



FDB Holdings Limited
豐展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號：1826

Interim Report
中期業績報告
2022

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director:

Mr. Ng Kin Siu
(Chairman and Chief executive officer)

Independent non-executive Directors:

Mr. Chan Yuk Sang
Mr. Wan Chi Wai Anthony
Mr. Lau Kwok Fai Patrick

COMPANY SECRETARY

Mr. Yu Tsz Ngo

AUTHORISED REPRESENTATIVES

Mr. Ng Kin Siu
Mr. Yu Tsz Ngo

AUDIT COMMITTEE

Mr. Lau Kwok Fai Patrick *(Chairman)*
Mr. Chan Yuk Sang
Mr. Wan Chi Wai Anthony

REMUNERATION COMMITTEE

Mr. Ng Kin Siu *(Chairman)*
Mr. Wan Chi Wai Anthony
Mr. Chan Yuk Sang

NOMINATION COMMITTEE

Mr. Ng Kin Siu *(Chairman)*
Mr. Chan Yuk Sang
Mr. Wan Chi Wai Anthony
Mr. Lau Kwok Fai Patrick

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central, Hong Kong

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 602–603, 6th Floor
The Sun's Group Centre
200 Gloucester Road
Wanchai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17th Floor
Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

Bank of Communications Company
Limited, Hong Kong Branch
Fubon Bank (Hong Kong) Limited
Industrial and Commercial Bank of
China (Asia) Limited

WEBSITE ADDRESS

www.fdbhk.com

STOCK CODE

01826

FINANCIAL HIGHLIGHTS

The board (the “**Board**”) of directors (the “**Directors**”) of FDB Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2022 (the “**Relevant Period**”), together with the unaudited comparative figures for the corresponding period in 2021.

	For the six months ended 30 June		
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited) (restated)	Change %
Continuing operations			
Revenue	102,892	114,989	(10.5%)
Gross profit/(loss)	1,563	(14,008)	N/A
Profit/(loss) for the period from continuing operations	9,245	(29,558)	N/A
Earnings/(loss) per share	HK0.7 cents	(HK2.2 cents)	N/A
Discontinued operations			
Profit for the period from discontinued operations	583	106,309	(99.5%)

- The Group’s revenue from continuing operations amounted to approximately HK\$102.9 million for the Relevant Period, representing a decrease of approximately HK\$12.1 million or approximately 10.5% as compared with the six months ended 30 June 2021.
- The profit attributable to owners of the Company from continuing operations is approximately HK\$9.2 million for the Relevant Period, as compared with loss attributable to owners of the Company of HK\$29.6 million for the six months ended 30 June 2021.
- The profit from discontinued operations is approximately HK\$0.6 million for the Relevant Period, representing an decrease of approximately HK\$105.7 million or approximately 99.5% as compared with the six months ended 30 June 2021.
- The Board does not recommend the payment of an interim dividend for the Relevant Period.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022

		Six months ended 30 June	
	Notes	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited) (restated)
Continuing operations			
Revenue	4	102,892	114,989
Cost of services		(101,329)	(128,997)
Gross profit/(loss)		1,563	(14,008)
Other income	5A	4,284	250
Other gains and losses	5B	-	(332)
Gain on deconsolidation of a subsidiary	20	10,902	-
Reversal of impairment losses under expected credit losses ("ECL") model, net	5C	3,345	921
Administrative expenses		(10,782)	(16,227)
Finance costs	6	(67)	(162)
Profit/(loss) before tax	7	9,245	(29,558)
Income tax expenses	8	-	-
Profit/(loss) for the period from continuing operations		9,245	(29,558)
Discontinued operations			
Profit for the period from discontinued operations	9	583	106,309
Profit for the period		9,828	76,751
<i>Other comprehensive income/(expense)</i>			
<i>Items that will not be reclassified to profit or loss:</i>			
Fair value loss on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")		-	(4,826)
Exchange difference on translation from functional currency to presentation currency		-	338
		-	(4,488)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Reclassification of cumulative translation of foreign operations	9	53	(11,953)
Exchange differences arising on translation of foreign operations		-	(2,453)
		53	(14,406)
Other comprehensive income/(expense) for the period		53	(18,894)
Total comprehensive income for the period		9,881	57,857

		Six months ended 30 June	
	<i>Notes</i>	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited) (restated)
Profit/(loss) for the period attributable to owners of the Company:			
— Continuing operations		9,245	(29,558)
— Discontinued operations		583	104,981
		9,828	75,423
Profit for the period attributable to non-controlling interests:			
— Continuing operations		—	—
— Discontinued operations		—	1,328
		—	1,328
		9,828	76,751
Total comprehensive income/(expense) for the period attributable to owners of the Company:			
— Continuing operations		9,298	(34,046)
— Discontinued operations		583	91,642
		9,881	57,596
Total comprehensive income for the period attributable to non-controlling interests:			
— Continuing operations		—	—
— Discontinued operations		—	261
		—	261
Earnings/(loss) per share, basic and diluted (HK cents)			
— for continuing operations	11	0.7	(2.2)
— for discontinued operations		—	7.9
For continuing and discontinued operations		0.7	5.7

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2022

	<i>Notes</i>	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment		529	185
Right-of-use assets		1,875	3,161
		2,404	3,346
Current assets			
Contract assets	12	53,222	87,918
Trade and other receivables	13	94,921	123,967
Tax recoverable		–	180
Pledged bank deposits		20,889	9,883
Bank balances and cash		15,120	9,551
		184,152	231,499
Assets classified as held for sale	16	–	6,038
		184,152	237,537
Current liabilities			
Trade and other payables	14	112,895	165,836
Amounts due to a shareholder	15	12,000	14,149
Lease liabilities		1,777	3,752
		126,672	183,737
Liabilities associated with assets classified as held for sale	16	–	6,553
		126,672	190,290
Net current assets		57,480	47,247
Total assets less current liabilities		59,884	50,593

	<i>Notes</i>	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Non-current liabilities			
Deferred tax liabilities		56	56
Lease liabilities		163	632
		219	688
Net assets			
		59,665	49,905
Capital and reserves			
Share capital	17	13,320	13,320
Reserves		46,345	36,464
Equity attributable to owners of the Company		59,665	49,784
Non-controlling interests		–	121
Total equity		59,665	49,905

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Attributable to owners of the Company							Non-controlling interests	Total
	Share capital	Share premium	Other reserve	Translation reserve	Investment revaluation reserve	Retained earnings	Sub-Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2021 (audited)	13,320	145,939	1,000	15,635	(31,543)	(116,977)	27,374	(25,058)	2,316
Profit for the period	-	-	-	-	-	75,423	75,423	1,328	76,751
Other comprehensive expense for the period	-	-	-	(13,001)	(4,826)	-	(17,827)	(1,067)	(18,894)
Total comprehensive income/ (expense) for the period	-	-	-	(13,001)	(4,826)	75,423	57,596	261	57,857
Disposal of subsidiaries	-	-	-	-	-	-	-	24,917	24,917
Transfer of reserve upon disposal of financial assets at FVTOCI	-	-	-	-	36,369	(36,369)	-	-	-
At 30 June 2021 (unaudited)	13,320	145,939	1,000	2,634	-	(77,923)	84,970	120	85,090
At 1 January 2022 (audited)	13,320	145,939	1,000	2,771	-	(113,246)	49,784	121	49,905
Profit for the period	-	-	-	-	-	9,828	9,828	-	9,828
Other comprehensive income for the period	-	-	-	53	-	-	53	-	53
Total comprehensive income for the period	-	-	-	53	-	9,828	9,881	-	9,881
Disposal of subsidiaries	-	-	-	-	-	-	-	(121)	(121)
At 30 June 2022 (unaudited)	13,320	145,939	1,000	2,824	-	(103,418)	59,665	-	59,665

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited) (restated)
OPERATING ACTIVITIES		
Profit/(loss) before tax		
— Continuing operations	9,245	(29,558)
— Discontinued operations	583	106,324
	9,828	76,766
Adjustments for:		
Depreciation of property, plant and equipment	40	77
Depreciation of right-of-use assets	1,286	811
Reversal of impairment losses under ECL model, net	(3,345)	(921)
Gain from change in fair value of financial assets at FVTPL	–	(2,765)
Gain on disposal of subsidiaries	(583)	(103,433)
Gain on deconsolidation of a subsidiary	(10,902)	–
Other non-cash adjustments	10	(58)
Operating cash flows before movements in working capital	(3,666)	(29,523)
Decrease in trade and other receivables	29,805	11,177
Decrease in contract assets	36,819	10,639
Decrease in trade and other payables	(52,525)	(11,760)
Other operating cash flows	–	(15)
Cash generated from/(used in) operations	10,433	(19,482)
Income tax refund	180	–
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	10,613	(19,482)

	Six months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 <i>HK\$'000</i> (Unaudited) (restated)
INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at FVTOCI	–	13,632
Net cash outflow on disposal of subsidiaries	(1,393)	(1,455)
Net cash outflow on deconsolidation of a subsidiary	(3,662)	–
Purchase of property, plant and equipment	(384)	(93)
Initial payment of acquiring right-of-use assets	–	(9)
(Placement)/withdrawal of pledged bank deposits	(11,006)	15,700
Interest received	8	12
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(16,437)	27,787
FINANCING ACTIVITIES		
Interest paid	(67)	(164)
Repayment of bank borrowings	–	(6,500)
Repayment of lease liabilities	(1,933)	(2,714)
Advances from a shareholder	15,000	19,932
Repayment to a shareholder	(3,000)	(16,033)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	10,000	(5,479)
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,176	2,826
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	9,551	24,023
CASH AND CASH EQUIVALENTS THAT INCLUDED IN ASSETS CLASSIFIED AS HELD FOR SALE AS AT 1 JANUARY	1,393	–
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	–	(572)
	15,120	26,277
CASH AND CASH EQUIVALENTS AS AT 30 JUNE, represented by bank balances and cash	15,120	26,277

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

1. GENERAL INFORMATION

Corporate information

FDB Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 19 March 2015. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Its immediate holding company is Masterveyor Holdings Limited (“**Masterveyor**”), a company incorporated in the British Virgin Islands. Its ultimate controlling shareholder is Mr. Ng Kin Siu (“**Mr. Ng**”), who is an executive director, chief executive officer of the Company and chairman of the Board.

The Company is an investment holding company. The Group is principally engaged in the provision of contracting business and project management.

During the six months ended 30 June 2021, the Group discontinued the business of the provision of building consultancy services along with the disposal of a subsidiary. In addition, the Group discontinued the provision of financial information and technology services on 14 December 2021, the result of the segment for six months ended 30 June 2021 have been restated to represent accordingly. Details are set out in Note 9.

The condensed consolidated financial statements are presented in Hong Kong Dollar (“**HK\$**”) to suit the needs of the shareholders and investors. All values are rounded to the nearest thousand except when otherwise stated.

Changes in functional currency of the Company

Prior to 1 January 2022, the Renminbi (“**RMB**”) was regarded as the functional currency of the Company while the consolidated financial statements were presented in HK\$. Following the discontinuance of the business of financial information and technology services during the year ended 31 December 2021, the Directors consider that the primary economic environment in which the Group operates has changed and therefore changed the functional currency of the Company from RMB to HK\$ with effect from 1 January 2022. The change in functional currency of the Company was applied prospectively from the date of change, 1 January 2022, in accordance with HKAS 21 *The Effects of Changes in Foreign Exchange Rates*.

2. BASIS OF PREPARATION

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

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2021.

Application of amendments to HKFRSs

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 Relevant Period beginning on 1 January 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

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

4. REVENUE AND SEGMENT INFORMATION

The Group recognises revenue from continuing operations was contracting business and project management (the “**Contracting service**”).

The consultancy service and financial information and technology service were presented discontinued operations. The segment results below do not include any amounts from the discontinued operations which are separately disclosed in Note 9.

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Disaggregation of revenue from contracts with customers

Continuing operations

	Six months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Types of service		
Contracting service	102,892	114,989
Geographical markets		
Hong Kong	102,892	114,989
Timing of revenue recognition		
Over time	102,892	114,989

Information reported to the executive director of the Company, being the chief operating decision maker (“CODM”) for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group’s resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

All of the Group’s activities are carried out in Hong Kong and all of the Group’s assets and liabilities are located in Hong Kong. Accordingly, no analysis by geographical basis is presented.

5A. OTHER INCOME

	Six months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Continuing operations		
Government grants*	848	–
Gain on modification of lease	511	158
Bank interest income	8	7
Others	2,917	85
	4,284	250

* During the six months ended 30 June 2022, the Group recognised government grants of HK\$848,000 in respect of COVID-19-related subsidies which relates to Employment Support Scheme provided by the Hong Kong Government.

5B. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited) (restated)
Continuing operations		
Net foreign exchange losses	–	(332)

5C. REVERSAL OF IMPAIRMENT LOSSES UNDER ECL MODEL, NET

	Six months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Continuing operations		
(Reversal of impairment losses)/impairment losses recognised on:		
— Contract assets	(2,123)	(140)
— Trade receivables	(1,643)	(479)
— Retention receivables	431	(103)
— Other receivables and deposits	(10)	(199)
	(3,345)	(921)

6. FINANCE COSTS

	Six months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Continuing operations		
Interest on:		
Bank borrowings	–	16
Lease liabilities	67	146
	67	162

7. PROFIT/(LOSS) BEFORE TAX

	Six months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited) (restated)
Continuing operations		
Profit/(loss) before tax has been arrived at after charging:		
Directors' emoluments	1,964	2,650
Salaries and other allowances	21,928	23,190
Retirement benefit scheme contributions, excluding those of directors	506	806
Total staff costs	24,398	26,646
Depreciation of property, plant and equipment	40	4
Depreciation of right-of-use assets	1,286	800

8. INCOME TAX EXPENSES

No Hong Kong profits tax has been provided as the Group has no assessable profits arising in Hong Kong during the Relevant Period.

9. DISCONTINUED OPERATIONS

Disposal of consultancy service segment

On 10 February 2021, the Group disposed of its entire equity interests in Fruit Design & Build Limited ("Fruit Design") for cash consideration of HK\$8,500,000, and thereafter the Group ceased the operation of its consultancy business.

Fruit Design carried out the Group's consultancy service business, which was a separate reportable and operating segment of the Group, hence the consultancy service segment was a discontinued operation of the Group upon completion of the disposal.

The results of the consultancy service segment for the period from 1 January 2021 to 10 February 2021 have been presented as a part of the profit or loss for the period ended 30 June 2021 from discontinued operations of the Group in the consolidated statement of profit or loss and other comprehensive income.

9. DISCONTINUED OPERATIONS (CONTINUED)

Disposal of consultancy service segment (Continued)

	Period from 1 January 2021 to 10 February 2021 <i>HK\$'000</i>
Revenue	2,882
Cost of services	<u>(2,131)</u>
Gross profit	751
Administrative expenses	(1,040)
Finance costs	<u>(1)</u>
Loss before tax	(290)
Income tax expense	<u>–</u>
Loss for the period	(290)
Gain on disposal of a subsidiary	<u>5,437</u>
Profit for the period from discontinued operations	<u>5,147</u>

Profit for the period from discontinued operation is arrived at after charging:

	Period from 1 January 2021 to 10 February 2021 <i>HK\$'000</i> (Unaudited)
Salaries and other allowances	2,037
Retirement benefit scheme contributions, excluding those of directors	<u>70</u>
Total staff costs	<u>2,107</u>
Depreciation of property, plant and equipment	73
Depreciation of right-of-use assets	<u>11</u>

Cash flows from discontinued operation for the periods are as follows:

	Period from 1 January 2021 to 10 February 2021 <i>HK\$'000</i> (Unaudited)
Net cash generated from operating activities	450
Net cash used in investing activities	–
Net cash used in financing activities	<u>(13)</u>

9. DISCONTINUED OPERATIONS (CONTINUED)

Disposal of consultancy service segment (Continued)

The analysis of assets and liabilities of Fruit Design at the date of disposal were as follows:

	<i>HK\$'000</i>
Property, plant and equipment	1,835
Right-of-use assets	326
Deferred tax assets	3
Contract assets	401
Trade and other receivables	11,950
Tax recoverable	1,166
Bank balances and cash	2,473
Trade and other payable	(8,515)
Amount due to a fellow subsidiary	(6,248)
Lease liabilities	(328)
	<hr/>
	3,063
Gain on disposal of a subsidiary	5,437
	<hr/>
Total consideration	8,500
	<hr/>
	<i>HK\$'000</i>
Net cashflow arising on disposal:	
Cash consideration received	8,500
Less: Bank balances and cash disposed of	(2,473)
	<hr/>
	6,027
	<hr/>

Disposal of financial information and technology service segment

During the period ended 30 June 2021, the Group entered into sale and purchase agreements on 30 March 2021 to dispose Shanghai Faye Yu and on 28 May 2021 to dispose Tianjin Tuling Technology Information Consultancy Limited ("**Tianjin Tuling**"), both of which were principally engaged in provision of financial information and technology services in the PRC. The disposals were completed on the dates of the respective sale and purchase agreements.

Subsequent to the resignation of certain former directors of the Company (the "**Outgoing Directors**") and senior management personnel of the Group who were responsible for the financial information and technology services segment on 14 December 2021, the Company has resolved that the Group shall cease the business of the financial information and technology services segment. On 24 March 2022, the Group entered into a sale and purchase agreement to dispose of the entire issued share capital in Growth Profit International Limited ("**Growth Profit**") at the consideration of HK\$1 (the "**Growth Profit Disposal**"). Prior to its disposal, Growth Profit and its subsidiaries (the "**Growth Profit Group**") were principally engaged in the provision of debt restructuring and debt collection services in the PRC, which was part of the financial information and technology services segment of the Group. Completion of the Growth Profit Disposal took place on 24 March 2022.

9. DISCONTINUED OPERATIONS (CONTINUED)

Disposal of financial information and technology service segment (Continued)

The assets and liabilities of Growth Profit Group have been reclassified as assets of disposal group held for sale and liabilities directly associated with disposal group held for sale in the consolidated financial statements of the Group with effect from 14 December 2021.

As a result of the abovementioned disposals, the Group has completed the disposal of the entire financial information and technology services segment of the Group upon completion of the disposal of the Growth Profit Group on 24 March 2022. As the Growth Profit Group was a disposal group classified as held for sale as at 31 December 2021, the financial information and technology services segment was considered to be a discontinued operation in the condensed consolidated financial statements for the period ended 30 June 2021. The results of the financial information and technology services segment for the periods from 1 January 2021 to the dates of disposal, or 30 June 2021 in the case of the disposal group held for sale, of the abovementioned subsidiaries have been presented as profit or loss from discontinued operation in the Group's condensed consolidated statement of profit or loss for the period ended 30 June 2021, and the comparative figures in the condensed consolidated financial statements in respect of the preceding year have been restated to re-present the results and cash flows of the financial information and technology services segment as discontinued operations accordingly.

	Period from 1 January 2022 to 24 March 2022 <i>HK\$'000</i>	Period from 1 January 2021 to derecognition dates or 30 June 2021 <i>HK\$'000</i>
Revenue	–	8,172
Cost of services	–	(5,601)
Gross profit	–	2,571
Other income	–	2,467
Other gains and losses	–	2,765
Administrative expenses	–	(4,622)
Profit before tax	–	3,181
Income tax expense	–	(15)
Profit for the period	–	3,166
Gain on disposal of subsidiaries	583	97,996
Profit for the period from discontinued operations	583	101,162

9. DISCONTINUED OPERATIONS (CONTINUED)

Disposal of financial information and technology service segment (Continued)

Profit for the period from the discontinued operation is arrived at after charging:

	Period from 1 January 2022 to 24 March 2022 <i>HK\$'000</i>	Period from 1 January 2021 to derecognition dates or 30 June 2021 <i>HK\$'000</i>
Salaries and other allowances	–	2,016
Retirement benefit scheme contributions, excluding those of directors	–	139
		<hr/>
Total staff costs	–	2,155

Cash flows from discontinued operation for the period are as follows:

	Period from 1 January 2022 to 24 March 2022 <i>HK\$'000</i>	Period from 1 January 2021 to derecognition dates or 30 June 2021 <i>HK\$'000</i>
Net cash used in operating activities	–	(2,892)
Net cash generated from investing activities	–	–
Net cash used in financing activities	–	–
		<hr/>

9. DISCONTINUED OPERATIONS (CONTINUED)

Faye Yu Disposal

On 30 March 2021, the Group entered into a sale and purchase agreement with an independent third party pursuant to which the Group agreed to sell and the independent third party agreed to acquire the entire issued share capital of Shanghai Faye Yu, and its subsidiaries which were engaged in provision of financial information and technology services, for an aggregate consideration of approximately RMB1 (the "Faye Yu Disposal").

Upon the completion of the Faye Yu Disposal on 30 March 2021, Faye Yu Group ceased to be wholly-owned subsidiaries of the Group and the Group ceased to have any interests in Faye Yu Group, hence the results, cash flows, assets and liabilities of Faye Yu Group were no longer consolidated in the consolidated financial statements of the Group after that date.

The analysis of assets and liabilities of Faye Yu Group at the date of the Faye Yu Disposal were as follows:

	<i>HK\$'000</i>
Trade and other receivables	51,161
Amount due from fellow subsidiaries	4,849
Financial assets at FVTPL	16,833
Bank balances and cash	2,875
Trade and other payable	(64,404)
Contract liabilities	(86)
Tax payable	(120,786)
	<hr/>
	(109,558)
Release of translation reserve	(11,959)
Non-controlling interests	24,673
Gain on disposal of subsidiaries	96,844
	<hr/>
Total consideration	—*
	<hr/>
	<i>HK\$'000</i>
Net cashflow arising on disposal:	
Cash consideration received	—*
Less: Bank balances and cash disposed of	(2,875)
	<hr/>
	(2,875)
	<hr/>

* The amount is less than HK\$1,000.

9. DISCONTINUED OPERATIONS (CONTINUED)

Tianjin Tuling Disposal

On 28 May 2021, the Group entered into a sale and purchase agreement with an independent third party pursuant to which the Group agreed to sell, and the independent third party agreed to acquire, the entire issued share capital of Tianjin Tuling, and its subsidiaries (the “**Tianjin Tuling Group**”), which were engaged in provision of financial information and technology services, for an aggregate consideration of approximately RMB1 (the “**Tianjin Tuling Disposal**”).

Upon the completion of the Tianjin Tuling Disposal on 28 May 2021, Tianjin Tuling Group ceased to be wholly-owned subsidiaries of the Group and the Group ceased to have any interests in Tianjin Tuling Group, hence the results, cash flows, assets and liabilities of Tianjin Tuling Group no longer were consolidated in the consolidated financial statements of the Group after that date.

The analysis of assets and liabilities of Tianjin Tuling Group at the date of the Tianjin Tuling Disposal were as follows:

	<i>HK\$'000</i>
Trade and other receivables	1,339
Bank balances and cash	4,607
Trade and other payable	(7,348)
	<hr/>
	(1,402)
Release of translation reserve	6
Non-controlling interests	244
Gain on disposal of subsidiaries	1,152
	<hr/>
Total consideration	—*
	<hr/>
	<i>HK\$'000</i>
Net cashflow arising in disposal:	
Cash consideration received	—*
Less: Bank balances and cash disposed of	(4,607)
	<hr/>
	(4,607)
	<hr/>

* The amount is less than HK\$1,000.

9. DISCONTINUED OPERATIONS (CONTINUED)

Growth Profit Disposal

As at 14 December 2021, which was the date of discontinuance of the discontinued operations of the financial information and technology service segment, the directors of the Company were committed to a plan to sell Growth Profit Group, which were available for immediate sale and the sale was considered highly probable. Accordingly, the carrying amounts of the assets and liabilities of the Growth Profit Group would be recovered principally through a sale transaction rather than through continuing use. The Growth Profit Group were therefore reclassified as a disposal group held for sale and measured at the lower of its carrying amount and fair value less costs to sell.

On 24 March 2022, the Group entered into the Growth Profit Disposal. Prior to the Growth Profit Disposal, the Growth Profit Group was principally engaged in the debt restructuring and debt collection services of the financial information and technology services segment in the PRC, which has been classified as disposal group held for sale as at 31 December 2021.

Upon the completion of the Growth Profit Disposal on 24 March 2022, Growth Profit Group ceased to be wholly-owned subsidiaries of the Group and the Group ceased to have any interests in Growth Profit Group, hence the results, cash flows, assets and liabilities of Growth Profit Group were no longer consolidated in the consolidated financial statements of the Group after that date.

The analysis of assets and liabilities of Growth Profit Group at the date of the Growth Profit Disposal were as follows:

	<i>HK\$'000</i>
Property, plant and equipment	11
Trade and other receivables	4,634
Bank balances and cash	1,393
Trade and other payable	(6,553)
	<hr/>
	(515)
Release of translation reserve	53
Non-controlling interests	(121)
Gain on disposal of subsidiaries	583
	<hr/>
Total consideration	—*
	<hr/>
Net cashflow arising on disposal:	
	<i>HK\$'000</i>
Cash consideration received	—*
Less: Bank balances and cash disposed of	(1,393)
	<hr/>
	(1,393)
	<hr/>

* The amount is less than HK\$1,000

10. DIVIDEND

No dividends were paid, declared or proposed during the six months ended 30 June 2022 and 2021. The Directors have determined that no dividend will be paid in respect of the interim periods.

11. EARNINGS/(LOSS) PER SHARE

The calculations of the basic earnings/(loss) per share from continuing and discontinued operations attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited) (restated)
Earnings/(Loss):		
Earnings/(loss) for the period from continuing operations	9,245	(29,558)
Earnings for the period from discontinued operations	583	104,981
Earnings/(Loss) for the purpose of basic earnings/(loss) per share from continuing operations and discontinued operations	9,828	75,423

Number of shares:

Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share

	Six months ended 30 June	
	2022 '000	2021 '000
	1,332,000	1,332,000

No diluted earnings/(loss) per share for both periods were presented as there were no potential dilutive ordinary shares in issue for both periods.

12. CONTRACT ASSETS

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Contracting service	53,222	87,918

As at 30 June 2022, included in contract assets are retention held by customers for contract works amounted to approximately HK\$21,359,000 (unaudited) (31 December 2021: HK\$39,362,000 (audited)). The retention money was expected to be recovered or settled within twelve months from the end of the reporting period.

The contract assets primarily relate to the Group's rights to consideration for works completed and not billed because the rights are conditioned on the Group's future performance. The contract assets are transferred to trade receivables when the rights become unconditional.

The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

13. TRADE AND OTHER RECEIVABLES

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Trade receivables	63,667	93,306
Less: allowance for expected credit losses	(2,724)	(4,367)
	60,943	88,939
Retention receivables (<i>Note</i>)	17,362	6,661
Less: allowance for expected credit losses	(2,586)	(2,155)
	14,776	4,506
Other receivables	7,630	8,074
Less: allowance for expected credit losses	(164)	(163)
	7,466	7,911
Prepayment	9,956	19,559
Sundry deposits	1,780	3,052
	11,736	22,611
	94,921	123,967

Note:

Retention money in relation to completed projects of approximately HK\$5,510,000 (unaudited) (31 December 2021: HK\$1,934,000 (audited)) were unbilled as at 30 June 2022. The Group has unconditional right to the payment of the unbilled retention receivables which is expected to be billed within 12 months from the end of the reporting period.

The Group allows credit period ranging from 0 to 90 days to its customers. The following is an aging analysis of the Group's trade receivables net of allowance for ECL presented based on certificate/invoice dates.

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Trade receivables:		
1–30 days	33,547	59,138
31–60 days	2,840	20,217
61–90 days	238	–
91–180 days	–	–
Over 180 days	24,318	9,584
	60,943	88,939

14. TRADE AND OTHER PAYABLES

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Trade payables	37,683	66,299
Retention payables (Note)	28,537	36,777
Accrued subcontracting charges	45,632	60,590
Accrued operating expenses	1,043	2,170
	112,895	165,836

Note:

In accordance with the normal practice of the industry, a certain percentage of contract sums is usually withheld by the Group as retention money for a period of one to two years after the works of subcontractors have been completed.

The credit period on trade payables is 0 to 30 days.

An aging analysis of the Group's trade payables based on invoice dates at the end of the reporting period is as follows:

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Trade payables:		
1-30 days	22,218	57,802
31-60 days	290	48
61-90 days	3	-
Over 90 days	15,172	8,449
	37,683	66,299

15. AMOUNTS DUE TO A SHAREHOLDER

As at 30 June 2022, the amount due to a shareholder of approximately HK\$12,000,000 is unsecured, interest-free and repayable on demand from the end of the reporting period.

The comparative amount of approximately HK\$14,149,000 included in the consolidated statement of financial position as at 31 December 2021 was a loan which was unsecured, interest-free and repayable within one year from the end of the reporting period due by an indirect wholly-owned subsidiary of the Company to another shareholder of the Company and was subsequently disposed of as a result of loss of control of such subsidiary during the period ended 30 June 2022 (Note 20).

16. ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

Upon completion of the Growth Profit Disposal on 24 March 2022, the assets and liabilities of the Growth Profit Group, which had been classified as assets and liabilities classified as held for sale and are presented separately in the consolidated statement of financial position as at 31 December 2021, have been disposed of during the period ended 30 June 2022.

17. SHARE CAPITAL

	Number of Shares	Amount <i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 January 2021, 31 December 2021 and 30 June 2022	4,000,000,000	40,000
Issued and fully paid:		
At 1 January 2021, 31 December 2021 and 30 June 2022	1,332,000,000	13,320

18. SURETY BONDS

Certain customers of construction contracts require the group entities to issue guarantees for performance of contract works in the form of surety bonds. The surety bonds are secured by pledged bank deposits. In addition, the Group provided a counter-indemnity to the financial institutions that issue such surety bonds.

As at 30 June 2022, the outstanding amount of surety bonds of the Group was approximately HK\$41,664,000 (unaudited) (31 December 2021: HK\$30,664,000 (audited)).

19. RELATED PARTY DISCLOSURES

Compensation of key management personnel

The Directors are identified as key management members of the Company, and their compensation during the periods were set out as follows.

	Six months ended 30 June	
	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)
Salaries and other allowances	1,955	2,632
Retirement benefit scheme contributions	9	18
	1,964	2,650

20. GAIN ON DECONSOLIDATION OF A SUBSIDIARY

During the Relevant Period, a winding-up order was made by the High Court against Jet Speed Asia Pacific Limited (“**Jet Speed**”) at the hearing of the Petition on 27 April 2022 pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) and the Official Receiver of Hong Kong has been appointed as the provisional liquidator of Jet Speed. As a result of the liquidation and appointment of liquidators, the Group lost control over Jet Speed and it ceased to be subsidiary of the Company with effect from 27 April 2022. A gain on deconsolidation of the subsidiary of approximately HK\$10,902,000 was recognised in the consolidated profit or loss for the period ended 30 June 2022.

The analysis of assets and liabilities of Jet Speed at the date of loss of control were as follows (before intragroup elimination):

	<i>HK\$'000</i>
Bank balances and cash	3,662
Trade and other payable	(415)
Amounts due to a shareholder	(14,149)
Amounts due to the Company	(26,220)
	<hr/>
Net liabilities being disposed	(37,122)
	<hr/>
Net liabilities being disposed	37,122
Elimination of impairment loss of amount due from Jet Speed by the Company	(26,220)
	<hr/>
Gain on deconsolidation of a subsidiary	10,902
	<hr/>
Net cashflow arising on loss of control:	
	<i>HK\$'000</i>
Bank balances and cash disposed of	(3,662)
	<hr/>

21. LITIGATION AND EVENT AFTER REPORTING PERIOD

Notwithstanding as disclosed in page 35 to page 37 under the section headed “Litigation”, no material litigation with financial impact to the Group is expected.

There was no significant event that took place subsequent to 30 June 2022 and up to the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged in the provision of contracting business and project management.

With the continuous widespread of the coronavirus pandemic (the “**COVID-19**”) in the second quarter of 2022, and the prolonged implementation of travel restrictions and social distancing measures, the economic activities in Hong Kong were severely affected which disrupted supply chains and changed consumption habits.

Despite there are uncertainties regarding the COVID-19, the company is confident about the prospects of the business and will continue to explore different opportunities to maximize shareholders’ interests.

FINANCIAL REVIEW

Financial Performance

During the Relevant Period, Hong Kong economy hit hard by a new Covid-19 virus variant, the revenue of the Group from its continuing operations decreased by approximately HK\$12.1 million or 10.5% to approximately HK\$102.9 million (2021: HK\$115.0 million). However, as a result of our strengthened cost control and resources management, the Group recorded a gross profit and net profit from its continuing operations of approximately HK\$1.6 million and HK\$9.2 million respectively (2021: gross loss HK\$14.0 million and net loss HK\$29.6 million respectively).

Other income

Other income from its continuing operations amounted to approximately HK\$4.3 million for the Relevant Period, it was mainly due to the derecognised of certain contractual liabilities and recognised government grants in respect of COVID-19 related subsidies (2021: HK\$0.3 million, representing a increase of approximately 1,333%).

Other Gains and Losses

No other gains from its continuing operations for the Relevant Period (2021: other loss of HK\$0.3 million).

Impairment losses, net of reversal

During the Relevant Period, reversal of impairment losses, from its continuing operations was provided of approximately HK\$3.3 million (2021:HK0.9 million).

Administrative Expenses

Administrative expenses of the Group from its continuing operations decreased by approximately HK\$5.4 million or 33.3% from approximately HK\$16.2 million for the six months ended 30 June 2021 to approximately HK\$10.8 million for the Relevant Period. Such decrease was primarily due to decline in salaries and other allowances of approximately HK\$2.2 million during the Relevant Period.

Finance costs

Finance costs of the Group from its continuing operations decreased by approximately HK\$0.1 million or 50.0% from approximately HK\$0.2 million for the six months ended 30 June 2021 to approximately HK\$0.1 million for the Relevant Period, as the interest paid for the bank borrowings and lease liabilities decreased for the Relevant Period.

Income tax expenses

No provision for the Hong Kong Profit Tax has been made as the Group did not generate any estimated assessable profits during the Relevant Period.

Profit and total comprehensive income/loss for the period attributable to the owners of the Company

Profit for the period attributable to the owners of the Company from its continuing operations was approximately HK\$9.2 million for the Relevant Period (2021: loss of HK\$29.6 million).

The turnaround from loss to profit was primarily attributable to the effect of (i) improvement in gross profit; and (ii) gain on deconsolidation of a subsidiary of the Company.

Total comprehensive income for the period attributable to the owners of the Company from its continuing operations was approximately HK\$9.3 million (2021: loss of HK\$46.0 million).

The turnaround from loss to profit was primarily attributable to the effect of (i) significant improvement in profit from continuing operations; and (ii) gain on deconsolidation of a subsidiary of the Company.

LIQUIDITY AND FINANCIAL RESOURCES

Net borrowing position

The total borrowings represents amounts due to a shareholder, as at 30 June 2022 decreased by approximately HK\$2.1 million to approximately HK\$12.0 million (31 December 2021: approximately HK\$14.1 million). Bank balances and cash and pledged bank deposits as at 30 June 2022 increased by approximately HK\$16.6 million to approximately HK\$36.0 million (31 December 2021: approximately HK\$19.4 million). Therefore, the net cash position of the Group increased to approximately HK\$24.0 million (31 December 2021: approximately HK\$5.3 million).

Structure of bank borrowings and amounts due to a shareholder

As at 30 June 2022, bank balances and cash and pledged bank deposits of the Group denominated in Hong Kong Dollar amounted to HK\$36.0 million (31 December 2021: approximately HK\$19.4 million).

As at 30 June 2022, amounts due to a shareholder amounted to HK\$12.0 million were denominated in Hong Kong Dollar (31 December 2021: approximately HK\$14.1 million were denominated in Hong Kong Dollar). The effective interest rate during the Relevant Period was nil (2021: 2.93%). As at 30 June 2022 and 31 December 2021, all of amounts due to a shareholder are interest-free.

Liquidity ratios and gearing ratios

The current ratio of the Group as at 30 June 2022 was 1.45 times (31 December 2021: 1.25 times).

The gearing ratio, calculated based on the total borrowings including amounts due to a shareholder divided by total equity at the end of the Relevant Period and multiplied by 100%, decreased to approximately 20.1% as at 30 June 2022 (31 December 2021: approximately 28.4%). Such decrease was primarily due to increase in total equity as a result of the profit and total comprehensive income for the period attributable to the owners of the Company during the Relevant Period.

CAPITAL STRUCTURE

Funding policy and treasury policy

The Group maintains a prudent funding and treasury policy of its overall business operations to minimise financial risks. Surplus funds are generally placed in short term deposits denominated primarily in Hong Kong Dollar. All future projects will be financed by cash flows from operations, banking facilities, or any forms of financing available in Hong Kong.

The Group regularly monitors its liquidity requirements and its relationship with bankers to ensure that it maintains sufficient reserves of cash and adequate committed line of funding from major financial institutions to meet its liquidity requirements in the short and long term.

As at 30 June 2022 and 31 December 2021, the Company's issued share capital was HK\$13,320,000 and the number of issued ordinary shares was 1,332,000,000 of HK\$0.01 each.

EXPOSURE TO EXCHANGE RATE FLUCTUATION

The directors of the Company had, having reviewed the business and operating environment following the discontinuance of the business of financial information and technology services during the year ended 31 December 2021 and determined that the primary economic environment in which the Group operates has changed and therefore changed its functional currency from RMB to HK\$ with effect from 1 January 2022.

Most of the transactions of the Group are denominated in Hong Kong Dollar and the Group is not exposed to any significant foreign exchange exposure.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Whilst the Group will continue to solidify its business and clientele in the construction industry, the Group will look into business and investment opportunities for business expansion and capital injection in order to enhance the long-term growth potential of the Group, as at the date of this report, the Group did not have other plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

On 24 March 2022, Taize Investment Holdings Limited, a direct wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with a purchaser to dispose of the entire issued share capital in Growth Profit International Limited ("**Growth Profit**"), which in turn held 80% equity interest in Shenzhen Heshilao Intelligence Technology Company Limited* (深圳和事佬智能科技有限公司), a company incorporated in the PRC at the consideration of HK\$1 (the "**Growth Profit Disposal**"). Completion of the Growth Profit Disposal took place on 24 March 2022.

As all of the applicable percentage ratios for the Growth Profit Disposal are less than 5%, each of the Growth Profit Disposal does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

Save as disclosed above, there was no significant event that took place during the Relevant Period, subsequent to 30 June 2022 and up to the date of this report.

CHARGE ON THE GROUP'S ASSETS

As at 30 June 2022, the Group has pledged its bank deposit of approximately HK\$20.9 million (31 December 2021: approximately HK\$9.9 million) to secure the guaranteed credit facilities for issuing surety bonds amounting to approximately HK\$41.7 million (31 December 2021: approximately HK\$30.7 million).

SURETY BONDS AND CONTINGENT LIABILITIES

Certain customers of construction contracts undertaken by the Group require the Group entities to issue guarantees for performance of contract works in the form of surety bonds and secured by pledged bank deposits. In addition, the Group provided a counter-indemnity to the financial institutions who have issued such surety bonds.

As at 30 June 2022, the outstanding amount of surety bonds of the Group was approximately HK\$41.7 million (31 December 2021: approximately HK\$30.7 million).

Save as disclosed above, as at 30 June 2022, the Group did not have any other material contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2022, the Group employed a total of 98 employees (2021: 116 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK\$24.4 million for the six months ended 30 June 2022 (2021: approximately HK\$26.6 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of the individual employee. In addition to a basic salary, year-end discretionary bonuses were offered to staff with outstanding performance to attract and retain eligible employees to contribute to the Group.

Apart from basic remuneration, share options may be granted to eligible employees by reference to the Group's performance as well as individual contribution.

LITIGATION

During the reporting period and from the end of the reporting period and up to the date of this report, the Group has been named as a party (whether as a nominal defendant or otherwise) in a number of legal actions. Set out hereinbelow are the litigations to which the Company is being named as a party.

1. Board Composition Case

As disclosed in page 17 of the Annual Report 2021 of the Company under the sub-section headed “Board Composition Case” in relation to, among other things, a derivative action commenced in the High Court of Hong Kong (the “**High Court**”) under HCA No. 704 of 2021 (the “**Board Composition Case**”) by Masterveyor against certain former Directors, including Mr. Gao Yunhong (“**Mr. Gao**”) and Ms. Feng Xuelian (“**Ms. Feng**”) disputing the validity of the Board resolutions purportedly passed on 3 May 2021 and 5 May 2021 (the “**Purported Resolutions**”).

On 4 June 2021, Mr. Gao and Ms. Feng has given an undertaking to Masterveyor and the High Court that each of them and servants or agents or otherwise not to act on, implement or carry into effect the Purported Resolutions pending determination of the Board Composition Case or further order of the High Court. On 4 June 2021, the High Court further ordered, among others, that the Company, its servants or agents or otherwise, be restrained from acting on, implementing or carrying into effect the Purported Resolutions pending determination of the Board Composition Case or further order of the High Court.

The Company has not taken any steps in the Board Composition Case and has maintained a neutral stance.

As of the date of this report, the Board Composition Case is still ongoing.

2. Disposal of FVTOCI Case

As disclosed in page 18 of the Annual Report 2021 of the Company under the sub-section headed “Disposal of FVTOCI Case” in relation to, among other things, a derivative action commenced in the High Court under HCA No. 859 of 2021 (the “**Disposal of FVTOCI Case**”) by Masterveyor against, among others, Ms. Feng and Jet Speed Asia Pacific Limited (“**Jet Speed**”), an indirect wholly-owned subsidiary of the Company, in which it was alleged by Masterveyor that Ms. Feng was in breach of her duties as a director and/or fiduciary duties owed to Jet Speed and the Company, and thereby acted ultra vires, and/or committed a fraud on Jet Speed and the Company, and/or obtained personal benefits or preferred or promoted her personal interests at the expense of the interest of other shareholders or that of Jet Speed and the Company by disposing off certain equity instruments held by Jet Speed (the “**FVTOCI Disposal**”).

On 7 April 2022, the Securities and Futures Commission has publicly reprimanded Mr. Gao and Ms. Feng for breach of Rule 4 of the Code on Takeovers and Mergers in relation to the FVTOCI Disposal.

The Company has not taken any steps in the Disposal of FVTOCI Case and has maintained a neutral stance.

As of the date of this report, the Disposal of FVTOCI Case is still ongoing.

3. **Withholding of Records Case**

As disclosed in page 19 of the Annual Report 2021 of the Company under the sub-section headed “Withholding of Records Case” in relation to, among other things, a derivative action commenced in the High Court under HCA No. 1298 of 2021 (the “**Withholding of Records Case**”) by Gentle Soar Limited (“**Gentle Soar**”) against, among others, Mr. Ng and Mr. Fung Kai Man and the Company in relation to the alleged non-provision of books and records of certain subsidiaries of the Company.

On 1 June 2022, the High Court has ordered that the Withholding of Records Case be wholly discontinued.

4. **Jet Speed Winding-up Case**

As disclosed in page 19 of the Annual Report of the Company under the sub-section headed “Jet Speed Winding-up Case” in relation to, among other things, a winding-up petition presented in the High Court under HCCW No. 482 of 2021 (the “**Jet Speed Winding-up Case**”) by Gentle Soar against Jet Speed.

As further disclosed in the announcement of the Company dated 27 April 2022, on 27 April 2022, a winding-up order was made by the High Court against Jet Speed and the Official Receiver has been appointed as provisional liquidator of Jet Speed. As a result of which, the Group lost control over Jet Speed and it ceased to be a subsidiary of the Company.

The Company has submitted its proof of debt to the provisional liquidators of Jet Speed. It is expected that the Company would be entitled to the distribution of the assets of Jet Speed in due course. Further announcements will be made by the Company if and when appropriate.

DISCLOSURE OF INTERESTS

A. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2022, interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) pursuant to the Model Code as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(i) Long position in the ordinary shares of the Company

Name of Director	Capacity/Nature	Number of shares held/ interest in	Percentage of shareholding
Mr. Ng ^(Note 1)	Interest in controlled corporation	746,930,000	56.08%

Note:

1. Mr. Ng beneficially owns the entire issued share capital of Masterveyor and is deemed, or taken to be, interested in all the shares of the Company held by Masterveyor for the purposes of the SFO. Mr. Ng is an executive Director and chief executive officer of the Company.

(ii) Long position in the ordinary shares of associated corporations

Name of Director	Name of associated corporation	Capacity/Nature	Number of shares held/ interested in	Percentage of shareholding
Mr. Ng	Masterveyor	Beneficial owner	2	100%

Save as disclosed above, as at 30 June 2022, none of the Directors nor chief executive of the Company has registered an interest 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) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules.

B. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2022, the interest and short positions of the person (other than the Directors or chief executive of the Company) or company which was required to be recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name of shareholder	Capacity/Nature of interest	Number of shares held/ Interested in	Long/short position	Percentage of total issued share capital of the Company
Mastervoyor	Beneficial owner	746,930,000	Long	56.08%
Ms. Wong Chai Lin	Interest of spouse <i>(Note 1)</i>	746,930,000	Long	56.08%
Gentle Soar Limited	Beneficial owner <i>(Note 2)</i>	209,720,000	Long	15.74%
Mr. Gao Yunhong	Interest in a controlled corporation <i>(Note 2)</i>	209,720,000	Long	15.74%
Pop Reach Limited	Beneficial owner	89,480,000	Long	6.72%
Ms. Yeung So Lai	Interest in a controlled corporation <i>(Note 3)</i>	89,480,000	Long	6.72%

Notes:

- Ms. Wong Chai Lin is the spouse of Mr. Ng, an executive Director, the chief executive officer of the Company and the beneficial owner of Mastervoyor, and is deemed, or taken to be, interested in all the shares in which Mr. Ng is interested for the purposes of the SFO.

2. Mr. Gao Yunhong is beneficially interested in the entire issued shares of Gentle Soar Limited and is therefore deemed to be interested in the shares of the Company held by Gentle Soar Limited by virtue of the SFO.
3. Ms. Yeung So Lai is beneficially interested in the entire issued shares of Pop Reach Limited and is therefore deemed to be interested in the shares of the Company held by Pop Reach Limited by virtue of the SFO.

Save as disclosed above, as at 30 June 2022 and so far as is known to the Directors, no person, other than the Directors and chief executive of the Company whose interests are set out in the section “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures” above, had notified the Company of an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

COMPETING AND CONFLICTS OF INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling shareholders of the Company nor any of their respective associates (as defined in the Listing Rules) that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the Relevant Period.

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

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

CORPORATE GOVERNANCE CODE

The Board recognises that transparency and accountability are important to a listed company. Therefore, the Company is committed to establishing and maintaining good corporate governance practices and procedures. The Directors believe that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture in return for the benefits of the Company’s stakeholders as a whole.

The Board has adopted and complied with the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Listing Rules. Pursuant to the code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established. Mr. Ng Kin Siu currently assumes the role of both chairman of the Company and chief executive of the Company. The Board considers that this structure could enhance efficiency in formulation and implementation of the Company’s strategies. The Board will review the need of appointing suitable candidate to assume the role of chief executive when necessary. Save as disclosed above, the Company has complied with the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 to the Main Board Listing Rules.

The Directors will continue to review the Company’s corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements from time to time, and to meet the rising expectation of shareholders and other stakeholders of the Company.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in the Model Code as set out in Appendix 10 to the Listing Rules. The Company had made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors during the Relevant Period.

INTERIM DIVIDEND

The Board has resolved not to recommend any payment of interim dividend in respect of the Relevant Period (six months ended 30 June 2021: Nil).

SHARE OPTION SCHEME

The share option scheme (the “**Scheme**”) is a share incentive scheme in compliance with Chapter 17 of the Listing Rules and is established to recognise and acknowledge the contributions of the Directors and other employees who have made valuable contributions to the Group. The Scheme of the Company was adopted on 16 September 2015 (the “**Adoption**”). There was no share option granted or agreed to be granted under the Scheme from the date of the Adoption to 30 June 2022.

The following is a summary of the principal terms of the Scheme but it does not form part of, nor was it intended to be part of the Scheme nor should it be taken as affecting the interpretation of the rules of the Scheme:

(A) PURPOSE

The Scheme is a share incentive scheme in compliance with Chapter 17 of the Listing Rules and is established to recognise and acknowledge the contributions that the Eligible Participants (as defined in paragraph (B) below) had or may have made to our Group. The Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

- (i) to motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and
- (ii) to attract and to retain or otherwise to maintain an on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

(B) THE PARTICIPANTS OF THE SCHEME

The Board may, at its discretion, offer to grant an option to the following persons (collectively the “**Eligible Participants**”) to subscribe for such number of new shares as the Board may determine at an exercise price determined in accordance with paragraph (E) below:

- (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;
- (ii) any directors (including independent non-executive directors) of the Company or any of its subsidiaries; and
- (iii) any advisers, consultants and such other persons who in the sole opinion of the Board will contribute or have contributed to the Company or any of its subsidiaries.

Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company as consideration for the grant.

(C) MAXIMUM NUMBER OF SHARES

The maximum number of shares in respect of which options may be granted under the Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares in issue, being 133,200,000 shares, unless the Company obtains a fresh approval.

(D) MAXIMUM NUMBER OF OPTIONS TO ANY ONE INDIVIDUAL

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the issued shares of the Company as at the date of grant.

(E) PRICE OF SHARES

The subscription price of a share in respect of any particular option granted under the Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the higher of:

- (i) the official closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the official closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a share.

(F) TIME OF EXERCISE OF OPTION AND DURATION OF THE SHARE OPTION SCHEME

An option may be exercised in accordance with the terms of the Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the Scheme. Subject to earlier termination by the Company in general meeting or by the Board, the Scheme shall be valid and effective for a period of 10 years from the date of the Adoption.

EVENT AFTER REPORTING PERIOD

There was no significant event that took place subsequent to 30 June 2022 and up to the date of this report.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) with its written terms of reference in compliance with the Listing Rules. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment, reappointment and removal of the external auditor, to review and monitor the external auditor’s independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and to monitor the integrity of the Company’s annual reports and interim financial reports before submission to the Board. The Audit Committee consists of three members, namely Mr. Lau Kwok Fai Patrick, Mr. Chan Yuk Sang and Mr. Wan Chi Wai Anthony, all being independent non-executive Directors. Mr. Lau Kwok Fai Patrick currently serves as the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the Relevant Period.

By order of the Board
FDB Holdings Limited
Ng Kin Siu

Chairman of the Board and executive Director

Hong Kong, 15 August 2022

