

Vision Values

Vision Values Holdings Limited

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

2022/23

INTERIM REPORT



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 period ended 31 December 2022 (the "**Financial Period**").

Financial Results Summary

- Revenue for the Financial Period was HK\$164.9 million (2021: HK\$19.1 million).
- Loss attributable to owners of the Company was HK\$3.7 million (2021: HK\$9.2 million).
- Basic loss per share attributable to owners of the Company was HK cents 0.09 (2021: HK cents 0.23).

Management Discussion and Analysis

Business Review

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

In the Financial Period, NSPS achieved total revenue of HK\$3.2 million (2021: HK\$2.6 million). An increase of 23.1% when compared to last corresponding period. A breakdown of the revenue from NSPS was as follows:

- (i) Telecom solutions was HK\$0.2 million (2021: HK\$1.0 million);
- (ii) Enterprise solutions was HK\$0.9 million (2021: HK\$0.9 million);
- (iii) Project services was HK\$1.6 million (2021: HK\$0.4 million); and
- (iv) System maintenance was HK\$0.5 million (2021: HK\$0.3 million)

During the Financial Period, the business of NSPS was still losing steam due to the ongoing COVID-19 pandemic. The overall economic environment of Hong Kong was poor with subdued economic activity. Many projects under discussion for a long time were ultimately delayed or cancelled by our potential customers due to costs and/or cashflow concerns.

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\$3.0 million (2021: HK\$3.2 million). As at 31 December 2022, all the investment properties were renting out except for the commercial building at 17/F., Henan Building, Wan Chai, Hong Kong.

3. 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, FVSP completed the Year 2022 field exploration programs and implemented the data processing and target modelling. From the exploration result, it revealed and confirmed that target area 18 was a copper-major porphyry target, and our ongoing conceptual exploration modelling that Zoolon Gold Project area was related to copper, silver, gold, polymetallic porphyry epithermal systems. FVSP technical team is presently preparing the technical reports for further study.

4. Private Jet Management Services ("**PJM**")

At the end of the Financial Period, PJM got three private jets (2021: three) under aircraft management contracts and one aircraft (2021: two) under ad hoc management contract. The revenue for the Financial Period was approximately HK\$14.3 million (2021: HK\$13.2 million).

5. Logistics business

The logistics business of the Group is carried out by an indirect non-wholly owned subsidiary (the "**JV**"). The JV is owned beneficially as to 60% by the Group and the remaining 40% by independent third parties. The business scope of the JV is covering drop and pull transport at Xinjiang border; gangue backfill and route transportation of clean coal and its by-products.

JV delivered a solid performance during the Financial Period albeit the tightening of pandemic control measures in Xinjiang during October 2022 to early December 2022. The revenue for the Financial Period was HK\$144.3 million (2021: Nil).

The freight traffic handled by the JV during the Financial Period was approximately 668,000 metric tons (2021: Nil).

During the Financial Period, JV developed a new road-rail combined transportation business model. JV opened up a short-term transportation trunk line of 186 kilometers ending at Fuyun railway station. In winter season of Xinjiang, heavy snowfall is common and resulting in icy roads. The adverse weather makes road transportation inefficient and dangerous. Through the road-rail combined transportation, JV can provide reliable services to our customers and also be able to extend its customer bases outside Xinjiang. By the end of December 2022, 3 trains of railway containers had been successfully shipped to customers inside and outside Xinjiang.

Financial Review

I. Results Analysis

Revenue

During the Financial Period, the Group's revenue increased to HK\$164.9 million (2021: HK\$19.1 million). Around 87.5% (2021: Nil) of the Group's revenue was generated from the logistics business, 8.7% (2021: 69.4%) from the private jet management services and 2.0% (2021: 13.8%) from the NSPS. 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\$5.5 million (2021: HK\$9.0 million) and (ii) loss on currency translation of HK\$1.4 million on our investment properties in China (2021: gain on currency translation of HK\$0.7 million). The Group's portfolio of commercial properties in Hong Kong accounted for the fair value gain on investment properties.

Employee benefit expenses

The increase in employee benefit expenses was mainly due to the inclusion of the newly established logistics services which was not available in last corresponding period.

Finance costs

For the Financial Period, finance costs were HK\$2.8 million (2021: HK\$1.6 million). The increase in finance costs was mainly due to the increase in borrowings.

2. Liquidity and Financial Resources

As at 31 December 2022, the Group had a revolving standby facility from Mr. Lo Lin Shing, Simon, the Chairman and director of the Company totaling HK\$140 million. The Group drew down HK\$85.1 million from the facility. The maturity date of this facility is 30 June 2024.

3. Gearing

As at 31 December 2022, the gearing ratio of the Group was 34.4% (30 June 2022: 18.9%) 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 2022, the Group did not have material contingent liabilities (30 June 2022: Nil).

Business Outlook and Development

Since the outbreak of COVID-19 pandemic, Hong Kong's economy has fallen into recession. Hong Kong's real gross domestic product recorded a shrink of approximately 3.5% in 2022. The fall in goods exports in the fourth quarter of 2022 widened further, but private consumption resumed growth. Looking ahead, the Hong Kong economy is expected to show a recovery in 2023 but with mixture of both risks and opportunities. For the external environment, global economic growth may slow down further, while inflation is likely to remain at a relatively high level. Besides, the geopolitical tensions and continued tightening of monetary policies by various advanced economies will all be detrimental to the Hong Kong economy. An expected faster growth of the Mainland economy and the relaxation of cross-boundary truck movement restrictions should provide some support to the Hong Kong economic growth. In addition, an expected strong rebound of inbound tourism following the removal of quarantine arrangements for visitors and resumption of normal travel between Hong Kong and the Mainland should underpin a recovery of exports of services.

As at 31 December 2022, the total amount of projects on hand for NSPS was approximately HK\$13.0 million. Among them, HK\$10.3 million was belonged to the project services, HK\$1.0 million was belong to the solution sales, and HK\$1.7 million was belonged to the maintenance services. In view of the persistent low gross profit margin and high associated business risk related to the project services, NSPS in coming future will put more effort and resources with a focus on the sales of network solutions instead of any project works.

For the property investment and PJM, their business performance should be improved in tandem with economic growth in Hong Kong.

For the logistics business, the JV entered into a logistics services framework agreement and a supplemental agreement (the "**Agreements**") with Mongolia Energy Corporation Limited ("**MEC**") on 3 December 2021 and 31 March 2022 respectively. According to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, MEC imposed an annual cap of service fee of Rmb131.6 million (the "**Annual Cap**") under the Agreements. The accumulated service fee charged to MEC group by the end of 31 December 2022 was approximately Rmb120.1 million. Therefore, no more business will be originating from MEC group once the Annual Cap is reached. In the meantime, we are in negotiation with MEC to renew the logistics services framework agreement.

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, 27 February 2023

Corporate Governance and Other Information

Interim Dividend

The Board has resolved not to declare any interim dividend for the Financial Period (2021: Nil).

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

As at 31 December 2022, 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 ^(Note)	47,000,000	-	1,294,809,889	33%
Mr. Ho Hau Chong, Norman	17,821,973	-	-	20,000,000	-	37,821,973	0.96%
Ms. Yvette Ong	-	-	-	20,000,000	-	20,000,000	0.51%
Mr. Lo, Rex Cze Kei	-	-	-	20,000,000	-	20,000,000	0.51%
Mr. Lo, Chris Cze Wai	-	-	-	15,000,000	-	15,000,000	0.38%
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 ^(Note)	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 Scheme**”, as at 31 December 2022, 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 2022, 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 ^(Note)	-	1,294,809,889	-	1,294,809,889	33.00%
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 OF THE COMPANY AND ITS ASSOCIATED CORPORATION**”, 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 2022.

Share Option Schemes

Pursuant to a share option scheme adopted by the Company on 23 November 2011 (the “**2011 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 Option Scheme was expired on 22 November 2021. Under the share option scheme adopted by the Company on 29 November 2021 (the “**2021 Option Scheme**”), options were granted to certain Directors, employees and other eligible participants of the Company entitling them to subscribe for shares of HK\$0.01 each in the capital of the Company.

There were no movements in outstanding share options, which had been granted under the 2011 Option Scheme and 2021 Option Scheme, during the Financial Period. The details of the outstanding share options 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 2022 and 31 December 2022
Directors					
Mr. Lo	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	18,000,000
	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	29,000,000
Mr. Ho Hau Chong, Norman	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	10,000,000
	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	10,000,000
Ms. Yvette Ong	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	10,000,000
	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	10,000,000
Mr. Lo, Rex Cze Kei	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	10,000,000
	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	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
	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	10,000,000
Mr. Tsui Hing Chuen, William <i>JP</i>	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	5,000,000
	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	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 1 July 2022 and 31 December 2022
Mr. Lau Wai Piu	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	5,000,000
	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	5,000,000
Mr. Lee Kee Wai, Frank	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	5,000,000
	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	5,000,000
Service Providers					
Mr. Ho Cheuk Yin	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	25,000,000
Mr. Kwok Ying Tung, Daniel	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	3,000,000
	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	3,000,000
Ms. Yu Chim Lan	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	25,000,000
	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	25,000,000
Mr. Choi Man Yu, Frankie	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	5,000,000
	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	5,000,000
Ms. Wu Qiong	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	5,000,000
Mr. Yue Pak Hang	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	5,000,000
Ms. Su Yang	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	3,000,000

Name or category of participants	Date of grant	Exercise price HK\$	Exercise period	Vesting period	Number of shares subject to options
					As at 1 July 2022 and 31 December 2022
Ms. Zhang, Guiping	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	3,000,000
Ms. Zhang, Wei	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	3,000,000
Employees					
Employees (including directors of certain subsidiaries)	19/06/2018	0.496	19/12/2018 to 18/06/2023	19/06/2018 to 18/12/2018	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
	19/06/2018	0.496	19/12/2019 to 18/06/2023	19/06/2018 to 18/12/2019	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
	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	25,000,000
	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	20,000,000
Total					332,000,000

Notes:

- The number of options available for grant under 2021 Option Scheme at 1 July 2022 and 31 December 2022 were 236,419,046 Shares respectively.
- As at 31 December 2022, the number of shares available for issue under the 2011 Option Scheme and 2021 Option Scheme were 332,000,000 ordinary shares. The weighted average number of shares for the Financial Period were 3,924,190,467. The calculation pursuant to Rule 17.07(3) of the Listing Rules is approximately 0.085.

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 14 to the Listing Rules on The Stock Exchange, save for the following deviations:

- i. Code provision C.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. Code provision F.2.2 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 2022 AGM. The chairman of the Audit and Remuneration Committees of the Company had chaired the 2022 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 2022, the Group had a total of 55 full-time employees (30 June 2022: 50). 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 2022.

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 2022

	Note	Six months ended 31 December	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (Restated and unaudited)
Continuing operations			
Revenue	3	164,890	19,089
Other gains, net	4	1,120	543
Changes in inventories of finished goods and work in progress		(903)	(1,306)
Subcontracting fees for project services		(1,289)	(328)
Direct operating costs for private jet management services		(8,229)	(7,750)
Direct operating costs for logistics services		(125,251)	–
Fair value gains on investment properties	10(b)	5,481	8,964
Employee benefit expenses		(19,172)	(13,859)
Depreciation		(1,541)	(1,244)
Other expenses	6	(11,024)	(9,026)
Operating profit/(loss)		4,082	(4,917)
Finance income	5	17	14
Finance costs	5	(2,808)	(1,587)
Profit/(loss) before income tax from continuing operations		1,291	(6,490)
Income tax (expense)/credit	7	(1,243)	16

		Six months ended 31 December	
		2022 HK\$'000	2021 HK\$'000 (Restated and unaudited)
	Note	(unaudited)	
Profit/(loss) for the period from continuing operations		48	(6,474)
Loss for the period from discontinued operation	8	-	(3,911)
Profit/(loss) for the period		48	(10,385)
Profit/(loss) is attributable to:			
Owners of the Company		(3,661)	(9,207)
Non-controlling interests		3,709	(1,178)
		48	(10,385)
Loss per share attributable to owners of the Company for the period (HK cents)			
	9		
Basic and diluted loss per share:			
From continuing operations		(0.09)	(0.13)
From discontinued operation		-	(0.10)
		(0.09)	(0.23)

Condensed Consolidated Statement of Other Comprehensive Income

For the six months ended 31 December 2022

	Six months ended 31 December	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Profit/(loss) for the period	48	(10,385)
Other comprehensive (loss)/income:		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences		
From continuing operations	(2,553)	1,220
From discontinued operation	-	-
Total comprehensive loss for the period	(2,505)	(9,165)
Total comprehensive loss is attributable to:		
Owners of the Company	(6,130)	(7,987)
Non-controlling interests	3,625	(1,178)
Total comprehensive loss for the period	(2,505)	(9,165)
Total comprehensive loss for the period attributable to owners of the Company arises from:		
Continuing operations	(6,130)	(4,076)
Discontinued operation	-	(3,911)
	(6,130)	(7,987)

Condensed Consolidated Statement of Financial Position

As at 31 December 2022

		As at 31 December 2022 HK\$'000 (unaudited)	As at 30 June 2022 HK\$'000 (audited)
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment	10(a)	21,023	24,391
Right-of-use assets	10(a)	1,195	1,494
Investment properties	10(b)	286,882	282,789
Exploration and evaluation assets	11	81,779	75,228
Rental deposits		124	59
		391,003	383,961
Current assets			
Inventories	12	5,760	1,039
Trade and bills receivables	13	158,676	46,013
Prepayments, deposits and other receivables	14	20,191	15,736
Contract assets	13	12,102	8,411
Cash and cash equivalents		18,951	22,893
		215,680	94,092
Total assets		606,683	478,053

	Note	As at 31 December 2022 HK\$'000 (unaudited)	As at 30 June 2022 HK\$'000 (audited)
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	18	39,242	39,242
Other reserves		482,005	482,716
Accumulated losses		(256,607)	(251,104)
		264,640	270,854
Non-controlling interests		65,772	58,474
Total equity		330,412	329,328
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		2,765	2,859
Lease liabilities		374	307
Advances from a Director		86,901	–
		90,040	3,166
Current liabilities			
Trade payables	15	13,246	5,489
Accrued charges and other payables	16	37,160	38,202
Contract liabilities		11,459	6,613
Bank borrowings	17	121,698	87,305
Lease liabilities		873	1,246
Advances from a Director		–	3,009
Tax payable		1,795	3,695
		186,231	145,559
Total liabilities		276,271	148,725
Total equity and liabilities		606,683	478,053
Net current assets/(liabilities)		29,449	(51,467)

Condensed Consolidated Statement of Cash Flows

For the six months ended 31 December 2022

	Note	Unaudited Six months ended 31 December	
		2022 HK\$'000	2021 HK\$'000
Cash flows from operating activities			
Net cash used in operations		(114,551)	(656)
Income tax paid		(3,236)	–
Net cash used in operating activities		(117,787)	(656)
Cash flows from investing activities			
Purchase of property, plant and equipment	10(a)	(45)	(882)
Additions of exploration and evaluation assets	11	(6,551)	(3,560)
Interest received		17	14
Net cash used in investing activities		(6,579)	(4,428)
Cash flows from financing activities			
Proceeds from bank borrowings	17	121,698	–
Repayment of bank borrowings	17	(87,305)	–
Increase in advances from a Director		83,893	18,564
Contribution from non-controlling interests		3,589	2,825
Payment of lease liabilities		(844)	(705)
Interest paid		(97)	(1,587)
Net cash generated from financing activities		120,934	19,097
Net (decrease)/increase in cash and cash equivalents		(3,432)	14,013
Cash and cash equivalents at beginning of the period		22,893	30,819
Effect on foreign exchange rate changes		(510)	486
Cash and cash equivalents at end of the period		18,951	45,318

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2022

	Attributable to owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Share option reserve HK\$'000	Currency translation reserve HK\$'000	Statutory surplus reserve (Note) HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 July 2022 (audited)	39,242	443,727	2,366	38,280	(1,657)	-	(251,104)	270,854	58,474	329,328
Comprehensive loss:										
– Loss for the period	-	-	-	-	-	-	(3,661)	(3,661)	3,709	48
Other comprehensive loss:										
– Currency translation differences	-	-	-	-	(2,553)	-	-	(2,553)	-	(2,553)
Total comprehensive loss for the period	-	-	-	-	(2,553)	-	(3,661)	(6,214)	3,709	(2,505)
Transactions with owners in their capacity as owners:										
Appropriations to reserve	-	-	-	-	-	1,842	(1,842)	-	-	-
Total contributions by owners of the Company recognized directly in equity	-	-	-	-	-	1,842	(1,842)	-	-	-
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	3,589	3,589
Total transactions with owners recognized directly in equity	-	-	-	-	-	1,842	(1,842)	-	3,589	3,589
At 31 December 2022 (unaudited)	39,242	443,727	2,366	38,280	(4,210)	1,842	(256,607)	264,640	65,772	330,412

Note:

In accordance with the laws and regulations of the People's Republic of China (the "PRC"), those subsidiaries established in the PRC are required to transfer 10% of the profit after taxation to the statutory surplus reserve until the reserve reaches 50% of their registered capital. Transfer to this reserve must be made before distributing dividends to equity owners.

Condensed Consolidated Statement of Changes in Equity (Continued)

For the six months ended 31 December 2021

	Attributable to owners of the Company						Total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Share option reserve HK\$'000	Currency translation reserve HK\$'000	Accumulated losses HK\$'000			
At 1 July 2021 (audited)	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 (unaudited)	39,242	443,727	2,366	46,734	1,394	(242,170)	291,293	37,309	328,602

Notes to the Condensed Consolidated Financial Statements

I. 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, private jet management services in Hong Kong, minerals exploration in Mongolia and provision of logistics services in PRC. During the year ended 30 June 2022, the Group discontinued the yacht building business as set out in Note 8.

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 Interim Financial Information for the six months ended 31 December 2022 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 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 2022, 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 2022.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

The following amendments to existing standards and conceptual framework are mandatory for the first time for the financial period beginning 1 July 2022 and currently relevant to the Group:

Annual Improvements Project (Amendments)	Annual Improvements to HKFRSs 2018–2020
HKFRS 3 (Amendments)	Reference to the Conceptual Framework
HKAS 16 (Amendments)	Property, Plant and Equipment: Proceeds before intended use
HKAS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a Contract
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination

None of the above amendments to existing standards is expected to have a significant impact on the Interim Financial Information in the current reporting period.

3. TURNOVER AND SEGMENT INFORMATION

The Group's reportable operating segments are (i) network solutions and project services; (ii) property investment; (iii) yacht building (discontinued in January 2022); (iv) mineral exploration; (v) private jet management services and (vi) logistics services.

The chief operating decision maker has been identified as the Executive Directors. 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.

On 29 October 2021, the Group entered into a sale and purchase agreement with Cambo Management Limited to dispose of the Group's yacht inventory. After completion of the transaction, the Group discontinued its yacht building business and the results of the yacht building business were reported as a discontinued operation during the year ended 30 June 2022.

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 Directors is measured in a manner consistent with that in the condensed consolidated financial statements. Segment assets exclude other assets that are managed on a central basis.

3. TURNOVER AND SEGMENT INFORMATION (Continued)

The segment revenue and results for the six months ended 31 December 2022

	Continuing operations					Total HK\$'000
	Network solutions and project services HK\$'000	Property investment HK\$'000	Minerals exploration HK\$'000	Private jet management services HK\$'000	Logistics services HK\$'000	
Segment revenue	3,230	3,034	-	14,346	144,280	164,890
Segment results	745	2,526	-	6,117	16,197	25,585
Depreciation	(151)	-	(99)	(772)	(322)	(1,344)
Fair value gain on investment properties	-	5,481	-	-	-	5,481
Unallocated expenses (Note)						(25,640)
Finance costs						(2,808)
Finance income						17
Profit before income tax						1,291

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

	Continuing operations				Discontinued operation	Total HK\$'000
	Network solutions and project services HK\$'000	Property investment HK\$'000	Minerals exploration HK\$'000	Private jet management services HK\$'000	Yacht building 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)

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 2022

	Continuing operations					
	Network solutions and project services	Property investment	Minerals exploration	Private jet management services	Logistics services	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Total segment assets	10,999	287,809	82,365	13,793	184,666	579,632
Unallocated						
– Cash and cash equivalents						18,951
– Other unallocated assets						8,100
Consolidated total assets						606,683

As at 30 June 2022

	Continuing operations					
	Network solutions and project services	Property investment	Minerals exploration	Private jet management services	Logistics services	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Total segment assets	6,647	283,267	75,859	7,219	73,434	446,426
Unallocated						
– Cash and cash equivalents						22,893
– Other unallocated assets						8,734
Consolidated total assets						478,053

4. OTHER GAINS, NET

	Six months ended 31 December	
	2022 HK\$'000	2021 HK\$'000
Continuing operations		
Government grants	496	–
Sundry income	624	543
	1,120	543

5. FINANCE INCOME AND COSTS

	Six months ended 31 December	
	2022 HK\$'000	2021 HK\$'000
Continuing operations		
Finance income		
– Bank interest income	17	14
Finance costs		
– Interest expense on bank loans	(977)	(542)
– Interest expense on advances from a Director (Note 21(a))	(1,793)	(988)
– Interest expenses on lease liabilities	(38)	(57)
	(2,808)	(1,587)

6. OTHER EXPENSES

Other expenses included the following:

	Six months ended 31 December	
	2022 HK\$'000	2021 HK\$'000
Continuing operations		
Auditor's remuneration	800	693
Direct operating expenses from investment properties that generate rental income	508	662
Exchange losses, net	858	518
Operating lease rental for short-term leases	597	350
Legal and professional fees	2,444	1,367
Reimbursement of sharing of administrative services (Note 21(a))	4,239	3,364

7. INCOME TAX EXPENSE/(CREDIT)

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 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.

7. INCOME TAX EXPENSE/(CREDIT) (Continued)

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

	Six months ended 31 December	
	2022 HK\$'000	2021 HK\$'000
Current income tax		
– Hong Kong profits tax	134	71
– PRC corporate income tax	1,202	–
Deferred income tax		
– Origination of temporary differences	(93)	(87)
Total income tax expense/(credit)	1,243	(16)
Income tax expense/(credit) attributable to:		
Loss from continuing operations	1,243	(16)
Loss from discontinued operation	–	–
	1,243	(16)

8. DISCONTINUED OPERATION

The Group discontinued its yacht building business during the year ended 30 June 2022 after Silver Value Global Limited, a subsidiary of the Company, disposed of the finished yacht to a connected party of the Company at a consideration of approximately HK\$92,120,000. The results of the yacht building business were reported as discontinued operation.

	Six months ended 31 December	
	2022 HK\$'000	2021 HK\$'000
Revenue	-	-
Other income	-	12
Expenses		
Operating lease rentals for short term leases	-	(459)
Other expenses	-	(3,464)
Operating loss from discontinued operation	-	(3,911)
Income tax expenses	-	-
Total comprehensive loss from discontinued operation	-	(3,911)
Net cash outflow from operating activities	-	(169)
Net cash outflow from investing activities	-	-
Net cash outflow from financing activities	-	-
Net cash used in discontinued operation	-	(169)

9. LOSS PER SHARE

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

	Six months ended 31 December	
	2022	2021
Loss attributable to owners of the Company, as used in the calculation of basic and diluted loss per share (HK\$'000)		
Continuing operations	3,661	5,296
Discontinued operation	–	3,911
	3,661	9,207
Weighted average number of ordinary shares in issue for the purpose of basic and diluted loss per share (in thousands)	3,924,190	3,924,190
Basic loss per ordinary share (HK cents)		
Continuing operations	(0.09)	(0.13)
Discontinued operation	–	(0.10)
Total basic loss per share attributable to the ordinary equity holders of the Company	(0.09)	(0.23)

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.

10. 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 2022, the Group spent approximately HK\$34,000 (2021: HK\$112,000) on furniture, fixtures and equipment, HK\$11,000 (2021: HK\$100,000) on computer equipment, HK\$Nil (2021: HK\$130,000) on leasehold improvement and HK\$Nil (2021: HK\$540,000) on construction in progress. The Group spent approximately HK\$517,000 (2021: HK\$606,000) on right-of-use assets during the period ended 31 December 2022. The Group wrote off office equipment with net book value of HK\$43,000 during the period ended 31 December 2022.

(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 method (30 June 2022: same valuation technique). As a result, the investment properties were revalued to approximately HK\$286,882,000 at 31 December 2022 (30 June 2022: HK\$282,789,000), which represents their recoverable amounts, and fair value gain of approximately HK\$5,481,000 was recorded in the condensed consolidated income statement for the period ended 31 December 2022 (2021: fair value gain of HK\$8,964,000).

11. EXPLORATION AND EVALUATION ASSETS

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

	As at 31 December 2022 (unaudited) HK\$'000	As at 30 June 2022 (audited) HK\$'000
At beginning of the period/year	75,228	69,268
Additions	6,551	5,960
At end of the period/year	81,779	75,228

12. INVENTORIES

	As at 31 December 2022 (unaudited) HK\$'000	As at 30 June 2022 (audited) HK\$'000
Raw materials	–	–
Work in progress	5,272	684
Finished goods	488	355
	5,760	1,039

13. TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS

	As at 31 December 2022 (unaudited) HK\$'000	As at 30 June 2022 (audited) HK\$'000
Trade receivables		
– related party (Note 21 (b))	16,862	11,520
– third parties	16,499	15,188
Bills receivables (Note)	125,315	19,305
	158,676	46,013
Contract assets	12,102	8,411

Note:

During the period ended 31 December 2022, the Group has discounted the bills receivables with a carrying amount of HK\$121,698,000 (30 June 2022: HK\$19,305,000), with a maturity ranged from 1 to 6 months.

In accordance with the terms of bills receivable discounting with bank, the bank has the rights of recourse against the Group if the bills receivables turns default.

In the opinion of management, the Group has retained the substantial risk and rewards, and accordingly, the Group continue to recognise the full carrying amounts of bills receivables amounting to HK\$121,698,000 (30 June 2022: HK\$19,305,000) as at 31 December 2022, and other bank loans as disclosed in Note 17.

The carrying amounts of the Group's trade and bills receivables and contract assets approximate their fair values.

13. TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS

(Continued)

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:

	As at 31 December 2022 (unaudited) HK\$'000	As at 30 June 2022 (audited) HK\$'000
0 – 30 days	29,532	26,699
31 – 60 days	361	9
61 – 90 days	3,462	–
Over 90 days	6	–
	33,361	26,708

None of the trade receivables were impaired as at 31 December 2022 (30 June 2022: Nil).

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 December 2022 (unaudited) HK\$'000	As at 30 June 2022 (audited) HK\$'000
Prepayments	6,204	2,069
Deposits and other receivables	14,111	13,726
	20,315	15,795
Less: non-current deposits	(124)	(59)
	20,191	15,736

The carrying amounts of the Group's deposits and other receivables approximate their fair values.

15. TRADE PAYABLES

	As at 31 December 2022 (unaudited) HK\$'000	As at 30 June 2022 (audited) HK\$'000
Trade payables		
– related parties (Note 21(b))	90	377
– third parties	13,156	5,112
	13,246	5,489

15. TRADE PAYABLES (Continued)

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

	As at 31 December 2022 (unaudited) HK\$'000	As at 30 June 2022 (audited) HK\$'000
0 – 30 days	12,772	2,654
31 – 60 days	265	1,885
61 – 90 days	–	2
91-180 days	209	948
	13,246	5,489

The carrying amounts of the Group's trade payables approximate their fair values.

16. ACCRUED CHARGES AND OTHER PAYABLES

	As at 31 December 2022 (unaudited) HK\$'000	As at 30 June 2022 (audited) HK\$'000
Deposit received	1,385	13,432
Accrued charges and other payables	35,775	24,770
	37,160	38,202

The carrying amounts of the Group's accrued charges and other payables approximate their fair values, due to their short-term nature.

17. BANK BORROWINGS

	As at 31 December 2022 (unaudited) HK\$'000	As at 30 June 2022 (audited) HK\$'000
Secured		
– Bank term loan – within 1 year	–	68,000
– Other bank loans – within 1 year	121,698	19,305
	121,698	87,305

As at 31 December 2022, the Group's other bank loans of approximately HK\$121,698,000 (30 June 2022: HK\$19,305,000) are secured by bills receivables of HK\$121,698,000 (30 June 2022: HK\$19,305,000) (Note 13) with terms of recourse and bear interest at rates ranging from 1.3% to 2.6% per annum.

As at 30 June 2022, the Group's investment properties in relation to an office premise and two car parking spaces located at Wan Chai with carrying amounts of HK\$128,780,000 were pledged as security for the Group's bank term loan amounted to HK\$68,000,000.

In addition to the above, the Group is required to comply with certain restrictive covenants imposed by the banks. As at 30 June 2022, the Group has not breached any of the restrictive covenants.

The bank term loan was matured and had been fully settled on 22 July 2022. The related secured properties were released on 7 September 2022.

The secured bank term loan was at floating interest rates, its interest rate is charged at 1.5% per annum over Hong Kong Interbank Offered Rate or 0.5% per annum over cost of fund of the bank, whichever is higher.

The carrying amounts of the borrowings approximate their fair values.

18. SHARE CAPITAL

	No. of shares	HK\$'000
Authorised		
At 1 July 2021, 30 June 2022 and 31 December 2022 with a par value of HK\$0.01 per share	20,000,000,000	200,000
Issued and fully paid		
At 1 July 2021, 30 June 2022 and 31 December 2022	3,924,190,467	39,242

19. OPERATING LEASE COMMITMENTS – THE GROUP AS LESSOR

During the period ended 31 December 2022, eight out of nine investment properties (30 June 2022: 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:

	As at 31 December 2022 (unaudited) HK\$'000	As at 30 June 2022 (audited) HK\$'000
Less than one year	4,326	3,827
One to two years	1,204	2,435
Two to three years	–	52
Three to four years	–	–
Total	5,530	6,314

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

20. CAPITAL COMMITMENTS

The total capital expenditure of exploration activities in Mongolia which was authorised by management of the Group but not contracted for as at 31 December 2022 was HK\$9,051,000 (30 June 2022: HK\$9,153,000). Such capital expenditure of exploration activities were contributed by equity holders of the Mission Wealth Group on a pro-rata basis and the commitment of the Company amounts to HK\$4,616,000 (30 June 2022: HK\$4,668,000).

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

	As at 31 December 2022 (unaudited) HK\$'000	As at 30 June 2022 (audited) HK\$'000
Exploration activities	61	2,892

The Company did not have any other capital expenditure contracted for at the end of the period/year but not yet incurred (30 June 2022: Nil).

21. 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 Lin Shing, Simon (“**Mr. Lo**”) and Mr. Lo collectively owns 31.80% of the Company’s shares. The remaining 68.20% of the shares are widely held.

21. RELATED PARTY TRANSACTIONS (Continued)

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 ("MEC Greater China")	A company of which Mr. Lo and Ms. Yvette Ong are the directors
Island Oasis Shipbuilding Limited ("Island Oasis")	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 ("MEC")	Except Mr. Ho Hau Chong, Norman, the Board of Directors of the Company and the related company are the same
Cambo Management Limited ("Cambo Management")	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
Global Prestige Holdings Limited ("Global Prestige")	A company of which Mr. Lo, Rex Cze Kei is the directors and beneficial owner
Gainer Development Limited ("Gainer Development")	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 Investments Limited ("Vision Investments")	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
MoEnCo LLC	A company of which Mr. Lo is the director
新疆蒙科能源科技有限公司 ("新疆蒙科能源")	A company of which Ms. Yvette Ong is the director
新疆鑫鵬鴻業物流有限公司 ("新疆鑫鵬鴻業")	A company of which Mr. Guo, Changhong and Ms. Zheng Juan are the directors
新疆啟睿坤泰商貿有限責任公司 ("新疆啟睿坤泰")	A company of which Ms. Zheng Juan is the director

21. RELATED PARTY TRANSACTIONS (Continued)

- (a) Other than transactions disclosed 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:

	Six months ended 31 December	
	2022 HK\$'000	2021 HK\$'000
Operating lease rental income from a related company		
– MEC Greater China	198	194
Sales and logistics services provided to related companies/Director, Mr. Lo, Chris Cze Wai		
– Global Prestige	3	–
– Gainer Development	240	–
– Cambo Management	3	–
– Mr. Lo, Chris Cze Wai	4	–
– 新疆蒙科能源	117,130	–
Rental expenses to a related company		
– 新疆啟睿坤泰	83	–
Operating lease repayments to related companies		
– Island Oasis	152	360
– Cambo Management	778	777
Unwinding of interests on lease liability to a related company		
– Cambo Management	(19)	(48)
Reimbursement of sharing of administrative services to MEC (Note)	4,239	3,364
Interest expense payable to a Director	1,793	988

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

21. 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, lease liabilities, and accrued charges and other payables are as follows:

	As at 31 December 2022 (unaudited) HK\$'000	As at 30 June 2022 (audited) HK\$'000
Amounts due from related companies (Note (i))		
– Island Oasis	65	97
– Cambo Management	66	50
– Vision Investments	–	70
– Mr. Lo, Chris Cze Wai	–	9
– 新疆蒙科能源 (Note (ii))	129,681	20,215
Amounts due to related companies (Note (i))		
– MEC Greater China	(51)	(49)
– MEC	(19,008)	(15,339)
– 新疆鑫鵬鴻業	–	(377)
– 新疆啟睿坤泰	(90)	–
Lease liability (Note (iii))	418	998
Advances from a Director (Note (iv))	(86,901)	(3,009)

Notes:

- (i) The amounts due from/(to) related companies were unsecured and interest-free, and repayable on demand.
- (ii) The amounts include trade receivables and bills receivables.
- (iii) The Group recognised an addition of a right-of-use asset of HK\$517,000 as at 31 December 2022 (30 June 2022: HK\$616,000).
- (iv) On 31 December 2022, the amounts are unsecured, interest-bearing at HK\$ prime rate per annum (30 June 2022: HK\$ prime rate per annum) and repayable by 30 June 2024 (30 June 2022: 30 June 2023). The undrawn revolving standby facilities as at period end amounted to HK\$54,900,000 (30 June 2022: HK\$137,000,000).

21. RELATED PARTY TRANSACTIONS (Continued)

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

	Six months ended 31 December	
	2022 HK\$'000	2021 HK\$'000
Salaries and other employee benefits	4,886	4,616