



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)

2021
Interim Report



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Liang Jian (*Chairman and Chief Executive Officer*)
Mr. Yu Zhenzhong
Mr. Cai Linzhan
Mr. Lau Fai Lawrence
Mr. Siu Yun Fat
Mr. Wang Fei
Mr. Yu Qingrui

Independent Non-Executive Directors

Mr. Chen Pei
Mr. Siu Siu Ling, Robert
Mr. Tam Tak Wah
Mr. Zheng Zongjia
Mr. Wang Ning¹

¹ Resigned on 1 June 2021

AUDIT COMMITTEE

Mr. Tam Tak Wah (*Chairman*)
Mr. Siu Siu Ling, Robert
Mr. Zheng Zongjia

REMUNERATION COMMITTEE

Mr. Siu Siu Ling, Robert (*Chairman*)
Mr. Tam Tak Wah
Mr. Zheng Zongjia

NOMINATION COMMITTEE

Mr. Tam Tak Wah (*Chairman*)
Mr. Siu Siu Ling, Robert
Mr. Zheng Zongjia

COMPANY SECRETARY

Mr. Lau Cheuk Pun

COMPANY WEBSITE

www.fw-holdings.com

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 2218, 22/F
The Metropolis Tower
10 Metropolis Drive
Hung Hom, Kowloon
Hong Kong

REGISTERED OFFICE

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

AUDITOR

Moore Stephens CPA Limited
Certified Public Accountants
(*Registered Public Interest Entity Auditor*)
801-806 Silvercord, Tower 1
30 Canton Road, Tsimshatsui
Kowloon, Hong Kong

SHARE REGISTRAR

Hong Kong

Computershare Hong Kong Investor Services Limited
Shop 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

Cayman Islands

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

PRINCIPAL BANKERS

Public Bank (Hong Kong) Limited
Shanghai Commercial Bank Limited
Chong Hing Bank Limited
The Hongkong and Shanghai Banking
Corporation Limited

Management Discussion and Analysis

FINANCIAL RESULTS

The Board of Directors (the “**Board**” or “**Directors**”) of Future World Holdings Limited (the “**Company**”) hereby present the unaudited consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2021 (the “**Period**”).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

The Group’s revenue for the Period has decreased to HKD35,682,000, which is 61.0% lower compared with the revenue of approximately HKD91,408,000 during the six months ended 30 June 2020 (the “**Previous Period**”). The decrease of revenue was mainly attributed to the segment of high technology business. Details of high technology business are set out in “High Technology Business” section below. The Group recorded a net profit of approximately HKD4,053,000 attributable to shareholders of the Company for the Period (2020: net loss of approximately HKD43,187,000) and basic earnings per share of HK0.43 cent (2020: basic loss per share of HK6.87 cents (Restated)) for the Period. The turnaround in profit is mainly attributable to (i) decrease in share option share-based payment expenses from HKD17,498,000 to HKD1,513,000; (ii) revaluation profit of approximately HKD13,201,000 arising from change in fair value of investment properties as compared to revaluation loss of approximately HKD3,102,000 for the Previous Period; (iii) decrease in net realised loss on investment at fair value through profit and loss of approximately HKD11,388,000; and (iv) decrease of credit loss allowances on loan and interest receivables of approximately HKD5,222,000.

BUSINESS REVIEW

Since January 2020, the outbreak of the novel coronavirus (COVID-19) pandemic had severely impacted the global business environment. Nevertheless, up to the date of this report, COVID-19 pandemic has not caused material financial difficulties to the Group. The Group will keep continuous attention on the situation of the COVID-19, assess and react actively to its impacts on the financial position and operating results of the Group.

High Technology Business

Innovation and technology is an important growth engine for future economic development. Technology is leading the world into a new era, bringing with it a dramatic shift in the global economy. Leveraging on the expertise and experience of the directors and key management personnel, the Group has involved in high technology business from last year including but not limited to technology industry, intelligent robotics and related services and artificial intelligence products and application solutions. During the Period, the revenue of approximately HKD18,378,000 was generated (2020: HKD72,317,000) and a loss of approximately HKD5,168,000 (2020: profit of approximately HKD7,382,000) was recorded for the segment of high technology business.

During the Period, the revenue in high technology business were contributed by intelligent industrial welding robots and equipment business. The Group established a top welding tooling expert team for research and development, and be committed to the development, design, production and sales of a full range of non-standard customized positioner, all kinds of special welding and cutting tooling devices, and all kinds of unmanned and intelligent non-standard production lines. Our products will be applied to pressure vessels, low-temperature equipment, special vehicles, rail transit, offshore wind power, engineering machinery and other industries. In term of artificial intelligence products and applications solutions business, the Group will continuous to seek the sale order for our intelligent storage equipment.

The Group has built up a technical team with strong technical and education background and years of experience in robotic related business, and their experiences and expertise cover mechanical and robotic engineering, mechanical designs and electrical designs. The Board considers that the development in high technology business will contribute positively to the revenue of the Group and will be beneficial to the development of the Group, thereby creating values to the Company and its shareholders. Nevertheless, the Board also considers the high technology business in China to be highly competitive and will strive to secure orders for the sustainable development of the business segment.

Management Discussion and Analysis

Properties investment

The Group is currently holding (i) two residential properties located in Hong Kong which are on No. 19, Cumberland Road, Kowloon Tong (approximate saleable area of 5,808 square feet) and No. 1, Lincoln Road, Kowloon Tong (approximate saleable area of 6,892 square feet) respectively and (ii) 19 retail units in a development district known as “Fortune Town” (振業城) located at Henggang Road, Longgang District, Shenzhen, the PRC (中國深圳市龍崗區橫崗街道).

During the Period, the Group recorded rental income of approximately HKD3,281,000 (2020: HKD5,530,000) and fair value gain of approximately HKD13,201,000 (2020: fair value loss of approximately HKD3,102,000) arising from change in fair value of investment properties from the property investment segment.

Treasury business

The treasury business includes securities trading and investment business and money lending business.

Securities trading and investment business

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 (“**FVTOCI**”) and financial assets at fair value through profit or loss (“**FVTPL**”) in the consolidated financial statements. During the Period, the Group’s securities trading portfolio comprised of equity securities of CMBC Capital Holdings Limited (“**CMBC Capital**”, stock code: 1141), Central Wealth Group Holdings Limited, (“**Central Wealth**”, stock code: 139), China Evergrande New Energy Vehicle Group Limited (“**China Evergrande**”, Stock code: 708), Hong Kong Exchanges and Clearing Limited (“**HKEx**”, stock code: 388), Huasheng International Holding Limited (“**Huasheng International**”, stock code: 1323), Tencent Holdings Limited (“**Tencent**”, stock code: 700) and Meituan (“**Meituan**” Stock code: 3690) which are listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

In light of the uncertainty in the future global economy with the COVID-19 outbreak, together having considered the funding needs of the Group, the Company disposed part of the securities investment in order to realise its investments and to allow the Group to reallocate its resources to area with better potential. As a whole, the securities trading and investment segment recorded a loss of approximately HKD6,156,000 during the Period (2020: HKD21,764,000). The loss was mainly due to financial costs of approximately HKD5,679,000 during the Period (2020: HKD7,616,000). Besides, the Group recorded net realised loss of approximately HKD37,000 (2020: HKD11,425,000) and did not record any unrealised profit or loss of securities investment under FVTPL (2020: unrealised loss of approximately HKD1,817,000). For the securities under FVTOCI, the Group recorded a net fair value loss of approximately HKD45,938,000 during the Period (2020: net fair value gain of HKD10,068,000) through other comprehensive income.

Management Discussion and Analysis

As at 30 June 2021, details of the securities investments held are as follows:

Name of the investees	Number of shares held	Percentage of equity interests as at 30.06.2021	Original cost of the interest as at 30.06.2021 <i>HKD'000</i>	Market value of the interests as at 30.06.2021 <i>HKD'000</i>	Fair value gain/(loss) for the Period <i>HKD'000</i>	Release of fair value reserve/ Realised gain/(loss) for the Period <i>HKD'000</i>
FVTOCI						
CMBC Capital (Stock code: 1141)	1,114,030,000	2.34%	346,569	110,289	(41,149)	(136,954)
Central Wealth (Stock code: 139)	790,705,316	4.95%	72,099	13,442	(1,758)	(7,707)
China Evergrande (Stock code: 708)	40,000	0.0004%	1,539	1,156	(383)	-
HKEx (Stock code: 388)	-	-	-	-	(1,835)	(1,835)
Huasheng International (Stock code: 1323)	-	-	-	-	169	653
Tencent (Stock code: 700)	-	-	-	-	61	61
Meituan (Stock code: 3690)	-	-	-	-	(1,043)	(1,043)
Total			420,207	124,887	(45,938)	(146,825)
FVTPL						
CMBC Capital	-	-	-	-	-	(66)
HKEx	-	-	-	-	-	29
Total			-	-	-	(37)
Grand-Total			420,207	124,887	(45,938)	(146,862)

As at 30 June 2021, the Group held securities investment portfolio with market value of approximately HKD124,887,000 (31 December 2020: HKD221,511,000). Except for the investments in CMBC Capital, at 30 June 2021, there were no investments held by the Group which value was more than 5% of the net assets of the Group.

Management Discussion and Analysis

Performance and prospects of the major investees

CMBC

CMBC Capital and its subsidiaries (the “**CMBC Capital Group**”) was principally engaged in the business of brokerage and related services, securities investment and provision of finance. China Minsheng Banking Corporation Limited, one of the largest private banks in the PRC has indirect interest in over 60% of the issued shares capital of CMBC Capital as at 30 June 2021.

As mentioned in its annual report for the year ended 31 December 2020, the CMBC Capital Group has recorded net profit amounted to approximately HKD393 million, representing an increase of approximately 10.2% when compared to the year ended 31 December 2019 of HKD357 million. The CMBC Capital Group’s basic and diluted earnings per share were both HK0.83 cent (2019: both HK0.75 cent). Revenue has increased by approximately 4.1% to approximately HKD1,019 million for the year ended 31 December 2020, compared to approximately HKD979 million for the year ended 31 December 2019.

The market price of CMBC Capital closed at HKD0.099 as at 30 June 2021 (30 June 2020: HKD0.164).

Central Wealth

Central Wealth and its subsidiaries (the “**Central Wealth Group**”) are principally engaged in the securities and futures dealing business, financial investment, property investments and money lending business.

As mentioned in Central Wealth’s interim result announcement for the period ended 30 June 2021, the loss after tax for the period ended 30 June 2021 was approximately HKD138.5 million as compared to the net profit after tax of approximately HKD6.0 million for the period ended 30 June 2020. Basic loss per share attributable to ordinary equity holders of the parent for the period ended 30 June 2021 was approximately HK0.87 cent (2020: basic earnings per share of approximately HK0.04 cent). The Central Wealth group recorded a revenue of approximately HKD127.3 million for the period ended 30 June 2021, compared to a revenue of approximately HKD374.6 million for the period ended 30 June 2020.

The market price of Central Wealth closed at HKD0.017 as at 30 June 2021 (30 June 2020: HKD0.019).

Money lending business

A wholly-owned subsidiary of the Group, Globally Finance Limited (“**Globally Finance**”), which held the Money Lenders Licence in Hong Kong since early of 2015, carried a licensed money lending business in Hong Kong. During the Period, Globally Finance generated revenue of approximately HKD11,047,000 (2020: HKD11,204,000) and recorded a profit of approximately HKD10,086,000 (2020: HKD4,598,000). During the Period, the Group assessed and estimated credit loss allowance for loan and interest receivables according to Hong Kong Financial Reporting Standard 9. Based on the result of credit assessment on debtors, the Group provided approximately HKD21,898,000 credit loss allowance as at 30 June 2021 (31 December 2020: HKD21,710,000), and approximately HKD188,000 (2020: HKD5,410,000) was charged to consolidated profit or loss for the Period.

Securities brokerage business

The business are carried on through Future World Securities Investment Limited (“**FW Securities**”), a wholly owned subsidiary of the Group. 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.

FW Securities commences its business during the Period. During the Period, revenue of approximately HKD765,000 (2020: Nil) was generated and a profit of approximately HKD174,000 (2020: Nil) was recorded for the segment of securities brokerage business.

Management Discussion and Analysis

Investment in film industry

China Wisdom Group Limited (“**China Wisdom**”), a wholly owned subsidiary of the Company, has entered into agreements with Ocean Wave Motion Pictures (International) Limited (“**Ocean Wave**”) in relation to investment and advancements in the following film projects:

Date of agreement	Film project	Investment/ Advancement amount	Annual interest rate	Investment return	Carrying amount of investment	
					as at 30.6.2021 (as at 31.12.2020)	Category
11.10.2017	Two Days 《兩天》	USD487,500	12%	Nil	– (5,243,000)	Loan and interest receivables

During the Period, no interest income was generated from the segment of investment in film industry (2020: HKD246,000) because all of the film projects have been settled and no new film projects investment were entered during the Period. The Group will continue to seek for business opportunity in the investment in film industry.

Trading business and related services

Trading business and related services include anime product, face mask and COVID-19 test kits business.

Facing the outbreak of the novel coronavirus (COVID-19) pandemic, the Group had ordered mask production lines and commenced mask production in April 2020. The Group had also engaged an independent third party for mask production on an OEM basis. However, with the alleviation of the COVID-19 outbreak since late April 2020 with the free distribution of protective masks (CuMask) by the Hong Kong government, having taken into consideration of the reduction in demand and needs, the Group had ceased its own local mask production and disposed the relevant subsidiary in May 2020 in order to control costs and expenses but retained its OEM mask production in order to keep flexibility. The disposal was completed on 14 May 2020 and the Group recorded a gain on disposal of approximately HKD755,000. In addition, Sky Faith International Investment Limited, a wholly-owned subsidiary of the Company has been, on an exclusive basis, authorised and appointed as the Hong Kong Exclusive Authorisation Distributor (excluding Mainland China) of Wenzhou OJA Biotechnology Co., Ltd. (also known as OJABIO) for (1) COVID-19 Antigen Test Kits; and (2) Real-time PCR Test Kits for COVID-19 (together as the “**Test Kits**”) for a term of three years from 25 November 2020. The Test Kits are effective and efficient detection kits for qualitative determination of the presence of the COVID-19 in human body and can provide affordable “early diagnosis” solution for the society. Relevant certifications have also been obtained for the Test Kits. During the Period, the mask and Test Kits products of the Group have been distributed and sold through various retail stores in Hong Kong. Revenue of approximately HKD798,000 was generated (2020: HKD1,549,000) and a profit before income tax of approximately HKD43,000 (2020: HKD477,000) was recorded during the Period.

During the Period, revenue of approximately HKD2,130,000 was generated (2020: HKD2,111,000) and a loss of approximately HKD1,293,000 (2020: HKD597,000) was recorded as a whole for the segment of trading business and related services. The Group will continue to seek for business opportunity in the trading business.

Licensing of e-commerce platform

During the Period, no revenue (2020: Nil) was generated for the segment of licensing of e-commerce platform business. The Group will continue to look for any potential opportunity in the licensing of e-commerce platform business.

Management Discussion and Analysis

FINANCIAL REVIEW

Liquidity, financial, resources and funding

During the Period, the Group mainly financed its operations by cash generated from operation and bank borrowings. The Group had total cash and bank balances of approximately HKD17,813,000 as at 30 June 2021 (31 December 2020: HKD12,491,000). As at 30 June 2021, the Group had total borrowings of approximately HKD421,824,000 (31 December 2020: HKD448,718,000) comprised with bank borrowings of approximately HKD300,265,000 (31 December 2020: HKD305,009,000) and other borrowings of approximately HKD121,559,000 (31 December 2020: HKD143,709,000).

Among bank borrowings, approximately HKD89,802,000 are repayable within one year, HKD10,085,000 are repayable over one year but not exceeding two years, HKD31,069,000 are repayable over two years but not exceeding five years and HKD169,309,000 are repayable over five years. The bank borrowings bear interest at the bank's of HKD Prime Rate – 2.5% per annum, 2% per annum + HIBOR (1 month) or 2.5% per annum over HIBOR (1 week to 1 month). Details are set out in Note 18 to the condensed consolidation interim financial statements.

The other borrowings comprised of margin loans and revolving loan. The margin loan payables bear fixed interest at 9% to 9.5% per annum. The margin loan payables are repayable within one year and was guaranteed by the Company. The revolving loan bear fixed interest rate of HKD Prime Rate – 2% per annum. Details are set out in Note 19 to the condensed consolidated interim financial statements.

The gearing ratio, which is calculated as total borrowings divided by total equity, was approximately 45.92% as at 30 June 2021 (31 December 2020: 47.07%). Net assets were approximately HKD918,704,000 as at 30 June 2021 (31 December 2020: HKD953,233,000).

As at 30 June 2021, the Group has total current assets of approximately HKD158,741,000 (31 December 2020: HKD154,417,000) and total current liabilities of approximately HKD507,915,000 (31 December 2020: HKD533,162,000). The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was approximately 0.31 as at 30 June 2021 (31 December 2020: 0.29).

The Group's finance costs for the Period was approximately HKD8,672,000 (2020: HKD11,025,000) and was mainly related to interests paid on the bank borrowings and margin loans.

Pledge of assets

At 30 June 2021, the Group's investment properties with carrying amount of HKD668,000,000 (31 December 2020: HKD662,000,000) have been pledged to secure the bank borrowings granted to the Group.

As at 30 June 2021, the Group had pledged an investment property with carrying amount of HKD285,000,000 (31 December 2020: HKD283,000,000) and the securities investment under FVTOCI of approximately HKD118,805,000 (31 December 2020: HKD209,397,000) to secure the other borrowings.

Management Discussion and Analysis

CAPITAL STRUCTURE

Exercise of share option

During the Period, 53,600,000 share options were exercised and 53,600,000 new ordinary shares of HKD0.02 each were issued. Upon the exercise of that 53,600,000 share options, the net proceeds of approximately HKD6,721,000 were raised for the general working capital of the Group.

As at 30 June 2021, the share capital of the Company comprises of 998,921,858 issued shares with par value of HKD0.02 as enlarged by exercise of share option.

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.

Litigations and contingencies

At 30 June 2021, the Group did not have any significant litigations and contingencies.

EVENTS AFTER THE REPORTING PERIOD

Acquisition of property

On 20 May 2021, Topsky Eagle Limited (the “**Purchaser**”), a wholly owned subsidiary of the Company, entered into the sale and purchase agreement with the vendor (the “**Vendor**”) in relation to the acquisition of the property (the “**Acquisition**”) by the Purchaser for an aggregate consideration of HKD40,000,000 of which HKD1,000,000 will be satisfied in cash and the remaining balance of HKD39,000,000 shall be satisfied by issuing promissory note to the Vendor.

The Acquisition was approved by the shareholders of the Company at the extraordinary general meeting of the Company held on 18 August 2021. The acquisition was not completed as at the date of this report. Further details of the acquisition are set out in the Company’s announcements dated 20 May 2021 and 18 August 2021 and the Company’s circular dated 23 July 2021.

Disposal mandate for disposal of listed securities

On 20 May 2021, the Company proposed to seek approval for the further disposal mandate (the “**Further Disposal Mandate**”) from the shareholders at the extraordinary general meeting in advance to allow the Directors to dispose of up to 1,111,230,000 CMBC Capital Holdings Limited shares, a company incorporated in Bermuda with limited liability whose shares are listed on the main board of the Stock Exchange, during the mandate period.

The Further Disposal Mandate was approved by the shareholders of the Company at the extraordinary general meeting of the Company held on 18 August 2021. For more information, please refer to the Company’s announcements dated 20 May 2021 and 18 August 2021 and the circular dated 23 July 2021.

Management Discussion and Analysis

Share Swap between the Company and CA Cultural Technology Group Limited (the “Share Swap”)

On 24 August 2021, the Company and CA Cultural Technology Group Limited (“**CA Cultural**”) entered into the share swap agreement (the “**Share Swap Agreement**”) pursuant to which, subject to fulfillment of the conditions set out in the Share Swap Agreement, the parties thereto have agreed that:

- (i) the Company shall subscribe for and CA Cultural shall allot and issue 4,000,000 CA Cultural subscription shares (“**CA Cultural Subscription Shares**”) under the CA Cultural general mandate, representing approximately 0.407% of the existing issued share capital of CA Cultural as at the date of this report and approximately 0.406% of the issued share capital of CA Cultural as enlarged by the allotment and issue of the CA Cultural Subscription Shares pursuant to the Share Swap Agreement, credited as fully paid to the Company (or its nominee) at the CA Cultural subscription price of HKD2.38 per CA Cultural Subscription Share for a total consideration of HKD9,520,000; and
- (ii) CA Cultural shall subscribe for and the Company shall allot and issue 95,000,000 subscription shares of the Company (“**FW Subscription Shares**”) under the general mandate, representing approximately 9.51% of the existing issued share capital of the Company as at the date of this report and approximately 8.68% of the issued share capital of the Company as enlarged by the allotment and issue of the FW Subscription Shares pursuant to the Share Swap Agreement, credited as fully paid to CA Cultural (or its nominee) at the subscription price of HKD0.10 per FW Subscription Share for a total consideration of HKD9,500,000.

The Share Swap is not completed as at the date of this report. Further details of the Share Swap are set out in the Company’s announcement dated 24 August 2021.

EMPLOYEES AND REMUNERATION POLICIES

At 30 June 2021, the Group had 60 employees including Directors situated in Hong Kong and the PRC (31 December 2020: 66 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 HKD9,983,000 (2020: HKD18,502,000).

Management Discussion and Analysis

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the Period (2020: Nil).

PROSPECTS

The Group is principally engaged in (i) high technology business; (ii) property investment; (iii) provision of financing services; (iv) securities trading and investment; (v) trading business and related services; (vi) securities brokerage business; (vii) investment in film industry; and (viii) licensing of e-commerce platform. The Group will continue to explore opportunities in these core businesses so as to create long-term value for its shareholders.

Technology is leading the world into a new era and changing the global economy. Industrial robots have also improved production efficiency and accuracy. Robotics will completely change manufacturing, construction and infrastructure processes, and bring a industrial new revolution. As the multilateral relations between China and other countries are becoming increasingly tense, cooperation between countries, especially cooperation in science and technology, is encountering unprecedented challenges. However, this is an excellent opportunity for China to vigorously and independently develop technological innovation.

In 2019, the Group has embarked on new strategic initiatives and developed the business in relation to high technology and related services business. The high technology business mainly revolves around industrial robot system, intelligence hardware for service robots, new energy transportation and entertainment technology. In the context of the huge demand in the Mainland China market and the rapid application of new technologies, the Group will continuous devote resources to bolstering its high technology business through development and acquisition of quality international and domestic projects.

In the future, the Group will develop different innovative technology products and applications, pursue huge market opportunities and to diversify its high technology business portfolio with a view to broaden its income stream which shall be in the best interests of the Company and its shareholders as a whole.

In 2015, the Group invested in securities brokerage business in Hong Kong through investment in associates. The Group disposed the associates to Central Wealth listed on the Stock Exchange subsequently in 2017.

The Directors are optimistic to the securities market development in Hong Kong and have resolved to continue its securities brokerage business from year 2020. The continuous return of Chinese concept stocks to Hong Kong will attract PRC and international capital to flow into Hong Kong, driving the prospects for Hong Kong stocks to be bright. The Group will seize this opportunity to develop the securities business. The Group obtained the licenses from the Securities and Futures Commission to carry out Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) regulated activities through a wholly owned subsidiary FW Securities. FW Securities commences its business during the Period. FW Securities aims at providing broader and more diversified services to customers. FW Securities targets to provide securities dealing and advising securities services to its customers. FW Securities will provide broker-dealer services covering the stocks and investment-linked instruments listed in the Stock Exchange. FW Securities will act as an underwriter or a sub-underwriter or a placing agent or a sub-placing agent for companies listed or to be listed on the Stock Exchange or shareholders of companies listed or to be listed on the Stock Exchange for their fund raising exercises such as IPOs, rights issues, open offers or placing of new and/or existing shares and debt securities. FW Securities will charge placing or underwriting commission at a rate determined by negotiation with clients which is generally in line with market practice.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2021

	Notes	Six months ended 30 June	
		2021 HKD'000 (Unaudited)	2020 HKD'000 (Unaudited)
Net realised loss from securities trading and investment	4	(37)	(11,425)
Revenue	4	35,682	91,408
Cost of sales		(19,620)	(61,485)
Gross profit		16,062	29,923
Other income and gains		595	574
Selling and distribution costs		(1,231)	–
Administrative expenses		(15,875)	(18,388)
Gain on disposal of subsidiaries, net	23	–	973
Provision for credit loss allowances on loan and interest receivables, net		(188)	(5,410)
Provision for credit loss allowances on trade receivables, net		(613)	(480)
Reversal of/(provision for) expected credit loss on loan commitment		272	(828)
Change in fair values of financial assets at fair value through profit or loss		–	(1,817)
Change in fair value of investment properties	11	13,201	(3,102)
Share of loss of an associate		(5)	(360)
Share-based payment expense	21	(1,513)	(17,498)
Operating profit/(loss)		10,668	(27,838)
Finance costs	6	(8,672)	(11,025)
Profit/(loss) before income tax	7	1,996	(38,863)
Income tax expense	8	(696)	(1,379)
Profit/(loss) for the period		1,300	(40,242)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2021

	Note	Six months ended 30 June	
		2021 HKD'000 (Unaudited)	2020 HKD'000 (Unaudited)
Other comprehensive income/(loss):			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		1,875	(2,739)
Item that will not be reclassified subsequently to profit or loss:			
Change in fair value of financial assets at fair value through other comprehensive income		(45,938)	10,068
Other comprehensive (loss)/income for the period, net of income tax		(44,063)	7,329
Total comprehensive loss for the period		(42,763)	(32,913)
Profit/(loss) for the period attributable to:			
Owners of the Company		4,053	(43,187)
Non-controlling interest		(2,753)	2,945
		1,300	(40,242)
Total comprehensive (loss)/income for the period attributable to:			
Owners of the Company		(40,081)	(35,837)
Non-controlling interest		(2,682)	2,924
		(42,763)	(32,913)
			(Restated)
Earnings/(loss) per share attributable to owners of the Company			
	10		
– Basic		HK0.43 cent	HK(6.87) cents
– Diluted		HK0.43 cent	HK(6.87) cents

Condensed Consolidated Statement of Financial Position

As at 30 June 2021

	Notes	30 June 2021 HKD'000 (Unaudited)	31 December 2020 HKD'000 (Audited)
Non-current assets			
Property, plant and equipment	11	1,493	2,161
Right-of-use assets	11	6,848	8,797
Investment properties	11	818,375	803,836
Interest in an associate	12	54	58
Financial assets at fair value through other comprehensive income	13	124,887	220,117
Loan receivables	15	317,343	298,451
Deferred tax assets		4,045	4,059
		1,273,045	1,337,479
Current assets			
Inventories		36,109	10,581
Loan and interest receivables	15	33,748	39,564
Financial assets at fair value through profit or loss	14	–	1,394
Trade, bills and other receivables	16	60,369	81,793
Contract assets		10,702	8,594
Pledged bank deposits and cash and bank balances		17,813	12,491
		158,741	154,417
Current liabilities			
Trade payables, accruals and other payables	17	54,536	72,993
Contract liabilities		28,658	5,133
Lease liabilities		1,764	3,877
Bank borrowings	18	300,265	305,009
Other borrowings	19	121,559	143,709
Income tax payables		1,133	2,441
		507,915	533,162
Net current liabilities		(349,174)	(378,745)
Total assets less current liabilities		923,871	958,734
Non-current liabilities			
Lease liabilities		5,167	5,501
Net assets		918,704	953,233
Capital and reserves			
Share capital	20	19,978	18,906
Reserves		893,130	926,049
Equity attributable to owners of the Company		913,108	944,955
Non-controlling interests		5,596	8,278
Total equity		918,704	953,233

On behalf of the board of directors

Siu Yun Fat
Director

Lau Fai Lawrence
Director

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021

	Attributable to owners of the Company							Total HKD'000	Non- controlling interests HKD'000	Total HKD'000
	Share capital HKD'000	Share premium HKD'000 <i>(Note a)</i>	Share option reserve HKD'000	Translation reserve HKD'000	Fair value reserve (non- recycling) HKD'000	Statutory reserve HKD'000	Retained earnings/ (accumulated losses) HKD'000			
At 1 January 2020	12,480	1,480,021	17,893	220	(697,544)	-	121,131	934,201	(6)	934,195
(Loss)/profit for the period	-	-	-	-	-	-	(43,187)	(43,187)	2,945	(40,242)
Other comprehensive (loss)/income, net of income tax										
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	(2,718)	-	-	-	(2,718)	(21)	(2,739)
Change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	10,068	-	-	10,068	-	10,068
Other comprehensive (loss)/income for the period, net of income tax	-	-	-	(2,718)	10,068	-	-	7,350	(21)	7,329
Total comprehensive (loss)/income for the period	-	-	-	(2,718)	10,068	-	(43,187)	(35,837)	2,924	(32,913)
Release of fair value reserve upon disposal of financial assets at fair value through other comprehensive income	-	-	-	-	72,387	-	(72,387)	-	-	-
Recognition of equity-settled share-based payments	-	-	17,498	-	-	-	-	17,498	-	17,498
Exercise of share options	124	4,328	(980)	-	-	-	-	3,472	-	3,472
Additions through acquisition of subsidiaries	-	-	-	-	-	-	-	-	113	113
Capital injection from non- controlling interests	-	-	-	-	-	-	-	-	186	186
Disposal of subsidiaries	-	-	-	-	-	-	-	-	659	659
At 30 June 2020 (Unaudited)	12,604	1,484,349	34,411	(2,498)	(615,089)	-	5,557	919,334	3,876	923,210

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021

	Attributable to owners of the Company									
	Share capital HKD'000	Share premium HKD'000 <i>(Note a)</i>	Share option reserve HKD'000	Translation reserve HKD'000	Fair value reserve (non-recycling) HKD'000	Statutory reserve HKD'000	Retained earnings/ (accumulated losses) HKD'000	Total HKD'000	Non-controlling interests HKD'000	Total HKD'000
At 1 January 2021	18,906	1,531,854	7,396	10,059	(623,607)	1,792	(1,445)	944,955	8,278	953,233
Profit/(loss) for the period	-	-	-	-	-	-	4,053	4,053	(2,753)	1,300
Other comprehensive income/(loss), net of income tax										
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	1,804	-	-	-	1,804	71	1,875
Change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	(45,938)	-	-	(45,938)	-	(45,938)
Other comprehensive income/(loss) for the period, net of income tax	-	-	-	1,804	(45,938)	-	-	(44,134)	71	(44,063)
Total comprehensive income/(loss) for the period	-	-	-	1,804	(45,938)	-	4,053	(40,081)	(2,682)	(42,763)
Release of fair value reserve upon disposal of financial assets at fair value through other comprehensive income	-	-	-	-	146,825	-	(146,825)	-	-	-
Appropriation to statutory reserve	-	-	-	-	-	15	(15)	-	-	-
Recognition of equity-settled share-based payments	-	-	1,513	-	-	-	-	1,513	-	1,513
Exercise of share options	1,072	6,934	(1,285)	-	-	-	-	6,721	-	6,721
Lapse of share options	-	-	(3,506)	-	-	-	3,506	-	-	-
At 30 June 2021 (Unaudited)	19,978	1,538,788	4,118	11,863	(522,720)	1,807	(140,726)	913,108	5,596	918,704

Note:

- a) Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum or Articles of Associations and provided that immediately following the distribution or dividends, the Company is able to pay its debts as they fall due in the ordinary course of business.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2021

	Six months ended 30 June	
	2021	2020
	HKD'000	HKD'000
	(Unaudited)	(Unaudited)
Net cash (used in)/generated from operating activities	(12,817)	9,761
Cash flows from investing activities		
Interest received	1	5
Dividend received	81	–
Purchase of property, plant and equipment	(284)	(11,005)
Purchase of financial assets at fair value through other comprehensive income	(24,916)	–
Proceed from disposal of property, plant and equipment	671	–
Proceed from disposal of financial assets at fair value through profit and loss	–	12,029
Proceed from disposal of financial assets at fair value through other comprehensive income	74,208	21,311
Net cash inflows arising on disposal of subsidiaries	–	4,203
Net cash inflows arising on acquisition of subsidiaries	–	4,934
Net cash generated from investing activities	49,761	31,477
Cash flows from financing activities		
Interest paid on bank and other borrowings	(8,386)	(10,876)
Capital injection from non-controlling interest	–	186
Repayment of bank borrowings	(4,744)	(3,838)
Proceeds from other borrowings	44,273	8,493
Repayment of other borrowings	(66,423)	(33,245)
Repayment of lease liabilities – principal	(2,958)	(2,122)
Repayment of lease liabilities – interest	(84)	(149)
Proceeds from issuance of shares upon exercise of share options	6,721	3,472
Net cash used in financing activities	(31,601)	(38,079)
Net increase in cash and cash equivalents	5,343	3,159
Cash and cash equivalents at 1 January	12,155	10,986
Effect of foreign exchange rates changes, net	315	(183)
Cash and cash equivalents at 30 June		
– Cash and bank balances	17,813	13,962

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021

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 was changed from Unit 3711, 37/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong to Unit 2218, 22/F, The Metropolis Tower, 10 Metropolis Drive, Hung Hom, Kowloon, Hong Kong effective from 16 April 2021. 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) high technology business; (ii) property investment; (iii) provision of financing services; (iv) securities trading and investment; (v) trading business and related services; (vi) securities brokerage business; (vii) investment in film industry; and (viii) licensing of e-commerce platform.

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 27 August 2021.

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 required by 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 2020, 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 2020.

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.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021

2. BASIS OF PREPARATION (*Continued*)

Going concern

As at 30 June 2021, the Group had net current liabilities of approximately HKD349,174,000. 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 HKD210,463,000, 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 16 – 22 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.

The Group would sell part of its financial assets at FVTOCI in order to improve the Group's financial position, liquidity and cash flows. In addition, the directors of the Company also consider several measures together with other measures in progress at the date of authorising the Interim Financial Statements which include taking stringent cost controls aiming at improving the working capital and cash flow position of the Group, equity fund raising and negotiating with certain bankers to obtain long-term banking facilities.

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 REVISED HKFRSS

The Interim Financial Statements have been prepared based on the same accounting policies adopted in the 2020 annual financial statements, except for those that relate to amendments to HKFRSs which are mandatorily effective for an accounting period that begins on or after 1 January 2021. In the opinion of the directors of the Company, the application of the amendments to HKFRSs in the current period has no material impact on the Group's financial performance and positions for the current period and prior years and/or on the disclosures set out in the Interim Financial Statements.

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

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021

4. REVENUE

Revenue represents the income received and receivable arising from the Group's operating activities including (i) high technology business; (ii) property investment; (iii) provision of financing services; (iv) securities trading and investment; (v) trading business and related services; (vi) securities brokerage business; and (vii) investment in film industry during the six months ended 30 June 2021. An analysis of the Group's revenue for the six months ended 30 June 2021 is as follows:

	Six months ended 30 June	
	2021	2020
	HKD'000	HKD'000
	(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	18,378	72,317
Income from trading business and related services	2,130	2,111
	20,508	74,428
Revenue from other sources:		
Rental income from property investment	3,281	5,530
Interest income from provision of financing services	11,047	11,204
Dividend income from securities trading and investment	81	–
Commission income from securities brokerage business	765	–
Interest income from investment in film industry	–	246
	15,174	16,980
	35,682	91,408
Net realised loss from securities trading and investment	(37)	(11,425)

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021

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:

- High technology business
- Property investment
- Provision of financing services
- Securities trading and investment
- Trading business and related services
- Investment in film industry
- Securities brokerage business
- Licensing of e-commerce platform

Segment revenues and results

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

	High technology business		Property investment		Provision of financing services		Securities trading and investment		Trading business and related services		Investment in film industry		Securities brokerage business		Licensing of e-commerce platform		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		Six months ended 30 June		
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
Revenue																			
- External sales	18,378	72,317	3,261	5,530	11,047	11,204	61	-	2,130	2,111	-	246	765	-	-	-	35,682	91,408	
Segment financial performance	(5,168)	7,382	12,759	(1,325)	10,086	4,598	(6,156)	(21,764)	(1,283)	(597)	(46)	242	174	-	-	-	10,356	(11,464)	
Unallocated corporate income																		-	389
Unallocated corporate expenses																		(6,821)	(9,815)
Share of loss of an associate																		(6)	(360)
Share-based payment expenses																		(1,513)	(17,498)
Unallocated finance cost																		(21)	(115)
Profit/(loss) before income tax																		1,996	(38,863)

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

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021

5. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

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

	30 June 2021 HKD'000 (Unaudited)	31 December 2020 HKD'000 (Audited)
Segment assets		
High technology business	100,303	98,203
Property investment	823,298	808,820
Provision of financing services	355,678	336,845
Securities trading and investment	135,403	225,136
Trading business and related services	8,534	13,630
Investment in film industry	11	5,244
Securities brokerage business	4,408	–
Total segment assets	1,427,635	1,487,878
Unallocated corporate assets	4,151	4,018
Consolidated assets	1,431,786	1,491,896
Segment liabilities		
High technology business	79,554	71,436
Property investment	223,700	228,976
Provision of financing services	3,088	1,692
Securities trading and investment	201,770	224,079
Trading business and related services	3,033	4,409
Investment in film industry	–	88
Total segment liabilities	511,145	530,680
Unallocated corporate liabilities	1,937	7,983
Consolidated liabilities	513,082	538,663

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

- all assets are allocated to operating segments other than certain right-of-use assets, certain other receivables and certain cash and bank balances; and
- all liabilities are allocated to operating segments other than certain lease liabilities and certain accruals and other payables.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021

6. FINANCE COSTS

	Six months ended 30 June	
	2021 HKD'000 (Unaudited)	2020 HKD'000 (Unaudited)
Interest expenses on bank borrowings	4,265	5,384
Interest expenses on other borrowings	4,121	5,492
Interest expenses on leases liabilities	84	149
Interest expenses on government loans	202	–
	8,672	11,025

7. PROFIT/(LOSS) BEFORE INCOME TAX

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

	Six months ended 30 June	
	2021 HKD'000 (Unaudited)	2020 HKD'000 (Unaudited)
Directors' and chief executive's emoluments, including share-based payment expenses of HKD685,000 (six months ended 30 June 2020: HKD6,228,000)	2,560	9,661
Other staff costs, including share-based payment expenses of HKD599,000 (six months ended 30 June 2020: HKD3,370,000)	7,078	8,335
Contributions to retirement benefits scheme	345	506
Total staff costs	9,983	18,502
Auditor's remuneration		
– Non-audit services	350	230
Cost of inventories recognised as expenses	19,560	60,984
Depreciation of property, plant and equipment	396	494
Depreciation of right-of-use assets	1,736	2,160
Direct operating expenses arising from investment properties that generated rental income during the period	268	399
Direct operating expenses arising from investment properties that did not generate rental income during the period	113	–
Expenses relating to short-term leases	401	598
Gain on disposal of property, plant and equipment, net	(105)	–
Loss on early termination of a lease agreement	723	–
Provision for credit loss allowances on loan and interest receivables, net	188	5,410
Provision for credit loss allowances on trade receivables, net	613	480
(Reversal of)/provision for expected credit loss on loan commitment	(272)	828
Share-based payment expenses for consultants	229	7,900

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2021 HKD'000 (Unaudited)	2020 HKD'000 (Unaudited)
Current tax:		
– Hong Kong Profits Tax	–	50
– The People's Republic of China (the "PRC") Enterprise Income Tax ("EIT")	534	2,301
– Withholding tax	148	153
	682	2,504
Deferred tax charged/(credited) to profit or loss	14	(1,125)
Income tax expense	696	1,379

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 2021 (six months ended 30 June 2020: 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 2021, as the Group has no assessable profits derived in Hong Kong during the six months ended 30 June 2021. Hong Kong Profits Tax is calculated at 8.25% for the first HKD2,000,000 of profits of qualifying corporation and at 16.5% of the profit above HKD2,000,000 for the six months ended 30 June 2020.

The PRC EIT has been provided at the rate of 25% (six months ended 30 June 2020: 25%) on the taxable profits of the Group's subsidiaries in the PRC during the six months ended 30 June 2021. 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.

The withholding tax is calculated at the rate of 10% (six months ended 30 June 2020: 10%) on total rental income derived prevailing in the PRC jurisdiction for the six months ended 30 June 2021.

9. DIVIDEND

The directors of the Company do not recommend for payment of a dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021

10. EARNINGS/(LOSS) PER SHARE

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

	Six months ended 30 June	
	2021	2020
	HKD'000	HKD'000
	(Unaudited)	(Unaudited)
Profit/(loss) for the period attributable to owners of the Company for the purpose of basic and diluted earnings/(loss) per share	4,053	(43,187)

Number of shares

	Six months ended 30 June	
	2021	2020
	'000	'000
	(Unaudited)	(Unaudited)
		(Restated)
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	948,829	628,696
Effect of dilutive potential ordinary shares: Share options outstanding during the period	195	–
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	949,024	628,696

The weighted average number of ordinary shares used to calculate the basic and diluted loss per share for the six months ended 30 June 2020 has been adjusted to reflect the Share Consolidation and the Rights Issue (as defined in Note 32 to the consolidated financial statements of the Group for the year ended 31 December 2020 dated 30 March 2021) during the year ended 31 December 2020. Accordingly, the basic and diluted loss per share for the six months ended 30 June 2020 are restated.

As at 30 June 2021 and 2020, the Company has outstanding share options. For the outstanding share options, the number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market price per share for the period) for the same total proceeds is the number of shares issued for no consideration. The resulting number of shares issued for no consideration is included in the weighted average number of ordinary shares as the denominator for calculating diluted earnings per share for the six months ended 30 June 2021.

The computation of diluted loss per share for the six months ended 30 June 2020 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 loss per share is the same as the amount of basic loss per share for the six months ended 30 June 2020.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021

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

During the six months ended 30 June 2021, the Group paid approximately of HKD284,000 (six months ended 30 June 2020: HKD11,005,000) for the acquisition of property, plant and equipment.

During the six months ended 30 June 2021, the Group disposed of certain items of property, plant and equipment with net carrying amount amounting to approximately HKD566,000 (six months ended 30 June 2020: HKD10,625,000).

During the six months ended 30 June 2021, the Group entered into one new lease agreement for the use of the office premise for two years (six months ended 30 June 2020: one new lease agreement for office premise for three years). On lease commencement, the Group recognised approximately HKD729,000 (six months ended 30 June 2020: HKD2,833,000) of right-of-use assets and lease liability, respectively.

The fair value of the Group's investment properties at 30 June 2021 and 31 December 2020 have been arrived at on the basis of a valuation carried out by Colliers International (Hong Kong) Limited ("**Colliers**"), a firm of independent qualified professional valuers, which is not connected to the Group. Colliers has 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 gain of approximately HKD13,201,000 (six months ended 30 June 2020: fair value loss of approximately HKD3,102,000) of investment properties has been recognised in profit or loss for the six months ended 30 June 2021.

At 30 June 2021, the Group's investment property located in Hong Kong, with carrying amount amounting to approximately HKD285,000,000 (31 December 2020: HKD283,000,000), 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 HKD383,000,000 (31 December 2020: HKD379,000,000) has been pledged to secure the bank borrowings granted to the Group (Note 18) at 30 June 2021.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021

12. INTEREST IN AN ASSOCIATE

	30 June 2021 HKD'000 (Unaudited)	31 December 2020 HKD'000 (Audited)
Cost of investment in an associate	559	559
Share of accumulated losses of an associate	(515)	(510)
Exchange realignment	10	9
	54	58

On 8 October 2019, Smart Prosper Enterprises (International) Limited, a wholly-owned subsidiary of the Company, entered into an incorporation agreement with the independent third parties for the formation of 揚州越界未來健康科技有限公司 (“揚州越界”) and the Group subscribed for 30% equity interests of 揚州越界. The subscription consideration was equivalent to RMB1,980,000 (equivalent to approximately HKD2,339,000) (31 December 2020: RMB1,980,000 (equivalent to approximately HKD2,323,000)).

揚州越界 is principally engaged in trading and development of beauty and health product in the PRC. The Group explores opportunities in these core businesses to create long-term value for its shareholders. The Group considered it has significant influence over 揚州越界 due to the Group has the right to appoint 2 out of 5 directors of 揚州越界, representing 40% of the board of directors of 揚州越界.

As at 30 June 2021, the Group had paid RMB500,000 (equivalent to approximately HKD559,000) (31 December 2020: RMB500,000 (equivalent to approximately HKD559,000)) in aggregate for the registered capital of 揚州越界. As at 30 June 2021, the Group shall pay the remaining registered capital amounting to RMB1,480,000 (equivalent to approximately HKD1,780,000) (31 December 2020: RMB1,480,000 (equivalent to approximately HKD1,764,000)) within two years after the date of issuance of business license.

The particulars of the associate of the Group as at 30 June 2021 and 31 December 2020 were as follows:

Name	Particulars of registered capital	Place of establishment	Proportion of ownership interest attributable to the Group		Principal activities and place of operation
			30 June 2021	31 December 2020	
揚州越界	RMB6,600,000	The PRC	30%	30%	Trading and development of beauty and health product in the PRC

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2021 HKD'000 (Unaudited)	31 December 2020 HKD'000 (Audited)
Listed securities, at fair value:		
Equity securities listed in Hong Kong	124,887	220,117

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

	HKD'000
At 1 January 2021 (Audited)	220,117
Additions	24,916
Disposals	(74,208)
Changes in fair value through other comprehensive income	(45,938)
At 30 June 2021 (Unaudited)	124,887

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 2021, the dividends received from these investments were approximately HKD81,000 (six months ended 30 June 2020: Nil).

At 30 June 2021, the Group's financial assets at FVTOCI, with carrying amount of approximately HKD118,805,000 (31 December 2020: HKD209,397,000), have been pledged to secure the other borrowings granted to the Group (Note 19).

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For the six months ended 30 June 2021

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2021 HKD'000 (Unaudited)	31 December 2020 HKD'000 (Audited)
Listed securities held for trading, at fair value:		
Equity securities listed in Hong Kong	–	1,394

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

	HKD'000
At 1 January 2021 (Audited)	1,394
Disposals	(1,357)
Changes in fair value through profit or loss	(37)
At 30 June 2021 (Unaudited)	–

The fair values of the listed equity securities investments were determined based on the quoted market closing prices on the Stock Exchange.

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15. LOAN AND INTEREST RECEIVABLES

	30 June 2021 HKD'000 (Unaudited)	31 December 2020 HKD'000 (Audited)
Current	33,748	39,564
Non-current	317,343	298,451
	351,091	338,015
Representing:		
From investment in film industry (31 December 2020: including interest receivables of approximately HKD1,441,000) (Note (i))	–	5,243
From money lending business (including interest receivables of approximately HKD17,305,000 (31 December 2020: HKD7,581,000)) (Note (ii))	372,989	354,482
Less: Allowance of credit losses	(21,898)	(21,710)
	351,091	332,772
	351,091	338,015

Notes:

(i) **From investment in film industry**

In prior years, the Group entered into certain loan agreements to provide loans to an entity engaged in investment in film industry (the “**Film Production Investor**”) for film distribution. As at 31 December 2020, one of the loans was still outstanding.

The loans to the Film Production Investor have generated interest income of approximately HKD246,000 during the six months ended 30 June 2020. As at 31 December 2020, the loan receivable and interest receivable due from the Film Production Investor were approximately USD488,000 (equivalent to approximately HKD3,802,000) and USD185,000 (equivalent to approximately HKD1,441,000), respectively. The loan is unsecured, bears fixed interest rate at 12% per annum and interest accrued and principal are repayable on the third anniversary of the date of the agreements or under the demand of the Group.

As at 31 December 2020, Mr. Yu Qingrui, a shareholder and an executive director of the Company, agreed to provide guarantee to the Group in respect of the abovementioned loans and related interest. The outstanding loan was past due in October 2020.

During the six months ended 30 June 2021, the loan was fully settled and no interest income was generated from the loan.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021

15. LOAN AND INTEREST RECEIVABLES *(Continued)*

Notes: *(Continued)*

(ii) From money lending business

The loan receivables from 12 (31 December 2020: 10) independent borrowers bear fixed interest rates ranging from 5% to 8% (31 December 2020: from 5% to 8%) per annum and repayable according to the respective loan agreements. During the six months ended 30 June 2021, 2 (31 December 2020: 2) borrowers with loan receivables (net of allowance for credit loss) amounted to approximately HKD54,085,000 (31 December 2020: HKD52,722,000) in aggregate provided several properties to the Group as collateral with fair value amounting to approximately RMB38,800,000 (equivalent to approximately HKD46,676,000) (31 December 2020: RMB38,800,000 (equivalent to approximately HKD44,907,000)) in aggregate. The loan receivables from the remaining 10 (31 December 2020: 8) borrowers with loan receivables (net of allowance for credit loss) amounted to approximately HKD297,006,000 (31 December 2020: HKD280,050,000) in aggregate are unsecured.

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 2021 HKD'000 (Unaudited)	31 December 2020 HKD'000 (Audited)
On demand or within 1 year after the end of reporting period	33,748	34,321
More than one year, but not more than two years after the end of reporting period	28,573	26,017
More than two years, but not more than five years after the end of reporting period	288,770	272,434
	351,091	332,772

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.

The Group has granted an aggregate irrevocable loan facility of HKD270,000,000 to Central Wealth Group Holdings Limited and the total loans advanced to Central Wealth Group Holdings Limited were amounted to HKD236,000,000 as at 30 June 2021 (31 December 2020: HKD236,000,000). These loans are unsecured, bearing fixed interest rate at 7% (31 December 2020: 8%) per annum and repayable on 31 December 2023.

Notes to the Condensed Consolidated Interim Financial Statements

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16. TRADE, BILLS AND OTHER RECEIVABLES

	Notes	30 June 2021 HKD'000 (Unaudited)	31 December 2020 HKD'000 (Audited)
Trade receivables, gross		22,917	43,994
Less: Allowance for credit losses		(746)	(128)
Trade receivables, net	(i)	22,171	43,866
Bills receivables	(ii)	17,839	24,027
Deposit, prepayment and other receivables	(iii)	20,359	13,900
		60,369	81,793

Notes:

(i) Trade receivables

Trade receivables mainly comprise amounts receivable from high technology business and trading business and related services. 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 2021 HKD'000 (Unaudited)	31 December 2020 HKD'000 (Audited)
0 – 30 days	2,875	26,913
31 – 90 days	665	12,665
91 – 180 days	1,190	1,696
181– 360 days	15,420	–
Over 360 days	2,767	2,720
Less: Allowance for credit losses	(746)	(128)
	22,171	43,866

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For the six months ended 30 June 2021

16. TRADE, BILLS AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

(ii) Bills receivables

The Group endorsed certain bill receivables (the “**Endorsed Bills**”) with a carrying amount of approximately HKD17,683,000 (31 December 2020: HKD23,872,000) as at 30 June 2021 to certain of its suppliers in order to settle the trade payables due to such suppliers (the “**Endorsement**”). Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. However, in the opinion of the directors of the Company, the Group has retained the substantial risks and rewards, which include default risks relating to the Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills as current assets and the associated trade payables as current liabilities. The aggregate carrying amount of trade payables under the Endorsement amounted to approximately HKD17,683,000 (31 December 2020: HKD23,872,000) as at 30 June 2021 (Note 17).

In the opinion of the directors of the Company, the fair values of these Endorsed Bills and the associated trade payables are approximately to their carrying amounts. Net position of the Group is Nil (31 December 2020: Nil) as at 30 June 2021.

(iii) Deposit, prepayment and other receivables

As at 30 June 2021, the balance mainly comprised consideration receivables amounted to RMB500,000 (equivalent to approximately HKD602,000) (31 December 2020: RMB500,000 (equivalent to HKD548,000)) in relation to the disposal of 鉅合 (杭州) 諮詢管理有限公司 (“鉅合”), prepayments for inventories amounting to approximately HKD10,882,000 (31 December 2020: HKD6,762,000), rental income receivables in relation to investment properties in the PRC amounting to approximately HKD2,155,000 (31 December 2020: HKD1,468,000) and rental deposits paid amounting to approximately HKD310,000 (31 December 2020: HKD1,100,000).

17. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

	Notes	30 June 2021 HKD'000 (Unaudited)	31 December 2020 HKD'000 (Audited)
Trade payables	(i)	32,370	47,719
Accruals		7,572	10,369
Government loans	(ii)	10,542	10,445
Rental deposits received		1,439	1,575
Other payables	(iii)	2,613	2,885
		54,536	72,993

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021

17. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES (Continued)

Notes:

(i) Trade payables

The credit period granted by suppliers of the Group is ranging from 30 to 120 days (31 December 2020: 30 to 120 days) for the period. The ageing analysis of the trade payables based on invoice date is as follows:

	30 June 2021 HKD'000 (Unaudited)	31 December 2020 HKD'000 (Audited)
0 – 30 days	7,456	38,931
31 – 90 days	10,640	3,502
91 – 360 days	12,201	3,267
Over 360 days	2,073	2,019
	32,370	47,719

The aggregate carrying amount of trade payables under the Endorsement amounted to approximately HKD17,683,000 (31 December 2020: HKD23,872,000) as at 30 June 2021, do not meet the de-recognition requirements in HKFRS 9. The corresponding financial assets are included in trade, bills and other receivables (Note 16(ii)).

(ii) Government loans

Government loans amounting to approximately RMB8,763,000 (equivalent to approximately HKD10,542,000) (31 December 2020: RMB8,763,000 (equivalent to approximately HKD10,445,000)) represented the government loans received by certain PRC subsidiaries of the Company in prior years. Those PRC subsidiaries are required to fulfill certain financial and operating conditions for coming 3 years or 10 years since the date of the government loans agreements. If those PRC subsidiaries were able to fulfill those conditions, the government loans will be forgiven by the government at the end of the specified period. These government loans are charged at an interest rate according to the People's Bank of China. As at 30 June 2021, accrued interest of government loans amounting to approximately HKD611,000 (31 December 2020: HKD405,000) was included in accruals.

The government loans received were recorded as current liabilities at the end of the reporting period as, in the opinion of the directors of the Company, the government has discretionary right to demand full repayments if any of those conditions are not fulfilled.

At 30 June 2021, one of the government loans received by a PRC subsidiary amounting to approximately RMB7,963,000 (equivalent to approximately HKD9,580,000) (31 December 2020: RMB7,963,000 (equivalent to approximately HKD9,491,000)), is guaranteed by the legal representative of that PRC subsidiary.

(iii) Other payables

As at 30 June 2021, other payables included provision for expected credit loss on loan commitment amounted to approximately HKD2,613,000 (31 December 2020: HKD2,885,000) in relation to the undrawn loan commitment amounted to approximately HKD39,000,000 (31 December 2020: HKD41,000,000) granted to two (31 December 2020: three) borrowers.

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For the six months ended 30 June 2021

18. BANK BORROWINGS

	30 June 2021 HKD'000 (Unaudited)	31 December 2020 HKD'000 (Audited)
Secured bank borrowings	300,265	305,009
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)	210,463	215,520
Carrying amount repayable within one year	89,802	89,489
	300,265	305,009

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 2021 HKD'000 (Unaudited)	31 December 2020 HKD'000 (Audited)
Within one year	89,802	89,489
More than one year, but within two years	10,085	9,849
More than two years, but within five years	31,069	30,797
More than five years	169,309	174,874
	300,265	305,009

The bank borrowings bear interest at the bank's HKD Prime Rate – 2.5% per annum, 2% per annum + HIBOR (1 month) or 2.5% per annum over HIBOR (1 week to 1 month) at 30 June 2021 (31 December 2020: the bank's HKD Prime Rate – 2.5% per annum, 2% per annum + HIBOR (1 month) or 2.5% per annum over HIBOR (1 week to 1 month)).

At 30 June 2021, the Group's bank borrowings are secured by the investment properties amounting to approximately HKD668,000,000 (31 December 2020: HKD662,000,000) (Note 11).

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For the six months ended 30 June 2021

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 2021 HKD'000 (Unaudited)	31 December 2020 HKD'000 (Audited)
Within one year or on demand	121,559	143,709

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

	Notes	30 June 2021 HKD'000 (Unaudited)	31 December 2020 HKD'000 (Audited)
Investment properties	11	285,000	283,000
Financial assets at FVTOCI	13	118,805	209,397

The other borrowings are also guaranteed by the Company.

Partial of the other borrowings amounting to approximately HKD86,653,000 (31 December 2020: HKD108,803,000) 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.

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20. SHARE CAPITAL

	Number of ordinary shares (Note (i))	Number of preference shares	Amount HKD'000
Ordinary shares of HKD0.02 each			
Authorised:			
At 31 December 2020 and 30 June 2021	12,474,000,000	26,000,000	250,000
Issued and fully issued:			
At 31 December 2020 (audited)	945,321,858	–	18,906
Issuance of shares upon exercise of share options (Note (ii))	53,600,000	–	1,072
At 30 June 2021	998,921,858	–	19,978

Notes:

- (i) All the ordinary shares which were issued by the Company rank pari passu with each other in all respects.
- (ii) During the six months ended 30 June 2021, 53,600,000 share options were exercised at the exercise price of HKD0.1254 per share. The total cash consideration received from the issuance 53,600,000 shares of HKD0.02 each was HKD6,721,000, of which HKD1,072,000 was credited to issued share capital and the remaining balance of HKD5,649,000 was credited to the share premium account. In addition, amount attributable to the related share options of approximately HKD1,285,000 has been transferred from share option reserve to the share premium account. In the opinion of the directors of the Company, the transaction costs in relation to this exercise of share options were immaterial.

21. SHARE OPTION SCHEME

Particulars of the Company's share option schemes adopted on 22 February 2012 (the "Scheme 2012") are set out in Note 34(a) to the consolidated financial statements of the Group for the year ended 31 December 2020 dated 30 March 2021.

During the six months ended 30 June 2021, 63,000,000 share options at the exercise price of HKD0.1254 were granted on 21 May 2021. The fair value of share options granted to directors, employees and consultants on 21 May 2021 amounted to approximately HKD1,513,000, of which the full amount was included in the profit or loss for the six months ended 30 June 2021.

During the six months ended 30 June 2020, 1,248,000,000 share options at the initial exercise price of HKD0.0280 were granted on 27 March 2020. The fair value of share options granted to directors, employees and consultants on 27 March 2020 amounted to approximately HKD9,542,000, of which the full amount was included in the profit or loss for the six months ended 30 June 2020. Including the fair value of approximately HKD7,956,000 for those share options granted to directors, employees and consultants during the year ended 31 December 2019, which was included in the profit or loss for the six months ended 30 June 2020, the total fair value of share option charged to the profit or loss for the six months ended 30 June 2020 was approximately HKD17,498,000.

At 30 June 2021, the weighted average remaining contractual life of these outstanding share options is approximately 1.05 year (31 December 2020: 1.01 year), with a weighted average exercise price of HKD0.444 (31 December 2020: HKD0.945) per share option. At 30 June 2021, the number of exercisable share options was 34,458,424 (31 December 2020: 32,914,039).

No share options were cancelled or lapsed during the six months ended 30 June 2021 and 2020.

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For the six months ended 30 June 2021

22. ACQUISITION OF SUBSIDIARIES

(a) **Acquisition of 揚州哈工漫威機器人有限公司 (now known as 江蘇未徠哈工漫威機器人有限公司 (“江蘇未徠哈工漫威”)) (“揚州哈工漫威”)**

In February 2020, 深圳未徠機器人有限公司 (“深圳未徠機器人”), a wholly-owned subsidiary of the Company, entered into certain sale and purchase agreements with certain independent third parties, pursuant to which 深圳未徠機器人 agreed to acquire the 55% equity interest of 揚州哈工漫威 at an aggregate cash consideration of RMB2,600 (equivalent to approximately HKD3,000). The acquisition was completed on 17 March 2020. 揚州哈工漫威 is principally engaged in the trading of robotics products in the PRC. The acquisition provided a platform for the Group to expand, explore and capitalise in the new market of high technology business in the PRC.

Recognised amounts of identifiable assets acquired and liabilities assumed at 17 March 2020, the date of acquisition, were as follows:

	HKD'000
Inventories	184
Trade and other receivables and prepayments	5,786
Cash and bank balances	31
Trade payables	(2,262)
Accruals and other payables	(3,683)
Total identifiable net assets	56
Non-controlling interests	(25)
Gain from a bargain purchase	(28)
Total consideration	3
Total consideration satisfied by:	
Cash	3
Acquisition-related costs (included in administrative expenses)	33

Cashflow movement in relation to acquisition during the six months ended 30 June 2020:

	HKD'000
Cash consideration paid	(3)
Cash at bank acquired	31
Net cash inflow on acquisition	28

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22. ACQUISITION OF SUBSIDIARIES (Continued)

(b) Acquisition of 合肥哈工威達智能裝備有限公司 (“哈工威達智能裝備”, together with its non-wholly-owned subsidiaries, “哈工威達智能裝備 Group”)

In March 2020, 深圳未徠機器人 entered into certain sale and purchase agreements with certain independent third parties, pursuant to which the Group agreed to acquire the entire equity interest of 哈工威達智能裝備 at an aggregate cash consideration of RMB428,008 (equivalent to approximately HKD470,000). The acquisition was completed on 15 April 2020. 哈工威達智能裝備 Group is principally engaged in the production of robotics products in the PRC. The acquisition provided a platform for the Group to expand, explore and capitalise in the new market of high technology business in the PRC.

Recognised amounts of identifiable assets acquired and liabilities assumed at 15 April 2020, the date of acquisition, were as follows:

	HKD'000
Trade and other receivables and prepayments	7,656
Bills receivables	5,967
Cash and bank balances	5,376
Accruals and other payables	(18,432)
Total identifiable net assets	567
Non-controlling interests	(88)
Gain from a bargain purchase	(9)
Total consideration	470
Total consideration satisfied by:	
Cash	470
Acquisition-related costs (included in administrative expenses)	21

Cashflow movement in relation to acquisition during the six months ended 30 June 2020:

	HKD'000
Cash consideration paid	(470)
Cash at bank acquired	5,376
Net cash inflow on acquisition	4,906

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23. DISPOSAL OF SUBSIDIARIES

(a) Disposal of Future Finet Limited (“Future Finet”)

On 9 September 2016, Future Finet was incorporated and its one ordinary share was allotted to the Company at HKD1. On 1 March 2020, further 99 shares were allotted to the Company. On 16 March 2020, the Company entered into a sale and purchase agreement with an independent third party, pursuant to which the Group agreed to dispose of its 49% equity interest in Future Finet at a cash consideration of HKD49 at that time when the directors of the Company considered the amount of net asset value of Future Finet approximated to its entire share capital.

Future Finet commenced its mask production business in April 2020. However, having considered the reduction in demand and needs of masks in Hong Kong in late April 2020, the Group decided to cease its own local mask production in order to control costs. On 14 May 2020, the Company entered into a sale and purchase agreement with an independent third party (the “Buyer”), pursuant to which the Group agreed to dispose of its 51% equity interest in Future Finet and assign the amount due from Future Finet to the Buyer at a total consideration of HKD7,000,000. The disposal of its 51% equity interest in Future Finet was completed on 14 May 2020. Immediate after the disposal, the Group has no equity interest in Future Finet and Future Finet ceased to be a subsidiary of the Company.

The breakdown of assets/(liabilities) of Future Finet as at 14 May 2020, the date of disposal, and the consideration of disposal is as follow:

	HKD'000
Property, plant and equipment	10,590
Inventories	407
Trade and other receivables	5,495
Cash and bank balances	6
Trade payables	(2,000)
Accruals and other payables	(8,887)
Amount due to ultimate holding company	(6,942)
Net liabilities of Future Finet disposed of	(1,331)
Non-controlling interests	634
Gain on disposal of a subsidiary	755
Assignment of amount due from a subsidiary to the Buyer	6,942
Total consideration to be satisfied by cash	7,000

Cashflow movement in relation to the disposal during the six months ended 30 June 2020:

	HKD'000
Cash consideration received (<i>Note</i>)	4,730
Cash at bank disposed of	(6)
Net cash inflow arising on disposal of a subsidiary	4,724

Note: The remaining consideration amounted to approximately HKD2,270,000 was received in August 2020.

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23. DISPOSAL OF SUBSIDIARIES (Continued)

(b) Disposal of 鉅合

In April 2020, 深圳未徠機器人 entered into certain sale and purchase agreements with certain independent third parties, pursuant to which the Group agreed to dispose of its 51% equity interest in 鉅合 (representing the entire equity interest in 鉅合 held by the Group) with an aggregate cash consideration of RMB500,001 (equivalent to approximately HKD548,000). The disposal was completed on 21 April 2020.

The breakdown of assets/(liabilities) of 鉅合 as at, 21 April 2020, the completion date of disposal, and the consideration of disposal is as follow:

	HKD'000
Property, plant and equipment	35
Trade and other receivables	144
Cash and bank balances	521
Accruals and other payables	(395)
Net assets of 鉅合 disposal of	305
Non-controlling interests (Note (i))	25
Gain on disposal of a subsidiary	218
Total consideration to be satisfied by cash (Note (ii))	548

Cashflow movement in relation to the disposal during the six months ended 30 June 2020:

Cash at bank disposed of	(521)
Net cash outflow arising on disposal of subsidiary	(521)

Notes:

- (i) The Group and the non-controlling shareholder agreed to contribute RMB5,100,000 (equivalent to approximately HKD5,590,000) and RMB4,900,000 (equivalent to approximately HKD5,371,000) in 鉅合 on its date of incorporation. Up to the completion date of disposal, the share capital of 鉅合 was contributed by the Group and the non-controlling shareholder amounted to RMB500,000 (equivalent to approximately HKD547,000) and RMB167,000 (equivalent to approximately HKD183,000) respectively, and the accumulated loss shared to the Group and the non-controlling shareholder amounted to approximately RMB198,000 (equivalent to approximately HKD217,000) and approximately RMB190,000 (equivalent to approximately HKD208,000) respectively.

The balance of non-controlling interest of approximately HKD25,000, representing the paid-up capital by and accumulated loss shared to the non-controlling shareholder.

- (ii) The total consideration was included in other receivables as disclosed in Note 16.

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24. COMMITMENTS

a) Operating lease – the Group as lessor

The Group leases its investment properties under operating lease arrangements, with leases negotiated for terms of ranging from 1 to 4 years. The terms of the leases also require the tenants to pay security deposits and provide for periodic rental adjustments according to the then prevailing market conditions.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	30 June 2021 HKD'000 (Unaudited)	31 December 2020 HKD'000 (Audited)
Within one year	6,435	14,278
Over one year but within two years	2,597	4,904
Over two years but within three years	1,857	1,147
Over three years but within four years	1,021	677
Over four years but within five years	443	37
	12,353	21,043

b) Other commitment

Unpaid share capital for 揚州越界

For the 30% registered capital of RMB1,980,000 (equivalent to approximately HKD2,339,000) (31 December 2020: RMB1,980,000 (equivalent to approximately HKD2,323,000)) for 揚州越界, an associate of the Company, the Group shall pay the remaining amount of 30% registered capital amounting to RMB1,480,000 (equivalent to approximately HKD1,780,000) (31 December 2020: RMB1,480,000 (equivalent to approximately HKD1,764,000)) within two years after the date of issuance of business license on 16 October 2019.

For the unpaid registered capital, the directors of the Company considered that the risk to pay the penalty is remote and hence no provision for the penalty has been provided as at 30 June 2021 and 31 December 2020.

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25. MATERIAL RELATED PARTY TRANSACTIONS AND DISCLOSURES

(a) Transactions with related parties

Save as disclosed elsewhere in the Interim Financial Statements, the Group had the following material transactions with related parties during the six months ended 30 June 2021:

- (i) During the six months ended 30 June 2021, 合肥哈工焊研威達自動化科技有限公司 (“合肥哈工焊研威達”), an indirectly non-wholly-owned subsidiary of the Company, outsourced the assembling work to and purchased raw materials from 成都焊研威達科技股份有限公司 (“成都焊研威達”) of high technology business of approximately RMB9,341,000 (equivalent to approximately HKD11,209,000) (six months ended 30 June 2020: RMB27,162,000 (equivalent to approximately HKD29,941,000)), in which 金雲龍 is the key management personnel of both 合肥哈工焊研威達 and 成都焊研威達. During the six months ended 30 June 2020, 合肥哈工焊研威達 also received the aggregate income on high technology business from 成都焊研威達 of approximately RMB27,382,000 (equivalent to approximately HKD30,183,000).
- (ii) During the six months ended 30 June 2021, 合肥哈工廣泰數控科技有限公司 (“合肥哈工廣泰”), an indirectly non-wholly-owned subsidiary of the Company, purchased inventory of high technology business from 成都廣泰威達數控技術股份有限公司 (“成都廣泰威達”) of approximately RMB4,089,000 (equivalent to HKD4,907,000) (six months ended 30 June 2020: RMB4,572,000 (equivalent to approximately HKD5,040,000)), in which 金雲龍 is the key management personnel of both 合肥哈工廣泰 and 成都廣泰威達.

(b) Compensation to key management personnel

The remuneration for key management personnel of the Group, including directors and other members of key management, during the six months ended 30 June 2021 was as follows:

	Six months ended 30 June	
	2021 HKD'000 (Unaudited)	2020 HKD'000 (Unaudited)
Fees, salaries, bonuses and other benefits in kind	2,161	3,432
Contributions to retirement benefits scheme	65	122
Share-based payment expenses	685	9,422
	2,911	12,976

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021

26. FAIR VALUE MEASUREMENT OF THE FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis.

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurement is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value as at		Fair value Hierarchy	Valuation technique(s) and key inputs	Significant unobservable inputs
	30 June 2021 HKD'000 (Unaudited)	31 December 2020 HKD'000 (Audited)			
Listed equity securities classified as financial assets at FVTOCI	124,887	220,117	Level 1	Quoted bid prices in an active market	N/A
Listed equity securities classified as financial assets at FVTPL	-	1,394	Level 1	Quoted bid prices in an active market	N/A

There were no transfers between Level 1, 2 and 3 in current period and prior year.

The directors of the Company considered that carrying amounts of financial assets and financial liabilities recognised in the Interim Financial Statements approximate their fair values.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2021

27. EVENTS AFTER THE END OF THE REPORTING PERIOD

(a) Acquisition of property

On 20 May 2021, Topsy Eagle Limited (the “**Purchaser**”), a wholly owned subsidiary of the Company, entered into the sale and purchase agreement with the vendor (the “**Vendor**”) in relation to the acquisition of the property (the “**Acquisition**”) by the Purchaser for an aggregate consideration of HKD40,000,000 of which HKD1,000,000 will be satisfied in cash and the remaining balance of HKD39,000,000 shall be satisfied by issuing promissory note to the Vendor.

The Acquisition was approved by the shareholder of the Company at the extraordinary general meeting of the Company held on 18 August 2021. The acquisition was not completed as at the date of authorising of these Interim Financial Statements. Further details of the acquisition are set out in the Company’s announcements dated 20 May 2021 and 18 August 2021 and the Company’s circular dated 23 July 2021.

(b) Disposal mandate for disposal of listed securities

On 20 May 2021, the Company proposed to seek approval for the further disposal mandate (the “**Further Disposal Mandate**”) from the shareholders at the extraordinary general meeting in advance to allow the Directors to dispose of up to 1,111,230,000 CMBC Capital Holdings Limited shares, a company incorporated in Bermuda with limited liability whose shares are listed on the main board of the Stock Exchange, during the mandate period.

The Further Disposal Mandate was approved by the shareholders of the Company at the extraordinary general meeting of the Company held on 18 August 2021. For more information, please refer to the Company’s announcements on 20 May 2021 and 18 August 2021 and the circular dated 23 July 2021.

(c) Share swap between the Company and CA Cultural Technology Group Limited (“CA Cultural”) (“Share Swap”)

On 24 August 2021, the Company and CA Cultural entered into the share swap agreement (the “**Share Swap Agreement**”) pursuant to which, subject to fulfillment of the conditions set out in the Share Swap Agreement, the parties thereto have agreed that:

- (i) the Company shall subscribe for and CA Cultural shall allot and issue 4,000,000 CA Cultural subscription shares (“**CA Cultural Subscription Shares**”) under the CA Cultural general mandate, representing approximately 0.407% of the existing issued share capital of CA Cultural as at the date of authorising of these Interim Financial Statements and approximately 0.406% of the issued share capital of CA Cultural as enlarged by the allotment and issue of the CA Cultural Subscription Shares pursuant to the Share Swap Agreement, credited as fully paid to the Company (or its nominee) at the CA Cultural subscription price of HKD2.38 per CA Cultural Subscription Share for a total consideration of HKD9,520,000; and
- (ii) CA Cultural shall subscribe for and the Company shall allot and issue 95,000,000 subscription shares of the Company (“**FW Subscription Shares**”) under the general mandate, representing approximately 9.51% of the existing issued share capital of the Company as at the date of authorising of these Interim Financial Statements and approximately 8.68% of the issued share capital of the Company as enlarged by the allotment and issue of the FW Subscription Shares pursuant to the Share Swap Agreement, credited as fully paid to CA Cultural (or its nominee) at the subscription price of HKD0.10 per FW Subscription Share for a total consideration of HKD9,500,000.

The Share Swap is not completed as at the date of authorising of these Interim Financial Statements. Further details of the Share Swap are set out in the Company’s announcement dated 24 August 2021.

Other Information

DIRECTORS' INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2021, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules were as follows:

Long positions in the ordinary shares and the underlying shares of the Company

Name of Directors	Capacity	Personal Interest	Other Interest (Note)	Total Interest	Percentage of Company's issued share capital
Siu Yun Fat	Beneficial owner	3,440,000	6,165,168	9,605,168	0.96%
Yu Qingrui	Beneficial owner	2,670,221	15,565,168	18,235,389	1.83%
Cai Linzhan	Beneficial owner	11,014,457	6,165,168	17,179,625	1.72%
Tam Tak Wah	Beneficial owner	13,367	–	13,367	0.001%

Note: These interests represent options granted to the Directors as beneficial owners under the share option scheme of the Company. Details of the interests of the Directors in the share options of the Company are disclosed in the section "Share Option Scheme" below.

Save as disclosed above, as at 30 June 2021, none of the directors or chief executive of the Company had registered an interest or short positions in the shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the Share Option Scheme and the Share Award Scheme disclosed below, at no time during the Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its holding companies, subsidiaries and fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 22 February 2012, a share option scheme (the “**2012 Share Option Scheme**”) was adopted. Since the 2012 Share Option Scheme will be expired on 21 February 2022, at the annual general meeting of the Company held on 30 June 2021, ordinary resolutions were proposed to approve the adoption of a new share option scheme (the “**2021 Share Option Scheme**”) and termination of the operation of the 2012 Share Option Scheme. The resolutions were approved by the Shareholders and the 2021 Share Option Scheme became effective for a period of 10 years commencing on 30 June 2021. A summary of the principal terms of the 2021 Share Option Scheme was set out in the circular to the Shareholders dated 26 May 2021. Options granted during the life of the 2012 Share Option Scheme and remain unexpired prior to the expiry of the 2012 Share Option Scheme shall continue to be exercisable in accordance with their terms of issue after the expiry of the 2012 Share Option Scheme.

During the Period, no share options were granted under the 2021 Share Option Scheme. Details of the movements in the share options under the 2012 Share Option Scheme during the Period are as follows

Grantee	Date of grant (Note)	Exercise price per shares HKD	Number of share options				As at 30.06.2021	Exercise period	Vesting date
			As at 01.01.2021	Granted during the period	Exercised during the period	Lapsed during the period			
Scheme 2012									
Directors									
Siu Yun Fat	26.03.2019	2.502	944,662	-	-	(944,662)	-	26.03.2019 – 25.03.2021	26.03.2020
	27.03.2020	0.563	6,165,168	-	-	-	6,165,168	27.03.2020 – 26.03.2022	27.03.2020
	21.05.2021	0.1254	-	9,400,000	(9,400,000)	-	-	21.05.2021 – 20.05.2023	21.05.2021
Yu Qingrui	26.03.2019	2.502	944,662	-	-	(944,662)	-	26.03.2019 – 25.03.2021	26.03.2020
	27.03.2020	0.563	6,165,168	-	-	-	6,165,168	27.03.2020 – 26.03.2022	27.03.2020
	21.05.2021	0.1254	-	9,400,000	-	-	9,400,000	21.05.2021 – 20.05.2023	21.05.2021
Cai Linzhan	27.03.2020	0.563	6,165,168	-	-	-	6,165,168	27.03.2020 – 26.03.2022	27.03.2020
	21.05.2021	0.1254	-	9,400,000	(9,400,000)	-	-	21.05.2021 – 20.05.2023	21.05.2021
Employees									
In aggregate	26.03.2019	2.502	994,381	-	-	(994,381)	-	26.03.2019 – 25.03.2021	26.03.2020
	27.03.2020	0.563	6,562,920	-	-	-	6,562,920	27.03.2020 – 26.03.2022	27.03.2020
	21.05.2021	0.1254	-	25,400,000	(25,400,000)	-	-	21.05.2021 – 20.05.2023	21.05.2021
Consultants									
In aggregate	26.03.2019	2.502	1,988,764	-	-	(1,988,764)	-	26.03.2019 – 25.03.2021	26.03.2020
	06.06.2019	1.605	2,983,146	-	-	(2,983,146)	-	06.06.2019 – 05.06.2021	06.06.2020
	21.05.2021	0.1254	-	9,400,000	(9,400,000)	-	-	21.05.2021 – 20.05.2023	21.05.2021
Total			32,914,039	63,000,000	(53,600,000)	(7,855,615)	34,458,424		

Other Information

Note: The closing price of the shares immediately before 26 March 2019 was HKD2.02.

The closing price of the shares immediately before 6 June 2019 was HKD1.54.

The closing price of the shares immediately before 27 March 2020 was HKD0.56.

The closing price of the shares immediately before 21 May 2021 was HKD0.123.

Apart from the above movements, no share options were granted, exercised, lapsed or cancelled under the share option scheme of the Company during the Period.

As at the date of this report, an aggregate of 34,458,424 shares are issuable for share options granted under the 2012 Share Option Scheme, representing approximately 3.45% of the total number of issued shares of the Company. The weighted average remaining contractual life of these outstanding share options is approximately 1.05 year (31 December 2020: 1.01 years).

During the Period, expenses of HKD1,513,000 was recognised by the Group (six months period ended 30 June 2020: HKD17,498,000) in relation to share options granted by the Company.

SHARE AWARD SCHEME

The Company adopted a share award scheme on 15 July 2015 (the “**Share Award Scheme**”). The purposes and objectives of the Share Award Scheme are to recognise the contributions by certain employees and persons to the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of and contribution to the Group.

The existing scheme mandate limit in respect of the granting of share awards under the Share Award Scheme has been refreshed at the annual general meeting of the Company held on 31 May 2018 which the total number of shares of the Company may be awarded under the Share Award Scheme shall not be exceed 10% of the shares of the Company in issue as at 31 May 2018. Notwithstanding the foregoing, the Company will not issue or grant any awarded shares under the Share Award Scheme which would result in the total number of the awarded shares together with shares which may be issued upon exercise of all outstanding share options granted but yet to be exercised under the share option scheme of the Company representing in aggregate over 30% of the Company’s shares in issue as at the date of such grant.

During the Period, no shares of the Company were purchased by the trustee of the Share Award Scheme pursuant to the terms of the trust deed of the Share Award Scheme (2020: Nil). No share award has been granted, vested, lapsed and cancelled during the Period.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 June 2021, the following interests of more than 5% of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in the ordinary shares and the underlying shares of the Company

Name of Shareholder	Capacity	Number of Shares	Percentage of the Company's issued share capital
Harbin Industrial University Asset Investment Company Limited (哈爾濱工業大學資產投資經營有限責任公司) ("HIU Asset") (Note 1)	Interest of controlled corporation	189,080,000	18.93%
HIT Robot Group Co., Ltd (哈工大機器人集團股份有限公司) ("HIT Robot Group") (Note 2)	Interest of controlled corporations	189,080,000	18.93%
HIT Robotics Group Shanghai Technology Service Co., Ltd. (哈工大機器人集團上海科技服務有限公司) ("HIT Robotics Shanghai") (Note 3)	Interest of controlled corporations	189,080,000	18.93%
HRG Robotics International Limited (“HRG Robotics”)	Beneficial owner	189,080,000	18.93%

Notes:

1. HIU Asset directly holds approximately 30.01% of the equity interest in HIT Robot Group. By virtue of the SFO, HIU Asset is deemed to be interested in the 189,080,000 shares of the Company.
2. HIT Robot Group is deemed to be interested in 189,080,000 shares of the Company held by HRG Robotics by virtue of its 100% interests in the share capital of HIT Robotics Shanghai, which in turn holds 100% in the share capital of HRG Robotics.
3. HRG Robotics is wholly-owned by HIT Robotics Shanghai and HIT Robotics Shanghai is deemed to be interested in 189,080,000 shares of the Company held by HRG Robotics under SFO.

Save as disclosed above, the Company had not been notified of other relevant interests or short positions in the shares and underlying shares of the Company as at 30 June 2021 as required pursuant to section 336 of the SFO.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 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.

Other Information

The Company also adopted a code on 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 Company has complied with all code provisions of the Corporate Governance Code (the “**CG Code**”) throughout the Period as set out in Appendix 14 of the Listing Rules except for the following deviations:

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer (“**CEO**”) should be separate people and should not be performed by the same individual. During the Period, the roles of the chairman and the chief executive officer of the Company are not separate and both are performed by Mr. Liang Jian. The Board considers that this structure will not impair the balance of the power and authority between the Board and the management of the Company. The roles of the respective executive Directors and senior management, who are in charge of different functions complement the roles of chairman and chief executive officer. The Board believes that this structure is conducive to strong and consistent leadership which enables the Group to operate efficiently. The Board understands the importance of complying with the code provision A.2.1 of the Code and will continue to consider the feasibility of compliance. If compliance is determined, appropriate person will be nominated to take up the different roles of chairman and chief executive officer.

Code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term. The independent non-executive directors were appointed with no specific term. All independent non-executive directors are subject to the requirement to retire by rotation at least once every three years. The Board considers that the requirement has the same effect of accomplishing the same objective as a specific term of appointment.

SHARE CAPITAL

Details of movements in the share capital of the Company are set out in Note 20 to the condensed consolidated interim financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any shares of the Company during the Period.

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 14 to the Listing Rules.

By Order of the Board
Liang Jian
Chairman

Hong Kong, 27 August 2021