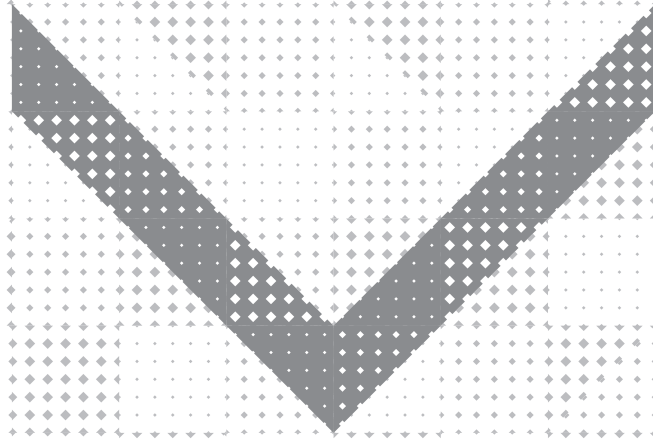




美瑞健康国际产业集团
Meilleure Health International Industry Group

2023 INTERIM REPORT



Meilleure Health International Industry Group Limited
美瑞健康國際產業集團有限公司

(Incorporated in Bermuda with limited liability) (Stock Code : 2327)

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Zhou Xuzhou (*Co-Chairman*)
 Dr. Zeng Wentao (*Co-Chairman*)
 Ms. Zhou Wen Chuan
 (*Vice-Chairman and Chief Executive Officer*)

Non-Executive Director

Dr. Mao Zhenhua

Independent Non-Executive Directors

Professor Chau Chi Wai, Wilton
 Mr. Gao Guanjiang (resigned on 11 April 2023)
 Dr. Yang Yu (appointed on 11 April 2023)
 Mr. Wu Peng

AUTHORISED REPRESENTATIVES

Mr. Zhou Xuzhou
 Ms. Zhou Wen Chuan

COMPANY SECRETARY

Mr. Li Shu Pai

AUDIT COMMITTEE

Professor Chau Chi Wai, Wilton (*Chairman*)
 Dr. Mao Zhenhua
 Mr. Gao Guanjiang (resigned on 11 April 2023)
 Dr. Yang Yu (appointed on 11 April 2023)

REMUNERATION COMMITTEE

Mr. Gao Guanjiang (*Chairman*) (resigned on 11 April 2023)
 Dr. Yang Yu (*Chairman*) (appointed on 11 April 2023)
 Professor Chau Chi Wai, Wilton
 Dr. Zeng Wentao

NOMINATION COMMITTEE

Mr. Zhou Xuzhou (*Chairman*)
 Professor Chau Chi Wai, Wilton
 Mr. Wu Peng

STRATEGIC COMMITTEE

Dr. Mao Zhenhua (*Chairman*)
 Mr. Zhou Xuzhou
 Dr. Zeng Wentao

REGISTERED OFFICE

Clarendon House
 2 Church Street
 Hamilton HM 11
 Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART XI OF THE COMPANIES ORDINANCE

Unit 2906
 Tower 1, Lippo Centre
 89 Queensway
 Admiralty
 Hong Kong

AUDITOR

ZHONGHUI ANDA CPA Limited
Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance

PRINCIPAL BANKERS

Nanyang Commercial Bank, Limited
 Hang Seng Bank Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Services Limited
 Clarendon House
 2 Church Street
 Hamilton HM 11
 Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Standard Limited
 17/F, Far East Finance Centre
 16 Harcourt Road
 Hong Kong

COMPANY WEBSITE

www.meilleure.com.cn

STOCK CODE

2327

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Board is pleased to present the unaudited interim results of the Group for the six months ended 30 June 2023 together with the comparative figures for the corresponding period in 2022.

FINANCIAL REVIEW

Below is a summary of the financial information of the Group:

	Six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Revenue	74,838	64,614
Gross profit	36,949	44,068
Gross profit margin	49.4%	68.2%
Other income and gains/(losses), net	6,671	(6,523)
Total operating expenses (<i>Note</i>)	15,577	17,212
Finance costs	5,790	4,890
Profit before tax	21,146	13,715
Profit after tax	17,732	10,383
Profit attributable to owners of the Company	18,160	10,562

Note: Total operating expenses included (i) selling and distribution expenses; and (ii) administrative expenses.

Revenue

Revenue for the six months ended 30 June 2023 was HK\$74.8 million (six months ended 30 June 2022: HK\$64.6 million), mainly generated by (i) sale of healthcare-related products; (ii) sale of construction materials; (iii) sale of photovoltaic components; (iv) rental income; (v) property sales and consultancy service income; (vi) healthcare management service income; (vii) aesthetic medical service income; and (viii) sale of CBD downstream products.

Revenue increased by approximately 15.8% from HK\$64.6 million for the six months ended 30 June 2022 to HK\$74.8 million for the six months ended 30 June 2023. The increase in revenue of HK\$10.2 million was mainly due to (i) an increase in sale of construction materials of HK\$21.4 million, as a result of the reopen of mainland China; and (ii) an increase in sale of photovoltaic components of HK\$10.2 million, resulting from the increase in orders from the PRC and overseas market. Such increases were partially offset by a decrease in sale of healthcare-related products of HK\$18.6 million.

Gross Profit and Gross Profit Margin

The Group's gross profit for the six months ended 30 June 2023 was HK\$36.9 million (six months ended 30 June 2022: HK\$44.1 million), representing a decrease of 16.3% compared to that for the six months ended 30 June 2022. The gross profit margin for the six months ended 30 June 2023 decreased to 49.4% from 68.2% for the six months ended 30 June 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

The decrease in gross profit of HK\$7.2 million was mainly due to a decrease in gross profit in the healthcare-related business of HK\$17.4 million, mainly resulting from a decrease in the sale of healthcare-related products. The decrease was partially offset by an increase in gross profit in trading business of HK\$11.4 million, mainly benefiting from the increase in orders from the PRC and overseas market.

In addition, the decrease in gross profit margin was mainly due to an increase in the proportion of the revenue derived from the trading business to the Group's total revenue for the six months ended 30 June 2023 compared to that for the six months ended 30 June 2022, while the trading business has a lower gross profit margin compared to other business segments of the Group.

Other Income and Gains/(Losses), Net

Such an item changed from other income and net losses of HK\$6.5 million for the six months ended 30 June 2022 to other income and net gains of HK\$6.7 million for the six months ended 30 June 2023. Such change is primarily due to (i) a decrease in fair value losses on investments at FVTPL of HK\$15.8 million; and (ii) a decrease in exchange losses of HK\$1.6 million. Such increases were partially offset by a decrease in government grants of HK\$2.1 million.

Total Operating Expenses

Total operating expenses for the six months ended 30 June 2023 were HK\$15.6 million (six months ended 30 June 2022: HK\$17.2 million), representing a decrease of HK\$1.6 million or 9.3% compared to that for the six months ended 30 June 2022. Such decrease was mainly due to effective expenses control of the Group for the six months ended 30 June 2023.

Finance Costs

Finance costs for the six months ended 30 June 2023 were HK\$5.8 million (six months ended 30 June 2022: HK\$4.9 million), representing an increase of HK\$0.9 million or 18.4% compared to that for the six months ended 30 June 2022. Such an increase was mainly due to an increase in interest on bank loans of HK\$1.0 million, primarily resulting from an increase in the average balance in bank borrowings during the six months ended 30 June 2023 compared to that during the six months ended 30 June 2022.

Profit After Tax

Profit after tax for the six months ended 30 June 2023 was HK\$17.7 million (six months ended 30 June 2022: HK\$10.4 million), representing an increase of HK\$7.3 million or 70.2% as compared to that for the six months ended 30 June 2022. Such an increase was mainly due to:

- (i) an increase in gross profit in the trading business of HK\$11.4 million;
- (ii) a decrease in fair value losses on investments at FVTPL of HK\$15.8 million; and
- (iii) a decrease in share of losses of joint ventures of HK\$4.8 million.

Such increases were partially offset by (i) a decrease in gross profit in the healthcare-related business of HK\$17.4 million; and (ii) a decrease in fair value gains on investment properties of HK\$7.7 million.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Healthcare-related Business

The healthcare-related business comprises of the sale of healthcare-related products and CBD downstream products and the provision of aesthetic medical services and healthcare management services. The revenue derived from the healthcare-related business for the six months ended 30 June 2023 was HK\$19.7 million, representing a decrease of 48.4% compared to HK\$38.2 million for the six months ended 30 June 2022. The profit derived from this segment for the six months ended 30 June 2023 was HK\$5.5 million, representing a decrease of 77.5% compared to HK\$24.4 million for the six months ended 30 June 2022. Such a decrease was mainly due to a decrease in gross profit of HK\$17.4 million, primarily resulting from a decrease in the sales order of healthcare-related products.

Trading Business

The trading business comprises of sale of construction materials and photovoltaic components. The revenue derived from the trading business for the six months ended 30 June 2023 was HK\$43.3 million, representing an increase of 2.7 times compared to HK\$11.8 million for the six months ended 30 June 2022. The profit derived from this segment for the six months ended 30 June 2023 was HK\$8.8 million, representing an increase of 4.9 times compared to HK\$1.5 million for the six months ended 30 June 2022, which was mainly due to a rise in gross profit of HK\$11.4 million, mainly resulting from the increase in orders from the PRC and overseas market. Such an increase was partially offset by a decrease in other income and gains, net of HK\$2.5 million, primarily resulting from a decrease in government grants during the six months ended 30 June 2023.

Property-related Business

The revenue derived from the property-related business for the six months ended 30 June 2023 was HK\$11.8 million, representing a decrease of 19.2% compared to HK\$14.6 million for the six months ended 30 June 2022. The profit derived from this segment for the six months ended 30 June 2023 was HK\$9.8 million, representing a decrease of 40.6% compared to HK\$16.5 million for the six months ended 30 June 2022, which was mainly due to a decrease in fair value gains on investment properties of HK\$7.7 million.

The Group has a 100% interest in a residential property development project located at Lot A & B, 626 Heidelberg Road, Alphington, VIC, 3078, Australia. The project covers a total site area of approximately 11,488 sq.m. and advantageously located just 6.5 kilometres from Melbourne's central business district, the site provides a gross floor area of approximately 18,752 sq.m. to be developed into 109 residential units of townhouses.

Up to the date of this Interim Report, the project's civil works have already been completed.

Equity Investment Business

The losses derived from the equity investment business for the six months ended 30 June 2023 was HK\$1.6 million, representing a decrease of 93.8% compared to HK\$25.7 million for the six months ended 30 June 2022, which was mainly due to (i) a decrease in fair value losses on investments at FVTPL of HK\$15.8 million, as a result of favourable market conditions; (ii) a decrease in share of losses of joint ventures of HK\$4.8 million; and (iii) an increase in gain on partial disposals of investments at FVTPL of HK\$2.4 million.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FINANCIAL POSITION

	30 June 2023 HK\$'000	31 December 2022 HK\$'000
NON-CURRENT ASSETS		
Investment properties	535,349	560,149
Investment in a joint venture	53,064	57,356
Investments at FVTPL	38,812	55,163
Equity investments at FVTOCI	32,754	46,213
Goodwill	18,500	18,500
Investment in an associate	9,172	9,740
Others	41,552	42,123
Total Non-current Assets	729,203	789,244
CURRENT ASSETS		
Prepayments, deposits and other receivables	583,057	341,134
Properties held for sale under development	252,792	256,519
Bank and cash balances	65,243	210,987
Trade receivables	48,842	101,354
Investment properties held for sale	5,264	5,509
Others	8,010	6,514
Total Current Assets	963,208	922,017
Total Assets	1,692,411	1,711,261
LIABILITIES		
Bank borrowings	225,263	243,439
Deferred tax liabilities	74,595	77,824
Dividend payable	65,500	–
Accruals and other payables	26,445	29,718
Amounts due to related parties	44,765	6,901
Contract liabilities	13,853	5,518
Others	16,894	20,776
Total Liabilities	467,315	384,176
Net Assets	1,225,096	1,327,085

MANAGEMENT DISCUSSION AND ANALYSIS

Non-current assets of the Group as at 30 June 2023 were HK\$729.2 million (31 December 2022: HK\$789.2 million), representing a decrease of HK\$60.0 million, which was mainly due to (i) a decrease in investment properties of HK\$24.8 million; (ii) a decrease in investments at FVTPL of HK\$16.4 million; (iii) a decrease in equity investments at FVTOCI of HK\$13.4 million; and (iv) a decrease in investment in a joint venture of HK\$4.3 million. Current assets were HK\$963.2 million (31 December 2022: HK\$922.0 million), representing an increase of HK\$41.2 million, which was mainly due to an increase in prepayments, deposits and other receivables of HK\$242.0 million, which was partially offset by (i) a decrease in bank and cash balances of HK\$145.8 million; and (ii) a decrease in trade receivables of HK\$52.6 million.

As at 30 June 2023, the Group's total liabilities were HK\$467.3 million (31 December 2022: HK\$384.2 million), representing an increase of HK\$83.1 million, which was mainly due to (i) an increase in dividend payable of HK\$65.5 million; and (ii) an increase in amounts due to related parties of HK\$37.9 million. Such increases were partially offset by a decrease in bank borrowings of HK\$18.1 million.

NET ASSET VALUE

As at 30 June 2023, the Group's total net assets amounted to HK\$1,225.1 million (31 December 2022: HK\$1,327.1 million), representing a decrease of HK\$102.0 million, mainly due to (i) dividend recognised as a distribution of HK\$65.5 million; (ii) exchange losses arising from the translation of foreign operations of HK\$46.1 million; and (iii) fair value losses of equity investments at FVTOCI, net of HK\$8.7 million. Such decreases were partially offset by the profit for the six months ended 30 June 2023 of HK\$17.7 million.

LIQUIDITY AND FINANCIAL RESOURCES

	Six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Net cash (used in)/generated from operating activities	(83,276)	68,017
Net cash used in investing activities	(44,969)	(242,652)
Net cash (used in)/generated from financing activities	(13,980)	48,603
Net decrease in cash and cash equivalents	(142,225)	(126,032)
Effect of foreign exchange rate changes	(3,519)	(7,704)
Cash and cash equivalents at beginning of period	210,987	272,591
Cash and cash equivalents at end of period	65,243	138,855

As at 30 June 2023, the total cash and cash equivalents of the Group were HK\$65.2 million (31 December 2022: HK\$211.0 million), of which approximately 50.5% was denominated in EUR, 44.1% was in RMB, 3.0% was in HKD, 1.2% was in AUD, 0.7% was in USD, and 0.5% was in CHF (31 December 2022: 62.3% was denominated in RMB, 18.6% was in USD, 17.5% was in HKD, 1.0% was in AUD, 0.4% was in CHF, and 0.2% was in EUR).

Net cash used in operating activities for the six months ended 30 June 2023 was HK\$83.3 million, mainly contributed to net cash used in the Group's daily operation during the six months ended 30 June 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Net cash used in investing activities was HK\$45.0 million, which was mainly attributable to short-term interest bearing loans advanced to certain independent third parties of HK\$254.4 million, which were partially offset by (i) repayment of short-term interest-bearing loans advanced to certain independent third parties of HK\$177.0 million; (ii) proceeds from partial disposals of investments at FVTPL of HK\$15.0 million; and (iii) receipt of loan interest of HK\$14.8 million.

Net cash used in financing activities was HK\$14.0 million, which mainly represented a net amount of (i) repayment of bank borrowings of HK\$7.5 million; and (ii) payment of loan interest of HK\$5.7 million.

As at 30 June 2023, the total bank borrowings of the Group were HK\$225.3 million (31 December 2022: HK\$243.4 million), which are mainly used as the working capital of the Group. The Group has no unutilised banking facilities as at 30 June 2023 and 31 December 2022.

The following table illustrates the composition of the Group's bank borrowings:

	30 June 2023 HK\$'000	31 December 2022 HK\$'000
Floating rate RMB bank loans	96,155	107,981
Fixed rate RMB bank loans	129,108	135,458
	225,263	243,439

The following table illustrates the maturity profile of the Group's bank borrowings:

	30 June 2023 HK\$'000	31 December 2022 HK\$'000
Within 1 year	78,665	78,235
Between 1 year and 2 years	29,773	31,279
Between 2 years and 5 years	80,871	84,292
Over 5 years	35,954	49,633
	225,263	243,439

Based on the Group's steady cash flow, coupled with sufficient bank and cash balances, the Group has adequate liquidity and financial resources to meet its future capital expenditures, daily operations and working capital requirements in the next financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE OF THE GROUP

The capital structure of the Group consists of equity attributable to owners of the Company (i.e. issued share capital and reserves).

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the six months ended 30 June 2023. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 11 April 2019, a total of 360,000,000 new shares were successfully placed by the placing agent to not less than six placees, who and whose ultimate beneficial owners were independent third parties, at the placing price of HK\$0.91 per placing share pursuant to the terms and conditions of the placing agreement under the general mandate and the placing of new shares raised net proceeds, after deducting related placing commission, professional fees and all related expenses, of HK\$325.7 million (with a net price of approximately HK\$0.905 per placing share) which was intended to be used for investing in the industrial hemp CBD extraction and application businesses and as general working capital of the Group.

As at 30 June 2023, the net proceeds have been used in the following manner:

Intended use of the net proceeds	Unutilised net proceeds as at 31 December 2022 HK\$ million	Actual amount used during the Reporting Period HK\$ million	Unutilised net proceeds as at 30 June 2023 HK\$ million
To be used as general working capital of the Group	22.3	(22.3)	–
To be invested in the industrial hemp CBD extraction and application businesses	1.2	(1.2)	–
Total	23.5	(23.5)	–

As at 30 June 2023, the unutilised net proceeds have been fully utilised.

MANAGEMENT DISCUSSION AND ANALYSIS

GEARING RATIO

The Group's gearing ratio, expressed as the percentage of net debt (includes bank borrowings, trade payables, contract liabilities, accruals and other payables and amounts due to related parties, less bank and cash balances) over the sum of equity attributable to owners of the Company and net debt, was 16.7% as at 30 June 2023 (31 December 2022: 5.3%).

As at 30 June 2023, the Group had net debt of HK\$246.0 million (31 December 2022: HK\$74.6 million), while the equity attributable to owners of the Company amounted to HK\$1,223.1 million (31 December 2022: HK\$1,324.6 million).

CAPITAL EXPENDITURE

During the six months ended 30 June 2023, the capital expenditure on purchasing property, plant and equipment amounted to HK\$0.3 million (six months ended 30 June 2022: HK\$4.4 million).

CAPITAL COMMITMENTS

As at 30 June 2023, the Group had capital commitments of HK\$9.7 million (31 December 2022: HK\$10.4 million) in respect of capital contribution payable to an associate (31 December 2022: capital contribution payables to an associate and an unlisted long-term investment), which are contracted but not provided for in the interim condensed consolidated financial statements.

CHARGES ON GROUP ASSETS

The following table sets forth the net book value of assets under pledges for certain banking facilities and outstanding futures contracts as at the dates indicated:

	30 June 2023	31 December 2022
	HK\$'000	HK\$'000
Investment properties	427,233	452,828
Restricted deposit	1,868	–
	429,101	452,828

CONTINGENT LIABILITIES

As at 30 June 2023 and 31 December 2022, the Group did not have any significant contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL DESCRIPTION OF THE GROUP'S INVESTMENT STRATEGIES

With continued accelerations of the legalisation of industrial hemp in overseas markets in recent years, cannabinoids, with CBD as their representative product, will have increasingly broad applications in healthcare and consumer goods fields. In addition, entering the post-epidemic era characterized by a comprehensive economic and social recovery, the Group is more profoundly optimistic about the broad development prospects of the healthcare industry. The Group adheres to the corporate vision of "using technology and expertise to serve more people's health and beauty needs". Therefore, the Group manages its investment portfolio with a primary objective to capture market opportunities in the healthcare industry.

On the other hand, the Group had allocated certain resources to various investments in financial products as well as high potential investments in order to maximise the return.

MATERIAL ACQUISITIONS AND DISPOSALS

Saved as disclosed elsewhere in this Interim Report, there was no material acquisition or disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2023 and up to the date of this Interim Report.

MATERIAL LENDING TRANSACTIONS

Business model and credit risk assessment policy

In order to increase the rate of return of the Group's cash and cash equivalents which can improve the investment income and the profits of the Group, the Group provided short-term interest-bearing loans to its customers.

Through the business and social networks of the management of the Company, the Group identifies potential customers, which would be corporate customers and individual customers. The Group has established strict credit risk management and internal control procedures to regulate its lending transactions and only provides loans to customers with good credit standing and satisfactory results of operation as well as those in need of short-term financing. The credit risk management and internal control procedures mainly consist of the following stages, namely (i) credit risk assessment of customers; (ii) assessment and approval processes; and (iii) loan collection monitoring:

(i) **Credit Risk Assessment of Customers**

The Corporate Treasury Department assesses the background and reputation of any new customers by taking into account the new customer's financial condition, the purpose of borrowing, shareholders' background and business reputation, etc. The Corporate Treasury Department also conducts due diligence, credit verification and repayment ability assessment on new customers. The Corporate Treasury Department researches and analyses customers' background information, including but not limited to their operating history, shareholders, financial information, income proofs, bank statements, tax returns, independent professional credit reports, operational risks, legal risks, online media investigation reports, industry reports, etc.

MANAGEMENT DISCUSSION AND ANALYSIS

(ii) Assessment and Approval Processes

The Corporate Treasury Department would perform credit assessment and review of the loan applications as well as determine the loan terms (having taken into consideration factors such as the credit risks of the customers, their recoverability, the cost of capital of the Group and the prevailing market interest rates, etc). The financial controller of the Group would review the relevant assessment reports and loan terms, and then report to Ms. Zhou Wen Chuan, our Chief Executive Officer and Executive Director. Ms. Zhou Wen Chuan will be responsible for the approval of loans in relatively small amounts.

If the potential loans are of larger amounts (i.e. by assessment of size tests under Chapter 14 of the Listing Rules, may constitute a disclosable transaction or above), in which case, such potential loans will be reported by Ms. Zhou Wen Chuan and she will elaborate to the Board such potential loans in contemplation and her recommendations therewith for discussion and approval, the Directors (including the Independent Non-Executive Directors) will then consider whether such loans are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole. The requirements of reporting, announcement, circular and shareholders' approval under Chapter 14 of the Listing Rules will then be fulfilled (if applicable).

Moreover, for any potential loans which may involve connected person(s) as defined under Chapter 14A of the Listing Rules, such loans will be reported to the Board immediately for assessment with respect to size tests and assessments by the Board as elaborated above. The requirements of reporting, announcement, circular, independent financial advice and independent shareholders' approval under Chapter 14A of the Listing Rules will then be fulfilled (if applicable).

(iii) Loan Collection Monitoring

The Corporate Treasury Department would conduct regular review and carry out follow-up actions (on a monthly and continuing basis) in respect of overdue amounts to minimise the Group's exposure to credit risk and follow up closely with its customers as to the deadlines for payment of interest on the loans. Ageing analysis of the debtors is prepared on a monthly basis and is closely monitored to minimise any credit risk associated with these debtors. The Corporate Treasury Department will report the status of the loan portfolio to Ms. Zhou Wen Chuan on a monthly basis, such that Ms. Zhou Wen Chuan may closely monitor the loan portfolio to oversight the credit risk. Ms. Zhou Wen Chuan would report to the Board and discuss actions to be taken in case of any abnormal situations.

The Corporate Treasury Department has standard procedures for dealing with default in payment. In case there are any minor defaults, the Corporate Treasury Department will send reminder and/or demand letters to its customers. In case the default on loans persists, the collection procedure will commence and the Corporate Treasury Department will engage lawyers in advising on the recovery of the loan, and take appropriate enforcement action.

MANAGEMENT DISCUSSION AND ANALYSIS

Major terms of loan receivables

Details of loan receivables as at 30 June 2023 are as follows:

Customers	Maturity date	Security pledged	Interest rate per annum	As at 30 June 2023	
				Carrying amount <i>HK\$'000</i>	% of total loan receivables
Borrower A	On or before 4 January 2024	Nil	8.0%	45,311	14.3%
Borrower B	On or before 31 December 2023	Nil	3.0%	15,677	4.9%
Borrower C	On or before 15 February 2024	Nil	4.0%	54,020	17.1%
Borrower D	On or before 11 January 2024	Nil	4.0%	16,206	5.1%
Borrower E	On or before 23 October 2023	Nil	3.0%	10,804	3.4%
Borrower F	On or before 26 December 2023	Nil	6.0%	56,181	17.7%
Borrower G	On or before 12 January 2024	Nil	4.0%	43,216	13.6%
Borrower H	On or before 21 February 2024	Nil	4.0%	54,020	17.1%
Borrower I	On or before 2 March 2024	Nil	4.0%	21,608	6.8%
				317,043	100%

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the above borrowers was independent of and not connected with each other when entering into the above transactions.

Impairment and write-off of loan receivables

Based on the result of the credit assessment on loan receivables, the Group has recorded no impairment loss and no write-off for loan receivables for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

SIGNIFICANT INVESTMENTS HELD

As at 30 June 2023, the investment portfolio of the Group amounted to HK\$134.1 million (31 December 2022: HK\$168.8 million) as recorded in the interim condensed consolidated statement of financial position under various categories, including:

- investments in an associate and a joint venture, which are accounted for by using the equity method;
- equity investments at FVTOCI;
- investments at FVTPL; and
- derivative financial instruments.

There was no single investment in the Group's investment portfolio that was considered as a significant investment, given that none of the investments has a carrying amount accounting for more than 5% of the Group's total assets as at 30 June 2023.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Saved as disclosed in the section headed "Capital Commitments" above, there were no other plans authorised by the Board for material investments or additions of capital assets as at 30 June 2023.

The Group will finance the future acquisitions through internally generated funds and other funding activities, including but not limited to bank borrowing.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGE

The revenue, expenses and monetary assets and liabilities of the Group are mainly denominated in RMB, HKD, EUR, CHF and AUD.

The Group did not enter into any foreign currency forward contract during the six months ended 30 June 2023. As at 30 June 2023 and 31 December 2022, the Group did not have any unrealised gain or loss in respect of the foreign currency forward contracts.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2023, the Group had a total of approximately 66 employees (31 December 2022: 97 employees).

The Group's remuneration policies are in line with prevailing market practices and formulated on the basis of the performance and experience of individual employees (including the Directors). Apart from base salaries, other staff benefits included pension schemes and medical schemes. The remuneration policies and remuneration packages of the Directors and members of the senior management of the Group are reviewed by the Remuneration Committee.

The Company adopted the 2019 Share Option Scheme pursuant to which eligible persons may be granted options to subscribe for the shares of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

RECENT DEVELOPMENT

Perseverance and Innovation

With the development of society and economy, and the improvement of living standards, public health awareness has been constantly strengthened. The demand from the public for physical and mental wellbeing has become increasingly prominent. The three-year COVID-19 epidemic has accelerated such process, and a civilized and healthy lifestyle is becoming a consensus for more and more people. As “Healthy China” has become a national strategy, the health industry has become a powerful driving force for national economic growth. According to “Healthy China 2030”, the scale of China’s health industry will significantly expand, and the market size will reach RMB16 trillion by 2030.

In recent years, the government has increased its support for the health industry year by year, laying a solid foundation for the development of such industry. According to “Report on The Execution of the Central and Local Budgets for 2022 and the Draft Central and Local Budgets for 2023” to be considered and approved by the National People’s Congress in March 2023, the general public budget expenditure across the country amounted to RMB27,513 billion in 2023, of which health expenditure accounted for 8.8%, reaching RMB2,421.1 billion. Such information exceeds the GDP of many provinces in 2022. Against the backdrop of favorable policies, a growing aging population and deepening health awareness among the public, the health industry has become the future industry with the greatest development potential and is emerging as a massive blue ocean market.

In 2023, entering the post-epidemic era characterized by a comprehensive economic and social recovery, the Group is more profoundly optimistic about the broad development prospects of the health industry. Upholding a long-term strategy, it aspires to be an excellent “long-distance runner” in the health sector. During the Reporting Period, the Group adhered to the vision of “using technology and expertise to serve more people’s health and beauty needs”, integrated production and investment, and delved into the health management and skin management sectors. Focusing on consumer medicine, the Group has facilitated the development of health management sector through health applications of cell therapy and cannabinoids. Meanwhile, the Group continued to conduct in-depth research on skin health and its related services and developed products and business model integrating skincare products with efficacy and cosmetic medicine for skin health management by making full use of its advantages in R&D, brand and channel in terms of skin health management.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF OPERATIONS

Healthcare-related Business Segment — Cell Treatment and Health Management Business

The Group made its deployment in the field of cell therapy through the strategic acquisition of equity interest in Wingor Bio in 2019, a state-level high-tech enterprise, and the establishment of Mei Ai Kang in 2020.

Thanks to several supportive policies on the cell industry released by the Chinese government at various levels during the Reporting Period, great efforts were made to support the large-scale and standardized development of cell therapy industry. In February 2023, the Center for Drug Evaluation of the State Food and Drug Administration of China released the “Guiding Principles for Pharmacological Research and Evaluation of Oncolytic Viruses Products (Trial)”, aiming to regulate and guide the pharmacological research and development, production and registration of oncolytic virus products. In March 2023, the General Office of the Communist Party of China Central Committee and the General Office of the State Council issued the “Opinions on Further Improving the Healthcare Service System”, which proposed the development of cutting-edge medical technologies such as stem cells and regenerative medicine, novel vaccines and biological therapy. In April 2023, the Center for Drug Evaluation of the State Food and Drug Administration of China successively released the “Guiding Principles for Clinical Trial of Tumor Immunotherapy Products (Trial)” and “Guiding Principles for Pharmacological Research and Evaluation of Human Stem Cell Products (Trial)”, which provided technical guidance for the clinical trials of tumor immunotherapy products and the pharmacological research, production and registration of human stem cell products. In May 2023, the National Health Commission’s Science and Education Department issued a public announcement for comments on the “Guidelines for Somatic Cell Clinical Research (Draft for Public Comment)”, aiming to strengthen the guidance for medical institutions engaged in somatic cell clinical research. At the level of local government, in January 2023, Shenzhen issued the “Shenzhen Economic Zone Cell and Gene Industry Promotion Ordinance”, China’s first cell and gene industry promotion ordinance. Such ordinance is also the first specialized legislation for the cell and gene industry in the country and officially came into effect on 1 March, accelerating the development of cell industry in Shenzhen.

As the leading enterprise in Shenzhen’s local cell treatment industry, Wingor Bio has powerful R&D innovation strength and leading professional technology in the industry after engagement in the cell therapy industry. It was accredited with the honor of “National High-Tech Enterprise”, “Science and Technology based Small and Medium-Sized Enterprise” in China and “Professional, Specialised and New Small and Medium-sized Enterprise in Shenzhen”. During the Reporting Period, in terms of R&D, the Investigational New Drug (IND) application for “human umbilical cord mesenchymal stem cell injection”, a class I biologic product independently developed by Wingor Bio, was approved by the Center for Drug Evaluation of the State Food and Drug Administration of China. In terms of technology, a number of patents, including stem cell exosome technology, stem cell cryopreservation technology and retinoic acid exosome mimetic preparation technology, filed by Wingor Bio, were accepted and authorised by the China National Intellectual Property Administration. Up to now, the Company has applied for nearly 60 patents, including nearly ten international patents. In terms of the formulation of enterprise-related policies, the “Shenzhen Economic Zone Cell and Gene Industry Promotion Ordinance”, in which Wingor Bio participated in the legislative work, was officially issued in January 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Mei Ai Kang has several achievements since its inception. In 2022, it cooperated with the Fifth Medical Centre of the General Hospital of the Chinese People's Liberation Army, the Fourth People's Hospital of Nanning, Shanghai Public Health Clinical Centre and Yunnan Provincial Infectious Disease Hospital to conduct clinical studies, and it overcame the adverse effect brought forth by the COVID-19 epidemic. It enrolled 17 cases in the study, improved clinical proposals, and detailed the experimental process. At the same time, Mei Ai Kang is currently applying for a relevant patent cluster related to the project's core technology, and a patent for a self-transfusion injector has been approved. Meanwhile, the related patents for cell processing are currently in the process of application review.

In terms of downstream products and services as well as high-end health management, the Group ran the clinics in Shenzhen and Nanjing as the main operation centers and provided international high-end health management services based on functional medicine theories. Building upon years of successful and stable operation, the Group will further enhance its business model, optimize service standards and expand new customer base.

With the continuous improvement and refinement of the policy environment, the cell industry has entered a period of positive and rapid development. The Group will continue to deepen its planning in the field of cell therapy research and development and its application, and explore the commercialisation path of cell therapy products, so as to realise the resonant development between the health management business and other segments.

Healthcare-related Business Segment — Skin Health Management Business

In recent years, there has been a widespread and youthful trend in the public's pursuit of aesthetics. Under the influence of marketing on social media platforms such as WeChat, Weibo, Douyin, Kuaishou and Xiaohongshu, and driven by the rise of live streaming economy and influencer economy, the public's awareness and willingness to consume light aesthetic medicine (輕醫美) have continued to rise, leading to the continued expansion of the light aesthetic medicine market. With that in mind, based on its advantages in product R&D, medical care team, operation management, brand and channel for skin health management, the Group has launched a brand of "Jixiaojian", a highlighted brand combining medical aesthetics and skincare in the second half of 2021.

Adhering to the philosophy of "Extremely Professional, Ultra Effective and Zero Routines", and pioneering the integration of the two fields: aesthetic medicine and effective skincare, Jixiaojian uses skincare technology innovation as its guiding principle, to create a new concept of smart skin care. With complementary integration between aesthetic medicine projects and products, Jixiaojian combined the "treatment" of cosmetic medicine and "prevention" of skincare products, and launched the combination of "60% light aesthetic medicine + 40% effective streamlined and effective skincare", providing a more cost-effective and streamlined integrated skincare solution for users. Meanwhile, the Group has established close cooperative relations with BAFS and Ashland, internationally renowned raw material companies, and successively launched multiple product lines under the brand of "Jixiaojian" — photoelectric repair series, skin repair series, revitalising series and more. During the Reporting Period, products under the brand of Jixiaojian were successfully available for sale on the WOW COLOUR, the offline trendy makeup collection store, with simultaneous launches on 120 stores nationwide. At the same time, we have actively expanded the overseas market for products under the brand of Jixiaojian, and have currently started to enter the Russian and Middle Eastern markets.

MANAGEMENT DISCUSSION AND ANALYSIS

The flagship store of our light medical beauty brand “Jixiaojian” has been officially operating for over a year. Based on the photoelectric repair series from Jixiaojian, “Jixiaojian × Super Photon”, the exclusive project launched by it, provides an integrated skincare solution for the whole process of super photon aesthetic medical beauty project before, during and after surgery, which was widely recognised and recommended by customers. In terms of aesthetic medical devices, the Group has reached a strategic cooperation relationship with Lumenis, a world-renowned laser beauty leader, and has become its clinical demonstration base. Furthermore, the Group has cooperated with Bandao (半島), a prominent brand in medical equipment, to create the Bandao Soothing Treatment Device Special Project (半島舒敏治療儀特色專案) called “Light Medical Beauty Golder Partner (輕醫美黃金搭檔)”. In terms of R&D, the Group has established a close cooperation with Shenzhen Xuanjia (深圳萱嘉), a laboratory equipped with CNAS testing standards, to establish a supramolecular laboratory for the development of skincare product lines with supramolecular technology as the core. The Group has obtained 13 patents in respect of skincare products, and was honored with the title of Professional, Specialised and New Small and Medium-sized Enterprise in Shenzhen during the Reporting Period.

The Group will continue to increase investment in the field of skin health management, adhere to the professional and efficient business philosophy, and promote the effective improvement of products and services with a customer-oriented mindset, striving to create a scientific skincare brand that combines online and offline integration, aesthetic medicine and effective skincare. Besides, it is committed to recalibrating the skincare habits of the new generation and reshaping the landscape of the skincare industry with the help of this skincare revolution arising from the iteration of people, cognition and technology.

Overseas Business

The Group proactively proceeded with its international business strategies, with localised operation teams established for its overseas operations. In terms of the industrial hemp business, as early as 2019, the Group established its subsidiary in Switzerland and organised a local professional team to expand the markets in Europe. In 2021, the high-end CBD health consumption brand independently developed and produced in Switzerland, AlpReleaf, was formally launched into the markets in Europe. AlpReleaf products, based on high-quality CBD as the core technology, have launched a series of products such as soothing, sleep aid and muscle soreness, aiming to provide users with a better quality of life. The products have been officially certified by the European Union and the United Kingdom and are available for sale in 22 European countries. During the Reporting Period, AlpReleaf further improved its online marketing channels to expand its brand awareness and market influence. Additionally, we actively expanded offline brand distribution partnerships in countries such as Germany, Italy, and Spain to drive sales growth. Leveraging our localized team in Europe and a mature European sales network, the Group has also been actively expanding its overseas trading business, which has become a new growth driver for the Company’s performance during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

For the business in Australia, the boutique townhouse project located in Yarrabend, Australia was developed and wholly owned by the Group, in collaboration with Burbank, a renowned construction company in Australia and Rothelowman, a renowned design firm. It is located on the banks of the Yarra River in Melbourne with mature commercial facilities and convenient transportation. During the Reporting Period, the project achieved significant progress. Since its initial launch in 2022, it has gained market recognition, and the sales efforts have been steadily progressing.

As of the end of the Reporting Period, the Group's overseas business has steadily advanced in a high quality manner and has significantly contributed to and supported the Group's performance. The Group will continue to strengthen its international business strategies, accelerate the expansion of its international business, deepen its brand building, and focus on channel expansion, so as to expand and optimise its overseas business, bringing sustained internal vitality to our Company's growth.

PROSPECTS

Looking ahead to 2023, riding out of the pandemic, we are arriving at a new historical juncture. Amidst the rapidly changing global landscape, the Chinese economy is showing signs of recovery and improvement. The profound changes in the domestic and international environments bring a series of new opportunities and challenges.

For the Group, regarding assets, the Group had ample liquidity with its current assets of HK\$963.2 million and net current assets of HK\$720.0 million as at 30 June 2023. As for the business, the Group continues to explore the healthcare field. The innovative skin health management products and business models have initially demonstrated their potential. We believe that we will achieve steady growth in our performance through a deep strategic focus on aesthetic medical devices, reagents, and functional skincare. Benefiting from the economic recovery in China, the trading and leasing businesses show signs of improvement. Meanwhile, the scale of the overseas business grows steadily with constant expansion of pipelines and continuous improvement on brand building. These favorable factors have accumulated a strong momentum and laid the groundwork for the Group's long-term development, which gave the Group sufficient strength and confidence to cope with new challenges and to seize new opportunities. The Group is confident of and optimistic about its future business development.

OTHER INFORMATION

DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

SHARE OPTION SCHEME

Particulars of the 2019 Share Option Scheme of the Company are set out in note 22 to the interim condensed consolidated financial statements contained in this Interim Report.

In order to provide incentives and rewards to the eligible employees and participants, the Company approved and adopted a share option scheme at the 2020 SGM. The 2019 Share Option Scheme became effective on 28 June 2019, being the date on which the Stock Exchange approved the listing of, and permission to deal in, the shares falling to be issued pursuant to the exercise of options under the 2019 Share Option Scheme. The 2019 Share Option Scheme is subject to the requirements under Chapter 17 of the Listing Rules. The following table discloses movements in the Company's share options held by each of the Directors, the employees of the Company and other eligible participants in aggregate granted under the 2019 Share Option Scheme during the six months ended 30 June 2023:

Category of participants	Date of grant (Note 1)	Exercise period	Exercise price HK\$	Number of share options					Closing price per share immediately before the date of grant HK\$	
				Outstanding as at 01.01.2023	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period		Outstanding as at 30.6.2023
(a) DIRECTORS										
Dr. Zeng Wentao	12.5.2020 (Note 2)	12.5.2021 — 11.5.2030 (Note 4)	0.33	7,501,500	—	—	(2,500,500)	—	5,001,000	0.32
Ms. Zhou Wen Chuan	24.6.2020 (Note 3)	24.6.2021 — 23.6.2030 (Note 5)	0.33	13,500,000	—	—	(4,500,000)	—	9,000,000	0.345
Total for Directors				21,001,500	—	—	(7,000,500)	—	14,001,000	
(b) EMPLOYEES										
In aggregate	12.5.2020 (Note 2)	12.5.2021 — 11.5.2030 (Note 4)	0.33	1,503,000	—	—	(501,000)	—	1,002,000	0.32
	12.5.2020 (Note 2)	12.5.2022 — 11.5.2030 (Note 7)	0.33	1,503,000	—	—	(501,000)	—	1,002,000	0.32
	12.5.2020 (Note 2)	12.5.2021 — 11.5.2030 (Note 8)	0.33	6,228,000	—	—	(504,000)	—	5,724,000	0.32
	12.5.2020 (Note 2)	12.5.2022 — 11.5.2030 (Note 9)	0.33	804,000	—	—	(300,000)	—	504,000	0.32
	12.5.2020 (Note 2)	12.5.2020 — 11.5.2030 (Note 10)	0.33	996,000	—	—	—	—	996,000	0.32
Total for Employees				11,034,000	—	—	(1,806,000)	—	9,228,000	
(c) OTHERS (Note 11)										
In aggregate	12.5.2020 (Note 2)	12.5.2021 — 11.5.2030 (Note 4)	0.33	3,753,000	—	—	(2,253,000)	—	1,500,000	0.32
	12.5.2020 (Note 2)	12.5.2022 — 11.5.2030 (Note 6)	0.33	1,332,000	—	—	(1,332,000)	—	—	0.32
	12.5.2020 (Note 2)	12.5.2021 — 11.5.2030 (Note 8)	0.33	2,010,000	—	—	(2,010,000)	—	—	0.32
	12.5.2020 (Note 2)	12.5.2022 — 11.5.2030 (Note 9)	0.33	555,000	—	—	(51,000)	—	504,000	0.32
	12.5.2020 (Note 2)	12.5.2020 — 11.5.2030 (Note 10)	0.33	5,004,000	—	—	—	—	5,004,000	0.32
Total for Others				12,654,000	—	—	(5,646,000)	—	7,008,000	
Total for Scheme				44,689,500	—	—	(14,452,500)	—	30,237,000	

OTHER INFORMATION

Notes:

1. The vesting period of the share options is from the date of grant until the commencement of the exercise period.
2. On 12 May 2020, the Company granted 61,248,000 share options to certain eligible participants pursuant to the 2019 Share Option Scheme. Further details are set out in the announcement of the Company dated 12 May 2020 and the circular of the Company dated 3 June 2020.
3. On 12 May 2020, the Company proposed to grant 18,000,000 share options to Ms. Zhou Wen Chuan pursuant to the 2019 Share Option Scheme. At the 2020 SGM, the resolution in respect of approving the proposed grant of share options to Ms. Zhou Wen Chuan was duly passed by the independent shareholders of the Company by way of poll. Further details are set out in the announcements of the Company dated 12 May 2020 and 24 June 2020 and the circular of the Company dated 3 June 2020.
4. Subject to the fulfilment of certain annual performance targets as determined by the Board, the share option granted shall be vested during the relevant periods in 4 tranches: (i) 25% of which shall be vested after 12 months of the Date of Acceptance; (ii) another 25% of which shall be vested after 24 months of the Date of Acceptance; (iii) another 25% of which shall be vested after 36 months of the Date of Acceptance; and (iv) the remaining 25% of which shall be vested after 48 months of the Date of Acceptance.
5. Subject to the fulfilment of certain annual performance targets as determined by the Board, the share option granted shall be vested during the relevant periods in 4 tranches: (i) 25% of which shall be vested after 12 months of the date of the 2020 SGM; (ii) another 25% of which shall be vested after 24 months of the date of the 2020 SGM; (iii) another 25% of which shall be vested after 36 months of the date of the 2020 SGM; and (iv) the remaining 25% of which shall be vested after 48 months of the date of the 2020 SGM.
6. Subject to the fulfilment of certain annual performance targets as determined by the Board, the share option granted shall be vested during the relevant periods in 3 tranches: (i) one-third of which shall be vested after 24 months of the Date of Acceptance; (ii) another one-third of which shall be vested after 36 months of the Date of Acceptance; and (iii) the remaining one-third of which shall be vested after 48 months of the Date of Acceptance.
7. Subject to the fulfilment of certain annual performance targets as determined by the Board, the share option granted shall be vested during the relevant periods in 4 tranches: (i) 25% of which shall be vested after 24 months of the Date of Acceptance; (ii) another 25% of which shall be vested after 36 months of the Date of Acceptance; (iii) another 25% of which shall be vested after 48 months of the Date of Acceptance; and (iv) the remaining 25% of which shall be vested after 60 months of the Date of Acceptance.
8. The share option granted shall be vested during the relevant periods in 4 tranches: (i) 25% of which shall be vested after 12 months of the Date of Acceptance; (ii) another 25% of which shall be vested after 24 months of the Date of Acceptance; (iii) another 25% of which shall be vested after 36 months of the Date of Acceptance; and (iv) the remaining 25% of which shall be vested after 48 months of the Date of Acceptance.
9. The share option granted shall be vested during the relevant periods in 4 tranches: (i) 25% of which shall be vested after 24 months of the Date of Acceptance; (ii) another 25% of which shall be vested after 36 months of the Date of Acceptance; (iii) another 25% of which shall be vested after 48 months of the Date of Acceptance; and (iv) the remaining 25% of which shall be vested after 60 months of the Date of Acceptance.
10. The share option granted shall be vested immediately upon the fulfilment of certain vesting conditions, including the achievement of certain R&D milestones for certain pharmaceutical products, completion of designated tasks and satisfactory business performance of the relevant entities (subject to the Board's opinion).

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11. As of 30 June 2023, there were a total of 7,008,000 share options granted to 2 grantees, who are non-employees of the Group, pursuant to the 2019 Share Option Scheme (the “**Share Option(s)**”). The 2 grantees can be divided into two categories. Details of the number of the Share Options granted to each category of grantees and the Board’s reasons for granting the Share Options to each category of grantees are as follows:

- (i) Director of invested entity

As of 30 June 2023, there were a total of 6,504,000 share options granted to Ms. Jiang Shu (姜舒), a director of an invested entity of the Group, namely Wingor Bio. The director who is PRC national and oversees the operations of Wingor Bio.

To the best of the knowledge, information and belief of the Directors, Ms. Jiang Shu (姜舒) is a third party independent of the Company and its connected persons.

The Group invested in Wingor Bio by approximately RMB55,278,000 in February 2019. When granting share options in May 2020, the then size of the investment in Wingor Bio as calculated by the investment cost of Wingor Bio divided by the Group’s total assets as at 31 December 2019 was 3.53%, which the Board considered to be significant. In addition, the Group had an equity interest of 45% in Wingor Bio and hence, the business performance of Wingor Bio could have a significant impact on the business performance of the Group. Wingor Bio is engaged in the R&D of stem cell products and the provision of health management consulting and medical treatment services. The Group and Wingor Bio might explore cross-selling opportunities, which would generate synergy for both parties. As such, the Company considers Wingor Bio to be an important investment with significant strategic value.

Wingor Bio is accounted for in the Company’s accounts using the equity method of accounting.

Given the importance of Wingor Bio to the Group and the key roles and responsibilities performed by the grantee in Wingor Bio, the Board considers that it is desirable to grant Share Options to incentivise her to improve her performance efficiency and align her interests with those of the Group.

All of the share options granted to Ms. Jiang Shu (姜舒) is subject to the satisfaction of certain performance targets of Wingor Bio, including annual performance targets for the years ending 31 December 2020, 2022 and 2023 of Wingor Bio and the achievement of certain R&D milestones for certain pharmaceutical products developed by Wingor Bio. Such pharmaceutical products are stem cell products, and the successful R&D and commercialisation of these products mark a significant breakthrough in the stem cell field. She could significantly improve the financial performance of Wingor Bio, thereby improving the financial performance of the Group. These performance targets tie the performance of the invested entity with the benefits to be received by the director thereby motivating her to improve the performance of the invested entity.

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(ii) Management consultant

As of 30 June 2023, there were a total of 504,000 share options granted to a management consultant of the Group, namely Mr. Jin Lei (金磊), who provides management consultancy services to the Group by the Board. The management consultant is a PRC national who lives in China.

Prior to his engagement as a management consultant of the Group, he worked as an employee of the invested entity. During such time, he was responsible for project procurement, business development, management of working teams and assisting the Chief Executive Officer in the accomplishment of strategic plans of the Company.

To the best of the knowledge, information and belief of the Directors, the management consultant is a third party independent of the Company and its connected persons.

The management consultant has expertise and skills in respect of the business operations of the Group, including strategic planning, financial management and control, financing, marketing, team management, internal coordination, and government relations. He has played an important role in enabling the Group to achieve smooth operations. The Board considers that it is desirable to grant Share Options to him as incentives to retain him and to motivate him to improve his performance for the benefit of the Group and to align his interest with that of the Group.

No performance target is set for the management consultant. As the management consultant is responsible for overseeing certain aspects of the business operations of the Group, the Board considers that setting a performance target for him is not as meaningful as for employees of the Group. Notwithstanding this, the Board considers that the grant of Share Options to the management consultant is fair and reasonable to the Company and its shareholders as a whole, given that the management consultant's contributions and potential contributions to the Group and considering the fact that the number of Share Options granted is relatively insignificant given the management consultant's roles and duties in the Group and the fact that the Share Options will be vested in four equal instalments in four years' time. Additionally, the Share Options will help align the interests of the management consultant with those of the Company and its shareholders.

The grant of Share Options to the management consultant can also meet the purpose of the 2019 Share Option Scheme, notwithstanding no performance target is set. The Share Options can serve as a reward for the management consultant's past contributions. As the Share Options granted to him will vest on him in four equal instalments in the next four years, the grant of Share Options will also help retain his services. It can align his interests with those of the Company and its shareholders; therefore, it can also serve as an incentive for the management consultant to improve his performance for the benefit of the Group.

The total number of shares of the Company issuable pursuant to the 2019 Share Option Scheme on the date of its adoption was 427,175,263 shares of the Company, representing approximately 10% of the issued share capital of the Company as at the date of this Interim Report.

For the fair value of the options granted under the 2019 Share Option Scheme, please refer to note 22 to the interim condensed consolidated financial statements. Saved as disclosed above, no other share options have been granted, exercised, cancelled or lapsed under the 2019 Share Scheme during the Reporting Period.

OTHER INFORMATION

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

The Directors and chief executive of the Company who held offices as at 30 June 2023 had the following interests and 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) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code required to be disclosed in accordance with the Listing Rules:

(a) Interests in Issued Shares

Name of Director	Personal interests (Note 1)	Corporate interests (Note 1)	Total number of shares held (Note 1)	% of total issued shares
Mr. Zhou Xuzhou (Notes 2, 3)	131,738,470 (L) –	2,133,230,291 (L) 978,785,130 (S)	2,264,968,761 (L) 978,785,130 (S)	55.33% 23.91%
Dr. Zeng Wentao (Note 3)	75,000,000 (L)	–	75,000,000 (L)	1.83%
Ms. Zhou Wen Chuan (Note 3)	31,938,000 (L)	–	31,938,000 (L)	0.78%
Dr. Mao Zhenhua (Note 4)	–	113,890,000 (L)	113,890,000 (L)	2.78%

Notes:

- The letter "L" denotes the person's long position in the shares, whereas the letter "S" denotes the person's short position in the shares.
- These shares are held by U-Home Group International Limited, U-Home Group Investment Limited and Zhongjia U-Home Investment Limited.
- Mr. Zhou Xuzhou, Dr. Zeng Wentao and Ms. Zhou Wen Chuan are Executive Directors.
- 113,890,000 shares are beneficially owned by Honour Goal Investments Limited. Honour Goal Investments Limited is wholly owned by Zhongchengxin (HK) Investment Services Limited, a company incorporated in Hong Kong with limited liability. Zhongchengxin (HK) Investment Services Limited is wholly owned by Zhongchengxin Investment Group Company Limited* (中誠信投資集團有限公司), a company established in the PRC with limited liability. Zhongchengxin Investment Group Company Limited is owned as to 80% by Hubei East Asia Enterprise Company Limited* (湖北東亞實業有限公司), a company established in the PRC with limited liability. Hubei East Asia Enterprise Company Limited is owned as to 80% by Wuhan Huabing Real Estate Company Limited* (武漢華兵置業有限公司), a company established in the PRC with limited liability. Wuhan Huabing Real Estate Company Limited is owned as to 99% by Dr. Mao Zhenhua, a Non-Executive Director. Under the SFO, Dr. Mao Zhenhua will be taken to be interested in the shares held by Honour Goal Investments Limited.

* For identification purposes only

OTHER INFORMATION

(b) Interests in Share Options

Name of Director	Number of options directly beneficially owned <i>(Note 1)</i>
Dr. Zeng Wentao <i>(Note 2)</i>	5,001,000 (L)
Ms. Zhou Wen Chuan <i>(Note 2)</i>	9,000,000 (L)

Notes:

- The letter "L" denotes the person's long position in the underlying shares.
- Dr. Zeng Wentao and Ms. Zhou Wen Chuan, who are Executive Directors, have been granted share options under the 2019 Share Option Scheme, details of which are set out in the sub-section headed "Share Option Scheme" above.

Save as disclosed above, none of the Directors and chief executive of the Company or their respective associates had any interests and 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) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code as at 30 June 2023.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2023, the Company had been notified by the following persons (other than the Directors or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances of GMs or who were recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO or had otherwise notified the Company:

Interests in Issued Shares

Name of substantial shareholders	Capacity	Total interests <i>(Note 1)</i>	% of total issued shares
U-Home Group International Limited <i>(Note 2)</i>	Beneficial owner	964,172,530 (L)	23.55%
		479,132,130 (S)	11.70%
U-Home Group Investment Limited <i>(Note 3)</i>	Beneficial owner	499,653,000 (L)	12.21%
		499,653,000 (S)	12.21%
Yuhua Enterprises Company Limited <i>(Note 3)</i>	Interest in controlled corporation	499,653,000 (L)	12.21%
		499,653,000 (S)	12.21%

OTHER INFORMATION

Name of substantial shareholders	Capacity	Total interests (Note 1)	% of total issued shares
Anhui Yuhua Enterprises Company Limited* (安徽宇華實業有限公司) (Note 3)	Interest in controlled corporation	499,653,000 (L)	12.21%
		499,653,000 (S)	12.21%
Yee Sheng Enterprises Company Limited (Note 3)	Interest in controlled corporation	499,653,000 (L) 499,653,000 (S)	12.21% 12.21%
Kambert Enterprises Limited (Note 3)	Interest in controlled corporation	499,653,000 (L) 499,653,000 (S)	12.21% 12.21%
U-Home Property (Group) Limited (Note 3)	Interest in controlled corporation	499,653,000 (L) 499,653,000 (S)	12.21% 12.21%
Zhongjia U-Home Investment Limited (Note 4)	Beneficial owner	669,404,761 (L)	16.35%
Shunda Investment Limited (Notes 2, 3, 4)	Interest in controlled corporation	2,133,230,291 (L)	52.11%
		978,785,130 (S)	23.91%
Mr. Zhou Xuzhou (Notes 2, 3, 4)	Interest in controlled corporation	2,133,230,291 (L)	52.11%
		978,785,130 (S)	23.91%
Haitong UT Leasing HK Limited	Beneficial owner	131,738,470 (L)	3.22%
		978,785,130 (L)	23.91%
	Person having a security interest in share		

Notes:

- The letter "L" denotes the person's long position in the shares, whereas the letter "S" denotes the person's short position in the shares.
- U-Home Group International Limited is wholly and beneficially owned by Shunda Investment Limited, which in turn is wholly and beneficially owned by Mr. Zhou Xuzhou. Under SFO, Shunda Investment Limited and Mr. Zhou Xuzhou will be taken to be interested in the shares held by U-Home Group International Limited.
- U-Home Group Investment Limited is wholly and beneficially owned by Yuhua Enterprises Company Limited. Yuhua Enterprises Company Limited is wholly and beneficially owned by Anhui Yuhua Enterprises Company Limited. Anhui Yuhua Enterprises Company Limited is wholly and beneficially owned by Yee Sheng Enterprises Company Limited. Kambert Enterprises Limited and Mr. Zhou Xuzhou owned 100 ordinary shares and 1,000 non-voting deferred shares of Yee Sheng Enterprises Company Limited, respectively. Kambert Enterprises Limited is wholly and beneficially owned by U-Home Property (Group) Limited. U-Home Property (Group) Limited is wholly and beneficially owned by Shunda Investment Limited, which in turn is wholly and beneficially owned by Mr. Zhou Xuzhou.
- Zhongjia U-Home Investment Limited is wholly and beneficially owned by Shunda Investment Limited, which in turn is wholly and beneficially owned by Mr. Zhou Xuzhou. Under SFO, Shunda Investment Limited and Mr. Zhou Xuzhou will be taken to be interested in the shares held by Zhongjia U-Home Investment Limited.

* For identification purposes only

OTHER INFORMATION

Save as disclosed above, the Company has not been notified by any person (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances of GMs or who were recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO or had otherwise notified the Company as at 30 June 2023.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than disclosed in the sub-sections headed "Share Option Scheme" and "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above, at no time during the six months ended 30 June 2023 or up to the date of this Interim Report were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; or were the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

There were no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the six months ended 30 June 2023.

CORPORATE GOVERNANCE

The Company has adopted the principles and complied with all the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules during the six months ended 30 June 2023.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding directors' securities transactions. After specific enquiries made by the Company, all the Directors have confirmed compliance with the required standard set out in the Model Code during the six months ended 30 June 2023.

AUDIT COMMITTEE

The Audit Committee comprises two Independent Non-Executive Directors and one Non-Executive Director, namely Professor Chau Chi Wai, Wilton (Chairman), Dr. Yang Yu and Dr. Mao Zhenhua.

Mr. Gao Guanjiang resigned as an Independent Non-Executive Director on 11 April 2023 and he ceased to be the member of the Audit Committee on 11 April 2023 accordingly. Dr. Yang Yu was appointed as an Independent Non-Executive Director on 11 April 2023 and he was also appointed as the member of the Audit Committee on 11 April 2023.

The Audit Committee has reviewed with the management of the Group the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters, including the review of the unaudited interim financial information for the six months ended 30 June 2023 and this Interim Report.

OTHER INFORMATION

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Save as elsewhere disclosed in this Interim Report, there were no important events affecting the Group after 30 June 2023 and up to the date of this Interim Report.

CHANGES IN DIRECTORS' AND CHIEF EXECUTIVE'S INFORMATION

Save as disclosed in the section headed "Biography of Directors and Senior Management" on pages 29 to 31 of this Interim Report, there were no other changes in the information of any Directors after the date of the annual report of the Group for the year ended 31 December 2022 that are required to be disclosed pursuant to paragraphs (a) to (e) and paragraph (g) of Rule 13.51(2) of the Listing Rules have to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

APPRECIATION

On behalf of the Board, I would like to express my deepest appreciation to all staff of the Group for their excellent contribution, thank our shareholders for their trust and acknowledge our business partners for their support.

By Order of the Board

Zhou Wen Chuan

Executive Director and Chief Executive Officer

Hong Kong, 29 August 2023

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Zhou Xuzhou, aged 67, was appointed as an Executive Director on 30 August 2013, was appointed as the chairman of the Board on 23 September 2013 and was re-designated as a Co-Chairman on 20 June 2019. He is the chairman of the Nomination Committee and a member of the Strategic Committee.

Mr. Zhou obtained a master's degree from Wuhan University in 1985. Mr. Zhou is primarily responsible for leading the strategic planning and financial planning of the Group. Mr. Zhou is the father of Ms. Zhou Wen Chuan.

Dr. Zeng Wentao, aged 60, was appointed as an Independent Non-Executive Director on 18 October 2017, was re-designated as an Executive Director on 27 May 2019 and was appointed as a Co-Chairman on 20 June 2019. He is a member of the Remuneration Committee and the Strategic Committee.

Dr. Zeng graduated from Wuhan University with a doctoral degree in Economics. Dr. Zeng founded Hainan Sanyou Real Estate Company Limited (海南三友房地產有限公司) in Hainan in 1990 and acted as its general manager. In 1995, he founded Wuhan Yin Hai Property Company Limited (武漢銀海置業有限公司), which was principally engaged in real estate development and technology investment, and acted as its chief executive officer. He has been the chief executive officer of Zhongjia Capital (Wuhan) Investment Management Company Limited (中珈資本(武漢)投資管理有限公司) since March 2017. He is a part-time professor of Zhongnan University of Economics and Law, a member of Zhongnan University of Economics and Law Educational Development Fund and a standing council member of Dong Fureng Foundation (董輔弼基金會). He was the vice-chairman of the 12th and 13th Federation of Industry and Commerce of Wuhan City (武漢市工商聯) and a member of the 11th and 12th People's Consultative Conference of Wuhan City. Dr. Zeng has been a Counselor of the Healthcare Industry Union of Wuhan University Alumni Entrepreneur Association (武漢大學校友企業家聯誼會健康產業聯盟), an organisation dedicated to the promotion of co-operations in the healthcare industry among entrepreneurs who are alumni of Wuhan University, since July 2017. By taking this position, Dr. Zeng has gained an understanding of the healthcare business and has built good relationships with certain entrepreneurs and market players in the healthcare industry. In 2018, Dr. Zeng was appointed as a researcher in health economics of Dong Fureng Economic & Social Development School of Wuhan University, which demonstrated the recognition of Dr. Zeng's knowledge in health economics by the said organisation and has enabled Dr. Zeng to use his managerial experience to contribute to the research work in the health economics area.

Ms. Zhou Wen Chuan, aged 40, was appointed as an Executive Director on 30 August 2013 and the Chief Executive Officer on 23 September 2013.

Ms. Zhou obtained a master's degree in Business Administration from the Chinese University of Hong Kong in 2011. Also, she obtained a master's degree in Science and a dual bachelor's degree in Food Nutrition and Health from the University of British Columbia in 2008 and 2007, respectively. Ms. Zhou is currently a PhD student. Ms. Zhou is the daughter of Mr. Zhou Xuzhou.

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

NON-EXECUTIVE DIRECTOR

Dr. Mao Zhenhua, aged 59, was appointed as a Non-Executive Director on 5 October 2015. He is the chairman of the Strategic Committee and a member of the Audit Committee.

Dr. Mao is currently the chairman of China Chengxin Credit Management Co., Ltd. ("**China Chengxin**"), professor of the Renmin University of China, chairman of the Institute of Economic Research of the Renmin University of China, professor of Wuhan University, Dean of Dong Fureng Economic & Social Development School of Wuhan University and professor of Business School at the University of Hong Kong. Dr. Mao graduated from Wuhan University with a doctoral degree in Economics. Dr. Mao had carried out economic analysis and policies research for the Hubei Provincial Government, Hainan Provincial Government and Research Office of the State Council.

Dr. Mao founded China Chengxin in 1992. Since then, he acted as its general manager, chairman as well as general manager, chief executive officer, and chairman. He was the major shareholder and controller of China Cheng Xin International Credit Rating Co., Ltd. Under the leadership of Dr. Mao, China Chengxin has become a company specialising in credit services and a comprehensive enterprise group principally engaging in the business of investing in finance, real estate and industries.

Dr. Mao is currently an independent non-executive director of China Infrastructure & Logistics Group Ltd (a company listed on the Stock Exchange, stock code: 1719), China Bohai Bank Co., Ltd. (a company listed on the Stock Exchange, stock code: 9668), China SCE Group Holdings Ltd (a company listed on the Stock Exchange, stock code: 1966), Airstar Bank Limited and Gravitation Fintech HK Limited. Dr. Mao was appointed as a member of the Research Strategy Expert Group of the Policy Unit of the Chief Executive of the Hong Kong Special Administrative Region on May 30, 2023.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Professor Chau Chi Wai, Wilton, aged 61, was appointed as an Independent Non-Executive Director on 30 August 2013. He is the chairman of the Audit Committee, a member of the Remuneration Committee and a member of the Nomination Committee.

Professor Chau obtained a doctoral degree in business administration, a master's degree in business administration, a bachelor's degree in laws and a bachelor's degree in science. He is a fellow member of the Chartered Association of Certified Accountants (UK). Professor Chau is currently the chairman of Pan Asia Venture Development Platform and a vice-chairman of Hong Kong Biotechnology Organisation. He is also an adjunct professor of the Chinese University of Hong Kong, National University of Singapore and Shenzhen Finance Institute. Professor Chau is currently an independent non-executive director of China Three Gorges International Limited and Digital Hollywood Interactive Limited (a company listed on the Stock Exchange, stock code: 2022). Professor Chau has over 30 years of experience in direct investment and venture capital.

Dr. Yang Yu, aged 60, was appointed as an Independent Non-Executive Director on 11 April 2023. He is the chairman of the Remuneration Committee and a member of the Audit Committee.

Dr. Yang Yu has obtained a doctorate in management and holds a senior economist qualification. From 2000 to 2015, he successively served as the vice president of Henan Branch, the president of Hebei Branch and the president of Jiangsu Branch of China Construction Bank, respectively. From 2015 to 2022, Dr. Yang successively served as the vice president of China CITIC Bank Corporation Limited (a company listed on the Stock Exchange, stock code: 998), the chairman of China CITIC Bank International Limited, the president of CITIC International Financial Holdings Limited and the chairman of CITIC International Assets Management Limited.

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Wu Peng, aged 41, was appointed as an Independent Non-Executive Director on 27 May 2019. He is a member of the Nomination Committee.

Mr. Wu graduated from Tsinghua University with a bachelor's degree in information systems in July 2004 and a doctoral degree (with supply chain management as a key research area) in January 2010. From September 2005 to January 2010, Mr. Wu worked as a research assistant in the Humanities Key Research Base of the Ministry of Education (教育部人文社科重點研究基地) of the PRC and the Research Centre for Contemporary Management Tsinghua University (清華大學現代管理研究中心), where he participated in the study of pharmaceutical products supply chain management strategies. In this position, Mr. Wu conducted investigations and research on the production and operation processes of a number of large-sized pharmaceutical companies in the PRC and gained a good understanding of their supply chain management. From March 2010 to November 2012, Mr. Wu was a lecturer at the school of Business Administration of South China University of Technology and was mainly involved in teaching and researching green supply chain management. During this period, from November 2010 to April 2012, Mr. Wu was also a postdoctoral researcher at The Martin Centre for Architectural and Urban Studies of the University of Cambridge, where he was engaged in low-carbon supply chain and low-carbon urban planning and design research work. Since December 2012, Mr. Wu has been teaching green supply chain management and engaging in the research work in this area in the Business School of Sichuan University, first as an associate professor from December 2012 to September 2017 and subsequently as a professor since September 2017. During a five-year period from 2012 to 2017, Mr. Wu was involved in an industrial chain optimisation consulting project, through which he further gained experience in the supply chain management research area. Mr. Wu has been a Counselor of the Society of Management Science and Engineering of China (中國管理科學與工程學會理事) since October 2018. Mr. Wu is currently an independent director of LightInTheBox Holding Co., Ltd. (a company listed on the New York Stock Exchange, stock code: LITB).

SENIOR MANAGEMENT

Mr. Li Shu Pai, aged 47, was appointed as the Chief Financial Officer and the Company Secretary on 30 July 2019. He has over 20 years of experience in auditing, corporate finance and financial management. Mr. Li had been the chief financial officer and company secretary of Perfectech International Holdings Limited (a company listed on the Stock Exchange, stock code: 765). Also, Mr. Li had been a chief financial officer and joint company secretary of Chutian Dragon Corporation Limited. Before that, Mr. Li served as a chief financial officer of R2Game Co., Limited and earlier the deputy chief financial officer of Beijing Tong Ren Tang Chinese Medicine Company Limited (a company listed on the Stock Exchange, stock code: 3613). In addition, Mr. Li had worked for an international audit firm and various investment banks.

Mr. Li graduated from the City University of Hong Kong with a bachelor's degree in business administration and obtained his executive master's degree in business and administration from the Hong Kong University of Science and Technology. He is a fellow member of the HKICPA and a fellow member of the Association of Chartered Certified Accountants.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

	Notes	Six months ended 30 June	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	5	74,838	64,614
Cost of goods sold and service rendered		(37,889)	(20,546)
Gross profit		36,949	44,068
Fair value gains on investment properties	13	122	7,788
Gain on partial disposals of investments at FVTPL		2,427	–
Other income and gains/(losses), net		6,671	(6,523)
Selling and distribution expenses		(5,333)	(3,171)
Administrative expenses		(10,244)	(14,041)
Impairment losses of receivables, net		(882)	(191)
Finance costs	6	(5,790)	(4,890)
Share of losses of associates		(138)	(1,916)
Share of losses of joint ventures		(2,636)	(7,409)
Profit before tax		21,146	13,715
Income tax expense	7	(3,414)	(3,332)
Profit for the period	8	17,732	10,383
Attributable to:			
Owners of the Company		18,160	10,562
Non-controlling interests		(428)	(179)
		17,732	10,383
Earnings per share	10		
Basic and diluted		HK0.44 cents	HK0.26 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Notes	Six months ended 30 June	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Profit for the period	8	17,732	10,383
Other comprehensive loss:			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value changes of equity investments at FVTOCI, net of tax		(8,747)	–
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations:			
— Subsidiaries		(43,133)	(47,139)
— Associates and joint ventures		(2,942)	(5,478)
Share of other comprehensive loss of an associate		–	(67)
		(46,075)	(52,684)
Other comprehensive loss for the period, net of tax		(54,822)	(52,684)
Total comprehensive loss for the period		(37,090)	(42,301)
Attributable to:			
Owners of the Company		(36,627)	(42,182)
Non-controlling interests		(463)	(119)
		(37,090)	(42,301)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	11	5,572	6,291
Right-of-use assets	12	4,876	5,154
Investment properties	13	535,349	560,149
Goodwill		18,500	18,500
Other intangible assets		17	44
Investment in an associate		9,172	9,740
Investment in a joint venture		53,064	57,356
Investments at FVTPL	14	38,812	55,163
Equity investments at FVTOCI		32,754	46,213
Derivative financial assets		300	314
Prepayments, deposits and other receivables	16	7,321	10,141
Deferred tax assets		23,466	20,179
		729,203	789,244
Current assets			
Inventories		6,142	6,514
Properties held for sale under development		252,792	256,519
Trade receivables	15	48,842	101,354
Prepayments, deposits and other receivables	16	583,057	341,134
Restricted deposit		1,868	–
Bank and cash balances		65,243	210,987
		957,944	916,508
Investment properties held for sale		5,264	5,509
		963,208	922,017

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Current liabilities			
Trade payables	17	840	43
Contract liabilities		13,853	5,518
Accruals and other payables		26,220	29,488
Dividend payable	9	65,500	–
Amounts due to related parties	18	44,765	6,901
Bank borrowings	19	78,665	78,235
Lease liabilities	12	1,322	1,710
Derivative financial liabilities		637	–
Current tax liabilities		11,392	15,043
		243,194	136,938
Net current assets			
		720,014	785,079
Total assets less current liabilities			
		1,449,217	1,574,323
Non-current liabilities			
Accruals and other payables		225	230
Bank borrowings	19	146,598	165,204
Lease liabilities	12	2,703	3,980
Deferred tax liabilities		74,595	77,824
		224,121	247,238
NET ASSETS			
		1,225,096	1,327,085
Capital and reserves			
Share capital	20	40,938	40,945
Treasury shares	21	–	(231)
Reserves		1,182,112	1,283,862
Equity attributable to owners of the Company		1,223,050	1,324,576
Non-controlling interests		2,046	2,509
TOTAL EQUITY			
		1,225,096	1,327,085

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	(Unaudited)												
	Attributable to owners of the Company												
	Share capital HK\$'000	Treasury shares HK\$'000	Share premium account HK\$'000	Contributed surplus account HK\$'000	Share-based payment reserve HK\$'000	Statutory surplus reserve HK\$'000	Equity investment revaluation reserve HK\$'000	Other reserve HK\$'000	Foreign currency translation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
As at 1 January 2022	42,141	(15,209)	623,597	409,712	6,310	24,668	-	556	44,593	291,674	1,428,042	2,603	1,430,645
Total comprehensive loss for the period	-	-	-	-	-	-	-	-	(52,744)	10,562	(42,182)	(119)	(42,301)
Equity-settled share option arrangements	-	-	-	-	(142)	-	-	-	-	-	(142)	-	(142)
Share of reserve of an associate	-	-	-	-	-	-	-	1,078	-	-	1,078	-	1,078
Repurchase of shares	-	(35,249)	-	-	-	-	-	-	-	-	(35,249)	-	(35,249)
Cancellation of shares	(1,074)	47,999	(46,925)	-	-	-	-	-	-	-	-	-	-
Transfer from retained profits	-	-	-	-	-	355	-	-	-	(355)	-	-	-
Changes in equity for the period	(1,074)	12,750	(46,925)	-	(142)	355	-	1,078	(52,744)	10,207	(76,495)	(119)	(76,614)
As at 30 June 2022	41,067	(2,459)	576,672	409,712	6,168	25,023	-	1,634	(8,151)	301,881	1,351,547	2,484	1,354,031
As at 1 January 2023	40,945	(231)	572,798	409,712	5,448	25,016	5,348	2,614	(46,222)	309,148	1,324,576	2,509	1,327,085
Total comprehensive loss for the period	-	-	-	-	-	-	(8,747)	-	(46,040)	18,160	(36,627)	(463)	(37,090)
Equity-settled share option arrangements	-	-	-	-	(254)	-	-	-	-	-	(254)	-	(254)
Share of reserve of a joint venture	-	-	-	-	-	-	-	856	-	-	856	-	856
Cancellation of shares (Notes 20 and 21(a))	(7)	231	(225)	-	-	-	-	-	-	-	(1)	-	(1)
Dividend recognised as a distribution (Note 9)	-	-	-	-	-	-	-	-	-	(65,500)	(65,500)	-	(65,500)
Changes in equity for the period	(7)	231	(225)	-	(254)	-	(8,747)	856	(46,040)	(47,340)	(101,526)	(463)	(101,989)
As at 30 June 2023	40,938	-	572,573	409,712	5,194	25,016	(3,399)	3,470	(92,262)	261,808	1,223,050	2,046	1,225,096

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(83,276)	68,017
Deferred considerations received in respect of partial disposals of investment in an associate in prior years	3,978	3,596
Advances of loans to third parties	(254,359)	(345,619)
Repayment of loans from third parties	177,017	19,176
Interest received	14,783	1,834
Dividend received from investments at FVTPL	994	306
Purchases of property, plant and equipment	(344)	(596)
Proceeds from partial disposals of investments at FVTPL	15,040	–
Proceeds from disposal of property, plant and equipment	–	6
Purchases of investments at FVTPL	(188)	(8,414)
Decrease in current portion of investments at FVTPL	–	86,412
Increase in restricted deposit	(1,910)	(525)
Settlement of derivative contracts	20	1,172
NET CASH USED IN INVESTING ACTIVITIES	(44,969)	(242,652)
Proceeds from bank borrowings	–	95,880
Repayment of bank borrowings	(7,514)	(6,592)
Interest paid	(5,697)	(4,739)
Repayment of lease liabilities	(768)	(697)
Payment of shares cancellation	(1)	(35,249)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(13,980)	48,603
NET DECREASE IN CASH AND CASH EQUIVALENTS	(142,225)	(126,032)
Effect of foreign exchange rate changes	(3,519)	(7,704)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	210,987	272,591
CASH AND CASH EQUIVALENTS AT END OF PERIOD	65,243	138,855
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	65,243	138,855

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

1. GENERAL INFORMATION

The Company was incorporated in Bermuda with limited liability. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of its principal place of business is Unit 2906, Tower 1, Lippo Centre, 89 Queensway, Admiralty, Hong Kong. The Company's shares are listed on the Main Board of the Stock Exchange.

The principal activities of the Group are operations of healthcare-related business, trading of construction materials and photovoltaic components, provision of real estate agency services, property investment and leasing, and development of residential properties.

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 Interim Financial Reporting issued by the HKICPA and the applicable disclosures required by the Listing Rules.

These interim condensed consolidated financial statements should be read in conjunction with the 2022 annual consolidated financial statements. The accounting policies and methods of computation used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2022.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2023. HKFRSs comprise Hong Kong Financial Reporting Standards; HKASs; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's interim condensed consolidated financial statements and amounts reported for the current period and prior years.

4. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs:	quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2 inputs:	inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 inputs:	unobservable inputs for the asset or liability.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

4. FAIR VALUE MEASUREMENTS (Continued)

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

(a) Disclosures of level in fair value hierarchy as at 30 June 2023 (Unaudited):

Description	Fair value measurements using:			Total 2023 HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
Recurring fair value measurements:				
<i>Financial assets at FVTOCI</i>				
– Unlisted equity investments	–	–	32,754	32,754
<i>Financial assets at FVTPL</i>				
– Investments at FVTPL				
– Listed equity investment	21,106	–	–	21,106
– Unlisted equity investments	–	8,615	9,091	17,706
– Derivative financial assets				
– Call options	–	–	300	300
<i>Financial liabilities at FVTPL</i>				
– Derivative financial liabilities				
– Steel futures contracts	(637)	–	–	(637)
<i>Investment properties/investment properties held for sale</i>				
– Investment properties in PRC	–	–	540,613	540,613
Total recurring fair value measurements	20,469	8,615	582,758	611,842

Disclosures of level in fair value hierarchy as at 31 December 2022 (Audited):

Description	Fair value measurements using:			Total 2022 HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
Recurring fair value measurements:				
<i>Financial assets at FVTOCI</i>				
– Unlisted equity investments	–	–	46,213	46,213
<i>Financial assets at FVTPL</i>				
– Investments at FVTPL				
– Listed equity investment	32,588	–	–	32,588
– Unlisted equity investments	–	6,503	16,072	22,575
– Derivative financial assets				
– Call options	–	–	314	314
<i>Investment properties/investment properties held for sale</i>				
– Investment properties in PRC	–	–	565,658	565,658
Total recurring fair value measurements	32,588	6,503	628,257	667,348

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

4. FAIR VALUE MEASUREMENTS *(Continued)*

(b) Reconciliation of assets measured at fair value based on Level 3 (Unaudited):

Description	Unlisted equity investments (classified as financial assets at FVTOCI) HK\$'000	Unlisted equity investments (classified as financial assets at FVTPL) HK\$'000	Derivative financial assets – Call options (classified as financial assets at FVTPL) HK\$'000	Investment properties in PRC HK\$'000	2023 Total HK\$'000
As at 1 January	46,213	16,072	314	565,658	628,257
Total gains or losses recognised in profit or loss (#)	–	(6,409)	–	122	(6,287)
in other comprehensive loss	(11,662)	–	–	–	(11,662)
Exchange differences	(1,797)	(572)	(14)	(25,167)	(27,550)
As at 30 June	32,754	9,091	300	540,613	582,758
(#) Include gains or losses for assets held at end of Reporting Period	–	(6,409)	–	122	(6,287)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

4. FAIR VALUE MEASUREMENTS (Continued)

(b) Reconciliation of assets measured at fair value based on Level 3 (Unaudited): (Continued)

Description	Unlisted equity investments (classified as financial assets at FVTPL) HK\$'000	Derivative financial assets – Call options (classified as financial assets at FVTPL) HK\$'000	Investment properties in PRC HK\$'000	2022 Total HK\$'000
As at 1 January	29,508	225	599,625	629,358
Total gains or losses recognised in profit or loss (#)	(5,723)	–	7,788	2,065
Exchange differences	(1,205)	(11)	(27,301)	(28,517)
As at 30 June	22,580	214	580,112	602,906
(#) Include gains or losses for assets held at end of Reporting Period	(5,723)	–	7,788	2,065

The total gains or losses recognised in other comprehensive loss are presented in "Fair value changes of equity investments at FVTOCI, net of tax" in the interim condensed consolidated statement of comprehensive income.

There were no transfers of fair value measurements between Level 1 and Level 2, and no other transfers into or out of Level 3 for financial assets during the both periods.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

4. FAIR VALUE MEASUREMENTS (Continued)

- (c) Disclosure of valuation processes used by the Group and valuation techniques and inputs used in fair value measurements:

The management of the Group is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including Level 3 fair value measurements. The management of the Group reports directly to the Board for these fair value measurements. Discussions of valuation processes and results are held between the management of the Group and the Board at least twice a year for interim and annual financial reporting.

For Level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

Level 2 fair value measurements

Description	Valuation technique and key input	Fair value as at	
		30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Unlisted equity investments classified as financial assets at FVTPL	Recent transaction prices of similar deals	8,615	6,503

Level 3 fair value measurements

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value as at	
					30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Unlisted equity investments classified as financial assets at FVTOCI	Valuation multiples	Average price-to-sales multiple of peers	30 June 2023: 0.13 to 23.42 (31 December 2022: 0.21 to 26.03)	Increase	32,754	46,213
		Discount for lack of marketability	30 June 2023: 15.8% (31 December 2022: 15.8%)	Decrease		
Unlisted equity investments classified as financial assets at FVTPL	Valuation multiples	Average price-to-sales multiple of peers	30 June 2023: 0.73 to 3.99 (31 December 2022: N/A)	Increase	9,091	16,072
		Average price-to-earnings multiple of peers	30 June 2023: N/A (31 December 2022: 11.4 to 17.9)	Increase		
		Discount for lack of marketability	30 June 2023: 15.7% (31 December 2022: 10%)	Decrease		

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

4. FAIR VALUE MEASUREMENTS (Continued)

(c) Level 3 fair value measurements (Continued)

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value as at	
					30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Derivative financial assets – Call options (classified as financial assets at FVTPL)	Black-Scholes option pricing model	Expected volatility	30 June 2023: 76.0% (31 December 2022: 63.8%)	Increase	300	314
Investment properties in PRC	Term and revisionary method	Estimated rental value (per sq.m. and per month)	30 June 2023: RMB44.1 to RMB147 (31 December 2022: RMB112 to RMB190)	Increase	540,613	565,658
		Rental growth (p.a.)	30 June 2023: 0% to 3% (31 December 2022: 0% to 3%)	Increase		
		Discount rate	30 June 2023: 4.5% to 5.5% (31 December 2022: 4.0% to 5.5%)	Decrease		

5. REVENUE AND SEGMENT INFORMATION

The Group has four (six months ended 30 June 2022: six) reportable segments as follows:

- Healthcare-related business – Health management services, aesthetic medical services and sale of healthcare-related and CBD downstream products
- Trading business – Trading of construction materials and photovoltaic components
- Property-related business – Real estate agency services, leasing of investment properties and development and selling of residential properties
- Equity investment business – Management of investment portfolio

During the six months ended 30 June 2023, in view of the change of business strategy of the Group in accordance to the performance of the strategic business units, the Group has reorganised its internal reporting structure resulting in changes to the composition of its reportable segments. Prior period segment disclosures have been re-presented to conform with the current period's presentation.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

5. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenues and results

The following is an analysis of the Group's revenues and results from reportable and operating segments:

For the six months ended 30 June 2023 (Unaudited)

	Healthcare-related business HK\$'000	Trading business HK\$'000	Property-related business HK\$'000	Equity investment business HK\$'000	Total HK\$'000
Revenue from external customers	19,751	43,323	11,764	-	74,838
Segment profit/(loss)	5,459	8,850	9,827	(1,640)	22,496
Interest income					9,856
Reversal of equity-settled share options expenses					254
Finance costs					(5,790)
Unallocated expenses					(5,670)
Profit before tax					21,146

For the six months ended 30 June 2022 (Re-presented) (Unaudited)

	Healthcare-related business HK\$'000	Trading business HK\$'000	Property-related business HK\$'000	Equity investment business HK\$'000	Total HK\$'000
Revenue from external customers	38,232	11,743	14,639	-	64,614
Segment profit/(loss)	24,437	1,540	16,493	(25,746)	16,724
Interest income					10,262
Reversal of equity-settled share options expenses					142
Finance costs					(4,890)
Unallocated income					137
Unallocated expenses					(8,660)
Profit before tax					13,715

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

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

Segment assets

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Healthcare-related business	74,752	69,630
Trading business	463,337	388,929
Property-related business	915,023	923,559
Equity investment business	149,124	187,595
Total assets of reportable segments	1,602,236	1,569,713
Deferred tax assets	23,466	20,179
Unallocated corporate assets	66,709	121,369
Consolidated total assets	1,692,411	1,711,261

Segment liabilities

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Healthcare-related business	52,996	31,376
Trading business	139,757	126,759
Property-related business	120,920	130,914
Total liabilities of reportable segments	313,673	289,049
Deferred tax liabilities	74,595	77,824
Current tax liabilities	11,392	15,043
Unallocated corporate liabilities	67,655	2,260
Consolidated total liabilities	467,315	384,176

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

Revenue

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Sale of healthcare-related products	15,188	33,841
Healthcare management service income	1,226	2,388
Aesthetic medical service income	2,717	1,739
Sale of construction materials	33,087	11,743
Sale of photovoltaic components	10,236	–
Property sales and consultancy service income	1,470	3,767
Sale of CBD downstream products	620	264
Revenue from contracts with customers	64,544	53,742
Rental income	10,294	10,872
Total revenue	74,838	64,614

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

Disaggregation of revenue from contracts with customers

For the six months ended 30 June 2023 (Unaudited)

Segments	Healthcare-related business HK\$'000	Trading business HK\$'000	Property-related business HK\$'000	Total HK\$'000
Major products/services				
Sale of healthcare-related products	15,188	–	–	15,188
Aesthetic medical services	2,717	–	–	2,717
Healthcare management services	1,226	–	–	1,226
Sale of CBD downstream products	620	–	–	620
Sale of construction materials	–	33,087	–	33,087
Sale of photovoltaic components	–	10,236	–	10,236
Property sales and consultancy services	–	–	1,470	1,470
Total	19,751	43,323	1,470	64,544
Geographical markets				
PRC	19,131	37,857	1,470	58,458
Others	620	5,466	–	6,086
Total	19,751	43,323	1,470	64,544
Timing of revenue recognition				
At a point in time	18,525	43,323	1,470	63,318
Over time	1,226	–	–	1,226
Total	19,751	43,323	1,470	64,544

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

Disaggregation of revenue from contracts with customers *(Continued)*

For the six months ended 30 June 2022 (Re-presented) (Unaudited)

Segments	Healthcare-related business <i>HK\$'000</i>	Trading business <i>HK\$'000</i>	Property-related business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Major products/services				
Sale of healthcare-related products	33,841	–	–	33,841
Healthcare management services	2,388	–	–	2,388
Aesthetic medical services	1,739	–	–	1,739
Sale of CBD downstream products	264	–	–	264
Sale of construction materials	–	11,743	–	11,743
Property sales and consultancy services	–	–	3,767	3,767
Total	38,232	11,743	3,767	53,742
Geographical markets				
PRC	38,057	11,743	3,767	53,567
Others	175	–	–	175
Total	38,232	11,743	3,767	53,742
Timing of revenue recognition				
At a point in time	35,844	11,743	3,767	51,354
Over time	2,388	–	–	2,388
Total	38,232	11,743	3,767	53,742

6. FINANCE COSTS

	Six months ended 30 June	
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
Interest on bank loans	5,697	4,739
Interest on lease liabilities	93	151
	5,790	4,890

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
Current income tax expense		
– PRC Enterprise Income Tax	3,649	5,885
– Australia withholding tax on interest income	466	663
Deferred income tax credit	(701)	(3,216)
	3,414	3,332

Enterprise Income Tax of the PRC has been provided at the rate of 25% on the estimated assessable profits arising from the PRC for the both periods, except for certain group entities operating in PRC, which are taxed at preferential tax rates. Group entities operating in PRC that are qualified as small and thin-profit enterprises with assessable profits of RMB1 million or less, the assessable profits are taxed at the effective rate of 2.5% (six months ended 30 June 2022: 2.5%). Where the assessable profits exceed RMB1 million but do not exceed RMB3 million (inclusive), the RMB1 million portion will be taxed at the effective rate of 2.5% (six months ended 30 June 2022: 2.5%), whereas the excess portion will be taxed at the effective rate of 10% (six months ended 30 June 2022: 10%). In addition, group entities operating in the PRC that are qualified as high and new technology enterprises are subject to income tax at a preferential tax rate of 15% (six months ended 30 June 2022: 15%).

Australia corporate income tax has been provided at the rate of 30% on the estimated assessable profits arising from Australia for the both periods.

A group entity, which is a non-tax resident enterprise in Australia, is subject to Australia withholding tax at the tax rate of 10% (six months ended 30 June 2022: 10%) on the gross interest income arising from its loans provided to another group entity, which is a tax resident enterprise in Australia.

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits arising from Hong Kong for the both periods, except for one group entity operating in Hong Kong which is a qualifying corporate under the two-tiered Profits Tax rate regime. For the qualifying group entity, the first HK\$2 million of assessable profits are taxed at the rate of 8.25% (six months ended 30 June 2022: 8.25%) and the remaining assessable profits are taxed at the rate of 16.5% (six months ended 30 June 2022: 16.5%).

Corporate income tax in other jurisdictions has been provided at the rates of taxation prevailing in the jurisdictions in which the group entities operate on the estimated assessable profits arising from those jurisdictions for the both periods.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

8. PROFIT FOR THE PERIOD

The Group's profit for the period is stated after charging/(crediting) the following items that are unusual because of their nature, size or incidence:

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
Impairment losses of receivables, net	882	191
Impairment losses of inventories	291	–
Gain on partial disposals of investments at FVTPL	(2,427)	–
Fair value losses on investments at FVTPL	1,809	17,595
Fair value losses/(gains) on derivative financial instruments	632	(869)
Net foreign exchange losses	1,753	3,448
Loss on written off of prepayment	261	–
Reversal of equity-settled share options expenses	(254)	(142)

9. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

During the six months ended 30 June 2023, the shareholders of the Company had approved the final dividend for the financial year ended 31 December 2022 of HK\$1.6 cents per share. The dividend was recognised as a distribution of approximately HK\$65,500,000 and was paid on 22 August 2023.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

10. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Earnings		
Profit attributable to owners of the Company used in the basic and diluted earnings per share calculation	18,160	10,562
	Six months ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)
Number of shares		
Issued ordinary shares as at 1 January	4,094,548,636	4,214,086,636
Effect of share repurchased	(792,000)	(89,425,233)
Weighted average number of ordinary shares used in basic earnings per share calculation	4,093,756,636	4,124,661,403
Effect of dilutive potential ordinary shares arising from share options (Note a)	–	2,490,091
Weighted average number of ordinary shares used in diluted earnings per share calculation	4,093,756,636	4,127,151,494

Note:

- (a) For the six months ended 30 June 2023, as the average market share price of the Company's share was lower than assumed exercise price including the fair value of any services to be supplied to the Group in the future under the share option arrangement, accordingly, there would be no dilutive impact.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group acquired items of property, plant and equipment with a cost of HK\$344,000 (six months ended 30 June 2022: HK\$4,441,000), and no items of property, plant and equipment were written off during the six months ended 30 June 2023 and 30 June 2022.

In addition, during the six months ended 30 June 2023, no items of property, plant and equipment were disposed (six months ended 30 June 2022: items of property, plant and equipment were disposed with a net carrying amount of HK\$6,000 for cash proceeds of HK\$6,000, not resulting in any gain or loss on disposal).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

12. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

During the six months ended 30 June 2023, the Group entered into a new lease agreement for the use of a leased property for 2 years. On the lease commencement, the Group recognised HK\$1,722,000 of right-of-use assets (six months ended 30 June 2022: HK\$5,541,000 of right-of-use assets and HK\$5,541,000 of lease liabilities).

13. INVESTMENT PROPERTIES

	30 June 2023 <i>HK\$'000</i> (Unaudited)	31 December 2022 <i>HK\$'000</i> (Audited)
Carrying amount		
As at 1 January 2023/1 January 2022	560,149	593,647
Fair value gains	122	13,581
Exchange differences	(24,922)	(47,079)
Carrying amount		
As at 30 June 2023/31 December 2022	535,349	560,149

14. INVESTMENTS AT FVTPL

During the six months ended 30 June 2023, the Group partially disposed of the equity investments at FVTPL listed in PRC on the open market at a consideration of approximately RMB13,612,000 (equivalent to HK\$15,040,000), resulting in a gain on partial disposals of HK\$2,427,000 (six months ended 30 June 2022: N/A).

15. TRADE RECEIVABLES

The ageing analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	30 June 2023 <i>HK\$'000</i> (Unaudited)	31 December 2022 <i>HK\$'000</i> (Audited)
0 to 30 days	13,828	17,696
31 to 90 days	3,722	8,859
Over 90 days	31,292	74,799
	48,842	101,354

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Loan receivables (<i>Note a</i>)	317,043	239,003
Prepayments	229,097	56,540
Consideration receivables in relation to:		
– Partial disposals of investment in an associate	10,229	13,971
– Partial disposal of investment in a joint venture	6,082	6,288
Loan interest income receivables (<i>Note a</i>)	9,446	17,610
Bid bond receivable	7,995	–
Performance bond receivable	5,402	15,830
Other tax receivables	4,247	1,679
Other receivables	3,332	3,010
Deposits paid	180	188
	593,053	354,119
Provision for loss allowance	(2,675)	(2,844)
	590,378	351,275
Analysed as:		
Current assets	583,057	341,134
Non-current assets	7,321	10,141
	590,378	351,275

Note:

- (a) As at 30 June 2023, loan receivables with carrying amounts of HK\$256,055,000 are denominated in RMB, unsecured and bear fixed interest rates ranging from 3% to 6% per annum. The remaining loan receivables of HK\$60,988,000 are denominated in USD, unsecured and bear fixed interest rates ranging from 3% to 8% per annum. (31 December 2022: loan receivables with carrying amounts of HK\$199,003,000 are denominated in RMB, unsecured and bear fixed interest rates ranging from 3% to 8% per annum. The remaining loan receivables of HK\$40,000,000 are denominated in HKD, unsecured and bear fixed interest rate of 12.5% per annum). The entire amount of principals and interests shall be received in full in or before the first half of 2024.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

17. TRADE PAYABLES

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

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
0 to 90 days	12	16
Over 90 days	828	27
	840	43

18. AMOUNTS DUE TO RELATED PARTIES

The balances are unsecured, interest-free and have no fixed term of repayable.

19. BANK BORROWINGS

During the six months ended 30 June 2023, the Group made repayment of bank borrowings of HK\$7,514,000.

During the six months ended 30 June 2022, the Group obtained a bank loan amounting to HK\$95,880,000 as additional working capital and made repayment of bank borrowings of HK\$6,592,000. The new loan was denominated in RMB, bearing a fixed interest rate of 4.45% per annum and repayable by instalments commencing from 2022 to 2032.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

20. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each		
As at 1 January 2022, 31 December 2022, 1 January 2023 and 30 June 2023	10,000,000,000	100,000
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
As at 1 January 2022	4,214,086,636	42,141
Cancellation of shares	(119,538,000)	(1,196)
As at 31 December 2022 and 1 January 2023	4,094,548,636	40,945
Cancellation of shares (<i>Note 21(a)</i>)	(792,000)	(7)
As at 30 June 2023	4,093,756,636	40,938

21. TREASURY SHARES

	Number of shares	Amount HK\$'000
As at 1 January 2022	33,684,000	15,209
Repurchase of shares	86,646,000	37,017
Cancellation of shares	(119,538,000)	(51,995)
As at 31 December 2022 and 1 January 2023	792,000	231
Cancellation of shares (<i>Note a</i>)	(792,000)	(231)
As at 30 June 2023	–	–

Note:

- (a) As of 30 June 2023, 792,000 shares repurchased during the prior reporting periods had been cancelled. Upon the cancellation of the 792,000 ordinary shares repurchased, the issued share capital of the Company was reduced by the par value of approximately HK\$7,000, and the premium paid on the repurchase of these cancelled shares of HK\$225,000, including transaction costs, was deducted from the share premium of the Company.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

22. SHARE-BASED PAYMENTS

Equity-settled share option scheme

The 2019 Share Option Scheme was adopted pursuant to a resolution passed on 20 June 2019, which will expire on 19 June 2029, for the primary purpose of providing incentives to employees, executives, officers or directors of the Group, its invested entities and substantial shareholders; and advisors, consultants, agents, suppliers, customers, distributors, contractors, business partners and joint venture partners of the Group (collectively the “**Eligible Participants**”). Accordingly, the remaining life of the 2019 Share option Scheme is approximately 6 years.

The maximum number of shares which may be issued upon exercise of all outstanding share options to be granted and yet to be exercised under the 2019 Share Option Scheme and other schemes of the Company at any time shall not exceed 30% of the total number of the shares of the Company in issue from time to time. The total number of shares issued and may fall to be issued upon exercise of the share options granted under the 2019 Share Option 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 and including the date of grant shall not exceed 1% of the shares of the Company in issue as at the date of grant. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a GM.

Any grant of share options to a director, chief executive or substantial shareholder of the Company or any of their respective associates is required to be approved by the Independent Non-Executive Directors (excluding any Independent Non-Executive Director who is the grantee of the share options). In addition, any share options granted to a substantial shareholder of the Company or any Independent Non-Executive Directors, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company’s shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders’ approval in advance in a GM.

The offer of a grant of share options may be accepted within 30 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. A share option may be exercised in accordance with the terms of the 2019 Share Option Scheme at any time after the date upon which the share option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which a share option may be exercised will be determined by the Board at its absolute discretion, save that no share option may be exercised more than 10 years after it has been granted and accepted.

The exercise price in relation to each share option offered to an Eligible Participant shall be such price as the Board at its absolute discretion shall determine, save that such price must be at least the higher of:

- (i) the official closing price of the Company’s shares as stated in the daily quotation sheets of the Stock Exchange on the date of the 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 price of the Company’s shares as stated in the daily quotation sheets of the Stock Exchange for the 5 business days immediately preceding the date of grant; and
- (iii) the nominal value of the Company’s share.

Share options do not confer rights on the holder to dividends or to vote at shareholders’ meetings.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

22. SHARE-BASED PAYMENTS *(Continued)*

Equity-settled share option scheme *(Continued)*

Details of the movements of share options are as follows:

Category of participants	Date of grant <i>(Note a)</i>	Exercise period	Exercise price <i>HK\$</i>	(Unaudited) Number of share options		
				Outstanding as at 31/12/2022	Forfeited during the period	Outstanding as at 30/6/2023
Directors	12.5.2020 <i>(Note b)</i>	12.5.2021 – 11.5.2030 <i>(Note d)</i>	0.33	7,501,500	(2,500,500)	5,001,000
	24.6.2020 <i>(Note c)</i>	24.6.2021 – 23.6.2030 <i>(Note e)</i>	0.33	13,500,000	(4,500,000)	9,000,000
Employees	12.5.2020 <i>(Note b)</i>	12.5.2021 – 11.5.2030 <i>(Note d)</i>	0.33	1,503,000	(501,000)	1,002,000
	12.5.2020 <i>(Note b)</i>	12.5.2022 – 11.5.2030 <i>(Note g)</i>	0.33	1,503,000	(501,000)	1,002,000
	12.5.2020 <i>(Note b)</i>	12.5.2021 – 11.5.2030 <i>(Note h)</i>	0.33	6,228,000	(504,000)	5,724,000
	12.5.2020 <i>(Note b)</i>	12.5.2022 – 11.5.2030 <i>(Note i)</i>	0.33	804,000	(300,000)	504,000
	12.5.2020 <i>(Note b)</i>	12.5.2020 – 11.5.2030 <i>(Note j)</i>	0.33	996,000	–	996,000
Others	12.5.2020 <i>(Note b)</i>	12.5.2021 – 11.5.2030 <i>(Note d)</i>	0.33	3,753,000	(2,253,000)	1,500,000
	12.5.2020 <i>(Note b)</i>	12.5.2022 – 11.5.2030 <i>(Note f)</i>	0.33	1,332,000	(1,332,000)	–
	12.5.2020 <i>(Note b)</i>	12.5.2021 – 11.5.2030 <i>(Note h)</i>	0.33	2,010,000	(2,010,000)	–
	12.5.2020 <i>(Note b)</i>	12.5.2022 – 11.5.2030 <i>(Note i)</i>	0.33	555,000	(51,000)	504,000
	12.5.2020 <i>(Note b)</i>	12.5.2020 – 11.5.2030 <i>(Note j)</i>	0.33	5,004,000	–	5,004,000
Total for Scheme				44,689,500	14,452,500	30,237,000
Exercisable at the end of the period				14,749,500		14,044,500
Weighted average exercise price <i>(HK\$)</i>				0.33	0.33	0.33

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

22. SHARE-BASED PAYMENTS *(Continued)*

Equity-settled share option scheme *(Continued)*

Notes:

- (a) The vesting period of the share options is from the date of grant until the commencement of the exercise period.
- (b) On 12 May 2020, the Company granted 61,248,000 share options to certain Eligible Participants pursuant to the 2019 Share Option Scheme. Further details are set out in the announcement of the Company dated 12 May 2020 and the circular of the Company dated 3 June 2020.
- (c) On 12 May 2020, the Company proposed to grant 18,000,000 share options to Ms. Zhou Wen Chuan pursuant to the 2019 Share Option Scheme. At the 2020 SGM, the resolution in respect of approving the proposed grant of share options to Ms. Zhou Wen Chuan was duly passed by the independent shareholders of the Company by way of poll. Further details are set out in the announcements of the Company dated 12 May 2020 and 24 June 2020 and the circular of the Company dated 3 June 2020.
- (d) Subject to the fulfilment of certain annual performance targets as determined by the Board, the share option granted shall be vested during the relevant periods in 4 tranches: (i) 25% of which shall be vested after 12 months of the Date of Acceptance; (ii) another 25% of which shall be vested after 24 months of the Date of Acceptance; (iii) another 25% of which shall be vested after 36 months of the Date of Acceptance; and (iv) the remaining 25% of which shall be vested after 48 months of the Date of Acceptance.
- (e) Subject to the fulfilment of certain annual performance targets as determined by the Board, the share option granted shall be vested during the relevant periods in 4 tranches: (i) 25% of which shall be vested after 12 months of the date of the 2020 SGM; (ii) another 25% of which shall be vested after 24 months of the date of the 2020 SGM; (iii) another 25% of which shall be vested after 36 months of the date of the 2020 SGM; and (iv) the remaining 25% of which shall be vested after 48 months of the date of the 2020 SGM.
- (f) Subject to the fulfilment of certain annual performance targets as determined by the Board, the share option granted shall be vested during the relevant periods in 3 tranches: (i) one-third of which shall be vested after 24 months of the Date of Acceptance; (ii) another one-third of which shall be vested after 36 months of the Date of Acceptance; and (iii) the remaining one-third of which shall be vested after 48 months of the Date of Acceptance.
- (g) Subject to the fulfilment of certain annual performance targets as determined by the Board, the share option granted shall be vested during the relevant periods in 4 tranches: (i) 25% of which shall be vested after 24 months of the Date of Acceptance; (ii) another 25% of which shall be vested after 36 months of the Date of Acceptance; (iii) another 25% of which shall be vested after 48 months of the Date of Acceptance; and (iv) the remaining 25% of which shall be vested after 60 months of the Date of Acceptance.
- (h) The share option granted shall be vested during the relevant periods in 4 tranches: (i) 25% of which shall be vested after 12 months of the Date of Acceptance; (ii) another 25% of which shall be vested after 24 months of the Date of Acceptance; (iii) another 25% of which shall be vested after 36 months of the Date of Acceptance; and (iv) the remaining 25% of which shall be vested after 48 months of the Date of Acceptance.
- (i) The share option granted shall be vested during the relevant periods in 4 tranches: (i) 25% of which shall be vested after 24 months of the Date of Acceptance; (ii) another 25% of which shall be vested after 36 months of the Date of Acceptance; (iii) another 25% of which shall be vested after 48 months of the Date of Acceptance; and (iv) the remaining 25% of which shall be vested after 60 months of the Date of Acceptance.
- (j) The share option granted shall be vested immediately upon the fulfilment of certain vesting conditions, including the achievement of certain R&D milestones for certain pharmaceutical products, completion of designated tasks and satisfactory business performance of the relevant entities (subject to the Board's opinion).

For the six months ended 30 June 2023, the Group recognised a reversal of equity-settled share options expenses of HK\$254,000 (six months ended 30 June 2022: HK\$142,000).

At the end of each Reporting Period, the Group revises its estimates of the number of options that are expected to be ultimately vested. The impact of the revision of the estimates, if any, is recognised in profit or loss, with a corresponding adjustment to the share options reserve.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

22. SHARE-BASED PAYMENTS *(Continued)*

Equity-settled share option scheme *(Continued)*

These fair values were calculated using the Binomial model. The inputs into the model are as follows:

Grant date	12 May 2020	24 June 2020
Share price on grant date	HK\$0.33	HK\$0.33
Exercise price	HK\$0.33	HK\$0.33
Expected life	10 years	10 years
Expected volatility	58.66%	58.74%
Expected dividend yield	Nil	Nil
Annual risk-free interest rate	0.66%	0.70%
Suboptimal factor	2.2 to 2.8	2.8
Expected post-vesting forfeiture rate	0% to 8.57%	0%

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 10 years. The expected life used in the model has been adjusted, based on the Group's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Binomial model has been used to estimate the fair value of the share options. The variables and assumptions used in computing the fair value of the share options are based on the Directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

Share options granted to consultants were incentives for their contributions or potential contributions to the Group so as to motivate them to optimise their performance efficiency for the benefit of the Group. The fair value of such benefit could not be estimated reliably, and as a result, the fair value is measured by reference to the fair value of share options granted.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

23. RELATED PARTY TRANSACTIONS

- (a) In addition to those related party transactions and balances disclosed elsewhere in the interim condensed consolidated financial statements, the Group had the following transactions with its related parties during the period:

	Notes	Six months ended 30 June	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Fellow subsidiaries of the Group:	(i)		
Purchases from the Group	(ii)	5,854	11,752
Property sale and consultancy service income paid to the Group	(ii)	1,470	3,767
Associate of the Group:			
Advisory income paid to the Group		–	226
The Directors:			
Aesthetic medical service income paid to the Group	(ii)	18	23
Healthcare management service income paid to the Group	(ii)	5	–
Members of key management personnel of the Group (excluding the Directors):			
Aesthetic medical service income paid to the Group		25	25
Purchases from the Group		1	4
Healthcare management service income paid to the Group		–	24
Other related parties:	(i)		
Purchases from the Group	(ii)	68	–
Aesthetic medical service income paid to the Group	(ii)	8	13
Healthcare management service income paid to the Group	(ii)	–	15

Notes:

- (i) The related parties are (i) companies owned and controlled by one of the Directors; (ii) an entity of which one of the Directors is a member of key management personnel; or (iii) a close member of the family of one of the Directors.
- (ii) The related party transactions constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

23. RELATED PARTY TRANSACTIONS *(Continued)*

(b) Other transactions with related parties:

As at 30 June 2023 and 31 December 2022, certain of the Group's bank loans were secured by certain buildings owned by a related company controlled by one of the Directors, corporate guarantee provided by a related company controlled by one of the Directors, personal guarantee provided by Mr. Zhou Xuzhou, Ms. Zhou Wen Chuan and a close family member of one of the Directors.

(c) Compensation of key management personnel of the Group:

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Short-term employee benefits	3,662	5,187
Post-employment benefits	163	191
(Reversal of)/provision for equity-settled share options expenses	(26)	458
Total compensation paid to key management personnel	3,799	5,836

24. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2023 (31 December 2022: Nil).

25. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the Reporting Period are as follows:

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Contracted, but not provided for:		
Capital contribution to an associate	9,724	10,176
Capital contribution to an unlisted long-term investment	–	187

26. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issued by the Board on 29 August 2023.

GLOSSARY

In this Interim Report, unless the context otherwise requires, the following expressions shall have the following meanings:

Term(s)	Definition
"2019 Share Option Scheme"	the share option scheme adopted by the Company on 20 June 2019 and became effective on 28 June 2019
"2020 SGM"	the SGM held on Wednesday, 24 June 2020
"AlpReleaf "	the Group's brand "AlpReleaf ", which launches a variety of high-end CBD health consumption goods in 22 European countries
"AUD"	Australian dollars, the lawful currency of Australia
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"CBD"	Cannabidiol
"CHF"	Swiss Franc, the lawful currency of Switzerland
"Chief Executive Officer"	the chief executive officer of the Company
"Chief Financial Officer"	the chief financial officer of the Company
"China", "PRC" or "mainland China"	the People's Republic of China and for the purposes of this Interim Report, excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Date of Acceptance"	the date of acceptance of the offer of the share options granted under the 2019 Share Option Scheme
"Co-Chairman" or "Co-Chairmen"	the co-chairman/co-chairmen of the Board
"Company"	Meilleure Health International Industry Group Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
"Company Secretary"	the company secretary of the Company
"Corporate Treasury Department"	the corporate treasury department of the Group
"COVID-19"	2019 novel coronavirus (COVID-19) disease

GLOSSARY

“Director(s)”	the director(s) of the Company
“EUR”	Euro, the lawful currency of 20 European countries
“Executive Director(s)”	the executive director(s) of the Company
“FVTOCI”	fair value through other comprehensive income
“FVTPL”	fair value through profit or loss
“GDP”	gross domestic product
“GM(s)”	the general meeting(s) of the Company
“Group” or “we”	the Company and its subsidiaries
“Healthy China 2030”	the Outline of Healthy China 2030 Plan
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Non-Executive Director(s)”	the independent non-executive director(s) of the Company
“Interim Report”	the interim report of the Company
“Jixiaojian”	the Group’s brand “Jixiaojian* (肌小简)”, which launches a variety of light medical aesthetic services targeting the young consumer market with a range of skincare products complementing the treatments to achieve optimum results in the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mei Ai Kang”	Beijing Mei Ai Kang Technology Co., Ltd.* (北京美艾康科技有限公司)
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules
“Nomination Committee”	the nomination committee of the Company
“Non-Executive Director(s)”	the non-executive director(s) of the Company
“R&D”	research and development

* For identification purposes only

GLOSSARY

"Remuneration Committee"	the remuneration committee of the Company
"Reporting Period"	the six months ended 30 June 2023
"RMB"	Chinese Yuan Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"SGM(s)"	the special general meeting(s) of the Company
"sq.m."	square meter(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategic Committee"	the strategic committee of the Company
"USD"	United States dollars, the lawful currency of the United States of America
"Wingor Bio"	Shenzhen Wingor Biotechnology Co., Ltd.* (深圳市茵冠生物科技有限公司)
"Vice-Chairman"	the vice-chairman of the Board
"%"	per cent

* For identification purposes only