



China Environmental Resources Group Limited
中國環境資源集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1130



**INTERIM
REPORT
2023-24**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Yeung Chi Hang
(Chairman and Chief Executive Officer)
Mr. Leung Kwong Choi
Mr. Wong Po Keung
Mr. Chung Siu Wah
Mr. Chik To Pan

Independent Non-Executive Directors

Mr. Wong Kwai Sang
Mr. Heung Chee Hang, Eric
Mr. Lee Chi Ho

AUDIT COMMITTEE

Mr. Lee Chi Ho *(Chairman)*
Mr. Wong Kwai Sang
Mr. Heung Chee Hang, Eric

REMUNERATION COMMITTEE AND NOMINATION COMMITTEE

Mr. Wong Kwai Sang *(Chairman)*
Mr. Heung Chee Hang, Eric
Mr. Lee Chi Ho

COMPANY SECRETARY

Mr. Lo Tai On

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
P.O. Box 1093, Boundary Hall
Cricket Square, Grand Cayman
KY1-1102, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301–04, 33/F.,
Two Chinachem Exchange Square
338 King's Road, North Point
Hong Kong



CORPORATE INFORMATION

AUDITOR

ZHONGHUI ANDA CPA Limited

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2608, 26/F.,
Greenfield Tower
Concordia Plaza,
No. 1 Science Museum Road,
Tsim Sha Tsui East, Kowloon

REGISTERED OFFICE

Ugland House
P.O. Box 309
Grand Cayman, KY1-1104
Cayman Islands

PRINCIPAL BANKERS

China CITIC Bank International Limited
Bank of China (Hong Kong) Limited
The Hongkong and Shanghai
Banking Corporation Limited

HONG KONG STOCK CODE

1130

SINGAPORE TRADING SYMBOL

CHEV4000: SP

WEBSITE

www.cergroup.com.hk

FINANCIAL RESULTS

The board of directors (the “Board”) of China Environmental Resources Group Limited (the “Company”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 31 December 2023 together with the comparative figures for the corresponding period in 2022.

These interim financial statements have not been audited, but have been reviewed by the audit committee and auditor of the Company.



INDEPENDENT REVIEW REPORT



**TO THE BOARD OF DIRECTORS OF
CHINA ENVIRONMENTAL RESOURCES GROUP LIMITED**
中國環境資源集團有限公司
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 6 to 32, which comprises the condensed consolidated statement of financial position of China Environmental Resources Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as at 31 December 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the interim financial information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors of the Company are responsible for the preparation and presentation of these interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on these interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

INDEPENDENT REVIEW REPORT

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 3 to the condensed consolidated financial statements which mentions that the Group incurred a loss attributable to owners of the Company of approximately HK\$46,091,000 and operating cash outflow of approximately HK\$12,672,000 for the six months ended 31 December 2023. These conditions indicate a material uncertainty which may cast doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Tse Kit Yan

Engagement Director

Practising Certificate Number P08158

Hong Kong, 29 February 2024



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2023

	Notes	Six months ended 31 December	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	5	40,558	42,787
Cost of sales		(31,355)	(35,796)
Gross profit		9,203	6,991
Other income, gains and losses		1,299	11,157
Administrative and operating expenses		(19,062)	(19,768)
Fair value loss on investment properties		(11,400)	(787)
(Loss)/gain arising from changes in fair value less costs to sell of biological assets		(30,421)	1,935
Net gain on fair value changes in investments at fair value through profit or loss		291	245
Reversal of provision for impairment loss of receivables		—	100
Loss from operations		(50,090)	(127)
Finance costs	6	(3,253)	(1,904)
Loss before tax		(53,343)	(2,031)
Income tax credit/(expense)	7	8,051	(206)
Loss for the period		(45,292)	(2,237)
Other comprehensive income/(loss) after tax: <i>Item that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		4,991	(11,130)
Other comprehensive income/(loss) for the period, net of tax		4,991	(11,130)
Total comprehensive loss for the period		(40,301)	(13,367)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2023

	Notes	Six months ended 31 December	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Loss for the period attributable to:			
Owners of the Company		(46,091)	(2,849)
Non-controlling interests		799	612
		(45,292)	(2,237)
Total comprehensive loss for the period attributable to:			
Owners of the Company		(41,248)	(13,653)
Non-controlling interests		947	286
		(40,301)	(13,367)
Loss per share			
	8		
Basic (HK cents per share)		(2.26)	(0.14)
Diluted (HK cents per share)		(2.26)	(0.14)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	As at 31 December 2023 HK\$'000 (Unaudited)	As at 30 June 2023 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	10	1,260	1,583
Right-of-use assets		6,014	5,054
Investment properties		180,500	191,900
Biological assets		203,821	230,481
Intangible assets		69,485	70,508
Goodwill		1,087	1,087
Loans receivable	12	344	517
Finance lease receivables	13	37,537	36,747
Investments at fair value through profit or loss		19,225	18,908
		519,273	556,785
Current assets			
Inventories		31,326	33,445
Trade and other receivables	11	40,293	37,660
Loans receivable	12	7,357	7,318
Investments at fair value through profit or loss		653	725
Refundable secured deposit	15	11,000	11,000
Cash and cash equivalents		2,273	5,531
		92,902	95,679
Assets classified as held for sale	14	67,477	66,228
		160,379	161,907

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	As at 31 December 2023 HK\$'000 (Unaudited)	As at 30 June 2023 HK\$'000 (Audited)
Current liabilities			
Trade and other payables	16	25,477	30,063
Contract liabilities		4,255	2,637
Lease liabilities		1,709	1,205
Borrowings		78,971	74,148
Bank overdrafts		4,717	—
Current tax liabilities		721	642
		115,850	108,695
Liabilities associated with assets classified as held for sale	14	10,410	10,195
		126,260	118,890
Net current assets		34,119	43,017
Total assets less current liabilities		553,392	599,802
Non-current liabilities			
Lease liabilities		49,171	48,359
Deferred tax liabilities		68,202	75,123
		117,373	123,482
NET ASSETS		436,019	476,320
Capital and reserves			
Share capital		40,731	40,731
Reserves		380,823	422,249
Equity attributable to owners of the Company		421,554	462,980
Non-controlling interests		14,465	13,340
TOTAL EQUITY		436,019	476,320

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2023

	Attributable to owners of the Company									
	Share capital	Share premium account	Statutory reserve	Capital reserve	Share-based compensation reserve	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2022 (audited)	40,731	1,210,501	5,407	76	12,630	49,520	(794,669)	524,196	12,273	536,469
Total comprehensive (loss)/ income for the period (unaudited)	—	—	—	—	—	(10,804)	(2,849)	(13,653)	286	(13,367)
At 31 December 2022 (unaudited)	40,731	1,210,501	5,407	76	12,630	38,716	(797,518)	510,543	12,559	523,102
At 1 July 2023 (audited)	40,731	1,210,501	5,407	76	12,630	25,273	(831,638)	462,980	13,340	476,320
Total comprehensive income/(loss) for the period (unaudited)	—	—	—	—	—	4,843	(46,091)	(41,248)	947	(40,301)
Share options lapsed	—	—	—	—	(2,015)	—	2,015	—	—	—
Purchase of non-controlling interests	—	—	—	—	—	—	(178)	(178)	178	—
At 31 December 2023 (unaudited)	40,731	1,210,501	5,407	76	10,615	30,116	(875,892)	421,554	14,465	436,019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2023

	Six months ended 31 December	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
NET CASH USED IN OPERATING ACTIVITIES	(12,672)	(2,170)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposals of property, plant and equipment	750	1,064
Purchases of property, plant and equipment	(680)	(2,135)
Finance lease interest income received	960	—
Net cash generated from/(used in) investing activities	1,030	(1,071)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings raised	6,200	6,772
Repayment of borrowings	(1,363)	(1,571)
Repayment of lease liabilities and interests	(1,153)	(1,619)
Net cash generated from financing activities	3,684	3,582
Net (decrease)/increase in cash and cash equivalents	(7,958)	341
Effect of foreign exchange rate changes	15	(472)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	5,640	6,295
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(2,303)	6,164
ANALYSIS OF CASH AND CASH EQUIVALENTS		
— Bank and cash balances	2,273	6,164
— Bank overdrafts	(4,717)	—
— Bank and cash balances classified as held for sale	141	—
	(2,303)	6,164

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

1. GENERAL INFORMATION

China Environmental Resources Group Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Uglan House, P.O. Box 309, Grand Cayman, KY1-1104 Cayman Islands. The address of its principal place of business is Unit 2608, 26/F, Greenfield Tower, Concordia Plaza, No.1 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and Singapore Exchange Limited.

The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 31 December 2023 are trading of recycle metals, trading of motor vehicles and related accessories, car parking spaces rentals, provision of financial services, hotel and related business, securities trading and investment and sales and distribution of plantation products, environmental system and plantation materials.

The unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars (“HK\$”) which is the Group’s presentation currency and the functional currency of the Company and its principal operating subsidiaries.

2. 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 Hong Kong Institute of Certified Public Accountants (the “HKICPA”) that are relevant to its operations and effective for its accounting period beginning on 1 July 2023. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; 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 condensed consolidated financial statements and amounts reported for the current and prior periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

3. BASIS OF PREPARATION

Going concern basis

The Group incurred a loss attributable to owners of the Company of approximately HK\$46,091,000 and operating cash outflow of approximately HK\$12,672,000 for the six months ended 31 December 2023. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors have been undertaking the following plans and measures to improve the Group's liquidity and financial position:

- (i) An executive director who is also the chairman, chief executive officer and substantial shareholder of the Company has undertaken to provide adequate funds to enable the Group to meet its liabilities and to settle financial obligations to third parties as and when they fall due, so that the Group can continue as a going concern and carry on its business without a significant curtailment of operations for the next twelve months from 31 December 2023;
- (ii) The Group shall continue to implement measures aiming at improving the working capital and cash flows of the Group, including but not limited to the implementation of cost-saving measures to maintain adequate cash flows for the Group's operations; and
- (iii) The directors have carried out a detailed review of the cash flow forecast of the Group prepared by the management of the Company covered a period of not less than twelve months from 31 December 2023, after taking into account the impact of the above-mentioned plans and measures. Accordingly, the directors believe that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements as and when they fall due in the next twelve months from 31 December 2023.

The directors of the Company are therefore of the opinion that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the condensed consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

3. BASIS OF PREPARATION (Continued)

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the HKICPA and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These condensed consolidated financial statements should be read in conjunction with the 2023 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 30 June 2023.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The application of these new and revised HKFRSs will not have material impact on the condensed consolidated financial statements of the Group.

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.

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

4. FAIR VALUE MEASUREMENTS (Continued)

(a) Disclosures of level in fair value hierarchy at 31 December 2023:

Description	Fair value measurements using:			
	Level 1	Level 2	Level 3	Total
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Recurring fair value measurements:				
Biological assets	—	203,821	—	203,821
Investments at fair value through profit or loss				
— Equity securities listed in Hong Kong	653	—	—	653
— Keyman insurance contract	—	—	19,225	19,225
Investment properties in Hong Kong	—	180,500	—	180,500
Total recurring fair value measurements	653	384,321	19,225	404,199
Non-recurring fair value measurements:				
Non-current assets held for sale				
— Investment properties in the People's Republic of China (the "PRC")	—	67,336	—	67,336
Total non-recurring fair value measurements	—	67,336	—	67,336

Disclosures of level in fair value hierarchy at 30 June 2023:

Description	Fair value measurements using:			
	Level 1	Level 2	Level 3	Total
	HK\$'000 (Audited)	HK\$'000 (Audited)	HK\$'000 (Audited)	HK\$'000 (Audited)
Recurring fair value measurements:				
Biological assets	—	230,481	—	230,481
Investments at fair value through profit or loss				
— Equity securities listed in Hong Kong	725	—	—	725
— Keyman insurance contract	—	—	18,908	18,908
Investment properties in Hong Kong	—	191,900	—	191,900
Total recurring fair value measurements	725	422,381	18,908	442,014
Non-recurring fair value measurements:				
Non-current assets held for sale				
— Investment properties in the PRC	—	66,119	—	66,119
Total non-recurring fair value measurements	—	66,119	—	66,119

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS***For the six months ended 31 December 2023***4. FAIR VALUE MEASUREMENTS (Continued)**

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

	As at 31 December 2023 HK\$'000 (Unaudited)	As at 30 June 2023 HK\$'000 (Audited)
Investments at fair value through profit or loss — Keyman insurance contract		
At beginning of period/year	18,908	18,160
Total fair value gain recognised in profit or loss ^(#)	317	748
At end of period/year	19,225	18,908
^(#) Include gains or losses for assets held at end of reporting period	317	748

(c) Disclosures of valuation process used by the Group and valuation techniques and inputs used in fair value measurements:

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

4. FAIR VALUE MEASUREMENTS (Continued)

(c) (Continued)

The following table gives information about how the fair values of the Group's biological assets and investment properties carried at fair value are determined.

Level 2 fair value measurements

Description	Valuation technique	Key input	Fair value as at	Fair value as at
			31 December 2023 HK\$'000 (Unaudited)	30 June 2023 HK\$'000 (Audited)
Biological assets	Market approach	Volume of poplar trees and market price of poplar trees per cubic meter	203,821	230,481
Investment properties in Hong Kong	Direct comparison approach	Market price of car parking space	180,500	191,900
Investment properties in the PRC	Market approach and replacement cost approach	Land: market price per square meter; Buildings: replacement cost per square meter	67,336	66,119

Level 3 fair value measurements

The fair value of the keyman insurance contract purchased for a key management personnel of the Group is determined based on the cash surrender value in accordance with the keyman insurance contract which is not an observable input. Management estimates the fair value based on the latest policy statement of the keyman insurance contract provided by the insurance company.

The unobservable input is the cash surrender value quoted by the insurance company according to the keyman insurance contract. When the cash surrender value is higher, the fair value of the keyman insurance contract will be higher.

During the year ended 30 June 2023 and six months ended 31 December 2023, there were no changes in the valuation techniques used.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

5. REVENUE AND SEGMENT INFORMATION

The Group's revenue mainly represents sales of recycled metals and motor vehicles and related accessories, loan interest income, rental income from car parking spaces and hotel and related income.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Segment profits or losses do not include finance costs and income tax credit/expense. Segment assets do not include goodwill and refundable secured deposit. Segment liabilities do not include deferred tax liabilities, borrowings and bank overdrafts.

Information about reportable segment revenue, profit or loss, assets and liabilities:

	Trading of recycled metals	Trading of motor vehicles and related accessories	Property investment	Provision of financial services	Sales of golden flower tea products	Securities trading and investment	Sales of plantation materials and products	Hotel and related business	Total
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
For the six months ended 31 December 2023									
Revenue from external customers	5,659	30,418	1,976	109	—	—	—	2,396	40,558
Segment (loss)/profit comprising:	(421)	3,537	(10,141)	(335)	—	(3,053)	(32,719)	2,129	(41,003)
Loss arising from changes in fair value less costs to sell of biological assets	—	—	—	—	—	—	(30,421)	—	(30,421)
Depreciation and amortisation	(52)	(337)	(1)	(333)	—	(621)	(2,276)	—	(3,620)
Proceeds from disposal of listed securities	—	—	—	—	—	622	—	—	622
Costs of disposal of listed securities	—	—	—	—	—	(725)	—	—	(725)
Net unrealised gain on listed securities	—	—	—	—	—	77	—	—	77
Net gain on fair value changes in investments at fair value through profit or loss	—	317	—	—	—	—	—	—	317
Fair value loss on investment properties	—	—	(11,400)	—	—	—	—	—	(11,400)
At 31 December 2023									
Segment assets (unaudited)	964	84,008	248,532	9,882	—	5,235	273,296	38,988	660,905
Segment liabilities (unaudited)	208	16,662	6,406	1,870	—	3,167	1,825	46,725	76,863

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

5. REVENUE AND SEGMENT INFORMATION (Continued)

	Trading of recycled metals HK\$'000 (Unaudited)	Trading of motor vehicles and related accessories HK\$'000 (Unaudited)	Property investment HK\$'000 (Unaudited)	Provision of financial services HK\$'000 (Unaudited)	Sales of golden flower tea products HK\$'000 (Unaudited)	Securities trading investment HK\$'000 (Unaudited)	Sales of plantation materials and products HK\$'000 (Unaudited)	Hotel and related business HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
For the six months ended									
31 December 2022									
Revenue from external customers	8,667	31,136	2,225	182	—	—	—	577	42,787
Segment (loss)/profit comprising:	(1,098)	1,182	1,076	(296)	(30)	(72)	(450)	(1,403)	(1,091)
Gain arising from changes in fair value less costs to sell of biological assets	—	—	—	—	—	—	1,935	—	1,935
Depreciation and amortisation	(1,222)	(288)	(1)	(399)	—	—	(2,362)	(899)	(5,171)
Fair value loss on investment properties	—	—	(787)	—	—	—	—	—	(787)
Net gain/(loss) on fair value changes in investments at fair value through profit or loss	—	308	—	—	—	(63)	—	—	245
Reversal of provision for impairment loss of receivables	100	—	—	—	—	—	—	—	100
At 30 June 2023									
Segment assets (audited)	1,755	83,946	258,995	8,333	—	825	300,970	38,272	693,096
Segment liabilities (audited)	894	16,116	6,039	133	—	467	1,792	46,447	71,888

Reconciliations of reportable segment profit or loss:

	Six months ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Total loss of reportable segments	(41,003)	(1,091)
Other profit or loss:		
— Finance costs	(3,253)	(1,904)
— Income tax credit/(expense)	8,051	(206)
— Other income	55	8,636
Corporate and unallocated loss	(9,142)	(7,672)
Consolidated loss for the period	(45,292)	(2,237)

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS***For the six months ended 31 December 2023***5. REVENUE AND SEGMENT INFORMATION (Continued)****Disaggregation of revenue from contracts with customers**

	Six months ended 31 December 2023			
	Trading of recycled metals HK\$'000 (Unaudited)	Trading of motor vehicles and related accessories HK\$'000 (Unaudited)	Hotel room income and sales of food and beverage HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Geographical markets				
The PRC	—	2,159	—	2,159
Hong Kong	5,659	28,111	—	33,770
Macau	—	47	—	47
Taiwan	—	101	—	101
	5,659	30,418	—	36,077

During the six months ended 31 December 2023, all revenue from contracts with customers are recognised at a point in time.

	Six months ended 31 December 2022			
	Trading of recycled metals HK\$'000 (Unaudited)	Trading of motor vehicles and related accessories HK\$'000 (Unaudited)	Hotel room income and sales of food and beverage HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Geographical markets				
The PRC	—	3,304	—	3,304
Hong Kong	8,667	27,495	—	36,162
Macau	—	266	—	266
Taiwan	—	71	—	71
Nepal	—	—	577	577
	8,667	31,136	577	40,380
Timing of revenue recognition				
At a point in time	8,667	31,136	121	39,924
Over time	—	—	456	456
	8,667	31,136	577	40,380

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

6. FINANCE COSTS

	Six months ended 31 December	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Leases interests	1,085	880
Interest on bank loans	2,131	1,024
Interest on bank overdrafts	37	—
	3,253	1,904

7. INCOME TAX (CREDIT)/EXPENSE

	Six months ended 31 December	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Current tax — Hong Kong Profits Tax	115	279
Current tax — PRC Enterprise Income Tax	8	34
Deferred tax	(8,174)	(107)
Income tax (credit)/expense	(8,051)	206

Under the two-tiered Profits Tax regime, the first HK\$2 million of profits of the qualifying group entity established in Hong Kong will be taxed at 8.25%, and profits above that amount will be subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered Profit Tax rate regime will continue to be taxed at a rate of 16.5% (six months ended 31 December 2022: same).

Profits of the group entities established in the PRC will be taxed at the PRC Enterprise Income Tax rate of 25% (six months ended 31 December 2022: 25%).

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS***For the six months ended 31 December 2023***8. LOSS PER SHARE****Basic loss per share**

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the period attributable to owners of the Company of approximately HK\$46,091,000 (six months ended 31 December 2022: HK\$2,849,000) and the weighted average number of ordinary shares of 2,036,538,114 (six months ended 31 December 2022: 2,036,538,114) in issue during the period.

Diluted loss per share

The effects of all potential ordinary shares are anti-dilutive for the six months ended 31 December 2023 and 2022.

9. INTERIM DIVIDENDS

The directors have resolved not to declare an interim dividend for the six months ended 31 December 2023 (six months ended 31 December 2022: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2023, the Group acquired property, plant and equipment of approximately HK\$680,000 (six months ended 31 December 2022: HK\$2,135,000).

11. TRADE AND OTHER RECEIVABLES

	As at 31 December 2023 HK\$'000 (Unaudited)	As at 30 June 2023 HK\$'000 (Audited)
Trade receivables	24,984	25,339
Less: provision for impairment loss of trade receivables	(8,565)	(8,565)
	16,419	16,774
Prepayments, deposits and other receivables	23,874	20,886
Total	40,293	37,660

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

11. TRADE AND OTHER RECEIVABLES (Continued)

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 30 to 90 (30 June 2023: 30 to 90) days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

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

	As at 31 December 2023 HK\$'000 (Unaudited)	As at 30 June 2023 HK\$'000 (Audited)
0–90 days	12,234	11,576
91–180 days	826	1,134
181–360 days	1,531	2,164
Over 360 days	1,828	1,900
	16,419	16,774

Impaired trade receivables were mainly due from customers with long outstanding balances and the management of the Group considered the recoverability is remote as the related customers were in financial difficulties or have prolonged delay in repayment. The Group did not hold any material collateral over those balances.

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS***For the six months ended 31 December 2023***12. LOANS RECEIVABLE**

	As at 31 December 2023 HK\$'000 (Unaudited)	As at 30 June 2023 HK\$'000 (Audited)
Loans receivable	16,024	16,158
Less: provision for impairment loss of loans receivable	(8,323)	(8,323)
	7,701	7,835
Loan receivable, secured	679	876
Loans receivable, unsecured	5,000	5,000
Loan interests receivable, secured	2	2
Loan interests receivable, unsecured	2,020	1,957
	7,701	7,835
Analysed as:		
Current assets	7,357	7,318
Non-current assets	344	517
	7,701	7,835

The loans granted are interest bearing at 2%–12% (30 June 2023: 2%–20%) per annum. The loan period is generally 12 to 24 (30 June 2023: 12 to 24) months. Loans receivable of approximately HK\$679,000 (30 June 2023: HK\$876,000) are secured by watches (30 June 2023: watches). The directors of the Company monitored the collectibility of the loans receivable closely with reference to their respective current creditworthiness and repayment records.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

12. LOANS RECEIVABLE (Continued)

The aging analysis of these loans and interests receivable, based on loan commencement or renewal date set out in the relevant contracts, and net of allowance, is as follows:

	As at 31 December 2023 HK\$'000 (Unaudited)	As at 30 June 2023 HK\$'000 (Audited)
0-90 days	7,701	—
181-360 days	—	7,835
	7,701	7,835

The movement in provision for impairment of loans receivable is as follows:

	As at 31 December 2023 HK\$'000 (Unaudited)	As at 30 June 2023 HK\$'000 (Audited)
Balance at beginning of period/year	8,323	4,033
Impairment loss recognised	—	4,290
Balance at end of period/year	8,323	8,323

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS***For the six months ended 31 December 2023***13. FINANCE LEASE RECEIVABLES**

	Lease payments		Present value of lease payments	
	As at	As at	As at	As at
	31 December	30 June	31 December	30 June
	2023	2023	2023	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Less than 1 year	5,167	3,640	—	—
Between 1 and 2 years	6,479	6,618	1,831	644
Between 2 and 3 years	4,793	5,386	569	829
Between 3 and 4 years	4,936	4,793	452	284
Between 4 and 5 years	5,080	5,080	673	631
Over 5 years	64,182	66,723	34,012	34,359
	90,637	92,240	37,537	36,747
Less: Unearned finance income	(53,100)	(55,493)		
Present value of lease payments	37,537	36,747		
Less: Amount within 12 months (shown under current assets)			—	—
Amount receivable after 12 months			37,537	36,747

The Group leases out its hotel business under a finance lease. The lease is on a fixed repayment basis and no arrangements have been entered into for variable lease payments.

Disclosures of finance lease-related items:

	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Six months ended 31 December		
Finance income on net investment in the lease	2,396	—
Significant changes in net investment in the lease		
— Decrease due to repayments	1,606	—

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

14. ASSETS CLASSIFIED AS HELD FOR SALE/LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

On 31 March 2023, the Group entered into a sale and purchase agreement with an independent third party to dispose of its 100% equity interest in a subsidiary, namely First Rank Corporation, and all of its 80% equity interest in two subsidiaries, namely Warner Investments Limited and 東莞大新科技有限公司 for a consideration of HK\$59,000,000. On 5 December 2023, the Group and the independent third party entered into a supplemental agreement to extend the completion date. The disposal group mainly holds industrial properties with fair value of approximately HK\$67,336,000 (30 June 2023: HK\$66,119,000) in the PRC. The assets and liabilities of the disposal group, which are expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the condensed consolidated statement of financial position. The disposal group is included in the Group's property investment segment.

As at 31 December 2023, the disposal have not been completed and presented the relevant assets and liabilities were classified as held for sale.

The major classes of assets and liabilities comprising the disposal group classified as held for sale at 31 December 2023 and 30 June 2023 are as follows:

	As at 31 December 2023 HK\$'000 (Unaudited)	As at 30 June 2023 HK\$'000 (Audited)
Investment properties	67,336	66,119
Cash and cash equivalents	141	109
Total assets classified as held for sale	67,477	66,228
Trade and other payables, and total liabilities associated with assets classified as held for sale	(10,410)	(10,195)
Net assets of the disposal group	57,067	56,033

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

15. REFUNDABLE SECURED DEPOSIT

The Group entered into a sale and purchase agreement and a supplemental agreement on 27 November 2013 and 16 December 2013, respectively, with an independent third party in relation to the acquisition of 100% equity interest of a target company and its subsidiaries which are mainly engaged in hotel operations in the PRC (the “Proposed Acquisition”). On 23 December 2013, an amount of HK\$150,000,000 was paid by the Group as refundable deposit. The refundable deposit was charged over the entire issued share capital of a Hong Kong subsidiary of the target company and was classified as secured deposit for acquisition of subsidiaries as at 30 June 2014.

According to the Company’s announcement dated 28 October 2014, the Group and the vendor entered into a termination agreement to terminate the Proposed Acquisition because certain conditions precedent of the Proposed Acquisition were not satisfied. Pursuant to the termination agreement, the Group and the vendor agreed that the refundable deposit shall be refunded to the Group by three installments including HK\$60,000,000; HK\$45,000,000; and HK\$45,000,000, repayable on 10 November 2014, 27 January 2015 and 27 April 2015, respectively. The first installment of HK\$60,000,000 was received by the Company on 7 November 2014.

According to the Company’s announcement dated 18 June 2015, the Group and the vendor entered into a supplemental termination agreement to amend certain terms of the termination agreement relating to the refund of the remaining refundable deposit. Pursuant to the supplemental termination agreement, the Group and the vendor have agreed that the remaining refundable deposit shall be refunded to the Group by two installments including HK\$20,000,000 and HK\$70,000,000, together with interest as calculated at 5% per annum, repayable on 18 June 2015 and 19 November 2015, respectively. The second installment of HK\$20,000,000 together with interest was received by the Group on 18 June 2015. During the year ended 30 June 2018, the Group received deposit refund of HK\$58,000,000 together with interest income of HK\$2,000,000. The deposit of HK\$12,000,000 was overdue as at 30 June 2021. On 23 August 2021, the Group and the vendor entered into an agreement for the settlement of the remaining refundable deposit of HK\$12,000,000. Pursuant to the agreement, the vendor shall pay HK\$1,000,000 and HK\$11,000,000 with interest as calculated at 1% per annum within 14 days and 24 months, respectively, from the date of agreement signed. During the year ended 30 June 2022, deposit of HK\$1,000,000 was refunded to the Group. The outstanding amount of HK\$11,000,000 (together with the accrued interest) was overdue on 22 August 2023. The board of directors of the Company decided not to extend the settlement date. The Company engaged a Hong Kong solicitors’ firm to serve two demand letters to the vendor on 7 September 2023 and 21 September 2023 respectively to request for repayment of such outstanding amount. The vendor did not reply and legal proceedings had been commenced against the vendor to recover the outstanding amount together with accrued interest.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

15. REFUNDABLE SECURED DEPOSIT (Continued)

The directors of the Company are of the opinion that no provision for impairment loss is necessary in respect of this balance as the Group obtains collateral from the vendor of which the estimated value is sufficient to cover the outstanding amount in case of default.

16. TRADE AND OTHER PAYABLES

	As at 31 December 2023 HK\$'000 (Unaudited)	As at 30 June 2023 HK\$'000 (Audited)
Trade payables	5,083	10,917
Other payables and accruals	8,594	7,346
Receipt of deposits for disposal of assets classified as held for sale	11,800	11,800
	25,477	30,063

The aging analysis of trade payables, based on the date of receipt of goods, is as follows:

	As at 31 December 2023 HK\$'000 (Unaudited)	As at 30 June 2023 HK\$'000 (Audited)
0–90 days	4,170	10,280
91–180 days	—	528
181–360 days	804	—
Over 360 days	109	109
	5,083	10,917

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

17. SHARE-BASED PAYMENTS

Equity-settled share option scheme

The existing share option scheme of the Company was approved on 11 November 2015 (“Share Option Scheme”). The purpose of the Share Option Scheme is to provide the Group with a flexible means of giving incentive to, rewarding, remunerating, and/or providing benefits to the participant and to provide the participant with the opportunity to acquire a personal stake in the Group and to build common objectives of the Group and the participant for the betterment of business and profitability of the Group and its shareholders as a whole.

The Board of Directors may, at their discretion, invite any participant to take up options. An option is deemed to have been granted and accepted by the grantee upon his or her signing the duplicate letter comprising acceptance of the option and paying HK\$1 by way of consideration for the grant thereof.

The subscription price for shares in the Company under the Share Option Scheme will be the highest of (i) the closing price of the shares in the Company as stated in the Stock Exchange’s daily quotations sheet on the offer date (which date must be a business day); (ii) a price being the average of the closing prices of the shares in the Company as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the offer date; and (iii) the nominal value of a share of the Company.

The total number of shares in the Company which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of shares in the Company in issue as at the date of approval of the Share Option Scheme. The 10% general limit under the said share option scheme has been refreshed pursuant to resolution passed by the shareholders of the Company at the extraordinary general meeting held on 29 July 2016 and the annual general meeting of the Company held on 11 December 2020. An option may be exercised during a period to be determined by the directors in its absolute discretion and in any such period shall not be longer than 10 years from the date upon which the option is granted.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

17. SHARE-BASED PAYMENTS (Continued)

Equity-settled share option scheme (Continued)

The maximum entitlement for any one participant is that the total number of shares issued and to be issued upon exercise of the options granted to each participant under the Share Option Scheme in any 12-month period shall not exceed 1% of the total number of shares in issue of the Company. Any further grant of options in excess of the 1% limit shall be subject to shareholders' approval in general meeting with such participant and his or her associates abstaining from voting. The Share Option Scheme will remain in force for a period of 10 years from the date upon which the option is deemed to be granted and accepted.

Details of share options are as follows:

Grantees	Date of grant	Exercise period	Exercise price per share HK\$	Number of share options		
				Balance as at 1 July 2023 (Audited)	Lapsed during the period	Balance as at 31 December 2023 (Unaudited)
Executive directors	22 April 2016	22 April 2016– 21 April 2026	0.2064	42,428,451	—	42,428,451
Executive directors	5 June 2018	5 June 2018– 4 June 2028	0.3170	9,900,000	—	9,900,000
Chief executive officer	22 April 2016	22 April 2016– 21 April 2026	0.2064	14,142,817	—	14,142,817
Chief executive officer	5 June 2018	5 June 2018– 4 June 2028	0.3170	2,800,000	—	2,800,000
Independent non-executive directors	5 June 2018	5 June 2018– 4 June 2028	0.3170	3,000,000	(1,000,000)	2,000,000
An employee	22 April 2016	22 April 2016– 21 April 2026	0.2064	14,142,817	(14,142,817)	—
Employees	5 June 2018	5 June 2018– 4 June 2028	0.3170	18,700,000	(2,800,000)	15,900,000
				105,114,085	(17,942,817)	87,171,268
Weighted average exercise price (HK\$)				0.2426		0.2452

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

18. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions and balances disclosed elsewhere in the condensed consolidated interim financial statements, during the period, the Group entered into the following material related party transactions.

	Six months ended 31 December	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Sales to a related company (note (i))	516	40

Note:

- (i) Goods were sold to a company of which the director is the spouse of a director of the Company's subsidiary.

(b) Key management personnel remuneration

	Six months ended 31 December	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Directors' remuneration	3,313	2,403

19. APPROVAL OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 29 February 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 31 December 2023 (2022: Nil).

Business and Operation Review

The Group is currently engaged in metal recycle business, motor and motor accessories business, car parking spaces rental, money lending business, hotel and related business, securities trading and investment business and distribution of plantation products, environmental system and plantation materials. The Group also maintains the green businesses of research, development and application of technologies and solutions, manufacture, sale and trading of products, materials, systems and services for green market segments including the environmental markets, agricultural markets, organic markets and green technology markets in the People's Republic of China (the "PRC") and overseas.

The Group through a wholly owned subsidiary maintains timber cutting right over a plantation land of 30,000 mu located at Shihezi City, Xinjiang. As at 31 December 2023, fair value of the biological asset was valued at approximately HK\$203,821,000 (30 June 2023: approximately HK\$230,481,000). The decrease in value is mainly due to the fall of market price of polar tree timber and value of renminbi. The fair value decrease is non-cash nature and does not have effect on cash flow and business operation of the Group. The Group remains on adopting a cautious approach to find the best possible use of the biological asset and will meticulously evaluate its actual economic return before making any investment decision.

Fair value of the industrial land and buildings at Longchuanzhou, Renzhou Village, Shatian, Dongguan City was valued as at 31 December 2023 at approximately HK\$67,336,000 (30 June 2023: approximately HK\$66,119,000). On 8 June 2023, an ordinary resolution was passed by shareholders of the Company at an extraordinary general meeting to the disposal of all 80% of the shares which the Company holds at the holding company of this investment property. Completion of the sale has been postponed from 7 December 2023 to on or before 9 December 2024. Pursuant to the supplemental agreement dated 5 December 2023 entered into by the Company and the purchaser, the refundable deposit of HK\$11,800,000 received became non-refundable.



MANAGEMENT DISCUSSION AND ANALYSIS

The car parking spaces located at Kennedy Town, Hong Kong continued to generate a stable income for the Group. As at 31 December 2023, its fair value was valued at approximately HK\$180,500,000 (30 June 2023: approximately HK\$191,900,000). The decrease in value is a reflection of the fall in price of the real property market in Hong Kong generally.

Metal Recycle Business

In Hong Kong, the main source of metal scrap is from construction sites. According to the Census and Statistics Department's publication in December 2023, the gross value of construction works in the third quarter of 2023 was in real terms increased in private sector by 29.4% and public sector by 12.7%. However, such increases were based on a much downslope figure of the year 2022 when COVID-19 restriction measures were still implemented. The increase in construction activities did not accurately reflect local supply of metal scrap was insufficient for the business generally. In addition, the price of scrap metal in China faced a consistent decline throughout the year of 2023 because of weak demand from global industries and an influx of cheap imports from other Asian countries and, notably, Russia. These factors increased the geopolitical competition and domestic traders had to reduce their price quotation. The metal recycle business environment became increasingly severe.

For the six months ended 31 December 2023, the Group recorded revenue from metal recycle business of approximately HK\$5,659,000 (2022: approximately HK\$8,667,000).

Motor and Motor Accessories Business

The Group has two segments of business, namely sale of car and motorcycle and sale of motor accessories. On the sale of car and motorcycle segment, we still focus on the disposal of inventories. In view of the downturn of the consumption market, especially the high end market, we are adopting a much more flexible pricing approach to test the level of acceptance.

On the sale of car, resumption of production of BAC Mono in United Kingdom did not match up with the downturn of local high end consumption market. As a way out, the Group is trying to find countries where economy is still booming or relatively active, for example Middle East, to see if there are opportunities to sell the BAC Mono super car.



MANAGEMENT DISCUSSION AND ANALYSIS

On the sale of motor accessories, Pirelli supplier has now paid more attention to the Asia markets. The models of tyres the Group had requested for had been planned. However, production and logistics could not be happened overnight especially tyres, mostly high quality tyres, manufactured by the European factories the logistics of which had been affected by the Red Sea crisis. Fortunately, logistics from the Indonesia factory manufacturing middle to low end tyres had not been affected and shipments had been planned. Our experienced sales team is working towards disposing existing not too popular inventories and selling of coming popular models.

For the six months ended 31 December 2023, revenue from motor and motor accessories business was approximately HK\$30,418,000 (2022: approximately HK\$31,136,000).

Investment Properties

No business activity was engaged with the industrial buildings located in the PRC. The car parking spaces located in Hong Kong continued to provide a stable revenue and cash flow to the Group. For the six months ended 31 December 2023, rental income decreased to approximately HK\$1,976,000 (2022: approximately HK\$2,225,000).

By an agreement effective on 16 February 2024, the Group appointed an agent to conduct marketing 23 car parking spaces at the investment property for the purpose of sale to individual buyers. These 23 car parking spaces are part of a total of 95 car parking spaces of the investment property.

Money Lending Business

The Company operates money lending business through a wholly-owned subsidiary of the Group, which is a holder of money lender's license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). The Group has adopted money lending policies and procedures for handling and/or monitoring the money lending business in compliance with the Money Lenders Ordinance.

During the six months ended 31 December 2023, the Group recorded loan interest income of approximately HK\$109,000 (2022: approximately HK\$182,000) from granting loans to both corporate and individual clients. The outstanding principal amount of loan receivables net of provision of impairment loss as at 31 December 2023 was approximately HK\$5,679,000 (30 June 2023: approximately HK\$5,876,000). The Group did not recognize any impairment loss for the six months ended 31 December 2023 (2022: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Securities Trading and Investment Business

During the six months ended 31 December 2023, the market did not perform well with the city's main benchmarks. The Group expects that the stock market in Hong Kong remains uncertain and will continue to adopt a cautious approach in making investment decision in securities dealing so as to obtain a balance between risk and return.

For the six months ended 31 December 2023, the Group recorded the net gain on fair value changes on investments at fair value through profit or loss of the invested stocks of approximately HK\$77,000 (2022: loss of approximately HK\$63,000).

As at 31 December 2023, the Group held approximately HK\$653,000 investments at fair value through profit or loss of the invested stocks (30 June 2023: approximately HK\$725,000). Details of the investments are as follows:

Stock Name	Note	Stock Code	Place of incorporation	Net unrealized gain/(losses) on listed securities HK\$'000	Market value HK\$'000	Approximate percentage of investments at fair value through profit or loss %	Approximate percentage to the net assets of the Group %
GoFintech Innovation Limited (formerly known as China Fortune Financial Group Ltd.)	1	290	Cayman Islands	75	368	56.4	0.08
Wai Chun Group Holdings Ltd.	2	1013	Bermuda	(9)	95	14.5	0.02
Hang Sang (Siu Po) International Holding Co Ltd	3	3626	Cayman Islands	11	190	29.1	0.04
				77	653	100	0.14

MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

1. GoFintech Innovation Ltd, formerly China Fortune Financial Group Ltd., is a Hong Kong-based investment holding company principally engaged in securities brokerage and margin financing. The Company operates its business through five segments. The Securities Brokerage and Margin Financing segment is engaged in securities brokerage and margin financing in Hong Kong. The Money Lending segment is engaged in the provision of money lending services in Hong Kong. The Corporate Finance segment is engaged in the provision of corporate finance services. The Asset Management segment is engaged in the provision of asset management and advisory services and financial investment management to professional investors. The Consultancy and Insurance Brokerage segment is engaged in the provision of consultancy services and insurance brokerage services in Hong Kong. No dividend was received for the period ended 31 December 2023. According to its latest published financial statements, it had a net asset value of approximately HK\$324,802,000 as at 30 September 2023.
2. Wai Chun Group Holdings Ltd. is an investment holding company principally engaged in the trading of chemicals and agricultural products. The Company operates its business through two segments. The General Trading segment is engaged in the trading of chemicals and agricultural products. The Sales and Integrated Services segment is engaged in the sales and provision of integrated services for computer and communication systems. The segment is also engaged in the design and manufacture of information system software. No dividend was received for the period ended 31 December 2023. According to its latest published financial statements, it had net liabilities of approximately HK\$257,834,000 as at 30 September 2023.
3. Hang Sang (Siu Po) International Holding Company Limited is an investment holding company. The Company is principally engaged in the manufacturing and sale of apparel labels and packaging printing products. The Company's products include hangtags, size tapes, labels, such as woven labels, heat transfer labels and printed labels, header cards, stickers, price tickets, plastic packaging bags and packaging boxes. Its subsidiaries include Hang Sang (Siu Po) Holding Limited, Hang Sang (Siu Po) Press Company Limited and A W Printing & Packaging Limited. No dividend income was received for the period ended 31 December 2023. According to its latest published financial statements, it had a net asset value of approximately HK\$41,753,000 as at 30 June 2023.

Green Technology

There was no revenue on the green technology for the six months ended 31 December 2023 (2022: Nil).



MANAGEMENT DISCUSSION AND ANALYSIS

Plantation Sales Business

The Group has timber cutting right on trees grown on the biological asset at Shihezi City, Xinjiang with which the Group is working prudently to find the best possible use of it. The Group would cautiously consider the actual economic return after gathering all relevant data and information and thoroughly study all risks and uncertain factors before making any investment decision. For the six months ended 31 December 2023, there was no revenue generated from plantation sales business (2022: Nil).

Hotel and Related Business

The boutique hotel at Kathmandu, Nepal operated under the name Waldo Hotel was able to generate steady income by contracting out its hotel business. For the six months ended 31 December 2023, the Group recorded revenue from hotel and related business of approximately HK\$2,396,000 (2022: approximately HK\$577,000).

PROSPECTS

Like PRC, Hong Kong's post-pandemic economic recovery was short-lived and softer than expected. While private consumption in Hong Kong continued to grow through the year of 2023 but imports and exports remained weak. Capital investment and tourism have also been lacklustre. Around 9 months after the reopening, visitors arrival were only 65 per cent of their 2018 level, not to mention the arrivals were not of the same spending level as they were in the past. Hong Kong's asset markets are in similar difficult positions.

The city's asset and stock market are both in a difficult position and appear unlikely to improve in the near future. Residential property prices started to decline in the second half in 2023, with a year-to-day fall of 5 per cent and a fall of 20 per cent from pre-pandemic level. The Hang Seng Index dropped over 15 per cent in 2023 and appears to decouple from world economy, as the S&P 500 in the United States rose by almost 25 per cent the same year. Funds raised from initial public offerings cratered to a 20-year low in the same period, raising concerns that Hong Kong has lost its lustre as an international financial centre. It is against this backdrop that the government cut its latest annual GDP forecast from 4.5 per cent to only 3.2 per cent bearing in mind the comparable figures were a much downslope figure of 2022 when pandemic measures were prevalent.

Hong Kong's disappointing post-pandemic economic performance was the result of a wicked combination of cyclical and structural factors. On the cyclical side, rising local interest rates following rate hikes by the US Federal Reserve make residential properties an unattractive investment. The strong local currency means that tourists find Hong Kong expensive, while local residents prefer shopping and spending across the border.

MANAGEMENT DISCUSSION AND ANALYSIS

On the structural side, Hong Kong is a casualty of geopolitical tensions between the United States and PRC. Trade sanctions and technology controls have driven down trade shares between the two economies and more goods are now rerouted Hong Kong through third countries such as Vietnam and Mexico. Geopolitical tensions may have broader impacts beyond trade. Hong Kong long prospered as a gateway to and from PRC. Financial services, trading and logistics, tourism and professional services have fuelled Hong Kong as an East-meet-west centre. Any decoupling from this arrangement may be an existential threat to the city.

Demographics pose another structural challenge to Hong Kong. The elderly population is rising while new births are increasingly rare. This trend has been accelerated by the outwards migration of Hong Kong's younger population to foreign countries. Emigration has shrunk Hong Kong's labour force and spending force as well. In a survey conducted by the Hong Kong General Chamber of Commerce, 74 per cent of participating companies reported they faced a talent shortage issue. While the government has launched different talent schemes to grant easy visas to educated individuals to come to Hong Kong, they can only help addressing some of the demographic issues if they are being correctly and effectively implemented and attract the same level of drained people.

Hong Kong's broader structural challenges suggest that Hong Kong's economy will continue to struggle and predict a dimmer economic outlook in 2024. It also implies that the government may suffer from structural deficit in the medium term. With falling land and property prices and low transaction volumes, the government is set to run a large deficit this year. Fiscal deficits will continue in the coming years.

With the challenges ahead, it is time for the government to take bold, swift action to drive economic growth and explore new resources of revenue. The government needs to stay visionary and map out a set of clear strategies to attract funds, businesses and talent to the city. It needs to move beyond its established role as a facilitator and promoter of economic growth and evolve into an active driver of business opportunities. Government departments should adopt a more commercially-oriented mind-set in setting up policy and, above all, efficient and effective execution of it.

The Group shall lay low on new business opportunities and adopt an extreme cautious approach when making assessments. We shall also continue to maintain controls over operating costs and overheads.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the six months ended 31 December 2023, revenue of the Group decreased by 5.2% to approximately HK\$40,558,000 (2022: approximately HK\$42,787,000). The decrease in revenue was mainly due to the decrease in revenue in metal recycle business and sales of luxury motor vehicles and related accessories.

For the six months ended 31 December 2023, gross profit of the Group increased by 31.6% to approximately HK\$9,203,000 (2022: approximately HK\$6,991,000). The increase in gross profit was due to the increased income from hotel and related business.

Loss for the six months ended 31 December 2023 increased to approximately HK\$45,292,000 (2022: approximately HK\$2,237,000). The increase in loss was mainly due to during the six months ended 31 December 2023 (i) a decrease in revenue as mentioned above; (ii) an increase in loss arising from changes in fair value less costs to sell of biological assets to approximately HK\$30.4 million; (iii) an increase in loss arising from changes in fair value of investment property to approximately HK\$11.4 million; and (iv) a decrease in other income to approximately HK\$1.3 million.

For the six months ended 31 December 2023, basic and diluted loss per share were HK cents 2.26 (2022: HK cents 0.14). The loss was mainly due to loss arising from changes in fair value less costs to sell of biological assets of approximately HK\$30,421,000 (2022: gain of approximately HK\$1,935,000) and fair value loss on investment property of approximately HK\$11,400,000 (2022: approximately HK\$787,000).

For the six months ended 31 December 2023, the finance costs were approximately HK\$3,253,000 (2022: approximately HK\$1,904,000).

Administrative expenses from operations for the six months ended 31 December 2023 decreased to approximately HK\$19,062,000 (2022: approximately HK\$19,768,000). It included major items such as amortisation of intangible assets of approximately HK\$2,276,000, legal and professional fee of approximately HK\$2,173,000, salaries and directors' emoluments of approximately HK\$6,771,000 and short-term lease expenses of approximately HK\$389,000.

Income tax credit was recorded at approximately HK\$8,051,000 (2022: expenses of approximately HK\$206,000).

Exchange gain on translating foreign operations was recorded at approximately HK\$4,991,000 (2022: loss of approximately HK\$11,130,000).

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2023, the total assets of the Group were approximately HK\$679,652,000 (30 June 2023: approximately HK\$718,692,000), including cash and bank balances of approximately HK\$2,273,000 (30 June 2023: approximately HK\$5,531,000).

The Group's total borrowings as at 31 December 2023 were approximately HK\$83,688,000 (30 June 2023: HK\$74,148,000). The Group's gearing ratio (which was expressed as a percentage of total borrowings over total equity) was 19.2% as at 31 December 2023 (30 June 2023: 15.6%).

As at 31 December 2023, the Group's net assets amounted to approximately HK\$436,019,000 (30 June 2023: approximately HK\$476,320,000).

The directors of the Company are of the view that the Group has sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future.

CAPITAL COMMITMENT

As at 31 December 2023, there was no material capital commitment.

CAPITAL RAISING AND EXPENDITURE

During the six months ended 31 December 2023, the Group did not have any capital raising activity (2022: Nil).

On 16 February 2024, the Company and the placing agent ("Placing Agent") entered into a placing agreement to which the Company has conditionally agreed to place through Placing Agent, on a best effort basis, up to 407,307,622 placing shares at the placing price of HK\$0.04 per placing share to not less than six placees who and whose beneficial owners are independent third parties. The placing shares will be allotted and issued under general mandate.

For details, please refer to the Company's announcement dated 16 February 2024.

SHARE CAPITAL

As at 31 December 2023, the total number of issued shares capital of the Company comprised 2,036,538,114 ordinary shares of HK\$0.02 each (30 June 2023: 2,036,538,114 ordinary shares of HK\$0.02 each).

MANAGEMENT DISCUSSION AND ANALYSIS

MAJOR ACQUISITION AND DISPOSAL

Save as disclosed above, during the six months ended 31 December 2023, there was no material acquisition or disposal of subsidiaries or associated corporation of the Company (2022: Nil).

EMPLOYMENT AND REMUNERATION POLICY

As at 31 December 2023, the Group had 33 (30 June 2023: 39) employees. The Group implements remuneration policy, bonus and share option scheme to ensure that pay scales of its employees are rewarded on a performance related basis within the general framework of the Group's remuneration.

CHARGES ON THE GROUP ASSETS

As at 31 December 2023, the bank loans of approximately HK\$78,971,000 were secured by (i) the car parking spaces with aggregate carrying amount of approximately HK\$180,500,000; (ii) a deed of assignment of rental income from the car parking spaces; (iii) the keyman insurance contract classified under the investments at fair value through profit or loss with aggregate carrying amount of approximately HK\$19,225,000; and (iv) personal guarantee from a director of the Company.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATE

The Group conducted most of its business in Great British Pound, Euro, Renminbi, United States Dollar, Nepalese Rupee and Hong Kong Dollars for the six months ended 31 December 2023. The Group has transactional currency exposures. Such exposures arise from the business operations in the PRC denominated in RMB. As at 31 December 2023, the Group had a minimal exposure to foreign currency risk as most of its business transactions were principally denominated in the respective functional currencies used by the respective group entities.

The Group does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will closely monitor its foreign currency exposure and will consider using hedging instruments in respect of significant foreign currency exposure as and when appropriate.

CONTINGENT LIABILITIES

As at 31 December 2023, the directors of the Company are not aware of any material contingent liabilities (30 June 2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2023, the interests and short positions held by each Director and chief executive of the Company and their associates in shares, underlying shares or debentures of the Company or any of its associated corporation, if any, (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 of the Listing Rules were as follows:

Name of Director	Capacity in which interests are held	Number of shares/underlying shares held in the Company			Total interests as to % to the issued share capital as at 31 December 2023 (Note)
		Interests in shares	Interest under equity derivatives	Total interests	
Mr. Yeung Chi Hang	Beneficial owner	511,236,000	16,942,817	528,178,817	25.94%
Mr. Chung Siu Wah	Beneficial owner	—	16,942,817	16,942,817	0.83%
Mr. Chik To Pan	Beneficial owner	—	16,942,817	16,942,817	0.83%
Mr. Wong Po Keung	Beneficial owner	—	16,942,817	16,942,817	0.83%
Mr. Leung Kwong Choi	Beneficial owner	—	1,500,000	1,500,000	0.07%
Mr. Wong Kwai Sang	Beneficial owner	—	1,000,000	1,000,000	0.05%
Mr. Heung Chee Hang, Eric	Beneficial owner	—	1,000,000	1,000,000	0.05%

Note: The percentage of shareholding was calculated on the basis of the Company's issued share capital of 2,036,538,114 shares as at 31 December 2023.

Save as disclosed above, as at 31 December 2023, none of the Directors, chief executive of the Company or their respective associates had any other personal, family, corporate and other interests or short positions in 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 required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

MANAGEMENT DISCUSSION AND ANALYSIS

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2023, the following persons, other than Directors or chief executive of the Company, were interested or had short positions in more than 5% of shares and underlying shares of the Company or its subsidiaries according to the register required to be kept under section 336 of the SFO as follows:

Name of shareholders	Capacity in which interests are held	Number of shares/underlying shares held in the Company		Total interest as to % to the issued share capital as at 31 December 2023 (Note)
		Interest in shares	Total interest	
Mr. Chu Ying Man	Beneficial Owner	135,000,000	135,000,000	6.63%

SHARE OPTION SCHEME

The shareholders of the Company approved the adoption of a share option scheme on 11 November 2015 (the "2015 Share Option Scheme"). The purpose of the 2015 Share Option Scheme is to provide the Group with a flexible means of giving incentive to, rewarding, remunerating and/or providing benefits to the eligible persons and to provide the eligible persons with all opportunities to acquire a personal stake in the Group and to build common objectives of the Group and the eligible persons for the betterment of business and profitability of the Group and the Shareholders as a whole. The 2015 Share Option Scheme shall be valid and effective for a period of 10 years from its adoption.

An ordinary resolution was passed at the extraordinary general meeting held on 29 July 2016 to refresh the scheme mandate limit under the 2015 Share Option Scheme. Based on 1,697,138,114 shares in issue of the Company as at the date of passing the said ordinary resolution, the Company could grant further options under the 2015 Share Option Scheme for subscription of up to a total of 169,713,811 shares, representing 10% of the shares in issue of the Company as at the date of passing the said ordinary resolution.

MANAGEMENT DISCUSSION AND ANALYSIS

An ordinary resolution was passed at the annual general meeting held on 11 December 2020 to refresh the scheme mandate limit under the 2015 Share Option Scheme. Based on 2,036,538,114 shares in issue of the Company as at the date of passing the said ordinary resolution, the Company can grant further options under the 2015 Share Option Scheme for subscription of up to a total of 203,653,811 shares, representing 10% of the shares in issue of the Company as at the date of passing the ordinary resolution and as at 1 July 2022 and 31 December 2022.

The details of the 2015 Share Option Scheme and valuation of options are set out in Note 15 to the condensed consolidated financial statements. The following table set out movements in the Company's share options granted under the 2015 Share Option Scheme during the six months ended 31 December 2023:

Capacity	Date of Grant	Exercise price	Exercisable period	Number of Share Options					As at 31 December 2023
				As at 1 July 2023	Granted	Exercised	Cancelled	Lapsed	
Executive Directors									
Yeung Chi Hang	22 April 2016	0.2064	22 April 2016–21 April 2026	14,142,817	—	—	—	—	14,142,817
	5 June 2018	0.317	5 June 2018–4 June 2028	2,800,000	—	—	—	—	2,800,000
Chung Siu Wah	22 April 2016	0.2064	22 April 2016–21 April 2026	14,142,817	—	—	—	—	14,142,817
	5 June 2018	0.317	5 June 2018–4 June 2028	2,800,000	—	—	—	—	2,800,000
Chik To Pan	22 April 2016	0.2064	22 April 2016–21 April 2026	14,142,817	—	—	—	—	14,142,817
	5 June 2018	0.317	5 June 2018–4 June 2028	2,800,000	—	—	—	—	2,800,000
Wong Po Keung	22 April 2016	0.2064	22 April 2016–21 April 2026	14,142,817	—	—	—	—	14,142,817
	5 June 2018	0.317	5 June 2018–4 June 2028	2,800,000	—	—	—	—	2,800,000
Leung Kwon Choi	5 June 2018	0.317	5 June 2018–4 June 2028	1,500,000	—	—	—	—	1,500,000
Independent Non-executive Directors									
Ong Chi King	5 June 2018	0.317	5 June 2018–4 June 2028	1,000,000	—	—	—	(1,000,000)	—
Wong Kwai Sang	5 June 2018	0.317	5 June 2018–4 June 2028	1,000,000	—	—	—	—	1,000,000
Heung Chee Hang, Eric	5 June 2018	0.317	5 June 2018–4 June 2028	1,000,000	—	—	—	—	1,000,000
Employees									
An employee	22 April 2016	0.2064	22 April 2016–21 April 2026	14,142,817	—	—	—	(14,142,817)	—
Employees	5 June 2018	0.317	5 June 2018–4 June 2028	18,700,000	—	—	—	(2,800,000)	15,900,000
				105,114,085	—	—	—	(17,942,817)	87,171,268

The closing price of the Company's shares immediately before the date of grant of the options was HK\$0.202 and HK\$0.320 on 22 April 2016 and 5 June 2018, respectively.

As at 31 December 2023, options to subscribe for an aggregate of 87,171,268 shares of the Company were outstanding, representing 4.28% of the shares in issue of the Company as at 31 December 2023 and the date of this report. No option was granted, exercised, cancelled or lapsed during the six months ended 31 December 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

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

During the six months ended 31 December 2023, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities on the Stock Exchange.

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in the Appendix C1 of the Listing Rules for the six months ended 31 December 2023, except the following deviation.

Code provision C.2.1 of the CG Code provides that the role of chairman of the board and chief executive should be separate and should not be performed by the same individual. This code provision also stipulate, inter alia, the role and responsibility of the chairman of the board and the chief executive.

Mr. Yeung Chi Hang was appointed as chairman of the Board and the chief executive officer of the Company on 27 January 2015. Thereafter, Mr. Yeung Chi Hang has assumed both roles.

The directors were of the view that the vesting of the roles of chairman of the Board and chief executive officer in the same person can provide the Group with strong and consistent leadership and allow for more effective planning and execution of long-term business strategies, as well as ensuring effective oversight of management. The directors were also of the view that the present structure was considered to be appropriate under the circumstances of the Company. The Board would keep review of its current board structure from time to time.



MANAGEMENT DISCUSSION AND ANALYSIS

Following the resignation of Mr. Ong Chi King, an independent non-executive director, on 25 September 2023, the Company was not in compliance with the requirements of (i) Rule 3.10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") that the Board must include at least three independent non-executive Directors and at least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise; (ii) Rule 3.10A of the Listing Rules that the number of independent non-executive Directors must represent at least one-third of the Board; and (iii) Rule 3.21 of the Listing Rules that the Audit Committee must comprise a minimum of three members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules, and be chaired by an independent non-executive Director.

Immediately upon the appointment of Mr. Lee Chi Ho as an independent non-executive director on 5 December 2023, the Company has re-complied with the requirements under Rules 3.10, 3.10A and 3.21 of the Listing Rules.

Furthermore, in light of the single gender Board, the Company will continue to use its best endeavors to identify and appoint a suitable candidate for appointment as a Director on or before 31 December 2024 in order to meet the requirements under Rule 13.92 of the Listing Rules regarding the gender diversity of the Board. Further announcement(s) will be made by the Company as and when appropriate.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the code of conduct regarding securities transactions by directors of the Company. Having made specific enquiry, all directors of the Company confirmed that they have complied with the required standards set out in the Model Code for the six months ended 31 December 2023.



MANAGEMENT DISCUSSION AND ANALYSIS

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process, internal controls and risk management systems. It has formulated its written terms of reference in accordance with the Listing Rules. The audit committee of the Company has reviewed the interim report, including the unaudited interim financial results, for the six months ended 31 December 2023. The audit committee of the Company currently comprises three independent non-executive directors of the Company, namely Mr. Lee Chi Ho (Chairman), Mr. Wong Kwai Sang and Mr. Heung Chee Hang, Eric.

The condensed consolidated financial information is unaudited, but has been reviewed by ZHONGHUI ANDA CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA, whose independent review report is included in this interim report.

By Order of the Board

China Environmental Resources Group Limited
YEUNG CHI HANG

Chairman and Chief Executive Officer

Hong Kong, 29 February 2024

