

# Vision Values

## Vision Values Holdings Limited

(Incorporated in the Cayman Islands with limited liability)  
Stock Code: 862

INTERIM REPORT  
2021/2022



This interim report is printed on environmentally friendly paper

## Chairman's Statement

Dear Shareholders,

On behalf of the board of directors (the "**Board**"), I hereby present to the shareholders the interim results of Vision Values Holdings Limited (the "**Company**") and its subsidiaries, (collectively the "Group") for the six months ended 31 December 2021 (the "**Financial Period**").

## Financial Results Summary

- Revenue was HK\$19.1 million (2020: HK\$27.3 million).
- Loss attributable to owners of the Company was HK\$9.2 million (2020: HK\$49.3 million).
- Basic loss per share attributable to owners of the Company was HK cents 0.23 (2020: HK cents 1.26).

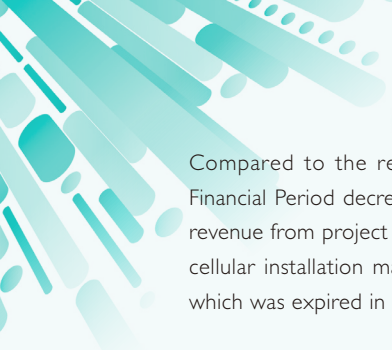
## Management Discussion and Analysis

### Business Review

#### I. Network Solutions and Project Services ("NSPS")

The revenue achieved by NSPS during the Financial Period was HK\$2.7 million (2020: HK\$8.6 million). A significant decrease of 68.6% from last corresponding period. A breakdown of the revenue from NSPS was as follows:

- (i) Telecom solutions was HK\$1.0 million (2020: HK\$1.2 million);
- (ii) Enterprise solutions was HK\$0.9 million (2020: HK\$1.7 million);
- (iii) Project services was HK\$0.4 million (2020: HK\$5.2 million); and
- (iv) System maintenance was HK\$0.4 million (2020: HK\$0.5 million).



Compared to the revenue of last corresponding period, the revenue during the Financial Period decreased by approximately HK\$5.9 million. The significant dropped in revenue from project services was mainly due to the lost of recurrent income from the cellular installation master contract of a major Hong Kong mobile network operator which was expired in October 2020.

## **2. Property Investment**

The policy of the Group's investment properties is holding to earn rentals and/or for capital appreciation. The management will review the Group's property portfolio from time to time to achieve this policy. The revenue for the Financial Period was HK\$3.2 million (2020: HK\$3.4 million). As at 31 December 2021, all the investment properties were renting out except for the commercial building at 17/F., Henan Building, Wan Chai, Hong Kong.

## **3. Yacht Construction and Trading**

During the Financial Period, the manpower of the yacht construction team was kept to a minimum after the completion of the first yacht. No major business plan in the pipeline unless and until the COVID-19 pandemic is faded away.

On 29 October 2021, the Group entered into an agreement to dispose of the finished yacht at a consideration of approximately HK\$92.1 million. The disposal was officially completed on 12 January 2022. The resulting gain or loss will be reflected in the second half of the financial year ending 30 June 2022 and the amount should be immaterial.

## **4. Exploration and Evaluation of Mineral Resources**

FVSP LLC ("FVSP"), a 51% owned indirect subsidiary, holds a mining license number MV-021621 with gold and other mineral resources in Mongolia covering approximately 7,120 hectares (the "**Zoolon Gold Project**").

During the Financial Period, a definitive feasibility study (the “**DFS**”) of Zoolon Gold Project covering the main target area under Chinese and internationally accepted standards was completed by BGRIMM China. The DFS demonstrated an open-pit of 0.6 million tonnes per annum operation with highlights including:

- Updated open pit probable ore reserves of 3.43 million tonnes at 0.81g/t gold and 19.97 g/t silver for a strip ratio of 4.41:1; and
- Ore processing flow includes crushing and screening, grinding and grading, flotation, carbon-in-leach leaching of gold concentrate at an average recovery rate of 89.14% of gold and 83.7% of silver for a seven years life of project phase one mine.
- Internal rate of return of the project phase one mine was around 7.2%.

Another DFS prepared under Mongolian standards and regulations was completed by Balchuluu Mongolia and submitted to the Mongolia government for their review and approval. Furthermore, FVSP appointed Gazar Delkhii Mongolia to prepare a general environment impact assessment (the “**GEIA**”) for Zoolon Gold Project. Detailed environment impact study will be prepared by Gazar Delkhii and will be completed in early 2022. The DFS, environment assessment etc. are formal procedures that we need to comply with and submit to the Mongolian government for record. However, the actual development plan for the Zoolon Gold Project is not yet materialized and it will be subject to further exploration works on other target areas.

During the Financial Period, FVSP was also focused on regional exploration program with an aim to expand current resources and discover new deposits in the earlier defined target areas. The processing and interpretation of geological exploration data have been ongoing.

## 5. **Private Jet Management Services (“PJM”)**

At the end of the Financial Period, three private jets (2020: three) were under aircraft management contracts (“**AMC**”) and two aircrafts (2020: two) were under ad hoc management contracts (“**AHC**”). The revenue for the Financial Period was HK\$13.2 million (2020: HK\$15.2 million). The worldwide travel restrictions continuously impacting private jet aviation operation causing a poor performance on the business of PJM.

## 6. **Logistics business**

During the Financial Period, the Group established a joint venture company (the “JV”) for the provision of minerals and resources transportation services in the northwest of the PRC. The JV is owned beneficially as to 60% by the Group and the remaining 40% by independent third parties.

During the Financial Period, no revenue was recognized because it was only in the initial set up stage.

## **Financial Review**

### I. **Results Analysis**

#### **Revenue**

During the Financial Period, the Group’s revenue decreased to HK\$19.1 million (2020: HK\$27.3 million). Around 69.4% (2020: 55.9%) of the Group’s revenue was generated from the private jet management services. The Group’s another core business is NSPS and it contributed around 13.8% (2020: 31.7%) of the total revenue. The remaining revenue was generated from property investment.

#### **Fair value gain on investment properties**

The fair values of the Group’s investment properties at the end of the Financial Period were valued by an independent qualified valuer. The net increase in carrying values consisted of (i) fair value gain on investment properties of HK\$9.0 million (2020: fair value loss of HK\$37.3 million) and (ii) gain on currency translation of HK\$0.7 million on our investment properties in China (2020: gain on currency translation of HK\$3.0 million). The Group’s portfolio of commercial properties in Hong Kong accounted for the fair value gain on investment properties.

#### **Other expenses**

The increase in other expenses was mainly due to (i) the increase of legal and professional fees related to the sale of a yacht to the Chairman of the Company and (ii) increase in administrative expenses on setting up of the JV.

#### **Finance costs**

For the Financial Period, finance costs were HK\$1.6 million (2020: HK\$0.8 million). The increase in finance costs was mainly due to the increase in other borrowings.

## 2. **Liquidity and Financial Resources**

The Group had a short-term revolving bank loan facility totaling HK\$68.0 million as at the end of the Financial Period (30 June 2021: HK\$68.0 million), all of which had been drawn and outstanding. The bank loan facility is secured by an office premise and two parking spaces under the Group's investment properties portfolio. The interest costs of the bank borrowings was charged at Hong Kong interbank offered rate ("**HIBOR**") plus 1.5% per annum (30 June 2021: HIBOR plus 1.5% per annum). Besides, Mr. Lo Lin Shing, Simon ("**Mr. Lo**"), being the Chairman and Director of the Company has provided a revolving standby facility to be matured on 30 June 2023 amounting to HK\$140.0 million (30 June 2021: HK\$50.0 million) by way of advances to the Group. The advances from Mr. Lo is unsecured and interest bearing at HK\$ prime rate per annum. As at 31 December 2021, advances from Mr. Lo amounted to HK\$48.7 million (30 June 2021: HK\$29.1 million).

## 3. **Gearing**

As at 31 December 2021, the gearing ratio of the Group was 22.1% (30 June 2021: 19.6%) which was calculated based on the Group's total borrowings to total assets.

## 4. **Foreign Exchange**

The Group's key operations are located in Hong Kong, China and Mongolia. The Group's assets and liabilities are mainly denominated in Hong Kong dollars, United States dollars and Renminbi. The Group does not establish a foreign currency hedging policy. However, management of the Group continues to monitor foreign exchange exposure and will consider hedging significant currency exposures should the need arise.

## 5. **Contingent Liabilities**

As at 31 December 2021, the Group did not have material contingent liabilities (30 June 2021: Nil).

## Business Outlook and Development

Hong Kong is hit by the fifth wave of the COVID-19 pandemic since the beginning of 2022. A new wave of restrictions on various social activities within Hong Kong and a further tightening of controls on international travel imposed by the Hong Kong government, are likely to dampen economic growth prospects.

By the end of December 2021, NSPS had a total project amount of approximately HK\$9.2 million on hand. Among this total amount on hand, HK\$5.4 million belongs to the project services, HK\$1.9 million belongs to the solution sales and HK\$1.9 million belongs to the maintenance service.

In order to expand revenue, NSPS is actively looking for new products or solutions to serve its clientele. In Hong Kong, there are many modernized commercial buildings equipped with centralized air conditioning systems where air conditioning supply hours are in general limited to the normal office working hours. The IT equipment e.g. server is vulnerable due to the lack of air-conditioning after office hours or during public holidays. Therefore, NSPS introduces micro data centre ("**MDC**") to Hong Kong market. MDC can replace designated IT room by combining power, cooling, physical security, and management software into prepackaged rack.

In addition to the promotion of MDC, NSPS is also going to promote the WiFi system with the coming new standard of WiFi 6E which will use a new operating frequency.

For the project service, NSPS got an initial first order from a Hong Kong mobile network operator since being enlisted as its qualified contractor in July 2021. Although the contract amount is small, we shall take this opportunity to showcase our work quality and strength.

For the logistics business in PRC, the JV entered into a logistics services framework agreement (the "**Agreement**") with Mongolia Energy Corporation Limited ("**MEC**"), a listed company in Hong Kong. The Agreement constitutes a continuous connected transaction for MEC and it is conditional to upon the independent shareholders approving the Agreement at a special general meeting of MEC. The aforesaid special general meeting is not yet held at the date of this interim report. Apart from the Agreement, the Group is actively looking for other potential customers in order to expand our customer base.

Looking ahead, the business of the Group is subject to various uncertainties, especially those relating to the local epidemic development. The latest wave of epidemic and the tightened anti-epidemic measures have posed severe pressures on local economic activities. Apart from domestic issues, the uncertainties in external environment will also endanger the recovery of Hong Kong economy. High inflation in some major overseas economies may persist longer, possibly leading to a faster pace of monetary policy tightening by major central banks. Developments of China-US relations and geopolitical tensions would also add uncertainties. Therefore, the year ahead will remain challenging for the Group.

## **Appreciation**

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to all our management and colleagues for their valuable contribution to the Group. Moreover, I would also like to express appreciation to our valued shareholders, customers and business partners who have stood by the Group.

**Lo Lin Shing, Simon**

*Chairman*

Hong Kong, 25 February 2022



## Corporate Governance and Other Information

### Interim Dividend

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

### Directors' Interests and Short Positions in Shares of the Company and its associated corporation

As at 31 December 2021, the interests or short positions of the directors in the shares and underlying shares of the Company or any of 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 of Hong Kong Limited (the "**Stock Exchange**") pursuant to the Model Code Securities Transactions by Directors of Listed Companies (the "**Model Code**") set out in Appendix 10 to the Rules Governing the Listing of securities on the Stock Exchange (the "**Listing Rules**") were as follows:

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

Name of Directors	Number of shares			Number of underlying shares		Total interests	Percentage of shareholding
	Personal interests	Spouse interests	Corporate interests	Personal Interests pursuant to share options	Corporate interests		
Mr. Lo Lin Shing, Simon ("Mr. Lo")	1,755,000	—	1,246,054,889 <sup>(Note)</sup>	35,000,000	—	1,282,809,889	32.69%
Mr. Ho Hau Chong, Norman	17,821,973	—	—	20,000,000	—	37,821,973	0.96%
Ms. Yvette Ong	—	—	—	15,000,000	—	15,000,000	0.38%
Mr. Lo, Rex Cze Kei	—	—	—	20,000,000	—	20,000,000	0.51%
Mr. Lo, Chris Cze Wai	—	—	—	5,000,000	—	5,000,000	0.13%
Mr. Tsui Hing Chuen, William JP	1,365,131	—	—	10,000,000	—	11,365,131	0.29%
Mr. Lau Wai Piu	—	—	—	10,000,000	—	10,000,000	0.25%
Mr. Lee Kee Wai, Frank	6,404,605	—	—	10,000,000	—	16,404,605	0.42%

Note: Moral Glory International Limited ("**Moral Glory**") is wholly-owned by Mr. Lo.

## Associated Corporation of the Company

The following Director had interests in the shares of the associated corporation of the Company:

Name of Director	Name of associated corporation	Capacity	Number and class of securities interested	Approximate percentage of shareholding in the associated corporation
Mr. Lo	Mission Wealth Holdings Limited <sup>(Note)</sup>	Beneficial owner	490 ordinary shares of US\$1.00 each	49%

Note: Mission Wealth Holdings Limited is a company incorporated in the British Virgin Islands which is a 51%-owned subsidiary of the Company.

Save as disclosed above and the section headed “**Share Option Schemes**”, as at 31 December 2021, none of the directors, chief executives and their respective associates (as defined under the Listing Rules) had any interests in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register maintained 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.

## Discloseable Interests and Short Positions of Substantial Shareholders/Other Persons under the SFO

The register of interests in shares and short positions maintained under section 336 of the SFO showed that as at 31 December 2021, the Company had been notified of the following interests in shares representing 5% or more of the Company's issued share capital:

## Long position of substantial Shareholders/other persons in the shares and/or underlying shares

Name of Shareholders	Number of shares and/or underlying shares				Percentage of nominal value of issued share capital
	Beneficial/ Personal interests	Spouse interests	Corporate interests	Total interests	
Ms. Ku Ming Mei, Rouisa <sup>(Note)</sup>	—	1,282,809,889	—	1,282,809,889	32.69%
Moral Glory	1,246,054,889	—	—	1,246,054,889	31.75%

Note: Ms. Ku Ming Mei, Rouisa is the spouse of Mr. Lo and accordingly, she was deemed to be interested in all the shares in which Mr. Lo was interested by virtue of the SFO.

Save as disclosed above and those disclosed under “**DIRECTORS’ INTERESTS AND SHORT POSITIONS IN SHARES**”, the Company had not been notified of other interests representing 5% or more of the issued share capital of the Company as at 31 December 2021.

## Share Option Schemes

Pursuant to a share option scheme adopted by the Company on 23 November, 2011 (the “**2011 Share Option Scheme**”), the Company granted certain options to eligible participants to subscribe for ordinary shares in the Company subject to the terms and conditions stipulated therein. The 2011 Share Option Scheme was expired on 22 November 2021. At the annual general meeting of the Company held on 24 November 2021, the shareholders of the Company passed an ordinary resolution to approve the adoption of a new share option scheme (the “**2021 Share Option Scheme**”). No options had been granted under the 2021 Share Option Scheme since its adoption.

Details of the movement in outstanding share option, which had been granted under the 2011 Option Scheme, during the Financial Period were as follows:

Name or category of participants	Date of grant	Exercise price HK\$	Exercise period	Vesting period	Number of shares subject to options				
					As at 1 July 2021	Granted during the Financial Period	Lapsed during the Financial Period	Exercised during the Financial Period	As at 31 December 2021
Mr. Lo	07/04/2017	0.290	07/04/2017 to 06/04/2022	N/A	17,000,000	—	—	—	17,000,000
	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	18,000,000	—	—	—	18,000,000
Mr. Ho Hau Chong, Norman	07/04/2017	0.290	07/04/2017 to 06/04/2022	N/A	10,000,000	—	—	—	10,000,000
	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	10,000,000	—	—	—	10,000,000
Ms. Yvette Ong	07/04/2017	0.290	07/04/2017 to 06/04/2022	N/A	5,000,000	—	—	—	5,000,000
	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	10,000,000	—	—	—	10,000,000
Mr. Lo, Rex Cze Kei	07/04/2017	0.290	07/04/2017 to 06/04/2022	N/A	10,000,000	—	—	—	10,000,000
	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	10,000,000	—	—	—	10,000,000
Mr. Lo, Chris Cze Wai	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	5,000,000	—	—	—	5,000,000
Mr. Tsui Hing Chuen, William	07/04/2017	0.290	07/04/2017 to 06/04/2022	N/A	5,000,000	—	—	—	5,000,000
	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	5,000,000	—	—	—	5,000,000

Name or category of participants	Date of grant	Exercise price HK\$	Exercise period	Vesting period	Number of shares subject to options				
					As at	Granted during the	Lapsed during the	Exercised during the	As at
					1 July 2021	Financial Period	Financial Period	Financial Period	31 December 2021
Mr. Lau Wai Piu	07/04/2017	0.290	07/04/2017 to 06/04/2022	N/A	5,000,000	—	—	—	5,000,000
	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	5,000,000	—	—	—	5,000,000
Mr. Lee Kee Wai, Frank	07/04/2017	0.290	07/04/2017 to 06/04/2022	N/A	5,000,000	—	—	—	5,000,000
	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	5,000,000	—	—	—	5,000,000
Employees and others in aggregate (including directors of certain subsidiaries)	07/04/2017	0.290	07/04/2017 to 06/04/2022	N/A	63,000,000	—	—	—	63,000,000
	19/06/2018	0.496	19/12/2018 to 18/06/2023	19/06/2018 to 18/12/2018	6,250,000	—	—	—	6,250,000
	19/06/2018	0.496	19/06/2019 to 18/06/2023	19/06/2018 to 18/06/2019	6,250,000	—	—	—	6,250,000
	19/06/2018	0.496	19/12/2019 to 18/06/2023	19/06/2018 to 18/12/2019	6,250,000	—	—	—	6,250,000
	19/06/2018	0.496	19/06/2020 to 18/06/2023	19/06/2018 to 18/06/2020	6,250,000	—	—	—	6,250,000
	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	83,000,000	—	—	—	83,000,000
<b>Total</b>					<b>296,000,000</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>296,000,000</b>

## Purchase, Sale or Redemption of the Company's Listed Securities

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

## Corporate Governance

The Board recognises the importance of maintaining a high standard of corporate governance practice to protect and enhance the benefits of the shareholders. The Board and the management of the Company have collective responsibility to maintain the interest of the shareholders and the sustainable development of the Group. The Board also believes that good corporate governance practices can facilitate growth of a company under a healthy governance structure and strengthen the confidence of the shareholders and investors.

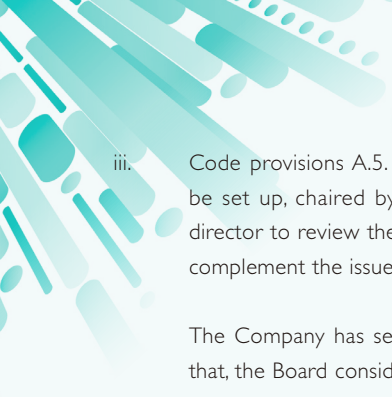
During the Financial Period, the Company had applied the principles of and complied with the code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix I4 to the Listing Rules on The Stock Exchange, save for the following deviations:

- i. Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer ("**CEO**") should be separated and should not be performed by the same individual.

Mr. Lo is the chairman of the Company (the "**Chairman**") and has also carried out the responsibility of CEO. Mr. Lo possesses the essential leadership skills to manage the Board and extensive knowledge in the business of the Group. The Board considers the present structure is more suitable for the Company because it can promote the efficient formulation and implementation of the Company's strategies.

- ii. Under the code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term and subject to re-election.

None of the independent non-executive directors is appointed for a specific term which constitutes a deviation from the code provision A.4.1 of the CG Code. However, they are subject to retirement by rotation in accordance with the provisions of the Company's articles of association (the "**Articles**"). Therefore, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those of the CG Code.

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- iii. Code provisions A.5.1 to A.5.4 of the CG Code require a nomination committee to be set up, chaired by the chairman of the board or an independent non-executive director to review the structure, size and composition of the board at least annually to complement the issuer's corporate strategy.

The Company has set up a nomination committee since 30 December 2021. Before that, the Board considers that it should be the responsibility of the full Board to review these matters and make decisions from time to time. The Board has already set out the criteria for selection of a director under its internal policy. According to the Articles, any newly appointed directors shall hold office only until the next following annual general meeting (the "**AGM**") and shall then be eligible for re-election at that meeting. Furthermore, the director re-election process participating by the shareholders in the AGM and the rights of shareholders to nominate a director both ensure a right candidate to be selected to serve the Board effectively.

- iv. Code provision E.1.2 of the CG Code stipulates that the chairman of the board should attend the AGM of the Company.

Due to another business engagement, the Chairman of the Board did not attend the 2021 AGM. The chairman of the Audit and Remuneration Committees of the Company had chaired the 2021 AGM and answered shareholders' questions. The AGM of the Company provides a channel for communication between the Board and the shareholders.

## Compliance with Model Code for Securities Transactions

The Company has adopted its own Code for Securities Transactions by the directors (the "**Code**"), which are on terms no less exacting than those set out in the Model Code. The Code is sent to each director on his initial appointment and from time to time when the same is amended or restated.

The Company has also established written guidelines on terms no less exacting than the Model Code (the "**Employees' Guidelines**") for securities transactions by relevant employees of the Group who are likely to be in possession of unpublished inside information of the Company. During the Financial Period, no incident of non-compliance with the Employees' Guidelines by the employees was noted.

During the period of thirty days immediately preceding and including the publication date of the half year results or, if shorter, the period from the end of the relevant financial quarterly or half year period up to and including the publication date of the half year results, all directors and relevant employees are restricted to deal in the securities and derivatives of the Company until such results have been published.

The Company Secretary will send reminders prior to the commencement of such period to all directors and relevant employees. Having made specific enquiry by the Company, all directors have confirmed in writing that they have complied with the required standards set out in the Model Code and the Code throughout the Financial Period.



## Employees and Remuneration Policy

As at 31 December 2021, the Group had a total of 32 full-time employees (30 June 2021: 36). Remuneration policy of the Group is reviewed regularly, making reference to legal framework, market condition and the performance of the Group and individual staff (including directors). The remuneration policy and remuneration packages of the executive directors and senior management of the Group are reviewed by the Remuneration Committee.

## Review of Interim Results

The audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive directors, namely Mr. Tsui Hing Chuen, William *JP*, Mr. Lee Kee Wai, Frank and Mr. Lau Wai Piu (chairman of the Audit Committee). The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 31 December 2021.

## Board of Directors

As at the date of this Report, the Board comprises the following members:

### Executive Directors

Mr. Lo Lin Shing, Simon (*Chairman*)

Mr. Ho Hau Chong, Norman

Ms. Yvette Ong

Mr. Lo, Rex Cze Kei

Mr. Lo, Chris Cze Wai

### Independent Non-executive Directors

Mr. Tsui Hing Chuen, William *JP*

Mr. Lau Wai Piu

Mr. Lee Kee Wai, Frank

## Condensed Consolidated Statement of Profit or Loss

For the six months ended 31 December 2021

	Note	Six months ended 31 December	
		2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue	3	19,089	27,256
Other gains, net	4	555	2,672
Changes in inventories of finished goods and work in progress		(1,306)	(2,178)
Subcontracting fees for project services		(328)	(4,339)
Direct operating costs for private jet management services		(7,750)	(9,395)
Fair value gain/(losses) on investment properties	9(b)	8,964	(37,257)
Employee benefit expenses		(14,368)	(14,215)
Depreciation		(1,244)	(1,287)
Other expenses	6	(12,440)	(10,527)
Operating loss		(8,828)	(49,270)
Finance income	5	14	3
Finance costs	5	(1,587)	(789)
Loss before income tax		(10,401)	(50,056)
Income tax credit/(expense)	7	16	(8)
Loss for the period		(10,385)	(50,064)
<b>Loss attributable to:</b>			
Owners of the Company		(9,207)	(49,252)
Non-controlling interests		(1,178)	(812)
		(10,385)	(50,064)
<b>Loss per share attributable to owners of the Company for the period (HK cents)</b>	8		
– Basic loss per share		(0.23)	(1.26)
– Diluted loss per share		(0.23)	(1.26)

# Condensed Consolidated Statement of Other Comprehensive Income

For the six months ended 31 December 2021

	<b>Six months ended</b>	
	<b>31 December</b>	
	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Loss for the period	<b>(10,385)</b>	(50,064)
Other comprehensive income		
Item that may be subsequently reclassified to profit or loss:		
– Currency translation differences	<b>1,220</b>	3,053
Total comprehensive loss for the period	<b>(9,165)</b>	(47,011)
<b>Attributable to:</b>		
Owners of the Company	<b>(7,987)</b>	(46,199)
Non-controlling interests	<b>(1,178)</b>	(812)
Total comprehensive loss for the period	<b>(9,165)</b>	(47,011)

# Condensed Consolidated Statement of Financial Position

As at 31 December 2021

		<b>As at 31 December 2021 HK\$'000 (unaudited)</b>	As at 30 June 2021 HK\$'000 (audited)
	Note		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9(a)	<b>6,577</b>	6,216
Right-of-use assets	9(a)	<b>2,290</b>	2,408
Investment properties	9(b)	<b>289,268</b>	279,570
Exploration and evaluation assets	10	<b>72,828</b>	69,268
Rental deposits		<b>121</b>	192
		<b>371,084</b>	357,654
<b>Current assets</b>			
Inventories	11	<b>96,183</b>	93,584
Trade receivables	12	<b>3,235</b>	4,515
Prepayments, deposits and other receivables		<b>7,578</b>	7,218
Contract assets		<b>5,725</b>	2,949
Cash and cash equivalents		<b>45,318</b>	30,819
		<b>158,039</b>	139,085
<b>Total assets</b>		<b>529,123</b>	496,739

		<b>As at 31 December 2021 HK\$'000 (unaudited)</b>	As at 30 June 2021 HK\$'000 (audited)
	Note		
<b>EQUITY</b>			
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital	15	<b>39,242</b>	39,242
Other reserves		<b>494,221</b>	493,001
Accumulated losses		<b>(242,170)</b>	(232,963)
		<b>291,293</b>	299,280
<b>Non-controlling interests</b>		<b>37,309</b>	35,662
<b>Total equity</b>		<b>328,602</b>	334,942
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities		<b>3,113</b>	3,200
Advances from a Director		<b>48,676</b>	29,124
Lease liabilities		<b>819</b>	1,046
		<b>52,608</b>	33,370
<b>Current liabilities</b>			
Trade payables	13	<b>3,386</b>	3,594
Accrued charges and other payables		<b>68,038</b>	52,040
Contract liabilities		<b>6,964</b>	3,395
Bank borrowings	14	<b>68,000</b>	68,000
Lease liabilities		<b>1,525</b>	1,398
		<b>147,913</b>	128,427
<b>Total liabilities</b>		<b>200,521</b>	161,797
<b>Total equity and liabilities</b>		<b>529,123</b>	496,739
<b>Net current assets</b>		<b>10,126</b>	10,658

## Condensed Consolidated Statement of Cash Flows

For the six months ended 31 December 2021

		<b>Unaudited</b>	
		<b>Six months ended</b>	
		<b>31 December</b>	
	Note	<b>2021</b>	2020
		<b>HK\$'000</b>	HK\$'000
<b>Cash flows from operating activities</b>			
Net cash used in operating activities		<b>(656)</b>	(21,580)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	9(a)	<b>(882)</b>	(333)
Proceeds from disposal of property, plant and equipment	9(a)	–	5
Additions to exploration and evaluation assets	10	<b>(3,560)</b>	(12,419)
Interest received		<b>14</b>	3
Net cash used in investing activities		<b>(4,428)</b>	(12,744)
<b>Cash flows from financing activities</b>			
Proceeds from bank borrowings	14	–	33,000
Increase/(decrease) in advances from a Director		<b>18,564</b>	(3,700)
Contribution from non-controlling interests		<b>2,825</b>	7,097
Payment of lease liabilities		<b>(705)</b>	(773)
Interest paid		<b>(1,587)</b>	(804)
Net cash generated from financing activities		<b>19,097</b>	34,820
Net increase in cash and cash equivalents		<b>14,013</b>	496
Cash and cash equivalents at beginning of the period		<b>30,819</b>	15,940
Effect on foreign exchange rate changes		<b>486</b>	20
<b>Cash and cash equivalents at end of the period</b>		<b>45,318</b>	16,456

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2021

	Attributable to owners of the Company						Non-controlling interests	Total equity	
	Share capital	Share premium	Other reserve	Share option reserve	Currency translation reserve	Accumulated losses			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 July 2021	39,242	443,727	2,366	46,734	174	(232,963)	299,280	35,662	334,942
Comprehensive loss									
– Loss for the period	-	-	-	-	-	(9,207)	(9,207)	(1,178)	(10,385)
Other comprehensive income									
– Currency translation differences	-	-	-	-	1,220	-	1,220	-	1,220
Total comprehensive loss for the period	-	-	-	-	1,220	(9,207)	(7,987)	(1,178)	(9,165)
Contribution from non-controlling interests	-	-	-	-	-	-	-	2,825	2,825
Total transactions with owners recognized directly in equity	-	-	-	-	-	-	-	2,825	2,825
At 31 December 2021	39,242	443,727	2,366	46,734	1,394	(242,170)	291,293	37,309	328,602

# Condensed Consolidated Statement of Changes In Equity (Continued)

For the six months ended 31 December 2020

	Attributable to owners of the Company						Total	Non-controlling interests	Total equity
	Share capital	Share premium	Other reserve	Share option reserve	Currency translation reserve	Accumulated losses			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2020	39,242	443,727	2,366	46,734	(3,211)	(164,029)	364,829	28,290	393,119
Comprehensive loss									
– Loss for the period	–	–	–	–	–	(49,252)	(49,252)	(812)	(50,064)
Other comprehensive income									
– Currency translation differences	–	–	–	–	3,053	–	3,053	–	3,053
Total comprehensive loss for the period	–	–	–	–	3,053	(49,252)	(46,199)	(812)	(47,011)
Contribution from non-controlling interests	–	–	–	–	–	–	–	7,097	7,097
Total transactions with owners recognized directly in equity	–	–	–	–	–	–	–	7,097	7,097
At 31 December 2020	39,242	443,727	2,366	46,734	(158)	(213,281)	318,630	34,575	353,205



# Notes to the Condensed Consolidated Financial Statements

## 1. GENERAL INFORMATION

Vision Values Holdings Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) are principally engaged in the provision of network solutions and project services, property investment, yacht building in Hong Kong, minerals exploration in Mongolia and provision of private jet management services in Hong Kong.

The Company is a limited liability company incorporated in the Cayman Islands. The address of its principal place of business is Unit 902, 9/F Shui Hing Centre, 13 Sheung Yuet Road, Kowloon Bay, Hong Kong.

The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The condensed consolidated interim financial information (the “**Interim Financial Information**”) is presented in Hong Kong dollar (“**HK\$**”), unless otherwise stated.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated interim financial information for the six months ended 31 December 2021 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting”, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). It should be read in conjunction with the audited annual financial statements of the Group for the year ended 30 June 2021, prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”).

Except as described below, the accounting policies applied are consistent with those used in the audited annual financial statements for the year ended 30 June 2021.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

### (a) Amendments to existing standards and conceptual framework adopted by the Group

The following amendments to existing standards and conceptual framework are mandatory for the first time for the financial period beginning 1 July 2021 and currently relevant to the Group:

Amendments to HKAS 39, Interest Rate Benchmark Reform – Phase 2  
HKFRS 4, HKFRS 7,  
HKFRS 9 and HKFRS 16

Excepted as described in Note 2(b) below, there are no other amendments to existing standards and conceptual framework that are effective for the first time for this interim period that could be expected to have a material impact on the Group.

### (b) Change in accounting policies

#### **Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 “Interest Rate Benchmark Reform – Phase 2”**

The amendments provide a practical expedient to account for the changes in the basis for determining the contractual cash flows of a financial asset or financial liability to which the amortised cost measurement applies as a result of interest rate benchmark reform by updating the effective interest rate, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately preceding the change).

The Groups had advances from a Director with interest charges at Hong Kong prime rate per annum and bank borrowings denominated in Hong Kong dollars with interest charges at 1.5% per annum over Hong Kong interbank offered rate (“**HIBOR**”) or 0.5% per annum over cost of fund of the bank, whichever is higher. The amendments have had no impact on the condensed consolidated financial statements as none of the above advances and bank borrowings has been transitioned to the relevant replacement rates during the interim period. The impacts on application of the amendments, if any, including additional disclosures, will be reflected in the Groups' consolidated financial statements for the year ending 30 June 2022.

### 3. TURNOVER AND SEGMENT INFORMATION

The Group's reportable operating segments are (i) network solutions and project services; (ii) property investment; (iii) yacht building; (iv) mineral exploration and (v) private jet management services.

The chief operating decision maker has been identified as the Executive Directors of the Company. The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. The Executive Directors determined the operating segments based on these reports.

The Executive Directors assess the performance of operating segments based on a measure of segment results. This measurement basis is revenue less direct attributable expenses to revenue but excluding depreciation. Other information provided, except as described below, to the Executive Directors is measured in a manner consistent with that in the consolidated financial statements.

Segment assets exclude other assets that are managed on a central basis.

#### The segment revenue and results for the six months ended 31 December 2021

	Network solutions and project services HK\$'000	Property investment HK\$'000	Yacht building HK\$'000	Minerals exploration HK\$'000	Private jet Management services HK\$'000	Total HK\$'000
Segment revenue	2,628	3,221	-	-	13,240	19,089
Segment results	813	2,559	-	-	5,491	8,863
Depreciation	(155)	-	-	(104)	(772)	(1,031)
Fair value gain on investment properties	-	8,964	-	-	-	8,964
Unallocated expenses (Note)						(25,624)
Finance costs						(1,587)
Finance income						14
Loss before income tax						(10,401)

### 3. TURNOVER AND SEGMENT INFORMATION (Continued)

#### The segment revenue and results for the six months ended 31 December 2020

	Network solutions and project services HK\$'000	Property investment HK\$'000	Yacht building HK\$'000	Minerals exploration HK\$'000	Private jet Management services HK\$'000	Total HK\$'000
Segment revenue	8,636	3,377	–	–	15,243	27,256
Segment results	1,900	2,709	–	–	5,848	10,457
Depreciation	(175)	–	–	(100)	(827)	(1,102)
Fair value loss on investment properties	–	(37,257)	–	–	–	(37,257)
Unallocated expenses (Note)						(22,157)
Interest income						3
Loss before income tax						(50,056)

Note: Unallocated expenses mainly include unallocated employee benefit expenses, legal and professional fees and reimbursement of sharing of administrative services incurred at corporate level.

### 3. TURNOVER AND SEGMENT INFORMATION (Continued)

#### Segment Assets

As at 31 December 2021

	Network solutions and project services HK\$'000	Property investment HK\$'000	Yacht building HK\$'000	Minerals exploration HK\$'000	Private jet management services HK\$'000	Total HK\$'000
Total segment assets	7,231	289,547	94,734	73,626	11,262	476,400
Unallocated						
– Cash and cash equivalents						45,318
– Other unallocated assets						7,405
Consolidated total assets						529,123

As at 30 June 2021

	Network solutions and project services HK\$'000	Property investment HK\$'000	Yacht building HK\$'000	Minerals exploration HK\$'000	Private jet management services HK\$'000	Total HK\$'000
Total segment assets	4,185	279,873	95,900	70,065	7,021	457,044
Unallocated						
– Cash and cash equivalents						30,819
– Other unallocated assets						8,876
Consolidated total assets						496,739

#### 4. OTHER GAINS, NET

	Six months ended 31 December	
	2021	2020
	HK\$'000	HK\$'000
Gain on disposal of property, plant and equipment	–	5
Government grants	–	2,067
Sundry income	555	600
	<b>555</b>	2,672

#### 5. FINANCE INCOME AND COSTS

	Six months ended 31 December	
	2021	2020
	HK\$'000	HK\$'000
Finance income		
– Bank interest income	14	3
Finance costs		
– Interest expense on bank borrowings	(542)	(731)
– Interest expense on advances from a Director (Note 18(a))	(988)	(33)
– Interest expenses on lease liabilities	(57)	(25)
	<b>(1,587)</b>	(789)

## 6. OTHER EXPENSES

Other expenses included the followings:

	Six months ended 31 December	
	2021 HK\$'000	2020 HK\$'000
Auditor's remuneration	693	730
Direct operating expenses from investment properties that generate rental income	662	668
Operating lease rental for short-term leases	809	923
Exchange losses, net	518	253
Legal and professional fees	1,790	1,083
Reimbursement of sharing of administrative services (Note 18(a))	3,364	3,571

## 7. INCOME TAX (CREDIT)/EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

The amount of income tax (credited)/charged to the consolidated statement of profit or loss represents:

	Six months ended 31 December	
	2021 HK\$'000	2020 HK\$'000
Current income tax		
– Hong Kong profits tax	71	100
Deferred income tax		
– Origination of temporary differences	(87)	(92)
Total income tax (credit)/expense	(16)	8

## 8. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following data:

	<b>Six months ended</b>	
	<b>31 December</b>	
	<b>2021</b>	2020
Loss attributable to owners of the Company, as used in the calculation of basic and diluted loss per share (HK\$'000)	<b>9,207</b>	49,252
Weighted average number of ordinary shares in issue for the purpose of basic and diluted loss per share (in thousands)	<b>3,924,190</b>	3,924,190

The computation of diluted loss per share for both periods did not assumed the exercise of share options since assuming the exercise of the share options would have anti-dilutive impact to the basic loss per share.

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

### (a) Property, plant and equipment and right-of-use assets

During the period ended 31 December 2021, the Group spent approximately HK\$112,000 (2020: HK\$2,000) on furniture, fixtures and equipment, HK\$100,000 (2020: HK\$Nil) on computer equipment, HK\$Nil (2020: HK\$331,000) on motor vehicle, HK\$130,000 (2020: HK\$Nil) on leasehold improvement and HK\$540,000 (2020: HK\$Nil) on construction in progress. The Group spent approximately HK\$606,000 (2020: HK\$Nil) on right-of-use assets during the period ended 31 December 2021. The Group disposed of a motor vehicle with nil net book value for the period ended 31 December 2020 at a consideration of HK\$5,000.



## 9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INVESTMENT PROPERTIES (Continued)

### (b) Investment properties

The Group's investment properties were revalued on an open market value basis by an independent professional qualified valuer who hold a recognised relevant professional qualification and has relevant experience in the locations and segments of the investment properties valued and the fair values of the investment properties of the Group were updated by this valuer using the direct comparison valuation techniques (30 June 2021: same valuation techniques). As a result, the investment properties were revalued to approximately HK\$289,268,000 as at 31 December 2021 (30 June 2021: HK\$279,570,000), which represents their recoverable amounts, and fair value gain of approximately HK\$8,964,000 was recorded in the condensed consolidated income statement for the period ended 31 December 2021 (2020: fair value loss of HK\$37,257,000).

## 10. EXPLORATION AND EVALUATION ASSETS

The Group owns a mineral mining license in western part of Mongolia. Additions to the exploration and evaluation assets represent the geological and geophysical costs, drilling and exploration expenses directly attributable to exploration activities.

	<b>As at 31 December 2021 (unaudited) HK\$'000</b>	As at 30 June 2021 (audited) HK\$'000
At beginning of the period/year	<b>69,268</b>	53,785
Additions	<b>3,560</b>	15,483
At end of the period/year	<b>72,828</b>	69,268

## II. INVENTORIES

	<b>As at 31 December 2021 (unaudited) HK\$'000</b>	As at 30 June 2021 (audited) HK\$'000
Raw materials	<b>679</b>	678
Work in progress	<b>2,934</b>	379
Finished goods (Note)	<b>92,570</b>	92,527
	<b>96,183</b>	93,584

Note: Capitalisation of construction costs ceased upon the completion of the yacht construction in the first half year of 2021 and the work in progress in respect of yacht building segment was transferred to finished goods totalling HK\$92,100,000 as at 30 June 2021. Meanwhile, management assessed the net realisable value of the yacht inventory as at 30 June 2021, taking the latest market prices less selling expenses into consideration. Management engaged an independent professionally qualified valuer, Roma Appraisals Limited, to carry out valuation under market approach. The assessed net realisable value of the yacht inventory was HK\$92.1 million at 30 June 2021.

On 29 October 2021, a wholly owned subsidiary of the Group and Cambo Management Limited which is beneficially owned by Mr. Lo Lin Shing, Simon ("Mr. Lo"), chairman and director of the Company entered into a conditional sale and purchase agreement in relating to the sale of yacht (the "Sale") at a consideration of approximately HK\$92.1 million. The Sale constituted a connected transaction subject to independent shareholders' approval and fulfilment of certain conditions. The Sale was not completed at 31 December 2021.

## 12. TRADE RECEIVABLES

All trade receivables are either repayable within one year or on demand. The Group generally grants credit terms of 30 to 90 days to its customers. The ageing analysis of trade receivables based on invoice date is as follows:

	<b>As at 31 December 2021 (unaudited) HK\$'000</b>	As at 30 June 2021 (audited) HK\$'000
1 – 30 days	<b>3,103</b>	4,139
31 – 60 days	<b>103</b>	288
61 – 90 days	<b>–</b>	15
Over 90 days	<b>29</b>	73
	<b>3,235</b>	4,515

None of the trade receivables were impaired as at 31 December 2021 (30 June 2021: Nil) and the carrying amounts of trade receivables approximate their fair values.

## 13. TRADE PAYABLES

The ageing analysis of trade payables based on invoice date is as follows:

	<b>As at 31 December 2021 (unaudited) HK\$'000</b>	As at 30 June 2021 (audited) HK\$'000
0 – 30 days	<b>2,745</b>	1,748
31 – 60 days	<b>99</b>	498
61 – 90 days	<b>195</b>	–
91 – 180 days	<b>347</b>	1,348
	<b>3,386</b>	3,594

## 14. BANK BORROWINGS

	<b>As at 31 December 2021 (unaudited) HK\$'000</b>	As at 30 June 2021 (audited) HK\$'000
Secured		
Bank loan – within 1 year	<b>68,000</b>	68,000

The Group's investment properties in relation to an office premise and two car parking spaces located at Wan Chai were pledged as security for the Group's borrowings. The interest rate is charged at 1.5% per annum over HIBOR or 0.5% per annum over cost of fund of the bank, whichever is higher.

## 15. SHARE CAPITAL

	<b>No. of shares</b>	<b>HK\$'000</b>
Authorised		
At 1 July 2020, 30 June 2021 and 31 December 2021 with a par value of HK\$0.01 per share	20,000,000,000	200,000
Issued and fully paid		
At 1 July 2020, 30 June 2021 and 31 December 2021	3,924,190,467	39,242

## 16. OPERATING LEASE COMMITMENTS — THE GROUP AS LESSOR

During the period ended 31 December 2021, eight out of nine investment properties (30 June 2021: eight out of nine) are leased to tenants under operating leases with rentals payable monthly/quarterly. The future minimum lease payments receivable on leases of the investment properties are as follows:

	<b>As at 31 December 2021 (unaudited) HK\$'000</b>	As at 30 June 2021 (audited) HK\$'000
Less than one year	<b>3,178</b>	3,887
One to two years	<b>1,030</b>	994
Two to three years	—	640
Three to four years	—	53
	<b>4,208</b>	5,574

There is no contingent rents receivable from the leasing of investment properties.

## 17. CAPITAL COMMITMENTS

As at 31 December 2021, there is no capital expenditure of exploration activities in Mongolia which was authorised by management of the Group but not contracted for (30 June 2021: HK\$Nil).

Capital expenditure contracted for at the end of the period but not yet incurred is as follows:

	<b>As at 31 December 2021 (unaudited) HK\$'000</b>	As at 30 June 2021 (audited) HK\$'000
Yacht building	<b>9</b>	525
Others – Construction in progress	<b>605</b>	—
	<b>614</b>	525

## 18. RELATED PARTY TRANSACTIONS

The Group is controlled by Moral Glory International Limited ("**Moral Glory**") (incorporated in the British Virgin Islands), whereas the ultimate controlling party of Moral Glory is Mr. Lo and Mr. Lo collectively owns 31.8% of the Company's shares. The remaining 68.2% of the shares are widely held.

The Directors are of the view that the following entities were related parties that had transactions or balances with the Group during the period/year.

Name	Relationship with the Group
Mongolia Energy Corporation (Greater China) Limited (" <b>MEC Greater China</b> ")	A company of which Mr. Lo and Ms. Yvette Ong are the directors
Island Oasis Shipbuilding Limited (" <b>Island Oasis</b> ")	A company of which Mr. Lo and Mr. Lo, Rex Cze Kei are the directors and Mr. Lo is the beneficial owner
Mongolia Energy Corporation Limited (" <b>MEC</b> ")	Except Mr. Ho Hau Chong, Norman, the Board of Directors of the Company and the related company are the same
Cambo Management Limited (" <b>Cambo Management</b> ")	A company of which Mr. Lo, Mr. Lo, Rex Cze Kei and Mr. Lo, Chris Cze Wai are the directors and Mr. Lo is the beneficial owner
Vision Aviation Services Limited (" <b>Vision Aviation</b> ")	A company of which a director of a subsidiary of the Group is the director and beneficial owner

## 18. RELATED PARTY TRANSACTIONS (Continued)

- (a) Other than transactions disclosed elsewhere in the Interim Financial Information, significant related party transactions, which were carried out in the normal course of the Group's business and at terms negotiated between the Group and the respective parties, were as follows:

	<b>Six months ended</b>	
	<b>31 December</b>	
	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
Operating lease rental income from MEC Greater China	<b>194</b>	155
Operating lease rental expenses to related companies		
– Island Oasis	<b>360</b>	558
– Cambo Management	<b>99</b>	821
Unwinding of interests on lease liabilities to Cambo Management	<b>(48)</b>	(16)
Reimbursement of sharing of administrative services to MEC (Note)	<b>3,364</b>	3,571
Interest expenses paid/payable to a Director	<b>988</b>	33

Note: The administrative service is reimbursed at actual cost incurred.

## 18. RELATED PARTY TRANSACTIONS (Continued)

- (b) Period/year end balance arising from advances from a Director and the related party transactions as included in prepayments, deposits and other receivables and accrued charges and other payables is as follows:

	<b>As at 31 December 2021 (unaudited) HK\$'000</b>	As at 30 June 2021 (audited) HK\$'000
Amounts due from related companies (Note (i))		
– Island Oasis	<b>97</b>	98
– Cambo Management	<b>50</b>	54
Amounts due to related companies (Note (i))		
– MEC Greater China	<b>(49)</b>	(49)
– MEC	<b>(18,610)</b>	(15,247)
Lease liability (Note (ii))	<b>1,564</b>	2,116
Advances from a Director (Note (iii))	<b>(48,676)</b>	(29,124)

Notes:

- (i) The amounts due from/(to) related companies were unsecured and interest-free, and repayable on demand.
- (ii) In May 2021, the Group renewed a lease agreement with a related company for 2 years. The Group recognised an addition of a right-of-use asset of HK\$2,277,000 as at 30 June 2021.
- (iii) The amounts are unsecured, interest-bearing at HK\$ prime rate per annum and repayable by 30 June 2023 as at period/year end. The undrawn revolving standby facilities as at period/year end amounted to HK\$91,300,000 (2021: HK\$21,244,000).



## 18. RELATED PARTY TRANSACTIONS (Continued)

(c) Key management compensation of the Group for the year is as follows:

	Six months ended 31 December	
	2021	2020
	HK\$'000	HK\$'000
Salaries and other employee benefits	<b>4,616</b>	4,616

## 19. EVENT OCCURRING AFTER THE REPORTING PERIOD

On 10 January 2022, the resolution relating to the Sale had been passed by independent shareholders of the Company at an extraordinary general meeting. All the completion conditions had been fulfilled, as such the Sale had been completed on 12 January 2022. The Group expects no gross profit to be recognized as a result of the Sale. Any expenses in association with the Sale will be recorded as administrative expenses of the Group.