisition, the “**Property Acquisitions**”). MLH Property and Zhi Ying Property were principally engaged in real estate investment and property management in the PRC. For details of the Property Acquisitions, please refer to the announcement of the Company dated 18 March 2024. The Property Acquisitions represent an investment opportunity to expand the Group’s service offerings to property management and diversified the

* For identification purpose only

Group's property investment portfolio in the PRC. In addition, the Group may reap the benefits from the stable rental and property management income as well as the long-term potential appreciation of the properties held by MLH Property and Zhi Ying Property. The acquisition of MLH Property was completed in May 2024 and the acquisition of 10% of Zhi Ying Property is expected to complete by September 2024.

(iii) Assignment of Receivables

On 22 March 2024, the Company and Mr. Lai Long Wai (“**Mr. Lai**”), an executive Director and a substantial shareholder of the Company, entered into a deed of assignment, pursuant to which the Company has conditionally agreed to assign, and Mr. Lai has conditionally agreed to accept the assignment of certain receivables and share charges at a consideration of HKD65,745,700 (the “**Assignment of Receivables**”).

For details of the Assignment of Receivables, please refer to the announcement and circular of the Company dated 22 March 2024 and 17 July 2024 respectively. The Assignment of Receivables provides a one-off solution to the Group to recover the outstanding amounts within a foreseeable timeframe, thereby minimising the uncertainty and the credit risks associated with the receivables.

The Assignment of Receivables has been approved by the Shareholders by way of poll at the extraordinary general meeting of the Company and completed on 5 August 2024.

(iv) Acquisition of Elite Holdings International Limited

On 26 June 2024, the Company entered into the sales and purchase agreement with the vendor, pursuant to which the Company has conditionally agreed to acquire and take assignment of, and the vendor has conditionally agreed to sell and assign, the entire equity interest in Elite Holdings International Limited (“**Elite Holdings**”) and the shareholder's loan at considerations of RMB1,774,700 and RMB25,000,000, respectively.

Elite Holdings, through its wholly owned subsidiary, owns a 9-floor building with total gross floor area of approximately 15,139 square meters, consisting of 129 guest rooms located in Shanxi Province, which is operated as the Hampton by Hilton Changzhi Luzhou.

The acquisition of Elite Holdings has been completed on 31 July 2024, by the allotment and issue of 21,700,000 consideration shares of the Company to the vendor at the issue price of HKD0.7 per consideration share of the Company and by the issue of the promissory note in the principal amount of HKD13,600,000 to the Vendor.

(v) **Disposal of a property holding subsidiary**

On 15 April 2024, Alpha Idea Holdings Limited (“**Alpha Idea**”), a wholly-owned subsidiary of the Company, entered into the sales and purchase agreement with an independent third party (the “**Purchaser**”), pursuant to which the Alpha Idea has conditionally agreed to sell and procure the lenders of the non-interest bearing and unsecured loans provided by the Company and a subsidiary of the Company to Topsky Eagle Limited (“**Topsky**”) in the aggregate carrying amount of approximately HKD41,981,000 as at the date of the sales and purchase agreement (the “**Intercompany Loans**”) to assign the benefit of the Intercompany Loans to the Purchaser, and the Purchaser has conditionally agreed to acquire the entire shares of Topsky and take assignment of the Intercompany Loans at a consideration of HKD38,000,000, subject to adjustments (the “**Topsky Disposal**”). Topsky was the legal and beneficial owner of the property of G/F, No. 20 Kwun Chung Street, Kowloon, Hong Kong. The Property was the only significant asset of Topsky.

The Topsky Disposal has been completed on 10 July 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 June 2024, except for disclosed elsewhere in this interim results announcement, the Group did not have plan for future material investments and capital assets.

LITIGATIONS AND CONTINGENCIES

As at 30 June 2024, the Group did not have any significant litigations and contingencies.

EVENTS AFTER THE REPORTING PERIOD

Except for disclosed elsewhere in the interim results announcement, there is no other significant event after the reporting period.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2024, the Group had 597 employees situated in Hong Kong and the PRC (31 December 2023: 14 employees). The Group’s emoluments policies are formulated based on industry practices and performance of individual employees. For the Period, the total staff costs including remuneration of Directors and chief executives amounted to approximately HKD4,051,000 (2023: HKD6,292,000).

USE OF PROCEEDS FROM THE RIGHTS ISSUE

On 16 June 2023, the Company announced the proposed rights issue, by way of the issue of up to 116,095,491 shares, (the “**Rights Shares 2023**”), on the basis of one rights share for every one rights share at the subscription price of HKD0.6 per Rights Share 2023 (the “**Rights Issue 2023**”). Upon completion of the Rights Issue 2023 on 3 October 2023, a total of 116,095,491 Rights Shares 2023 were issued pursuant to the terms of the Rights Issue 2023. The unutilised net proceeds from the Rights Issue 2023 were approximately HKD59.1 million as at 31 December 2023 (the “**Net Proceeds 2023**”) and details of the actual usage of the Net Proceeds 2023 for the Period are as follows:

	Unutilised Net Proceeds 2023 as at 31 December 2023 HKD million	Utilised Net Proceeds 2023 for the Period HKD million
Repayment of bank borrowings of the Group which are repayable within one year	<u>59.1</u>	<u>59.1</u>

For further details of the Rights Issue 2023, please refer to the Company’s announcements dated 16 June 2023, 13 July 2023, 3 August 2023, 10 August 2023, 29 August 2023 and 12 October 2023, circular of the Company dated 10 August 2023 and prospectus of the Company dated 18 September 2023.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the Period (2023: Nil).

PROSPECTS

Following the successful acquisitions of two hotel operating companies and the soft opening of two hotels in July 2024, the Group has expanded its market presence in hotel operation and ancillary business. The integration of these entities has positioned the Company for substantial growth and diversification within the hospitality and asset management sectors with sustainable and stable income.

For property investment, management and agency segment, through acquiring the MLH Group, the Group has successfully expanded its property investment portfolio across provinces and cities in the PRC, including Shanxi Province, Hainan Province, Zhejiang Province and Shanghai. The Group has been continuously exploring suitable opportunities to expand and optimise its property investment portfolio, with the objectives of generating stable rental income and capital appreciation to maximise the Shareholders’ interests.

On 26 June 2024, the Company entered into an agreement with a vendor to acquire the entire equity interest of a company licensed to carry on Type 9 (Asset Management) regulated activities under the SFO (the “**Acquisition of the Asset Management Company**”). The Board believes that following the Acquisition of the current Asset Management Company, potential synergies could be realised with the Group’s securities and financial services operations, enabling the Group to evolve into a comprehensive financial services provider in Hong Kong.

The Group will continue to explore opportunities to diversify its revenue sources in order to create long-term value to the Shareholders.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by directors of the Company. Having made specific enquiry with the existing directors of the Company, all of them confirmed that they have complied with the required standards set out in the Model Code throughout the Period.

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

CORPORATE GOVERNANCE

The Board is committed to maintain high standards of corporate governance practices at all times. The Board believes that good corporate governance helps the Company to have a better understanding and evaluate and manage risks (including environmental, social and governance risks), and to safeguard the interests of its shareholders and to enhance the performance of the Group.

The Company’s corporate governance practices are based on the principles of good corporate governance set out in the Corporate Governance Code in the Appendix C1 of the Listing Rules (the “**CG Code**”). To the best knowledge of the Board, the Company has complied with the code provisions as set out in the CG Code during the Period except the following deviation.

Code Provision F.2.2 stipulates that the chairman of the Board should attend the annual general meeting. Mr. Liang Jian, the then chairman of the Board, could not attend the annual general meeting of the Company (the “**AGM**”) held on 28 June 2024 due to other business engagement. However, he had appointed Ms. Wang Qian, an executive Director and the then vice chairman who presided at the AGM and answered questions for the Shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any shares of the Company (including sale of treasury shares (as defined under the Listing Rules)). During the Period. As at 30 June 2024, the Company did not hold any treasury shares.

REVIEW OF INTERIM RESULTS

The unaudited interim results for the Period have been reviewed by the Audit Committee in compliance with Rule 3.21 of the Listing Rules and the relevant code provisions of the CG Code as set out in Appendix C1 to the Listing Rules.

By order of the Board
Future World Holdings Limited
Wang Qian
Chairlady

Hong Kong, 28 August 2024

As at the date of this announcement, the Board comprises (i) five executive Directors, namely Ms. Wang Qian, Mr. Liang Jian, Mr. Yu Qingrui, Mr. Su Wei and Mr. Lai Long Wai; and (ii) three independent non-executive Directors, namely Mr. He Yi, Mr. Guo Yaoli and Mr. Bong Chin Chung.