



Amber Hill Financial Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 33

2021/22
Interim Report



CONTENTS

CORPORATE INFORMATION	2
MANAGEMENT DISCUSSION AND ANALYSIS	4
DISCLOSURE OF INTERESTS	12
CORPORATE GOVERNANCE AND OTHER INFORMATION	15
UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	18

CORPORATE INFORMATION

Executive Directors

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

Non-executive Director

Dai Chengyan (*Appointed on 25 August 2021*)
Huang Shao Long (*Resigned on 25 August 2021*)

Independent Non-executive Directors

Wang Jun Sheng
Lo Hang Fong
Anthony Espina (*Passed away and ceased to be Director with effect from 6 February 2022*)

Executive Committee

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

Audit Committee

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

Remuneration Committee

Wang Jun Sheng (*Chairman*)
Ng Yu
Anthony Espina (*Passed away and ceased to be Director with effect from 6 February 2022*)

Nomination Committee

Wang Jun Sheng (*Chairman*)
Lin Feng (*Appointed on 25 August 2021*)
Anthony Espina (*Passed away and ceased to be Director from 6 February 2022*)
Wei Weicheng (*Resigned on 25 August 2021*)

Risk Management Committee

Lin Feng (*Chairman*) (*Appointed on 25 August 2021*)
Wang Jun Sheng
Anthony Espina (*Passed away and ceased to be Director from 6 February 2022*)
Wei Weicheng (*Resigned on 25 August 2021*)

Authorised Representatives

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

Company Secretary

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

Website

www.ahfh.com.hk

Registered Office

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

Principal Place of Business in Hong Kong

19/F, One Hennessy
1 Hennessy Road
Wan Chai
Hong Kong

Principal Share Registrar and Transfer Office

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

CORPORATE INFORMATION

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

Principal Bank

Bank of China (Hong Kong)

Auditor

CHENG & CHENG LIMITED
Certified Public Accountants
Level 35, Tower 1, Enterprise Square Five
38 Wang Chiu Road, Kowloon Bay
Kowloon
Hong Kong

Stock Code

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

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY PROFILE

Amber Hill Financial Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) was incorporated and domiciled in the Cayman Islands under Companies Law (2004 Revision) of the Cayman Islands as an exempted company with limited liability on 20 March 2007. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). On 31 December 2020, the Company announced the change of its financial year end date from 31 December to 30 June. Accordingly, the current financial reporting period will cover a six-month period from 1 July 2021 to 31 December 2021, and the unaudited comparative figures from 1 July 2020 to 31 December 2020 (the “Reporting Period”).

The Group is principally engaged in trading of party products, securities and commodities brokerage and asset management, advancing business and trading of commodities.

FINANCIAL REVIEW

During the second half of 2021, the Group prudently maintained its existing business operations and continued its stringent control over the operating costs.

The Group recorded revenue of HK\$215.51 million for the Reporting Period (corresponding period in 2020: HK\$46.86 million), representing an increase of 360%. The increase in revenue was mainly due to the increase in revenue of trading of party products, securities and commodities brokerage and asset management and trading of commodities. For details, please refer to Business Review Section.

Cost control measures continue to be in place in second half of 2021, and operating expenses increased by 22.6% to HK\$25.76 million during the Reporting Period as compared with the corresponding period in 2020. Profit from operations of HK\$37.15 million for the Reporting Period was recorded. Net profit attributable to equity shareholders of the Company for the Reporting Period was HK\$48.91 million (corresponding period in 2020: net loss of HK\$15.21 million), which was mainly attributable to the abovementioned profit from operations, and (i) finance cost of around HK\$0.77 million, (ii) gain on disposal of subsidiaries of around HK\$11.20 million and (iii) reversal of impairment on certain receivables of HK\$1.29 million.

During the Reporting Period, the earnings per share of the Company was HK9.10 cents (corresponding period in 2020: loss per share HK11.69 cents (restated as a result of completion of the share consolidation of the Company with effect from 1 December 2020)).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Trading of Party Products

The revenue generated from the trading of party products segment sharply increased to HK\$97.93 million (corresponding period in 2020: HK\$17.15 million) during the Reporting Period. The trading of party products segment of the Group comprises of merchandising and providing consumer hard goods, primarily party and festivity products. In 2021, with the proceeds received from the Right Issue, the Group has increased its investment in this segment for the development of both the PRC and Asian market and have tried to broadening its product range. All these measures have successfully contribute to the sharp improvement in revenue even in this COVID-19 pandemic period.

The board (the “Board”) of directors (the “Directors”) of the Company is confident about the future prospects of this business segment with promising long-term growth rates and believes that the effect of the COVID-19 pandemic would only be temporary and would be lessened gradually with the increase in the vaccination rates worldwide.

Securities and Commodities Brokerage and Assets Management

The Group recorded a revenue of HK\$46.30 million (corresponding period in 2020: HK\$8.42 million) from this segment during the Reporting Period.

The Group currently has the licenses to carry out Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities (collectively the “Asset Management Licenses”) under the Securities and Futures Ordinance (Chapter 571 of laws of Hong Kong) (the “SFO”). During the Reporting Period, the Group provided segregated management account services to an independent third party for a segregated portfolio with an asset value of approximately US\$180 million (the “Segregated Portfolio”). The Segregated Portfolio involved spot foreign exchange trading with the aid of algorithmic model. During the Reporting Period, the Group achieved a year-to-date portfolio return of approximately 7.4% for the Segregated Portfolio and generated revenue of approximately HK\$46 million in terms of performance fee and account setup and administrative fees from the provision of asset management services.

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

MANAGEMENT DISCUSSION AND ANALYSIS

To support this, the controlling shareholder of the Company, Neo Tech Inc., has granted an interest free facility of US\$200 million to the Group and during the Reporting Period, the Group has drawn down around US\$161 million (“Shareholders’ Loan”) for building up its track record in conducting spot foreign exchange trading and for the Group’s general business use. This has generated around HK\$14.34 million gain in such spot foreign exchange trading. In January 2022, the Group has fully repaid the Shareholders’ Loan and maintained the facility. For details, please refer to the Group’s announcement dated 20 January 2022.

The Group will continue to identify and evaluate suitable business expansion and investment management opportunities for the asset management business of the Group in other countries and regions, as well as to explore and devote resources to the application of technological innovation in this business segment.

Trading of Commodities

During the Reporting Period, the Group generated revenue of HK\$70.96 million (corresponding period in 2020: HK\$21.03 million) from this segment. The Group has resumed this segment in the second half of 2020 and gradually expand this segment by purchasing different commodities from upstream companies and sell them to downstream companies as well as exploring other business opportunities in the Asian regions.

Advancing Business

Due to the spread of the COVID-19 pandemic, the management has continued its prudent approach in managing this business segment. The Group commenced its money lending business by lending loans in the amount of HK\$2 million (corresponding period in 2020: nil) as at 31 December 2021. The income from term loans for the Reporting Period was approximately HK\$133,000 (corresponding period in 2020: nil).

Originally and as previously disclosed, the Company intends to apply approximately HK\$15 million from the proceeds of the Rights Issue and Share Subscription for financing the advancing business of the Group. However, due to the unstable COVID-19 pandemic environment, the Group’s management used a more prudent approach and delay the used of the proceeds. In future, the Company will develop this advances business with relatively larger sum to borrowers who are capable of providing personal guarantee, asset pledge or other collaterals to secure the loans. It is anticipated that interest from the advances will generate stable source of revenue to the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2021, (i) the Group's net current assets were HK\$183.41 million (30 June 2021: HK\$132.53 million); (ii) the Group's total assets less current liabilities were HK\$200.34 million (30 June 2021: HK\$150.91 million); (iii) the Group's current ratio was 1.13 (30 June 2021: 1.54); and (iv) the Group's gearing ratio was 7.17% (30 June 2021: 23.46%). The Group's gearing ratio was calculated as net debts divided by total assets. The Group's net debts include convertible bonds, shareholder's loan and other loan less cash and bank balances.

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

In November 2021, the controlling shareholder of the Company, Neo Tech Inc., has granted an interest free facility of US\$200 million to the Group and as at 31 December 2021, the outstanding principal amount of such loan was HK\$1,255.80 million (30 June 2021: nil).

As at 31 December 2021, there were loans to third parties of around HK\$20.40 million (30 June 2021: HK\$41.85 million).

As at 31 December 2021, the Group had cash and bank balances of HK\$1,391.45 million (30 June 2021: HK\$248.78 million). The cash and bank balances were denominated in HK dollar, Renminbi and US dollar. The Group had no structured investment products and foreign exchange contracts as at 31 December 2021. The Group is not exposed to material fluctuations in exchange rates.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE AND FUND-RAISING ACTIVITIES

As at 31 December 2021, the authorised share capital of the Company was HK\$10,000,000,000 divided into 1,000,000,000,000 shares of HK\$0.01 each, and the issued share capital of the Company was HK\$5,372,451 divided into 537,245,104 shares of HK\$0.01 each.

For the six months ended 31 December 2021, there was no change in the capital structure of the Company.

Major changes in relation to the capital structure of the Company for the six months ended 31 December 2020 are as follows:

A. Share Capital

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

On 11 September 2020, the Company announced, among other things, a rights issue (the “Rights Issue”) at the subscription price of HK\$0.71 per rights share on the basis of three (3) rights shares for every one (1) consolidated Share held by the qualifying shareholders on the record date; and (ii) the issuance of up to 330,664,157 subscription shares (the “Share Subscription”) under specific mandate for subscription by Neo Tech Inc., where such shares for subscription shall be equivalent to the number of unsold right shares under the Rights Issue and subject to the public float requirement under the Listing Rules. The Rights Issue and Share Subscription were approved by the shareholders at the extraordinary general meeting of the Company held on 27 November 2020. On 13 January 2021, the Rights Issue was approximately 29.35% subscribed, and the remaining 284,673,884 unsubscribed rights shares, representing approximately 70.65% of the total number of rights shares offered under the Rights Issue, and no unsubscribed rights shares were placed under the compensatory arrangements. Accordingly, on 25 January 2021, 284,673,884 subscription shares were allotted and issued by the Company to Neo Tech Inc. for a total consideration of HK\$202,118,457.64 at the subscription price of HK\$0.71 per share. The gross proceeds and the net proceeds (after deducting expenses) raised from the Rights Issue and the Share Subscription are approximately HK\$286 million and approximately HK\$284 million respectively. Details of the Rights Issue and Share Subscription were set out in the circular of the Company dated 4 November 2020, the prospectus of the Company dated 11 December 2020 and the announcements of the Company dated 7 December 2020, 31 December 2020, 13 January 2021 and 25 January 2021 respectively.

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

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

B. Convertible Bonds

Details on the movements of the convertible bonds during the Reporting Period are set out in note 13.

MERGERS, ACQUISITIONS AND DISPOSAL

Save for the sale and purchase agreement dated 29 September 2021 entered into by the Group with an independent third party, in relation to the disposal of the entire issued share capital of Market Season Limited and AIF Finance Limited, which was completed in 31 December 2021, the Group did not have any significant merger, acquisition or disposal during the Reporting Period. Details of the disposal of subsidiaries are set out in note 15.

SIGNIFICANT INVESTMENTS

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

MANAGEMENT DISCUSSION AND ANALYSIS

CHARGE OF ASSETS

As at 31 December 2021, the Group did not have any charge of assets.

CONTINGENT LIABILITIES

As at 31 December 2021, the Group did not have any material contingent liabilities.

FOREIGN CURRENCY RISK

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

HUMAN RESOURCES

As at 31 December 2021, the Group had 34 employees (30 June 2021: 32 employees). It is the Group's policy to recruit the right person for each position based on the person's qualification and experience. The remuneration of each employee is reviewed every year based on the performance of the employee with reference to the prevailing market conditions.

CAPITAL COMMITMENTS

As at 31 December 2021, the Group did not have any material capital commitment.

PROSPECTS

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

DISCLOSURE OF INTERESTS

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

As at 31 December 2021, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Appendix 10 of the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange, were as follows:

Long Position

Name	Nature of interests	Number of shares (the "Shares")	Class of Share	Percentage to the issued share capital of the Company
Dr. Ng Yu	Beneficial Owner	244,800	Ordinary shares	0.05%
	Interest in controlled corporation	<u>390,821,084</u>	Ordinary shares	<u>72.74%</u>
Total		<u><u>391,065,884</u></u>		<u><u>72.79%</u></u>

Note: Save as disclosed above, as at 31 December 2021, as far as the Directors are aware, none of the Directors had any other interests, long position or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DISCLOSURE OF INTERESTS

SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on information available to the Board and to the best knowledge of the Board, as at 31 December 2021, other than the interests of the Directors and Chief Executive Officer as disclosed above, the following persons had interests in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO. The number of shares in the issued share capital of the Company as at 31 December 2021 was 537,245,104.

Long Position

Name	Nature of interests	Number of shares	Percentage to the issued share capital of the Company
Neo Tech Inc. <i>(Note)</i>	Beneficial Owner	390,821,084	72.74%

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

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in the above section headed “Directors’ and chief executive’s interests and short positions in shares, underlying shares and debentures of the Company and the associated corporations” and the section headed “Share option scheme” below, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DISCLOSURE OF INTERESTS

SHARE OPTION SCHEME

At the annual general meeting of the Company held on 26 June 2017, the shareholders of the Company approved the adoption of a new share option scheme (the “Share Option Scheme”) which took effect from 26 June 2017 (the “Commencement Date”). The purpose of the Share Option Scheme is to provide incentives or rewards to participants (the “Participants”) of the Share Option Scheme for their contribution to, and continuing efforts to promote the interests of the Group. The Participants (as defined in the Share Option Scheme) include any employees of the Group (including any directors, whether executive or non-executive and whether independent or not, of the Company or any of its subsidiaries) and any distributor, contractor, business partner, promoter, service provider, customer, supplier, consultant, agent and adviser or any person who, in the sole discretion of the Board, has contributed or may contribute to the Group. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for 10 years from 26 June 2017. Pursuant to the existing scheme mandate limit in respect of the grant of options to subscribe for ordinary shares (the “Shares”) of the Company under the Share Option Scheme which was refreshed and renewed according to the approval granted by the Company’s shareholders at the annual general meeting of the Company held on 18 June 2019, the maximum number of the Shares to be allotted and issued pursuant to the grant or exercise of the options under the Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme) must not exceed 10% of the Shares of the Company in issue as at 18 June 2019. Accordingly, options in respect of a maximum of 9,327,172 shares of HK\$0.01 each in the capital of the Company (as a result of completion of the capital reorganisation of the Company with effect from and as announced on 24 July 2019 and upon the share consolidation, which was announced by the Company on 11 September 2020, becoming effective on 1 December 2020) in total may be granted under the existing scheme mandate limit of the Share Option Scheme.

Save as disclosed above, the other principal terms of the Share Option Scheme are as follows:

- (i) The overall maximum number of Shares which may be issued upon the exercise of all outstanding options grants and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the Shares in issue from time to time.
- (ii) The total number of Shares in respect of which options may be granted to each eligible Participant in any 12-month period must not exceed 1% of the issued share capital of the Company for the time being.
- (iii) The subscription price shall be a price determined by the Directors, but shall not be less than the highest of (a) the closing price of the Shares as stated in the Stock Exchange’s daily quotations on the date of grant, which must be a business day; (b) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations for the five business days immediately preceding the date of grant; and (c) the nominal value of the Share.
- (iv) An option may be accepted by an eligible Participant for a period of 21 days from the date upon which the offer of the grant of option is made. A non-refundable nominal consideration of HK\$1.00 is payable by the grantee upon acceptance of an option.

As at 31 December 2021, all share options previously granted were lapsed, and no Share was required to be issued under the Share Option Scheme.

CORPORATE GOVERNANCE AND OTHER INFORMATION

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

During the Reporting Period, the Company has complied with the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules except for the following:

Under A.2.1 of the CG Code, the role of Chairman and Chief Executive Officer should be separated and should not be performed by the same individual and the division of responsibilities between Chairman and Chief Executive Officer should be established and set out in writing. Since 1 April 2011, the Company had no Chief Executive Officer. The functions of Chief Executive Officer were performed by the Executive Committee of the Board. The Board considered that this structure would not impair the balance of the power and authority between the Board and the management of the Company, and had been effective in discharging its responsibilities satisfactorily and facilitating the Company's operation and business development.

NON-COMPLIANCE WITH THE REQUIREMENTS UNDER RULE 3.10 AND RULE 3.21 OF THE LISTING RULES

On 6 February 2022, Mr. Anthony Espina ("Mr. Espina"), an independent non-executive Director, the chairman of the audit committee and a member of the remuneration committee, the nomination committee and the risk management committee of the Company, passed away.

Pursuant to Rule 3.10 of the Listing Rules, every board of directors of a listed issuer must include at least three independent non-executive directors and at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise. Immediately following the passing away of Mr. Espina, the Board only has two independent non-executive Directors resulting in the number of independent non-executive Directors becoming less than three which is below the minimum requirement as prescribed under Rule 3.10 of the Listing Rules and there is no independent non-executive Director who possesses the appropriate qualifications or accounting or related financial management expertise as required under Rule 3.10 of the Listing Rules.

Pursuant to Rule 3.21 of the Listing Rules, every listed issuer must establish an audit committee comprising non-executive directors only and the audit committee must comprise a minimum of three members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules. The audit committee must be chaired by an independent non-executive director. Immediately following the passing away of Mr. Espina, the number of members of the audit committee of the Company has been reduced to two only which is below the minimum requirement prescribed under Rule 3.21 of the Listing Rules, no member of the audit committee possesses appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules and the chairmanship of the audit committee has remained vacant, resulting in non-compliance with the requirement prescribed under Rule 3.21 of the Listing Rules.

CORPORATE GOVERNANCE AND OTHER INFORMATION

To ensure compliance with Rule 3.10 and Rule 3.21 of the Listing Rules, the Company is in the process of identifying suitable candidate(s) to fill the vacancy. The Company will use its best endeavours to ensure that suitable candidate is appointed as soon as practicable and in any event within three months from 6 February 2022 in accordance with the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the “Model Code”) as set out in Appendix 10 of the Listing Rules regarding directors’ securities transactions. Having made specific enquiries to all Directors, all Directors have confirmed that they have complied with the required standard set out in the Model Code during the Reporting Period.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51(B) of the Listing Rules, the changes in information of the Directors subsequent to 30 June 2021 is set out below:

Appointment

Mr. Lin Feng was appointed as the chairman of risk management committee, a member of executive committee and a member of nomination committee of the Board on 25 August 2021.

Cessation

Mr. Wei Weicheng was resigned as Executive Director on 25 August 2021.

Mr. Huang Shao Long was resigned as Non-executive Director on 25 August 2021.

Mr. Anthony Espina passed away and ceased to be Independent Non-executive Director on 6 February 2022.

Other information

Set out below are changes in directorship in other companies of the following Directors during the Reporting Period:

Mr. Anthony Espina passed away and ceased to be (a) an independent non-executive director and a member of the audit committee; (b) a member of each of the remuneration committee and the risk committee; and (c) the chairman of the nomination committee of Target Insurance (Holdings) Limited (stock code: 6161) with effect from 6 February 2022.

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT COMMITTEE

The audit committee of the Board (“Audit Committee”) was established on 30 October 2007. The primary duties of the Audit Committee are to make recommendations on the appointment, re-appointment and removal of external auditor, to review financial statements and make recommendations on the financial reporting, and to review and supervise the financial reporting and internal control procedures of the Group. The Audit Committee shall meet at least four times a year.

Following the passing away of Mr. Anthony Espina on 6 February 2022, the Audit Committee currently comprises two independent non-executive Directors, namely Mr. Wang Jun Sheng and Mr. Lo Hang Fong. The chairmanship of the Audit Committee has remained vacant.

The Audit Committee has, together with the Directors, reviewed this interim report, including the unaudited interim condensed consolidated financial statements, accounting principles and practices adopted by the Group contained herein for the Reporting Period.

On behalf of the Board

Dr. Ng Yu

Chairman and Executive Director

Hong Kong,

25 February 2022

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2021

	Notes	Six months ended 31 December	
		2021	2020
		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Revenue	4	215,510	46,864
Cost of sales and services		(167,343)	(37,989)
Gross profit		48,167	8,875
Other revenue and other net gain	5	14,746	717
Operating expenses		(25,759)	(21,010)
Profit/(loss) from operations		37,154	(11,418)
Finance costs	6(a)	(772)	(6,720)
Other non-operating income	6(b)	11,268	8,877
Reversal of impairment losses/ (impairment losses)	6(c)	1,288	(5,948)
Profit/(loss) before tax	6	48,938	(15,209)
Income tax expense	7	(29)	(3)
Profit/(loss) for the period		48,909	(15,212)
Other comprehensive income/(loss) for the period:			
Items may be reclassified to profit or loss:			
Release of translation reserve upon disposal of foreign subsidiaries		–	101
Exchange differences on translating financial statements of subsidiaries		515	591
		515	692
Total comprehensive income/(loss) for the period		49,424	(14,520)
Profit/(loss) for the period attributable to:			
Equity shareholders of the Company		48,909	(15,212)
Non-controlling interests		–	–
		48,909	(15,212)

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*

For the six months ended 31 December 2021

		Six months ended 31 December	
		2021	2020
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Unaudited)
Total comprehensive income/(loss) for the period attributable to:			
Equity shareholders of the Company		49,423	(14,520)
Non-controlling interests		<u>1</u>	<u>–</u>
		<u>49,424</u>	<u>(14,520)</u>
Earnings/(loss) per share			
— Basic (HK cents)	9	<u>9.10</u>	<u>(11.69)</u>
— Diluted (HK cents)	9	<u>9.10</u>	<u>(11.69)</u>

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

		As at 31 December 2021	As at 30 June 2021
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
Non-current assets			
Property, plant and equipment		15,521	17,984
Right-of-use assets		1,015	–
Deposit paid		400	400
		<u>16,936</u>	<u>18,384</u>
Current assets			
Trading securities	18	200	174
Loan receivable		2,133	–
Trade receivables	10	108,012	108,998
Prepayments, deposits and other receivables		86,778	18,006
Client trust bank balance		779	763
Cash and cash equivalents		1,391,447	248,778
		<u>1,589,349</u>	<u>376,719</u>
Total Assets		<u><u>1,606,285</u></u>	<u><u>395,103</u></u>
Capital and reserves			
Share capital	11	5,372	5,372
Reserves		193,545	144,107
Equity attributable to shareholders of the Company		198,917	149,479
Non-controlling interests		48	3
Total Equity		<u>198,965</u>	<u>149,482</u>

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2021

		As at 31 December 2021	As at 30 June 2021
	Notes	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Non-current liabilities			
Lease liabilities		1,379	1,427
		<u>1,379</u>	<u>1,427</u>
Current liabilities			
Trade payables	12	66,865	53,436
Accruals and other payables		58,377	21,978
Lease liabilities		2,143	1,860
Other loan		20,397	41,852
Shareholder's loan	16(a)	1,255,800	–
Convertible bonds	13	–	114,248
Amount due to a deconsolidated subsidiary		–	8,467
Tax payables		2,359	2,353
		<u>1,405,941</u>	<u>244,194</u>
Total Equity and Liabilities		<u><u>1,606,285</u></u>	<u><u>395,103</u></u>
Net current assets		<u><u>183,408</u></u>	<u><u>132,525</u></u>
Total assets less current liabilities		<u><u>200,344</u></u>	<u><u>150,909</u></u>

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2021

	Attributable to equity shareholders of the Company						Subtotal	Non-controlling interests	Total
	Share capital	Share premium	Translation reserve	Capital reserve	Convertible bonds reserve	Accumulated losses			
	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000			
At 1 July 2021	5,372	4,317,787	(968)	(15,000)	1,493	(4,159,205)	149,479	3	149,482
Release of convertible bonds reserves	-	-	-	-	(1,493)	1,493	-	-	-
Release upon deregistration of subsidiaries	-	-	15	-	-	-	15	44	59
Total comprehensive income for the period	-	-	514	-	-	48,909	49,423	1	49,424
At 31 December 2021	5,372	(4,317,787)	(439)	(15,000)	-	(4,108,803)	198,917	48	198,965
At 1 July 2020	1,119	4,012,921	(1,802)	(15,000)	1,493	(4,128,296)	(129,565)	(70)	(129,635)
Share issuance	224	22,812	-	-	-	-	23,036	-	23,036
Release upon disposal of subsidiaries	-	-	(101)	-	-	-	(101)	-	(101)
Total comprehensive income/ (loss) for the period	-	-	692	-	-	(15,212)	(14,520)	-	(14,520)
At 31 December 2020	1,343	4,035,733	(1,211)	(15,000)	1,493	(4,143,508)	(121,150)	(70)	(121,220)

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2021

	Notes	Six months ended	
		31 December	2020
		2021	2020
		HK\$'000	HK\$'000
		(Unaudited)	(Audited)
Net cash generated from/(used in) operating activities		23,707	(17,906)
Cash flows from investing activities			
Net cash (outflow)/inflow from disposal of subsidiaries	15	(9)	17
Interest received		3	–
Proceeds from disposal of property, plant and equipment		–	531
Purchase of property, plant and equipment		(40)	(46)
Net cash (used in)/generated from investing activities		(46)	502
Cash flows from financing activities			
Repayments of convertible bonds		(114,248)	–
Repayments of other loan		(21,455)	–
Interest paid		(159)	–
Capital element of lease payments		(1,377)	(96)
Interest element of lease payments		(217)	(14)
Proceeds from issuance of shares		–	2,501
Loan from a shareholder		1,255,800	20,535
Net cash generated from financing activities		1,118,344	22,926
Net increase in cash and cash equivalents		1,142,005	5,522
Cash and cash equivalents at beginning of the period		248,778	19,491
Effect of foreign exchange rate changes		664	591
Cash and cash equivalents at end of the period		1,391,447	25,604

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Amber Hill Financial Holdings Limited (the “Company”) was incorporated and domiciled in the Cayman Islands under Companies Law (2004 Revision) of the Cayman Islands as an exempted company with limited liability on 20 March 2007. The Company’s shares were listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) on 19 November 2007.

The Company is an investment holding company. The Company and its subsidiaries (the “Group”) are principally engaged in trading of party products, provision of securities brokerage and assets management services, provision of advisory services, provision of advancing services and trading of commodities.

The address of the principal place of business of the Company is 19/F, One Hennessy, 1 Hennessy Road, Wan Chai, Hong Kong and the Company has been registered as a non-Hong Kong company under Part XI of the Hong Kong Companies Ordinance since 4 September 2007.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31 December 2021 are the same as those presented in the Group’s consolidated financial statements for the eighteen months ended 30 June 2021.

Going concern basis

The directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

3. CHANGE IN ACCOUNTING POLICIES

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 July 2021 for the preparation of the Group’s condensed consolidated financial statements:

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

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and on the disclosures set out in these condensed consolidated financial statements.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. REVENUE

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

Disaggregation of Revenue

Disaggregation by major products or service lines within the scope of HKFRS 15

	Six months ended	
	31 December	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Trading of party products	97,927	17,152
Trading of commodities	70,959	21,033
Advisory income	189	–
Provision of security services	–	255
	<u>169,075</u>	<u>38,440</u>
Revenue from other sources		
Interest income from cash and margin client earned from securities brokerage and assets management business	–	408
Investment income under assets management segment	46,302	8,016
Interest income from advancing business	133	–
	<u>46,435</u>	<u>8,424</u>
Total	<u><u>215,510</u></u>	<u><u>46,864</u></u>
Disaggregation by timing of revenue recognition within the scope of HKFRS 15		
— At a point in time	168,886	38,185
— Over time	189	255
	<u><u>169,075</u></u>	<u><u>38,440</u></u>

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. OTHER REVENUE AND OTHER NET GAIN

	Six months ended	
	31 December	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Reversal of lease liabilities	–	287
Net exchange loss	(226)	(86)
Interest income	24	63
Investment income under spot foreign exchange		
currency trading	14,341	–
Dividend income	1	1
Realised gain on disposal of trading securities	26	–
Sundry income	580	413
Gain on disposal of property, plant and equipment	–	39
	14,746	717
	14,746	717

6. PROFIT/(LOSS) BEFORE TAX

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

	Six months ended	
	31 December	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
(a) Finance costs		
Interest on convertible bonds	159	5,750
Interest on shareholder's loan	–	485
Interest on lease liabilities	217	16
Interest on other borrowings	396	469
	772	6,720
Total	772	6,720

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. PROFIT/(LOSS) BEFORE TAX *(Continued)*

	Six months ended	
	31 December	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
(b) Other non-operating income		
Gain on disposal of subsidiaries	(11,198)	(4,447)
Gain on termination of profit guarantees and cancellation of convertible bonds	–	(4,428)
Net gain on deregistration of a subsidiary	(70)	–
Others	–	(2)
	<u> </u>	<u> </u>
Total	<u><u>(11,268)</u></u>	<u><u>(8,877)</u></u>
(c) (Reversal of impairment losses)/ impairment losses:		
Impairment loss on loan receivable, net	–	89
(Reversal of impairment loss)/impairment losses on trade receivables, net	(1,249)	5,430
(Reversal of impairment loss)/impairment losses on prepayments, deposits and other receivables, net	(39)	429
	<u> </u>	<u> </u>
Total	<u><u>(1,288)</u></u>	<u><u>5,948</u></u>
(d) Other items		
Depreciation on property, plant and equipment	2,499	1,574
Depreciation on right-of-use assets	597	72
	<u> </u>	<u> </u>
Total	<u><u>3,096</u></u>	<u><u>1,646</u></u>

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. INCOME TAX

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

	Six months ended	
	31 December	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current tax — PRC Income Tax		
Charged for the period	<u>(29)</u>	<u>(3)</u>
Total income tax charge	<u><u>(29)</u></u>	<u><u>(3)</u></u>

No provision for Hong Kong Profits Tax has been made for the six months ended 31 December 2021 as the Group has no assessable profits for the period (2020: HK\$Nil).

The provision for PRC Income Tax for the six months ended 31 December 2021 was calculated at 25% of the estimated assessable profits for the period (2020: 25%).

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

8. DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 31 December 2021 and 31 December 2020.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. EARNINGS/(LOSS) PER SHARE

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

	Six months ended	
	31 December	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to equity shareholders of the Company	48,909	(15,212)
	Number of shares	
The weighted average number of ordinary shares	537,245,104	130,174,879

For the six months ended 31 December 2021, the computation of diluted earnings per share does not assume the conversion of the Company's outstanding convertible bonds since their assumed exercise would result in an increase in earnings per share.

For the six months ended 31 December 2020, the computation of diluted earnings per share did not assume the conversion of the Company's outstanding convertible bonds since their assumed exercise would result in a decrease in loss per share. In addition, there were no dilutive effects from the Company's outstanding share options as the exercise price of these share options was higher than the average market price of the Company's shares during the period.

The weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share has been adjusted for the share consolidation on 1 December 2020.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. TRADE RECEIVABLES

	At	At
	31 December	30 June
	2021	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Trade receivables arising from dealing in securities	2,813	2,813
Interest receivables arising from advancing business	–	12,387
Trade receivables arising from trading of party products	107,899	104,246
Trade receivables arising from trading of commodities	48	5,905
	110,760	125,351
Less: Impairment	(2,748)	(16,353)
	108,012	108,998

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

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

	At	At
	31 December	30 June
	2021	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Within 30 days	41,806	104,296
31 to 60 days	19,585	–
61 to 90 days	22,471	–
Over 90 days	24,150	4,702
	108,012	108,998
Trade receivables from dealing in securities not past due	(65)	(64)
	107,947	108,934

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. SHARE CAPITAL

	Number of shares	Amount
	'000	HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each		
At 30 June 2021, 1 July 2021 and 31 December 2021	1,000,000,000	10,000,000
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
At 30 June 2021, 1 July 2021 and 31 December 2021	537,245	5,372

12. TRADE PAYABLES

	At 31 December 2021	At 30 June 2021
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Trade payables arising from dealing in securities	778	763
Trade payables arising from trading of commodities	29	–
Trade payables arising from trading of party products	66,058	52,673
	66,865	53,436

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. TRADE PAYABLES (Continued)

The ageing analysis of trade payables based on the date of the invoice arising from trading of party products and trading of commodities is as follows:

	At 31 December 2021	At 30 June 2021
	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
0 to 30 days	32,707	53,436
31 to 60 days	9,656	–
61 to 90 days	8,755	–
Over 90 days	15,747	–
	<u>66,865</u>	<u>53,436</u>

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

13. CONVERTIBLE BONDS

	As at 31 December 2021			As at 30 June 2021		
	Liability portion	Equity portion	Total	Liability portion	Equity portion	Total
	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)	<i>HK\$'000</i> (Audited)	<i>HK\$'000</i> (Audited)
Convertible Bonds	–	–	–	114,248	1,493	115,741
Representing:						
Current liabilities	–	–	–	114,248	–	114,248
Convertible bonds reserve	–	–	–	–	1,493	1,493

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

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. CONVERTIBLE BONDS *(Continued)*

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

Details of the convertible bonds restructure are set out in Note 37 to the Annual Report 2021.

As at 31 December 2021, the Group did not have outstanding convertible bonds.

14. SEGMENT REPORTING

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

The Group has four (2020: six) reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Trading of party products
- Securities brokerage and assets management
- Trading of commodities
- Advancing business

(a) Segment Revenues and Results

The accounting policies of the operating segments are the same as the accounting policies of the Group. Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that certain other revenue and other net gain, other non-operating expenses, finance costs, share of profit of an associate, unallocated corporate income and unallocated corporate expenses are excluded from such measurement.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. SEGMENT REPORTING (Continued)

(a) Segment Revenues and Results (Continued)

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

	Revenue		Segment results	
	Six months ended		Six months ended	
	31 December		31 December	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Trading of party products	97,927	17,152	1,245	(4,139)
Securities brokerage and assets management	46,491	8,424	44,330	6,154
Trading of commodities	70,959	21,033	298	55
Advancing business	133	–	133	(467)
Trading of security products and provision of security services	–	255	–	(4,902)
	<u>215,510</u>	<u>46,864</u>	<u>46,006</u>	<u>(3,299)</u>
Reconciliation:				
Bank interest income			24	–
Investment income under spot foreign exchange currency trading			14,341	–
Unallocated corporate expenses			(25,759)	(25,714)
Unallocated corporate income			2,612	1,299
Finance costs			(772)	(6,720)
Gain on termination of profit guarantees and cancellation of convertible bonds			–	4,428
Gain on disposal of subsidiaries			11,198	4,447
Reversal of impairment on prepayment, deposits and other receivables			1,288	10,350
Profit/(loss) before tax			48,938	(15,209)
Income tax			(29)	(3)
Profit/(loss) for the period			<u>48,909</u>	<u>(15,212)</u>

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. SEGMENT REPORTING *(Continued)*

(b) Segment Assets and Liabilities

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

- all assets are allocated to operating segments other than certain right-of-use assets, certain prepayments, deposits and other receivables and cash and cash equivalents; and
- all liabilities are allocated to operating segments other than certain accruals and other payables, other loan, shareholder's loan, amount due to a deconsolidated subsidiary, certain lease liabilities, convertible bonds and tax payables.

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

As at 31 December 2021

	Trading of party products	Securities brokerage and assets management	Trading of commodities	Advancing business	Total
	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>
Unaudited					
ASSETS					
Segment assets	107,899	1,777	81,665	2,531	193,872
Cash and cash equivalents (including restricted cash)					1,392,226
Unallocated corporate assets					<u>20,187</u>
Consolidated total assets					<u><u>1,606,285</u></u>
LIABILITIES					
Segment liabilities	(84,952)	(1,289)	(21,807)	(245)	(108,293)
Shareholder's loan					(1,255,800)
Other loan					(20,397)
Unallocated corporate liabilities					<u>(22,830)</u>
Consolidated total liabilities					<u><u>(1,407,320)</u></u>

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. SEGMENT REPORTING (Continued)

(b) Segment Assets and Liabilities (Continued)

As at 30 June 2021

	Securities brokerage and assets management	Advancing business	Credit guarantee service and investment business	Trading of party products	Trading of metal and minerals	Trading of commodities	Total
	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000
Audited							
ASSETS							
Segment assets	5,391	556	–	104,262	–	19,808	130,017
Bank balances and cash (included restricted cash)							249,541
Unallocated corporate assets							15,545
Consolidated total assets							<u>395,103</u>
LIABILITIES							
Segment liabilities	(11,719)	(640)	(15)	(54,979)	(2,112)	(1,086)	(70,551)
Other loan							(41,852)
Convertible bonds							(114,248)
Amount due to a deconsolidated subsidiary							(8,467)
Tax payables							(2,353)
Unallocated corporate liabilities							(8,150)
Consolidated total liabilities							<u>(245,621)</u>

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. SEGMENT REPORTING *(Continued)*

(c) Geographic information

Revenue

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

	For the six months ended	
	31 December	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Hong Kong	189	17,407
Mainland China	168,886	21,033
	<u>169,075</u>	<u>38,440</u>
Revenue from other sources		
Hong Kong	46,435	8,424
Total	<u>215,510</u>	<u>46,864</u>

Specified non-current assets

The following table sets out information about the geographical location of the Group's property, plant and equipment and right-of-use assets ("Specified Non-Current Assets"). The geographical location of the Specified Non-Current Assets is based on the physical location of the asset for property, plant and equipment and right-of-use assets.

	At	At
	31 December	30 June
	2021	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Hong Kong	<u>16,536</u>	<u>17,984</u>

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. SEGMENT REPORTING (Continued)

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

	For the six months ended	
	31 December	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue from customer attributable to trading of party products business Company A*	47,813	—
Revenue from customer attributable to assets management business Company B*	46,302	—
Revenue from customer attributable to trading of commodities business Company C*	37,167	—
Revenue from customer attributable to trading of party products business Company D*	34,609	—
Revenue from customer attributable to trading of commodities business Company E#	—	23,233
Revenue from customer attributable to trading of party products business Company F#	—	9,912
Revenue from customer attributable to trading of party products business Company G#	—	6,670
	<u> </u>	<u> </u>

* These four customers did not individually contribute 10% or more of total revenue of the Group during the six months ended 31 December 2020.

These three customers did not individually contribute 10% or more of total revenue of the Group during the six months ended 31 December 2021.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. DISPOSAL OF SUBSIDIARIES

For the six months ended 31 December 2021

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

(a) Disposal Company A

List of Disposal Company A, its subsidiaries and its deconsolidated subsidiaries (collectively known as the “Disposal Group A”):

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

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. DISPOSAL OF SUBSIDIARIES (Continued)

For the six months ended 31 December 2021 (Continued)

(a) Disposal Company A (Continued)

The following is a list of the subsidiaries which have been deconsolidated from 1 January 2019:

Name of deconsolidated subsidiary	Place of establishment/ incorporation and operation	Particulars of issued and paid up/ registered capital	Group's effective interest	Principal activities
和協海峽融資擔保有限公司# Harmonic Strait Credit Guarantee Co., Ltd.*	PRC	US\$20,000,000	90%	Provision of credit service, conduct investment business and advancing business
深圳瀚宏供應鏈管理有限公司 Shenzhen Hanhong SCM Co., Ltd.*	PRC	RMB10,000,000	90%	Provision of supply chain management service, operating import and export business and trading of metals
深圳薩尼威國際貿易有限公司 Shenzhen Sunnyway International Trade Company Limited*	PRC	RMB25,000,000	55%	Provision of credit service and conduct investment business

The deconsolidated subsidiary is registered as a sino-foreign joint venture limited liability company incorporated in the PRC.

* The English name is for identification purpose only.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. DISPOSAL OF SUBSIDIARIES *(Continued)*

For the six months ended 31 December 2021 *(Continued)*

(a) Disposal Company A *(Continued)*

Details of net liabilities of Disposal Group A at the date of disposal were as follows:

	<i>HK\$'000</i>
Net liabilities disposed of:	
Accruals and other payables	(15)
Amount due to a deconsolidated subsidiary	(8,467)
	<u>(8,482)</u>
Gain on disposal of subsidiaries:	
Consideration receivable	900
Net liabilities disposed of	8,482
	<u>9,382</u>
Net cash outflow arising on disposal:	
Cash and bank balances disposed of	<u>–</u>

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. DISPOSAL OF SUBSIDIARIES *(Continued)*

For the six months ended 31 December 2021 *(Continued)*

(b) Disposal Company B

Name of subsidiary	Place of establishment/ incorporation and operation	Particulars of issued and paid up/ registered capital	Group's effective interest	Principal activities
AIF Finance Limited	Hong Kong	HK\$100,000	100%	Money lending business

Details of net liabilities of Disposal Company B at the date of disposal were as follows:

	<i>HK\$'000</i>
Net liabilities disposed of:	
Cash and cash equivalents	9
Accruals and other payables	(276)
	<u>(267)</u>
Gain on disposal of subsidiary:	
Consideration receivable	1,549
Net liabilities disposed of	267
	<u>1,816</u>
Net cash outflow arising on disposal:	
Cash and bank balances disposed of	(9)
	<u>(9)</u>
Total gain on disposal of Disposal Group A and Disposal Company B	<u>11,198</u>

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

16. RELATED PARTY TRANSACTIONS

During the Reporting Period, the Group had the following significant transactions with related parties:

- (a) On 19 November 2021, the Company entered into a revolving loan agreement (the “Loan Agreement”) with Neo Tech Inc. (“Neo Tech”). Neo Tech is the controlling shareholder of the Company and is wholly and beneficially owned by Dr. Ng Yu. Pursuant to the Loan Agreement, Neo Tech agreed to provide a revolving loan up to the principal amount of US\$200,000,000 (which is equivalent to approximately HK\$1,560,000,000) (the “Loan”) to the Company for a term of 12 months effective from the date of the Loan Agreement. The Loan is unsecured, interest-free and repayable on demand. As at 31 December 2021, the Company has drawn down a total of approximately US\$161,000,000 (which is equivalent to approximately HK\$1,255,800,000) of the Loan. The Company has fully repaid the Loan on 6 January 2022.
- (b) Compensation to key management of the Group is as follows:

	Six months ended	
	31 December	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Salaries, allowances and other benefits	1,832	1,470
Contributions to defined contribution retirement plans	9	13
	1,841	1,483

17. CAPITAL COMMITMENTS

As at 31 December 2021 and 30 June 2021, the Group did not have capital commitments contracted but not provided for in the consolidated financial statements.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis (30 June 2021: recurring basis), categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

	31 December 2021 Level 1 and total	30 June 2021 Level 1 and total
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Trading securities		
— Listed equity securities	200	174

During the six months ended 31 December 2021, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (six months ended 31 December 2020: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

19. EVENTS AFTER THE REPORTING PERIOD

There are no significant events affecting the Company and its subsidiaries which have occurred after the six months ended 31 December 2021 and up to the date of this report.

20. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements for the six months ended 31 December 2021 were approved by the Board on 25 February 2022.