



**FUTURE WORLD HOLDINGS LIMITED**

**未來世界控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 572)**

**Interim Report 2023**



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# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Liang Jian (*Chairman and Chief Executive Officer*)  
Mr. Yu Zhenzhong (*Vice Chairman*)  
Ms. Wang Qian (*Vice Chairman*)  
Mr. Yu Qingrui  
Mr. Su Wei  
Mr. Yuan Yifeng<sup>1</sup>  
Mr. Li Rui<sup>2</sup>  
Mr. Cheung Kit Shing<sup>2</sup>

### Independent Non-Executive Directors

Mr. He Yi  
Mr. Guo Yaoli  
Ms. Xia Liping  
Mr. Bong Chin Chung<sup>3</sup>  
Mr. Chen Pei<sup>4</sup>

## AUDIT COMMITTEE

Mr. He Yi (*Chairman*)  
Mr. Guo Yaoli  
Ms. Xia Liping

## REMUNERATION COMMITTEE

Mr. Guo Yaoli (*Chairman*)  
Mr. He Yi  
Ms. Xia Liping

## NOMINATION COMMITTEE

Mr. He Yi (*Chairman*)  
Mr. Guo Yaoli  
Ms. Xia Liping

## COMPANY SECRETARY

Mr. Ho Wai Kuen<sup>5</sup>  
Ms. Lam Hay Yin<sup>6</sup>

## COMPANY WEBSITE

[www.fw-holdings.com](http://www.fw-holdings.com)

<sup>1</sup> Resigned on 31 May 2023  
<sup>2</sup> Resigned on 20 June 2023  
<sup>3</sup> Appointed on 3 July 2023  
<sup>4</sup> Resigned on 21 March 2023  
<sup>5</sup> Resigned on 21 July 2023  
<sup>6</sup> Appointed on 21 July 2023

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 2601-2604 and 2637-2640, 26/F.,  
Sun Hung Kai Centre,  
30 Harbour Road,  
Wanchai,  
Hong Kong

## REGISTERED OFFICE

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

## AUDITOR

Moore Stephens CPA Limited  
*Certified Public Accountants*  
*(Registered Public Interest Entity Auditor)*  
801-806 Silvercord, Tower 1  
30 Canton Road, Tsimshatsui  
Kowloon, Hong Kong

## SHARE REGISTRAR

Hong Kong  
Computershare Hong Kong Investor Services Limited  
Shop 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wan Chai, Hong Kong

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

## PRINCIPAL BANKERS

Public Bank (Hong Kong) Limited  
Shanghai Commercial Bank Limited  
Chong Hing Bank Limited

# Management Discussion and Analysis

## FINANCIAL RESULTS

The Board of Directors (the “**Board**” or “**Directors**”) of Future World Holdings Limited (the “**Company**”) hereby present the unaudited consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2023 (the “**Period**”).

The Group’s revenue for the Period amounted to HKD28,897,000, which is 0.6% lower compared with the revenue of approximately HKD29,075,000 during the six months ended 30 June 2022 (the “**Previous Period**”). The Group recorded a net loss of approximately HKD59,810,000 attributable to shareholders of the Company for the Period (2022: net loss of approximately HKD5,450,000) and basic loss per share of HKD52 cents (2022: basic loss per share of HKD8 cents) for the Period. The loss is mainly attributable to (i) fair value loss on investment properties of approximately HKD21,854,000 as compared to fair value loss of approximately HKD4,400,000 for the Previous Period and (ii) fair value loss of financial assets at fair value through profit or loss of approximately HKD39,851,000 (2022: HKD85,000).

## BUSINESS REVIEW

The business of the Group are divided into High Technology Business segment, Property Investment segment, Provision of Financing Services segment and Securities Brokerage segment.

The outbreak of the novel coronavirus (COVID-19) pandemic had affected the high technology business development of the Group as a result of disruption in global supply chain since 2020. With the lift of the mandatory quarantine measures in early 2023 and the resumption of market activities, the performance in high technology business improved. However, unlike retail business, this segment takes time and efforts to rebound and uncertainty in stable supply of inventories and raw materials still existed. As such, the Group actively seeking opportunities to widen the range of service and products provided in the technology business segment.

With the experience of the directors and key management personnel, the Group also explores other business opportunities in money lending business and fixed income investment, as well as property leasing.

The Group will keep continuous attention, assess and react actively to external environment and economic to ensure a prudent financial position of the Group.

### High Technology Business

Innovation and technology is an important growth engine for future economic development. Technology is leading the world into a new era, bringing with it a dramatic shift in the global economy. Leveraging on the expertise and experience of the directors and key management personnel, the Group has involved in high technology business for years including but not limited to technology industry, intelligent robotics and related services and artificial intelligence products and application solutions. During the Period, the revenue of approximately HKD17,479,000 (2022: HKD10,335,000) was generated from high technology business segment. During the period, 合肥哈工威達智能裝備有限公司, being a subsidiary of the Company, disposed 51 % of the share capital of 合肥哈工焊研威達自動化科技有限公司 for a total cash consideration of RMB1,500,000. Upon completion of the disposal, the Group has ceased to hold any interests in 合肥哈工焊研威達自動化科技有限公司 and its subsidiary. A Gain on disposal of subsidiaries of approximately HKD4,838,000 is recognized during the Period. A gain of approximately HKD2,908,000 (2022: loss of HKD6,692,000) was recorded for the segment of high technology business.

# Management Discussion and Analysis

During the Period, the revenue in high technology business were contributed by integrated circuit business. With the vast and extensive experience and industry recognized rewards of our management and operation team, the Group provides technical planning and solutions to customers. They also have extensive strong professional and social networks which the Group is able to take advantage of, to provide value-added services to our customers.

The Group has built up a technical team with strong technical and education background and years of experience in robotic related business, and their experiences and expertise cover mechanical and robotic engineering, mechanical designs and electrical designs. The Board considers that the development in high technology business will contribute positively to the revenue of the Group and will be beneficial to the development of the Group, thereby creating values to the Company and its shareholders. Nevertheless, the Board also considers the high technology business competition in China and will strive to secure orders for the sustainable development of the business segment.

## Properties investment

The Group is currently holding (i) two residential properties located in Hong Kong which are on No. 19, Cumberland Road, Kowloon Tong (approximate saleable area of 5,808 square feet) and No. 1, Lincoln Road, Kowloon Tong (approximate saleable area of 6,892 square feet) respectively; (ii) 19 retail units in a development district known as “Fortune Town” (振業城) located at Henggang Road, Longgang District, Shenzhen, the PRC (中國深圳市龍崗區橫崗街道); and (iii) a commercial unit located on G/F., No. 20 Kwun Chung Street, Kowloon, HK.

During the Period, the Group recorded rental income of approximately HKD3,433,000 (2022: HKD3,715,000) and fair value loss of approximately HKD21,854,000 (2022: fair value loss of approximately HKD4,400,000) arising from change in fair value of investment properties from the property investment segment.

## Treasury business

The treasury business includes securities trading and investment business and money lending business.

### *Securities trading and investment business*

The Group identified its investments based on the share price, the gain potential and the future prospect of the investments. The securities investments were classified under financial assets at fair value through other comprehensive income (“**FVTOCI**”) and financial assets at fair value through profit or loss (“**FVTPL**”) in the consolidated financial statements. During the Period, the Group’s securities trading portfolio comprised of equity securities of CMBC Capital Holdings Limited (“**CMBC Capital**”, stock code: 1141), Central Wealth Group Holdings Limited (“**Central Wealth**”, stock code: 139), HG Semiconductor Limited (“**HG SEMI**”, stock code: 6908), Shanghai Conant Optical Co., Ltd (“**CONANT OPTICAL**”, stock code: 2276), LX Technology Group Limited (“**LX TECHNOLOGY**”, stock code: 2436), Fenbi Ltd. (“**FENBI**”, stock: 2469), Zhixin Group Holding Limited (“**ZHIXIN**”, stock code: 2187), TradeGo FinTech Limited (“**TRADEGO**”, stock code: 8017), and Shangdong Hi-Speed Holdings Group Limited (formerly known as China Shandong Hi-Speed Financial Group Limited) (“**SDHG**”, stock code: 412) which are listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

In light of the uncertainty in the future global economy with the COVID-19 outbreak, together having considered the funding needs of the Group, the Company disposed part of the securities investment in order to realise its investments and to allow the Group to reallocate its resources to area with better potential. As a whole, the securities trading and investment segment recorded a loss of approximately HKD52,665,000 during the Period (2022: HKD4,332,000). The loss was mainly due to financial costs of approximately HKD4,793,000 during the Period (2022: HKD3,741,000). Besides, the Group recorded net realised loss of approximately HKD4,483,000 (2022: net realised gain of approximately HKD33,000) and unrealised loss of securities investment under FVTPL of approximately HKD39,851,000 (2022: HKD85,000). For the securities under FVTOCI, the Group recorded a net fair value loss of approximately HKD40,709,000 during the Period (2022: HKD42,252,000) through other comprehensive income.

# Management Discussion and Analysis

As at 30 June 2023, details of the securities investments held are as follows:

Name of the investees	Number of shares held	Percentage of equity interests as at 30.06.2023	Original cost of the interests as at 30.06.2023 HKD'000	Market value of the interests as at 30.06.2023 HKD'000	Fair value (loss) for the Period HKD'000	Release of fair value loss from fair value reserve for the Period HKD'000
<b>FVTOCI</b>						
Central Wealth (Stock code: 139)	441,825,316	2.637%	33,894	15,464	(34,239)	-
CMBC Capital (Stock code: 1141)	7,890,000	0.703%	163,707	10,730	(6,470)	-
Subtotal			197,601	26,194	(40,709)	-

Name of the investees	Number of shares held	Percentage of equity interests as at 30.06.2023	Original cost of the interests as at 30.06.2023 HKD'000	Market value of the interests as at 30.06.2023 HKD'000	Fair value gain/(loss) for the Period HKD'000	Realised gain/(loss) for the Period HKD'000
<b>FVTPL</b>						
Central Wealth (Stock code: 139)	491,960,000	2.936%	22,265	17,219	(35,984)	(230)
SDHG (Stock code: 412)	6,715,500	0.112%	28,072	39,017	2,254	(138)
Zhixin (Stock code: 2187)	-	-	-	-	-	-
Conant Optical (Stock code: 2276)	1,020,000	0.239%	4,998	5,396	398	-
LX Technology (Stock code: 2436)	540,000	0.153%	7,772	3,657	(4,115)	-
Fenbi (Stok code: 2469)	240,000	0.011%	2,928	1,068	(1,860)	-
HG Semi (Stock code: 6908)	390,000	0.063%	1,498	671	(484)	-
TradeGo (Stock code: 8017)	-	-	-	-	-	(4,115)
Securities bond issued by a PRC entity	N/A	N/A	5,385	5,423	(60)	-
Subtotal			72,918	72,451	(39,851)	(4,483)

Total			270,519	98,645	(80,560)	
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As at 30 June 2023, the Group held securities investment portfolio with market value of approximately HKD98,645,000 (31 December 2022: HKD186,230,000). There were no investments held by the Group which value was more than 5% of the net assets of the Group as at 30 June 2023.

# Management Discussion and Analysis

## **Performance and prospects of the major investees**

### *CMBC Capital*

CMBC Capital and its subsidiaries (the “**CMBC Capital Group**”) was principally engaged in the business of brokerage and related services, securities investment and provision of finance. China Minsheng Banking Corporation Limited, one of the largest private banks in the PRC has indirect interest in over 67% of the issued shares capital of CMBC Capital as at 30 June 2023.

As mentioned in its annual report for the year ended 31 December 2022, the CMBC Capital Group has recorded net loss amounted to approximately HKD436.6 million as compared to the net profit of approximately HKD291.2 million for the year ended 31 December 2021. The CMBC Capital Group’s basic and diluted loss per share were both HK37.96 cents (2021: Basic and diluted earnings per share of both HK24.55 cents). Revenue has decreased by approximately 10.4% to approximately HKD802.0 million for the year ended 31 December 2022, compared to approximately HKD895.4 million for the year ended 31 December 2021.

The market price of CMBC Capital closed at HKD1.36 as at 30 June 2023 (30 June 2022: HKD2.023 (restated)).

### *Central Wealth*

Central Wealth and its subsidiaries (the “**Central Wealth Group**”) are principally engaged in securities brokerage services and margin financing, asset management, financial investment, property investments and money lending business.

As mentioned in Central Wealth’s annual report for the year ended 31 December 2022, the net loss after tax for the year ended 31 December 2022 was approximately HKD105.4 million as compared to the net loss after tax of approximately HKD371.3 million for the year ended 31 December 2021. Basic loss per share attributable to ordinary equity holders of the parent for the year ended 31 December 2022 was approximately HK0.67 cents (2021: basic loss per share of approximately HK2.32 cents). The Central Wealth Group recorded a revenue of approximately HKD277.8 million for the year ended 31 December 2022, compared to a revenue of approximately HKD243.8 million for the year ended 31 December 2021.

The market price of Central Wealth closed at HKD0.035 as at 30 June 2023 (30 June 2022: HKD0.027).

### *HG Semi*

HG Semiconductor Limited and its subsidiaries (the “**HG Semi Group**”) engage principally in design, development, manufacturing, subcontracting and sales of semiconductor products and their related applications, as well as fast charging products in China.

As mentioned in its annual report for the year ended 31 December 2022, the revenue of HG Semi Group for the year ended 31 December 2022 was approximately RMB87.5 million, decreased by 30.6% when compared to RMB126.1 million for the year ended 31 December 2021. The HG Semi Group has recorded the net loss of RMB101.3 million as compared to the net loss of RMB446.8 million for the year ended 31 December 2021. Basic and diluted loss per share attribute to the ordinary equity holders of the Company for the year ended 31 December 2022 was approximately RMB17.81 cents (2021: RMB92.22 cents).

The market price of HG Semi Group closed at HKD1.72 as at 30 June 2023 (30 June 2022: HKD3.71).

# Management Discussion and Analysis

## *Conant Optical*

Shanghai Conant Optical Co., Ltd and its subsidiaries (the “**Conant Optical Group**”) engage in the manufacture of resin spectacle lenses, and produces a variety of resin glasses, including standardized lenses and customized lenses. The products are exported to the United States, Japan, India, Australia, Thailand, Germany, Brazil and other countries and regions.

As mentioned in its annual report for the year ended 31 December 2022, the revenue of Conant Optical Group was approximately RMB1,561.3 million, increased by 15.1% as compared to RMB1,356.1 million in 2021. The Conant Optical Group has recorded the net profit of RMB248.6 million as compared to the net profit of RMB183.5 million for the year ended 31 December 2021. Earnings per share attribute to the ordinary equity holders of the Company for the year ended 31 December 2022 was approximately RMB0.58 (2021: RMB0.59).

The market price of Conant Optical closed at HKD5.29 as at 30 June 2023 (30 June 2022: HKD4.318 (restated)).

## *LX Technology*

LX Technology Group Limited and its subsidiaries (the “**LX Technology Group**”) listed on the Main Board of The Stock Exchange of Hong Kong Limited on 24 November 2022. LX Technology engages in the sales of refurbished de-commissioned IT devices to, among others, resellers of IT devices, and the provision of device and IT technical subscription services to SMEs in China. LX Technology Group was recognized as a member of the National SME Public Service Demonstration Platform (國家中小企業公共服務示範平台) in 2022. Also, LX Technology Group was recognized as the “High Growth Enterprises of the Year” (年度高成長企業) by Securities Times, as “A new IPO Company Most Favored by Investors” (最受投資者歡迎新股公司) by Zhitong Caijing (智通財經), as “The Best Corporate Services Brand of the Year” (年度最佳企業服務品牌) by TMTpost and as “The Most Influential Innovative Enterprise of the Year in the Corporate Services Field” (年度企業服務領域最具影響力創新企業) by Lieyunwang (獵雲網).

As mentioned in LX Technology’s annual report for the year ended 31 December 2022, the revenue of LX Technology Group amounted to RMB1,664.0 million, increased by 25.1% compared to RMB1,330.4 million in 2021. The LX Technology Group has recorded the net profit of RMB99.9 million as compared to the net loss of RMB448.7 million for the year ended 31 December 2021. The LX Technology Group’s basic earnings and diluted loss per share were RMB0.72 and RMB0.38 respectively, compared to the basic and diluted loss per share of both RMB3.73 for the year ended 31 December 2021.

Trading in the Shares of LX Technology on the Stock Exchange was halted with effect on 23 March 2023. The market price of LX Technology closed at HKD10.42 as at 30 June 2023 (31 December 2022: HKD11.12).

## *Fenbi*

Fenbi Ltd. and its subsidiaries (the “**Fenbi Group**”) listed on the Main Board of The Stock Exchange of Hong Kong Limited on 9 January 2023. Fenbi Group offers non-formal vocational education and training (“**VET**”) in China, dedicated to making high-quality non-formal VET services accessible through technology and innovation. Fenbi has successfully established “Fenbi” amid the most recognized brands in China’s career test preparation industry and recognized as “Intelligent Empowerment Annual Award” (年度智慧賦能獎) by Beijing Evening Post (北京晚報), the official newspaper of Beijing municipality.

As mentioned in Fenbi’s annual report for the year ended 31 December 2022, the Fenbi Group has recorded the net loss of RMB2,087.3 million as compared to the net loss of RMB2,046.0 million for the year ended 31 December 2021, the Fenbi Group’s basic and diluted loss per share were both RMB2.86 (2021: both RMB2.81). The revenue decreased by 18.0% to approximately RMB2,810.4 million for the year ended 31 December 2022, compared to approximately RMB3,428.6 million for the year ended 31 December 2021.

The market price of Fenbi closed at HKD4.45 as at 30 June 2023.

# Management Discussion and Analysis

## *SDHG*

SDHG and its subsidiaries (the “**SDHG Group**”) are principally engaged in various kinds of financial services, including financial leasing, operation of an asset trading platform, investments in securities, money lending, investment holding and assets management.

As mentioned in its annual report for the year ended 31 December 2022, the SDHG Group has recorded net profit after tax amounted to approximately HKD170.3 million, as compared to the net profit after tax of approximately HKD11.1 million for the year ended 31 December 2021. The SDHG Group’s basic and diluted loss per share attributable to ordinary equity holders of the parent for the year ended 31 December 2022 was both HK7.61 cents (2021: both HK5.22 cents). Revenue has increased by approximately 293.5% to approximately HKD4,193.4 million for the year ended 31 December 2022, compared to approximately HKD1,065.7 million for the year ended 31 December 2021.

The market price of SDHG closed at HKD5.81 as at 30 June 2023 (30 June 2022: HKD3.48).

### ***Money lending business***

The Group’s money lending business is conducted through its wholly-owned subsidiary Globally Finance Limited. (“**Globally Finance**”), a company incorporated in Hong Kong since early of 2015 and Globally Finance holds valid Money Lender License under the Money Lenders Ordinance. Globally Finance is principally carrying out loan financing business by providing secured and unsecured loans to its customers.

Through the business and social networks of the management of the Company, Globally Finance would identify and be referred potential customers, which would be corporate customers including listed companies and individual customers with personal wealth. Globally Finance would then assess the credit of such potential customers based on its credit policy and procedure. The Group struck a successful balance by adhering to an effective comprehensive policy as well as prudent procedures relating to loan approvals, loan renewals, loan top-ups, loan recovery, loan compliance, monitoring and anti-money laundering.

Globally Finance is operated and managed by its management committee. Globally Finance is under the supervision of the executive directors of the Company, who have years of experience in accounting, corporate development and/or financial management experience.

As at 30 June 2023, the interest rate charged to outstanding loans receivable ranged from 5% to 7.7% (31 December 2022: 5% to 7.7%) per annum. Interest income from the Group’s money lending business during the Period amounted to approximately HKD6,492,000, showing a decrease of approximately 42.4% from approximately HKD11,269,000 in the Previous Period. Operating profit from this business segment amounted to approximately HKD26,974,000, which was approximately 160.8% higher than that of approximately HKD10,344,000 in the Previous Period. The increase in operating profit was mainly due to the reversal of credit loss allowances on loan and interest receivables by HKD6,933,000 (2022: provision for credit loss allowances of HKD388,000) and reversal of credit loss allowances on other receivables by HKD11,913,000 (2022: Nil) during the Period.

# Management Discussion and Analysis

The below table disclose the details of loan and interest receivables as at 30 June 2023:

Borrowers	Original principal HKD	Tenure	Interest rate	Secured
Personal Borrower A (#)	8,500,000	19/8/2020-19/8/2022 (Note (i))	6.0%	Y
Personal Borrower B (#)	6,000,000	31/8/2020-31/8/2022 (Note (i))	6.0%	Y
Personal Borrower C	8,000,000	4/9/2020-4/9/2022 (Note (i))	6.0%	N
Personal Borrower D (*)	25,000,000	21/12/2020-21/12/2023	5.0%	Y
Personal Borrower E (*)	28,300,000	21/12/2020-21/12/2023	6.0%	Y
Personal Borrower F	5,300,000	8/4/2021-8/4/2023	6.0%	N
Personal Borrower G	3,000,000	1/6/2021-31/5/2024	6.0%	N
Personal Borrower H	4,000,000	2/6/2021-1/6/2024	5.0%	N
Personal Borrower I	4,250,000	7/12/2021-7/12/2023	6.0%	N
Personal Borrower J	2,500,000	23/12/2021-23/12/2023	6.0%	N
Personal Borrower K	1,500,000	30/12/2021-30/12/2023	6.0%	N
Personal Borrower L	3,000,000	21/9/2022-20/9/2024	7.5%	N
	6,500,000	20/10/2022-19/10/2024	7.5%	N
Personal Borrower M	2,000,000	20/9/2022-20/9/2023	7.5%	N
Personal Borrower N	15,000,000	17/10/2022-16/10/2025	7.7%	N
Corporate Borrower A (#)	236,000,000	7/10/2020-31/12/2023 (Note (ii))	7.0%	Y
Corporate Borrower B	10,000,000	8/1/2021-7/1/2024	7.0%	N

\* The loans were secured by collaterals which are properties located in the PRC.

# The loan was secured by collaterals which are equity securities listed in Hong Kong.

Notes:

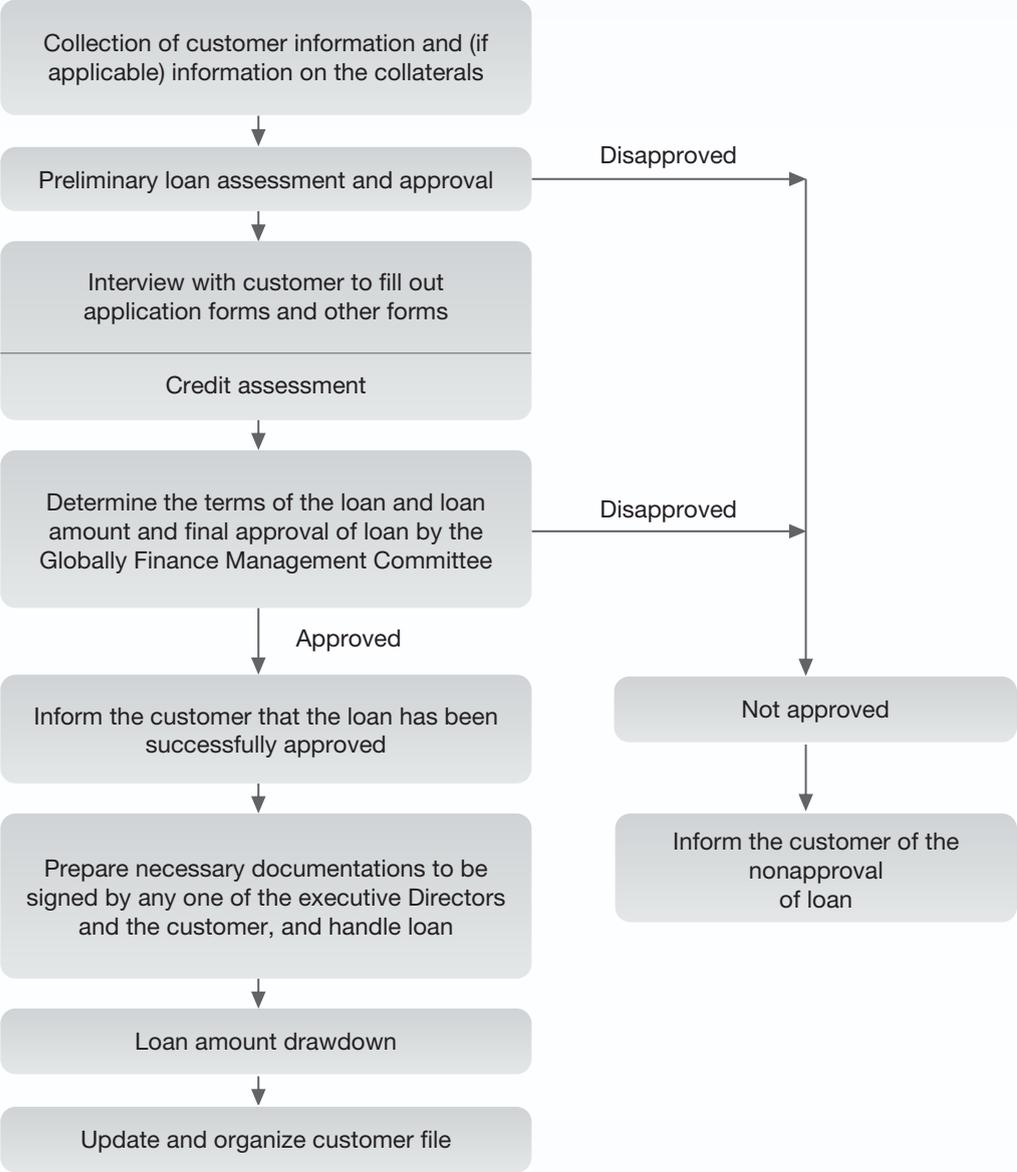
- (i) These loans were matured as at 31 December 2022. Among these loans, amounted to HKD6,300,000 were settled before 30 June 2023, and the remaining balances of these loans will be settled on or before 31 December 2023 according to the repayment schedules agreed with the Borrowers A, B and C. In March 2023, certain shares of a listed company in Hong Kong with a total fair value of approximately HKD14,003,000 owned by Borrowers A and B were pledged to the Group as securities of their loans and interests due to the Group.
- (ii) Corporate Borrower A provided 65,356,000 shares of a company listed in Hong Kong to the Group as collateral with a total fair value of approximately HKD379,718,000 as at 30 June 2023.

In order to minimize the risks faced associated with the business of Globally Finance, Globally Finance has adopted a set of credit policies and procedures. For the material lending transactions, Globally Finance shall conduct credit review procedures in accordance with the standard commercial practices for the purpose of determining of the ability of applicants to meet their financial obligations. Application must in the first place, abide by certain credit constraints before further process and being reviewed by the management committee of Globally Finance. Applicants will be required to submit all information necessary for conducting the reviews as required by Globally Finance. In assessing the credit application of the borrower, the following parameters must be reasonably taken into consideration:

- A) potential financial risk exposure associated with the applicant;
- B) the repayment ability of the applicant;

# Management Discussion and Analysis

- C) the security or collateral provided; and
- D) others, e.g. external market condition, legal compliance etc.



Upon receiving all required application and supplemental information, Globally Finance will conduct a financial review to evaluate an applicant’s financial viability and to determine an appropriate amount of credit limit. Interest rate posed on the approved loan amount be set with reference to the prevailing market rate, the level of risk involved in each case as well as the general economic and business environment. Interest rate shall not exceed the threshold set out in the Money Lenders Ordinance (Cap 163).

# Management Discussion and Analysis

During the period ended 30 June 2023, the Group assessed and estimated credit loss allowances for the loan and interest receivables according to the requirement of Hong Kong Financial Reporting Standard (“**HKFRS**”) 9 issued by the Hong Kong Institute of Certified Public Accountants. General provision will not be provided for all loans outstanding. Only a specific provision will be provided if particular customer(s) are identified to be in financial difficulties and Globally Finance assesses that it is highly unlikely the loan can be recovered. For the loans which are classified as ‘Loss’ should be written off, and the final approval should be obtained from Globally Finance’s management committee.

Globally Finance will conduct periodical reviews of customers’ financial standing in order to assess any necessary adjustments to the amounts of credit limits and collateral (if any). For the purpose of conducting such reviews all customers will be required to submit the updated financial proof documents promptly upon Globally Finance’s request. These periodical reviews will be carried out from time to time.

Credit reviews may be performed in response to material changes in a customer’s financial standing or as requested by a customer. Customers will be required to inform Globally Finance in writing of any material change in their financial status within 10 days of its occurrence. The customer is required to disclose the following material change in his financial status to Globally Finance:

- The latest income proof
- Any material change in assets/liabilities
- Bank account statement
- Property land search report
- The latest company balance sheet and profit or loss.

Globally Finance will review the reported material changes in terms of their impact on a customer’s financial capacity. Depending on the nature of these material changes, Globally Finance may find it necessary to reassess the customer’s credit limit and collateral (if any) requirement.

Should Globally Finance decide, as a result of that review, to lower or terminate the credit facility to a customer, that customer would be required to supply additional financial assurance in the forms and amounts acceptable to Globally Finance to insure full coverage of the customer’s total potential exposure.

A customer may initiate a financial review should it wish to demonstrate certain improvements in its ability to meet financial obligations to the Globally Finance. Consideration will be given to the evidence of improvements in a customer’s financial condition presented by the customer. Decisions as to the appropriateness of customer’s credit limit and assurance requirement will be made at the discretion of Globally Finance.

Normally, Globally Finance will access the repayment ability and the risk of payment of the loan each borrower on risk default assessment form half a year or a year except the high risk borrowers.

Based on the result of credit assessment on debtors, the credit loss allowances for loan and interest receivables as at 30 June 2023 was approximately HKD24,559,000 (31 December 2022: HKD31,491,000), and reversal of provision for credit loss allowances for loan and interest receivables of approximately HKD6,933,000 was made during the Period (2022: provision for credit loss allowance of HKD388,000).

# Management Discussion and Analysis

## ***Securities brokerage business***

The business is carried on through Future World Securities Investment Limited (“**FW Securities**”), a wholly owned subsidiary of the Group. FW Securities is incorporated in Hong Kong with limited liability and is carrying on business in Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) regulated activities under the Securities and Futures Ordinance.

During the Period, revenue of approximately HKD450,000 (2022: Nil) was generated and a loss of approximately HKD83,000 (2022: HKD461,000) was recorded for the segment of securities brokerage business.

## **Trading business and related services**

Trading business and related services mainly include COVID-19 test kits business.

Sky Faith International Investment Limited, a wholly-owned subsidiary of the Company has been, on an exclusive basis, authorised and appointed as the Hong Kong Exclusive Authorisation Distributor (excluding Mainland China) of OJABIO for (1) COVID-19 Antigen Test Kits; and (2) Real-time PCR Test Kits for COVID-19 (together as the “**Test Kits**”) for a term of three years from 25 November 2020. The Test Kits are effective and efficient detection kits for qualitative determination of the presence of the COVID-19 in human body and can provide affordable “early diagnosis” solution for the society. Relevant certifications have also been obtained for the Test Kits. During the Period, the Test Kits products of the Group have been distributed and sold through various retail stores in Hong Kong. During the Period, no revenue was generated (2022: HKD3,543,000) and a loss of approximately HKD688,000 (2022: gain of HKD1,400,000) was recorded as a whole for the segment of trading business and related services. The agency agreement will end on 24 November 2023. In a view of ongoing vaccination of COVID-19 vaccines and decreasing demand for Test Kits, the Group does not have any concrete future plans for Test Kits orders and marketing expenditure after selling out as of the date of this report. The Group will continue to seek for business opportunity in the trading business.

# Management Discussion and Analysis

## FINANCIAL REVIEW

### Liquidity, financial, resources and funding

During the Period, the Group mainly financed its operations by cash generated from operation and bank borrowings. The Group had total cash and bank balances of approximately HKD6,645,000 as at 30 June 2023 (31 December 2022: HKD38,983,000). As at 30 June 2023, the Group had total borrowings of approximately HKD370,098,000 (31 December 2022: HKD372,583,000) comprised with bank borrowings of approximately HKD282,096,000 (31 December 2022: HKD285,914,000) and other borrowings of approximately HKD88,002,000 (31 December 2022: HKD86,669,000).

Among bank borrowings, approximately HKD89,241,000 are repayable within one year, HKD9,588,000 are repayable over one year but not exceeding two years, HKD30,866,000 are repayable over two years but not exceeding five years and HKD152,401,000 are repayable over five years. The bank borrowings bear interest at the bank's of HKD Prime Rate – 2.5% per annum, 2% per annum + HIBOR (1 month) or 2.5% per annum over HIBOR (1 week to 1 month). Details are set out in Note 18 to the condensed consolidation interim financial statements.

The other borrowings comprised of margin loans and revolving loan. The margin loan payables bear fixed interest at 7.5% to 8% per annum. The margin loan payables are repayable within one year and was guaranteed by the Company. The revolving loan bear fixed interest rate of HKD Prime Rate – 2% per annum. Details are set out in Note 19 to the condensed consolidated interim financial statements.

The gearing ratio, which is calculated as total borrowings divided by total equity, was approximately 44.01% as at 30 June 2023 (31 December 2022: 39.83%). Net assets were approximately HKD840,993,000 as at 30 June 2023 (31 December 2022: HKD935,461,000).

As at 30 June 2023, the Group has total current assets of approximately HKD401,160,000 (31 December 2022: HKD404,262,000) and total current liabilities of approximately HKD403,898,000 (31 December 2022: HKD433,278,000). The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was approximately 0.99 as at 30 June 2023 (31 December 2022: 0.93).

The Group's finance costs for the Period was approximately HKD9,743,000 (2022: HKD6,683,000) and was mainly related to interests paid on the bank borrowings and margin loans.

### Pledge of assets

At 30 June 2023, the Group's investment properties with carrying amount of HKD680,000,000 (31 December 2022: HKD660,000,000) have been pledged to secure the bank borrowings granted to the Group.

As at 30 June 2023, the Group had pledged an investment property with carrying amount of HKD291,000,000 (31 December 2022: HKD283,000,000) and the securities investment under FVTOCI of approximately HKD26,194,000 (31 December 2022: HKD66,197,000); and the securities investment under FVTPL of approximately HKD28,821,000 (31 December 2022: HKD63,995,000) to secure the other borrowings.

# Management Discussion and Analysis

## CAPITAL STRUCTURE

### Exercise of share option

During the Period, no share options were exercised and no new ordinary shares of HKD0.4 each were issued.

As at 30 June 2023, the share capital of the Company comprises of 116,095,491 issued shares with par value of HKD0.4.

### Foreign currency management

The Group has minimal exposure to foreign currency risks as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars. The Group currently does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging foreign currency exposure if necessary.

### Litigations and contingencies

At 30 June 2023, the Group did not have any significant litigations and contingencies.

## EVENTS AFTER THE REPORTING PERIOD

### Rights Issue

On 16 June 2023, the Company announced the proposed rights issue (the “**Rights Issue**”) on the basis of one rights share (the “**Rights Share**”) for every one existing share at the subscription price of HKD0.60 per rights share. The Rights Issue is expected to be completed in October 2023, and 116,095,491 Rights Shares are expected to be allotted and issued to the shareholders accordingly. The Company intends to utilize the proceeds from the Rights Issue to repay its bank borrowings and other borrowings. Up to the date of this report, details were set out in the Company’s announcements dated 16 June 2023, 13 July 2023, 3 August 2023, and circular of the Company on 10 August 2023. Dates or deadlines may be varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

## EMPLOYEES AND REMUNERATION POLICIES

At 30 June 2023, the Group had 33 employees including Directors situated in Hong Kong and the PRC (31 December 2022: 43 employees). The Group’s emoluments policies are formulated based on industry practices and performance of individual employees. For the Period, the total staff costs including remuneration of Directors and chief executives amounted to approximately HKD6,292,000 (2022: HKD7,223,000).

# Management Discussion and Analysis

## INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the Period (2022: Nil).

## PROSPECTS

The Group is principally engaged in (i) high technology business; (ii) property investment; (iii) provision of financing services; (iv) securities trading and investment; (v) trading business and related services; and (vi) securities brokerage business. The Group will continue to explore opportunities in these core businesses so as to create long-term value for its shareholders.

From year 2019, the Group has embarked on new strategic initiatives and developed the business in relation to high technology and related services business. The high technology business mainly revolves around industrial robot system, intelligence hardware for service robots, new energy transportation and entertainment technology.

Whilst the high technology business segment of the Group has continued to contribute to the Group, in light the disruption in global supply chain as a result of the COVID-19 pandemic and the increasing geopolitical tension between China and other countries and sanctions having imposed on various high technology China enterprises, the Group is in the course of reviewing its high technology business and it is expected that the revenue contribution by the high technology business segment of the Group in the forthcoming years may be improved. The Company will continue to review its business portfolio and will make necessary adjustments to fit in the economic environment that is in the interests of the Company and the Shareholders as a whole. Save for the development of securities brokerage, fixed income investment, and margin financing of FW Securities, as at the Latest Practicable Date, there is no particular concrete plan on the part of the Company to downsize, cease, disposal of, or expand any of its existing business.

The Directors are optimistic to the financial market in Hong Kong. The Group obtained the licenses from the Securities and Futures Commission to carry out Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) regulated activities through a wholly owned subsidiary FW Securities. FW Securities aims at providing broader and more diversified services to customers, including but not limited to securities dealing and advising securities services, acting as underwriter or a sub-underwriter or a placing agent or a sub-placing agent for companies listed or to be listed on the Stock Exchange, or shareholders of companies listed or to be listed on the Stock Exchange for their fund raising in IPOs, rights issues, open offers or placing of new and/or existing shares and debt securities. FW Securities will charge placing or underwriting commission at a rate determined by negotiation with clients which is generally in line with market practice.

Due to the COVID-19 pandemic, the operation was temporarily disrupted and the segment did not record revenue for the year ended 31 December 2022. With the resumption of business activities in 2023. It is expected that the commission income will be generated.

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2023

	Notes	Six months ended 30 June	
		2023 HKD'000 (Unaudited)	2022 HKD'000 (Unaudited)
<b>Net realised (loss)/gain from securities trading and investment</b>	4	<b>(4,483)</b>	33
<b>Revenue</b>	4	<b>28,897</b>	29,075
Cost of sales		<b>(17,646)</b>	(12,017)
<b>Gross profit</b>		<b>11,251</b>	17,058
Other income and gains		<b>1,028</b>	590
Selling and distribution costs		<b>(892)</b>	(1,927)
Administrative expenses		<b>(17,462)</b>	(10,948)
Gain on disposal of subsidiaries		<b>4,838</b>	137
Reversal of/(provision for) credit loss allowances on loan and interest receivables, net		<b>6,933</b>	(388)
Reversal of credit loss allowances on trade and other receivables, net		<b>11,079</b>	38
Reversal of expected credit loss on loan commitment		<b>2,086</b>	–
Change in fair value of financial assets at fair value through profit or loss		<b>(39,851)</b>	(85)
Change in fair value of investment properties	11	<b>(21,854)</b>	(4,400)
Share of loss of an associate		–	(8)
Share-based payment expenses		–	(848)
<b>Operating loss</b>		<b>(47,327)</b>	(748)
Finance costs	6	<b>(9,743)</b>	(6,683)
<b>Loss before income tax</b>	7	<b>(57,070)</b>	(7,431)
Income tax expense	8	<b>(3,541)</b>	(33)
<b>Loss for the period</b>		<b>(60,611)</b>	(7,464)

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2023

	Notes	Six months ended 30 June	
		2023 HKD'000 (Unaudited)	2022 HKD'000 (Unaudited)
<b>Other comprehensive loss:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations		(3,124)	(8,014)
Release of exchange reserve upon disposals of subsidiaries		(226)	65
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Change in fair value of financial assets at fair value through other comprehensive income	13	(40,709)	(42,252)
<b>Other comprehensive loss for the period, net of income tax</b>		<b>(44,059)</b>	<b>(50,201)</b>
<b>Total comprehensive loss for the period</b>		<b>(104,670)</b>	<b>(57,665)</b>
<b>Loss for the period attributable to:</b>			
Owners of the Company		(59,810)	(5,450)
Non-controlling interest		(801)	(2,014)
		<b>(60,611)</b>	<b>(7,464)</b>
<b>Total comprehensive loss for the period attributable to:</b>			
Owners of the Company		(105,151)	(54,903)
Non-controlling interest		481	(2,762)
		<b>(104,670)</b>	<b>(57,665)</b>
<b>Loss per share attributable to the owners of the Company</b>			
– Basic and diluted	10	<b>HKD(0.52)</b>	HKD(0.08)

# Condensed Consolidated Statement of Financial Position

As at 30 June 2023

	Notes	30 June 2023 HKD'000 (Unaudited)	31 December 2022 HKD'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	11	2,840	2,353
Right-of-use assets	11	2,439	3,755
Investment properties	11	814,599	840,454
Interest in an associate	12	–	–
Financial assets at fair value through other comprehensive income	13	26,194	66,197
Investment in corporate bond		15,010	15,010
Loan receivables	15	18,792	30,758
Deferred tax assets		4,783	8,237
Rental deposit	16	1,274	1,485
		<b>885,931</b>	968,249
<b>Current assets</b>			
Inventories		29	7,566
Loan and interest receivables	15	184,378	169,704
Financial assets at fair value through profit or loss	14	72,451	120,033
Trade, bills and other receivables	16	137,657	67,945
Contract assets		–	31
Cash and bank balances		6,645	38,983
		<b>401,160</b>	404,262
<b>Current liabilities</b>			
Trade payables, accruals and other payables	17	30,376	52,018
Contract liabilities		–	3,868
Lease liabilities		2,441	3,830
Bank borrowings	18	282,096	285,914
Other borrowings	19	88,002	86,669
Tax payables		983	979
		<b>403,898</b>	433,278
<b>Net current liabilities</b>		<b>(2,738)</b>	(29,016)
<b>Total assets less current liabilities</b>		<b>883,193</b>	939,233
<b>Non-current liabilities</b>			
Lease liabilities		–	3,772
Bond payable	20	42,200	–
		<b>42,200</b>	3,772
<b>Net assets</b>		<b>840,993</b>	935,461
<b>Capital and reserves</b>			
Share capital	21	46,438	46,438
Reserves		794,562	899,713
Equity attributable to the owners of the Company		<b>841,000</b>	946,151
Non-controlling interests		(7)	(10,690)
<b>Total equity</b>		<b>840,993</b>	935,461

On behalf of the board of directors

**Liang Jian**  
Director

**Yu Qingrui**  
Director

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

	Attributable to the owners of the Company									
	Share capital HKD'000	Share premium HKD'000 <i>(Note)</i>	Share option reserve HKD'000	Translation reserve HKD'000	Fair value reserve (non-recycling) HKD'000	Statutory reserve HKD'000	Accumulated losses HKD'000	Total HKD'000	Non-controlling interests HKD'000	Total HKD'000
At 1 January 2022	21,878	1,548,288	5,428	14,820	(349,701)	1,726	(324,623)	917,816	(2,564)	915,252
Loss for the period	-	-	-	-	-	-	(5,450)	(5,450)	(2,014)	(7,464)
Other comprehensive income/(loss), net of income tax										
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	(7,266)	-	-	-	(7,266)	(748)	(8,014)
Change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	(42,252)	-	-	(42,252)	-	(42,252)
Release of exchange reserve upon disposal of subsidiary	-	-	-	65	-	-	-	65	-	65
Other comprehensive loss for the period, net of income tax	-	-	-	(7,201)	(42,252)	-	-	(49,453)	(748)	(50,201)
Total comprehensive loss for the period	-	-	-	(7,201)	(42,252)	-	(5,450)	(54,903)	(2,762)	(57,665)
Release of fair value reserve upon disposal of financial assets at fair value through other comprehensive income	-	-	-	-	223,134	-	(223,134)	-	-	-
Appropriation to statutory reserve	-	-	-	-	-	(28)	28	-	-	-
Disposal of subsidiary	-	-	-	-	-	(300)	300	-	920	920
Issuance of shares upon rights issue and placing, net of transaction costs <i>(Note 21(iii))</i>	24,560	27,871	-	-	-	-	-	52,431	-	52,431
Recognition of equity-settled share-based payments	-	-	848	-	-	-	-	848	-	848
Lapse of share options	-	-	(4,210)	-	-	-	4,210	-	-	-
At 30 June 2022 (Unaudited)	46,438	1,576,159	2,066	7,619	(168,819)	1,398	(548,669)	916,192	(4,406)	911,786

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

	Attributable to the owners of the Company									
	Share capital HKD'000	Share premium HKD'000 <i>(Note)</i>	Share option reserve HKD'000	Translation reserve HKD'000	Fair value reserve (non- recycling) HKD'000	Statutory reserve HKD'000	Accumulated losses HKD'000	Total HKD'000	Non- controlling interests HKD'000	Total HKD'000
At 1 January 2023	46,438	1,576,159	2,054	1,025	(130,698)	1,426	(550,253)	946,151	(10,690)	935,461
Loss for the period	-	-	-	-	-	-	(59,810)	(59,810)	(801)	(60,611)
Other comprehensive income/(loss), net of income tax										
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	(3,451)	-	(130)	(825)	(4,406)	1,282	(3,124)
Release of exchange reserve upon disposal of subsidiaries	-	-	-	(226)	-	-	-	(226)	-	(226)
Change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	(40,709)	-	-	(40,709)	-	(40,709)
Other comprehensive income/(loss) for the period, net of income tax	-	-	-	(3,677)	(40,709)	(130)	(825)	(45,341)	1,282	(44,059)
Total comprehensive income/(loss) for the period	-	-	-	(3,677)	(40,709)	(130)	(60,635)	(105,151)	481	(104,670)
Share capital injection from non-controlling interests	-	-	-	-	-	-	-	-	7,325	7,325
Disposal of subsidiary	-	-	-	-	-	(1,296)	1,296	-	2,877	2,877
Cancellation of share options	-	-	(228)	-	-	-	228	-	-	-
At 30 June 2023 (Unaudited)	46,438	1,576,159	1,826	(2,652)	(171,407)	-	(609,364)	841,000	(7)	840,993

## Note:

Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum or Articles of Associations and provided that immediately following the distribution or dividends, the Company is able to pay its debts as they fall due in the ordinary course of business.

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

## Six months ended 30 June

2023	2022
HKD'000	HKD'000
(Unaudited)	(Unaudited)

<b>Net cash used in operating activities</b>	<b>(62,707)</b>	(6,545)
<b>Cash flows from investing activities</b>		
Interest received	70	3
Purchase of property, plant and equipment	(853)	–
Purchase of financial assets at fair value through other comprehensive income	(706)	(1,167)
Proceed from disposal of financial assets at fair value through other comprehensive income	–	28,150
Net cash inflows/(outflows) arising on disposal of subsidiaries	1,228	(99)
<b>Net cash (used in)/generated from investing activities</b>	<b>(261)</b>	26,887
<b>Cash flows from financing activities</b>		
Interest paid on bank and other borrowings	(7,206)	(6,434)
Repayment of bank borrowings	(3,818)	(4,852)
Proceeds from issuance of bond	42,200	–
Proceeds from other borrowings	708	5,015
Repayment of other borrowings	(118)	(27,410)
Repayment of lease liabilities – principal	(1,509)	(890)
Repayment of lease liabilities – interest	(123)	(56)
Proceeds from issuance of shares upon rights issue and placing, net of transaction costs	–	52,431
<b>Net cash generated from financing activities</b>	<b>30,134</b>	17,804
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(32,834)</b>	38,146
<b>Cash and cash equivalents at the beginning of period</b>	<b>38,983</b>	12,077
Effect of foreign exchange rates changes, net	496	(375)
<b>Cash and cash equivalents at the end of period</b>		
– Cash and bank balances	6,645	49,848

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2023

## 1. GENERAL

Future World Holdings Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 21 October 2002 under the Companies Law of the Cayman Islands. The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business is Room 2601-2604 and 2637-2640, 26/F., Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company. The Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) are principally engaged in (i) high technology business; (ii) property investment; (iii) provision of financing services; (iv) securities trading and investment; (v) trading business and related services; and (vi) securities brokerage business.

The condensed consolidated interim financial statements (“**Interim Financial Statements**”) are presented in Hong Kong dollars (“**HKD**”), which is also the functional currency of the Company, and all values are rounded to the nearest thousand except where otherwise indicated.

The Interim Financial Statements were approved for issue by the board of directors on 28 August 2023.

## 2. BASIS OF PREPARATION

The Interim Financial Statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The preparation of the Interim Financial Statements in conformity with HKAS 34 requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The Interim Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 December 2022, and therefore, do not include all of the information required in annual financial statements in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2022.

The Interim Financial Statements have been prepared on the historical cost basis, except for investment properties, financial assets at fair value through profit or loss (“**FVTPL**”) and financial assets at fair value through other comprehensive income (“**FVTOCI**”), which are measured at fair value.

The Interim Financial Statements have not been audited.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2023

## 2. BASIS OF PREPARATION (*Continued*)

### Going concern

The Group incurred a net loss of approximately HKD60,611,000 for the six months ended 30 June 2023 and, as of that date, the Group has net current liabilities of approximately HKD2,738,000. These conditions indicate a material uncertainty exists which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

The directors of the Company have considered the followings when they prepared the Interim Financial Statements:

The current liabilities of the Group include bank borrowings of approximately HKD192,855,000, which have been classified as current liabilities as the related loan agreements contain a repayment on demand clause. According to the loan agreements, the loans are repayable by monthly instalments in 14 to 20 years. The Group regularly monitors its compliance with covenants and scheduled repayments of such bank borrowings and the directors of the Company do not consider that the banks will exercise their discretion to demand repayment so long as the Group continues to meet these requirements.

The Group would sell part of its financial assets at FVTOCI in order to improve the Group's financial position, liquidity and cash flows. In addition, the directors of the Company also consider several measures together with other measures in progress at the date of authorising the Interim Financial Statements which include taking stringent cost controls aiming at improving the working capital and cash flow position of the Group, equity fund raising and negotiating with certain bankers to obtain long-term banking facilities. In addition, the director of the Company proposed to conduct the rights issue on 16 June 2023 to raise additional capital with maximum gross proceeds of approximately HKD69,657,000 by way of a rights issue of up to 116,095,491 rights shares at the subscription price of HKD0.6 per rights share on the basis of one rights share for every one existing share of the Company, which is expected to be completed by 2023.

Taking into account of the above consideration and measures, the directors of the Company are satisfied that the Group will be able to meet its financial obligations when they fall due. Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the Interim Financial Statements on a going concern basis.

Should the Group be unable to continue as going concern, adjustments would have to be made to the Interim Financial Statements to write down the carrying amounts of assets to their recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, and to provide for any further liabilities which might arise. The effect of these adjustments has not been reflected in the Interim Financial Statements.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2023

## 3. ADOPTION OF NEW AND AMENDMENTS TO HKFRSS

### (a) Adoption of amendments to HKFRS – effective 1 January 2023

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2023 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
HKFRS 17	Insurance Contracts and the Related Amendments
Amendments to HKAS 12	International tax reform – Pillar Two Model Rules

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

### (b) New and amendments to HKFRSs that have been issued but not yet effective

The following new and amendments to HKFRSs have been issued but are not effective for the financial year beginning on 1 January 2023 and have not been early adopted by the Group:

Amendments to HKAS 1 (Revised)	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>2</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier finance arrangements <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS 16	Lease Liability in Sale and Leaseback <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>

<sup>1</sup> The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024.

Those new and amendments to HKFRSs that have been issued but are not yet effective are unlikely to have material impact on the Group's results and financial position upon application.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2023

## 4. REVENUE

Revenue represents the income received and receivable arising from the Group's operating activities including (i) high technology business; (ii) property investment; (iii) provision of financing services; (iv) securities trading and investment; (v) trading business and related services; and (vi) securities brokerage business during the six months ended 30 June 2023. An analysis of the Group's revenue for the six months ended 30 June 2023 is as follows:

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>HKD'000</b>	HKD'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Revenue</b>		
Revenue from contracts with customers within the scope of HKFRS 15 recognised at a point in time:		
Income from high technology business	<b>17,479</b>	10,335
Income from trading business and related services	–	3,543
Consultancy fee income from securities brokerage business	<b>450</b>	–
	<b>17,929</b>	13,878
Revenue from other sources:		
Rental income from property investment	<b>3,433</b>	3,715
Interest income from provision of financing services	<b>6,492</b>	11,269
Dividend income from securities trading and investment	<b>830</b>	–
Interest income from debt instrument	<b>213</b>	213
	<b>10,968</b>	15,197
	<b>28,897</b>	29,075
<b>Net realised (loss)/gain from securities trading and investment</b>	<b>(4,483)</b>	33

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2023

## 5. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision makers (the “CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the executive directors of the Company have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable and operating segments under HKFRS 8 are as follows:

- High technology business
- Property investment
- Provision of financing services
- Securities trading and investment
- Trading business and related services
- Investment in film industry
- Securities brokerage business

### Segment revenues and financial performance

The following is an analysis of the Group’s revenue and financial performance by reportable and operating segments:

	High technology business		Property investment		Provision of financing services		Securities trading and investment		Trading business and related services		Investment in film industry		Securities brokerage business		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue																
- External sales	17,479	10,335	3,433	3,715	6,492	11,269	1,043	213	-	3,543	-	-	450	-	28,897	29,075
Segment financial performance	2,908	(6,692)	(22,512)	(4,165)	26,974	10,344	(52,665)	(4,332)	(688)	1,400	-	(1)	(83)	(461)	(46,066)	(3,907)
Unallocated corporate income															1,098	81
Unallocated corporate expenses															(10,321)	(2,737)
Share of loss of an associate															-	(8)
Share-based payment expenses															-	(848)
Unallocated finance cost															(1,781)	(12)
Loss before income tax															(57,070)	(7,431)

The accounting policies of the operating segments are the same as the Group’s accounting policies. Segment financial performance represents the loss incurred by each segment without allocation of certain administration costs, directors’ emoluments, other income, share of loss of an associate, share-based payment expenses and certain finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2023

## 5. SEGMENT INFORMATION *(Continued)*

### Segment assets and liabilities

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

	<b>30 June 2023</b>	31 December 2022
	<b>HKD'000</b>	HKD'000
	<b>(Unaudited)</b>	(Audited)
<b>Segment assets</b>		
High technology business	<b>20,791</b>	36,591
Property investment	<b>820,709</b>	844,532
Provision of financing services	<b>254,490</b>	242,863
Securities trading and investment	<b>100,365</b>	186,894
Trading business and related services	<b>1,140</b>	2,070
Securities brokerage business	<b>4,264</b>	36,037
Total segment assets	<b>1,201,759</b>	1,348,987
Unallocated corporate assets	<b>85,332</b>	23,524
Consolidated assets	<b>1,287,091</b>	1,372,511
<b>Segment liabilities</b>		
High technology business	<b>15,657</b>	47,321
Property investment	<b>206,453</b>	209,432
Provision of financing services	<b>4,446</b>	6,532
Securities trading and investment	<b>168,258</b>	166,768
Trading business and related services	<b>1,853</b>	2,075
Securities brokerage business	<b>85</b>	–
Total segment liabilities	<b>396,752</b>	432,128
Unallocated corporate liabilities	<b>49,346</b>	4,922
Consolidated liabilities	<b>446,098</b>	437,050

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than investment in corporate bond, rental deposit, certain right-of-use assets, certain other receivables and certain cash and bank balances; and
- all liabilities are allocated to operating segments other than certain lease liabilities and certain accruals and other payables.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2023

## 6. FINANCE COSTS

	Six months ended 30 June	
	2023 HKD'000 (Unaudited)	2022 HKD'000 (Unaudited)
Interest expenses on bank borrowings	5,635	3,717
Interest expenses on other borrowings	2,314	2,717
Interest expenses on leases liabilities	123	56
Interest expenses on government loans	–	193
Interest expenses on bond payable	1,671	–
	<b>9,743</b>	<b>6,683</b>

## 7. LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging/(crediting):

	Six months ended 30 June	
	2023 HKD'000 (Unaudited)	2022 HKD'000 (Unaudited)
Directors' and chief executive's emoluments, including share-based payment expenses of nil (six months ended 30 June 2022: HKD97,000)	1,633	1,636
Other staff costs, including share-based payment expenses of nil (six months ended 30 June 2022: HKD751,000)	4,483	5,357
Contributions to retirement benefits scheme	176	230
Total staff costs	<b>6,292</b>	<b>7,223</b>
Auditor's remuneration – Non-audit services	300	388
Cost of inventories recognised as expenses	17,449	11,997
Depreciation of property, plant and equipment	232	129
Depreciation of right-of-use assets	1,316	177
Direct operating expenses arising from investment properties that generated rental income during the period	389	271
Direct operating expenses arising from investment properties that did not generate rental income during the period	4	111
Expenses relating to short-term leases	–	204
Loss on disposal of property, plant and equipment, net	70	–
(Reversal of)/provision for credit loss allowances on loan and interest receivables, net	(6,933)	388
Reversal of credit loss allowance on trade and other receivables, net	(11,079)	(38)
Reversal of expected credit loss on loan commitment	(2,086)	–

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2023

## 8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2023 HKD'000 (Unaudited)	2022 HKD'000 (Unaudited)
Current tax:		
– Hong Kong Profits Tax	–	–
– The People's Republic of China (the "PRC") Enterprise Income Tax ("EIT")	87	–
– Withholding tax	–	87
	87	87
Deferred tax charged/(credited) to profit or loss	3,454	(54)
Income tax expense	3,541	33

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdiction in which members of the Group are domiciled and operated.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax under these jurisdictions during the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

Under the two-tiered profits tax rates regime in Hong Kong, the first HKD2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HKD2,000,000 will be taxed at 16.5%. The assessable profits of group entities that are not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

No Hong Kong Profits Tax has been provided for the six months ended 30 June 2023 and 2022, as the Group has no assessable profits derived in Hong Kong during the six months ended 30 June 2023 and 2022.

The PRC EIT has been provided at the rate of 25% (six months ended 30 June 2022: 25%) on the taxable profits of the Group's subsidiaries in the PRC during the six months ended 30 June 2023. Certain subsidiaries of the Group, which are qualified small and micro-sized enterprises ("SMEs") under Caishui [2019] No.13, are eligible for certain tax reduction.

The withholding tax is calculated at the rate of 10% (six months ended 30 June 2022: 10%) on total rental income derived prevailing in the PRC jurisdiction for the six months ended 30 June 2023.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2023

## 9. DIVIDEND

The directors of the Company do not recommend for payment of a dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

## 10. LOSS PER SHARE

The calculation of basic loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2023	2022
	HKD'000	HKD'000
	(Unaudited)	(Unaudited)
Loss for the period attributable to the owners of the Company for the purpose of basic loss per share	<b>(59,810)</b>	(5,450)

### Number of shares

	Six months ended 30 June	
	2023	2022
	'000	'000
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of basic loss per share	<b>116,095</b>	65,806

The computation of diluted loss per share for the six months ended 30 June 2023 and 2022 did not assume the exercise of the Company's outstanding share options since it would result in a decrease in the loss per share. Therefore, the amount of diluted loss per share is the same as the amount of basic loss per share for the six months ended 30 June 2023 and 2022.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2023

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

During the six months ended 30 June 2023, the Group acquired property, plant and equipment by cash consideration of approximately HKD853,000 (six months ended 30 June 2022: Nil).

During the six months ended 30 June 2023, the Group disposed of property, plant and equipment due to disposal of subsidiaries amounting to approximately HKD1,067,000 (six months ended 30 June 2022: Nil).

During the six months ended 30 June 2023, the Group did not have any addition right-of-use assets. (six months ended 30 June 2022: Nil).

The fair value of the Group's investment properties at 30 June 2023 and 31 December 2022 have been arrived at on the basis of a valuation carried out by CBRE Advisory Hong Kong Limited and CBRE Limited respectively (collectively as "**CBRE**"), a firm of independent qualified professional valuers, which is not connected to the Group. CBRE has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

The fair value of investment properties was estimated using market comparison approach. Fair values are based on prices for recent market transaction in similar properties with significant adjustments for differences in the location or condition of the Group's investment properties. These adjustments are based on unobservable inputs.

Fair value loss of approximately HKD21,854,000 (six months ended 30 June 2022: HKD4,400,000) of investment properties has been recognised in consolidated profit or loss for the six months ended 30 June 2023.

At 30 June 2023, the Group's investment property located in Hong Kong, with carrying amount amounting to approximately HKD291,000,000 (31 December 2022: HKD283,000,000), has been pledged to secure the bank borrowings and other borrowings granted to the Group (Notes 18 and 19). Another investment property located in Hong Kong, with carrying amount amounting to approximately HKD389,000,000 (31 December 2022: HKD377,000,000) has been pledged to secure the bank borrowings granted to the Group (Note 18) at 30 June 2023.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2023

## 12. INTEREST IN AN ASSOCIATE

	<b>30 June 2023 HKD'000 (Unaudited)</b>	31 December 2022 HKD'000 (Audited)
Cost of investment in an associate, unlisted	559	559
Share of accumulated losses of an associate	(559)	(559)
	-	-

On 8 October 2019, Smart Prosper Enterprises (International) Limited, a wholly-owned subsidiary of the Company, entered into an incorporation agreement with the independent third parties for the formation of 揚州越界未來健康科技有限公司 (“揚州越界”) and the Group subscribed for 30% equity interests of 揚州越界. The subscription consideration was equivalent to RMB1,980,000 (equivalent to approximately HKD2,135,000) (31 December 2022: RMB1,980,000 (equivalent to approximately HKD2,230,000)).

揚州越界 is principally engaged in trading and development of beauty and health product in the PRC. The Group explores opportunities in these core businesses to create long-term value for its shareholders. The Group considered it has significant influence over 揚州越界 due to the Group has the right to appoint 2 out of 5 directors of 揚州越界, representing 40% of the board of directors of 揚州越界.

As at 30 June 2023, the Group had paid RMB500,000 (equivalent to approximately HKD559,000) (31 December 2022: RMB500,000 (equivalent to approximately HKD559,000)) in aggregate for the registered capital of 揚州越界. As at 30 June 2023, the Group shall pay the remaining registered capital amounting to RMB1,480,000 (equivalent to approximately HKD1,596,000) (31 December 2022: RMB1,480,000 (equivalent to approximately HKD1,666,000)) within two years after the date of issuance of business license.

The particulars of the associate of the Group as at 30 June 2023 and 31 December 2022 were as follows:

Name	Particulars of registered capital	Place of establishment	Proportion of ownership interest attributable to the Group		Principal activities and place of operation
			30 June 2023	31 December 2022	
揚州越界	RMB6,600,000	The PRC	30%	30%	Trading and development of beauty and health product in the PRC

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2023

## 13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<b>30 June 2023 HKD'000 (Unaudited)</b>	31 December 2022 HKD'000 (Audited)
Listed securities, at fair value:		
Equity securities listed in Hong Kong	<b>26,194</b>	66,197

The below table reconciled the equity securities listed in Hong Kong:

	HKD'000
At 1 January 2023 (Audited)	66,197
Additions	706
Changes in FVTOCI	(40,709)
<b>At 30 June 2023 (Unaudited)</b>	<b>26,194</b>

The fair values of the listed equity securities investments were determined based on the quoted market closing prices on the Stock Exchange. During the six months ended 30 June 2023, no dividend was received from these investments (six months ended 30 June 2022: Nil).

At 30 June 2023, the Group's financial assets at FVTOCI, with carrying amount of approximately HKD26,194,000 (31 December 2022: HKD66,197,000), have been pledged to secure the other borrowings granted to the Group (Note 19).

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2023

## 14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30 June 2023 HKD'000 (Unaudited)</b>	31 December 2022 HKD'000 (Audited)
Listed securities held for trading, at fair value:		
Equity securities listed in Hong Kong	<b>67,028</b>	114,551
Securities bond issued by a PRC entity	<b>5,423</b>	5,482
	<b>72,451</b>	120,033

The below table reconciled the equity securities listed in Hong Kong:

	HKD'000
At 1 January 2023 (Audited)	120,033
Additions	32,137
Disposals	(35,385)
Changes in fair value and net realised loss from disposals	(44,334)
<b>At 30 June 2023 (Unaudited)</b>	<b>72,451</b>

The fair values of the equity securities listed in Hong Kong and unlisted securities bonds issued by a PRC entity as at 30 June 2023 and 31 December 2022 were determined based on the quoted market closing prices on the Stock Exchange for listed equity securities and over-the-counter market for securities bond. During the six months ended 30 June 2023, the dividends received from these securities and interest income from debt instrument were approximately HKD830,000 (six months ended 30 June 2022: Nil) and HKD213,000 (six months ended 30 June 2022: HKD213,000) respectively.

At 30 June 2023, the Group's financial assets at FVTPL with carrying amount of approximately HKD28,821,000 (31 December 2022: HKD63,995,000) have been pledged to secure the other borrowing granted to the Group (Note 19).

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2023

## 15. LOAN AND INTEREST RECEIVABLES

	<b>30 June 2023 HKD'000 (Unaudited)</b>	31 December 2022 HKD'000 (Audited)
Current	<b>184,378</b>	169,704
Non-current	<b>18,792</b>	30,758
	<b>203,170</b>	200,462
Representing:		
From money lending business (including interest receivables of approximately HKD13,558,000 (31 December 2022: HKD8,771,000)) (Note)	<b>227,728</b>	231,953
Less: Allowance of credit losses	<b>(24,558)</b>	(31,491)
	<b>203,170</b>	200,462

*Note:*

The loan receivables from 16 (31 December 2022: 17) independent borrowers bear fixed interest rates ranging from 5% to 7.7% (31 December 2022: from 5% to 7.7%) per annum and repayable according to the respective loan agreements. During the six months ended 30 June 2023, 4 (31 December 2022: 2) borrowers with loan receivables (net of allowance for credit loss) amounted to approximately HKD72,807,000 (31 December 2022: HKD56,373,000) in aggregate provided several properties and securities (31 December 2022: properties) to the Group as collateral with fair value amounting to approximately RMB38,800,000 (equivalent to approximately HKD41,842,000) and HKD14,003,000 respectively (31 December 2022: RMB38,800,000 (equivalent to approximately HKD43,879,000)) in aggregate. Central Wealth with loan and interest receivables (net of allowance for expected credit loss) amounted to approximately HKD93,147,000 (31 December 2022: HKD87,455,000) provided 65,356,000 shares (31 December 2022: 65,356,000 shares) of a company listed in Hong Kong to the Group as collateral with fair value amounting to approximately HKD379,718,000 (31 December 2022: HKD373,836,000). The loan receivables from the remaining 11 (31 December 2022: 14) borrowers with loan receivables (net of allowance for credit loss) amounted to approximately HKD37,216,000 (31 December 2022: HKD56,634,000) in aggregate are unsecured.

The maturity profile of these loan and interest receivables, net of credit loss allowances, at the end of the reporting period, analysed by the remaining periods to their contracted maturity, is as follows:

	<b>30 June 2023 HKD'000 (Unaudited)</b>	31 December 2022 HKD'000 (Audited)
On demand or within 1 year after the end of reporting period	<b>184,378</b>	169,704
More than one year, but not more than two years after the end of reporting period	<b>7,325</b>	19,664
More than two years, but not more than five years after the end of reporting period	<b>11,467</b>	11,094
	<b>203,170</b>	200,462

The loan receivables have been reviewed by the management of the Group to assess impairment which are based on the evaluation of collectability, ageing analysis of accounts and on management's judgement, including the current creditworthiness and the past statistics of individually significant accounts or a portfolio of accounts on a collective basis.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2023

## 16. TRADE, BILLS AND OTHER RECEIVABLES

	<b>30 June 2023 HKD'000 (Unaudited)</b>	31 December 2022 HKD'000 (Audited)
Trade receivables, gross	17,315	11,999
Less: Allowance for expected credit losses	(499)	(8,937)
Trade receivables, net ( <i>Note</i> )	16,816	3,062
Other receivables, gross	120,227	52,445
Less: Allowance for expected credit losses	(139)	(12,059)
Other receivables, net	120,088	40,386
Deposit and prepayment	2,027	24,196
Bills receivables	–	1,786
	138,931	69,430
Less: Rental deposit classified as non-current asset	(1,274)	(1,485)
	137,657	67,945

*Note:*

Trade receivables mainly comprise amounts receivable from high technology business and trading business and related services. No interest was charged on trade receivables.

The following is an ageing analysis of trade receivables, net of credit loss allowances, presented based on the invoice dates, which approximated the respective revenue recognition dates:

	<b>30 June 2023 HKD'000 (Unaudited)</b>	31 December 2022 HKD'000 (Audited)
0 – 30 days	16,226	643
31 – 90 days	590	290
91 – 180 days	–	653
181 – 360 days	–	473
Over 360 days	499	9,940
Less: Allowance for credit losses	(499)	(8,937)
	16,816	3,062

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2023

## 16. TRADE, BILLS AND OTHER RECEIVABLES (Continued)

Note: (Continued)

Movement of impairment loss allowance for trade receivables are as follows:

	<b>30 June 2023 HKD'000 (Unaudited)</b>	30 June 2022 HKD'000 (Unaudited)
At 1 January (Audited)	8,937	3,176
Increase in loss allowance recognised in consolidated profit or loss during the year	834	2,483
Reversal in loss allowance due to disposal of subsidiary	(9,272)	(2,521)
Exchange realignment	–	(136)
At 30 June (Unaudited)	499	3,002

## 17. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

	Notes	<b>30 June 2023 HKD'000 (Unaudited)</b>	31 December 2022 HKD'000 (Audited)
Trade payables	(i)	15,976	23,410
Government loans	(ii)	–	8,967
Other payables	(iii)	4,426	6,512
Accruals		8,495	11,625
Rental deposits received		1,479	1,504
		<b>30,376</b>	52,018

Notes:

### (i) Trade payables

The credit period granted by suppliers of the Group is ranging from 30 to 120 days (31 December 2022: 30 to 120 days) for the period. The ageing analysis of the trade payables based on invoice date is as follows:

	<b>30 June 2023 HKD'000 (Unaudited)</b>	31 December 2022 HKD'000 (Audited)
0-30 days	15,646	1,786
31-90 days	–	–
91-360 days	–	12,583
Over 360 days	330	9,041
	<b>15,976</b>	23,410

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2023

## 17. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES (Continued)

Notes: (Continued)

### (ii) Government loans

Government loans amounting to Nil (31 December 2022: RMB7,963,000 (equivalent to approximately HKD8,967,000)) represented the government loans received by certain PRC subsidiaries of the Company in prior years. The government loans were derecognised with disposal of a subsidiary during the six months ended 30 June 2023.

### (iii) Other payables

As at 30 June 2023, other payables included provision for expected credit loss on loan commitment amounted to approximately HKD4,426,000 (31 December 2022: HKD6,512,000) in relation to the undrawn loan commitment amounted to approximately HKD180,968,000 (31 December 2022: HKD185,968,000) granted to one (31 December 2022: two) borrower.

## 18. BANK BORROWINGS

	<b>30 June 2023 HKD'000 (Unaudited)</b>	31 December 2022 HKD'000 (Audited)
Secured bank borrowings	<b>282,096</b>	285,914
Represented by:		
Carrying amount of the bank borrowings that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	<b>192,855</b>	195,700
Carrying amount repayable within one year	<b>89,241</b>	90,214
	<b>282,096</b>	285,914

Bank borrowings due for repayment, based on the scheduled repayment terms set out in the borrowing agreements and without taking into account the effect of any repayment on demand clause are as follows:

	<b>30 June 2023 HKD'000 (Unaudited)</b>	31 December 2022 HKD'000 (Audited)
Within one year	<b>89,241</b>	90,214
More than one year, but within two years	<b>9,588</b>	10,440
More than two years, but within five years	<b>30,866</b>	33,181
More than five years	<b>152,401</b>	152,079
	<b>282,096</b>	285,914

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2023

## 18. BANK BORROWINGS (Continued)

The bank borrowings bear interest at the bank's HKD Prime Rate – 2.5% per annum, 2% per annum + HIBOR (1 month) or 2.5% per annum over HIBOR (1 week to 1 month) at 30 June 2023 (31 December 2022: the bank's HKD Prime Rate – 2.5% per annum, 2% per annum + HIBOR (1 month) or 2.5% per annum over HIBOR (1 week to 1 month)).

At 30 June 2023, the Group's bank borrowings are secured by the investment properties amounting to approximately HKD680,000,000 (31 December 2022: HKD660,000,000) (Note 11).

## 19. OTHER BORROWINGS

Other borrowings due for repayment, based on the scheduled repayment terms set out in the agreements and without taking into account the effect of any repayment on default clause are as follows:

	<b>30 June 2023 HKD'000 (Unaudited)</b>	31 December 2022 HKD'000 (Audited)
Within one year or on demand	<b>88,002</b>	86,669

The Group's other borrowings are secured by the following assets:

	Notes	<b>30 June 2023 HKD'000 (Unaudited)</b>	31 December 2022 HKD'000 (Audited)
Investment property	11	<b>291,000</b>	283,000
Financial assets at FVTOCI	13	<b>26,194</b>	66,197
Financial assets at FVTPL	14	<b>28,821</b>	63,995

The other borrowings are also guaranteed by the Company.

Partial of the other borrowings amounting to approximately HKD50,285,000 (31 December 2022: HKD49,542,000) are subject to the fulfilment of covenants, but certain covenants have not been fulfilled. The directors of the Company do not consider that it is probable that the securities brokers will exercise their discretion to demand immediate repayment. The directors of the Company believe that such other borrowings will be repaid in accordance with the scheduled repayment dates as determined by the agreements.

## 20. BOND PAYABLE

The Group issued a bond with maturity date on 4 January 2025 which bears a floating interest at 2.5% per annum over HKD Prime rate payable quarterly in arrears with a net carrying amount of approximately HKD43,871,000, of which approximately HKD1,671,000 was classified as accruals in current liabilities and HKD42,200,000 was classified as non-current liabilities as at 30 June 2023.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2023

## 21. SHARE CAPITAL

	Number of ordinary shares <i>(Note (i))</i>	Number of preference shares	Amount HKD'000
Ordinary shares of HKD0.02 each (before share consolidation) and HKD0.4 each (after share consolidation)			
Authorised:			
At 1 January 2022	12,474,000,000	26,000,000	250,000
Share consolidation <i>(Note (ii))</i>	(11,850,300,000)	(24,700,000)	–
At 31 December 2022 and 1 January 2023 (Audited)	623,700,000	1,300,000	250,000
<b>At 30 June 2023 (Unaudited)</b>	<b>623,700,000</b>	<b>1,300,000</b>	<b>250,000</b>
Issued and fully issued:			
At 1 January 2022 (audited)	1,093,921,858	–	21,878
Share consolidation <i>(Note (ii))</i>	(1,039,225,766)	–	–
Issuance of share upon rights issue and placing <i>(Note (iii))</i>	61,399,399	–	24,560
At 31 December 2022 and 1 January 2023 (Audited)	116,095,491	–	46,438
<b>At 30 June 2023 (Unaudited)</b>	<b>116,095,491</b>	<b>–</b>	<b>46,438</b>

### Notes:

- (i) All the ordinary shares which were issued by the Company rank pari passu with each other in all respects.
- (ii) On 15 December 2021, the director of the Company proposed to implement a share consolidation on the basis that every 20 issued and unissued shares of HKD0.02 each would be consolidated into one consolidated share of HKD0.4 each.
- Pursuant to an ordinary resolution passed on 21 February 2022, the share consolidation was approved by the shareholders of the Company and has become effective on 23 February 2022. Immediately after the share consolidation, the total number of issued shares of the Company was adjusted from 1,093,921,858 to 54,696,092.
- (iii) On 15 December 2021, the Company announced the proposed rights issue on the basis of three rights share for every two consolidated shares at the subscription price of HKD0.9 per right share. Pursuant to the placing agreement entered with an independent placing agent, Po Tai Securities (Hong Kong) Limited on 15 December 2021, the Company conditionally agreed to place through the placing agent for those unsubscribed rights shares at the placing price not less than the Subscription Price to the places who and whose ultimate beneficial owners are independent third parties.

The rights issue and the placing for those unsubscribed rights shares were completed on 20 May 2022, and 61,399,399 rights shares, including those unsubscribed rights shares issued through placing, were allotted and issued to the shareholders accordingly. The net proceeds after deducting the related expenses approximately HKD2,828,000, amounted to approximately HKD52,431,000. Accordingly, the Company's share capital increased by approximately HKD24,560,000 and the remaining balance of the net proceeds of approximately HKD27,871,000 was credited to the share premium account.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2023

## 21. SHARE CAPITAL *(Continued)*

*Notes: (Continued)*

- (iv) On 16 June 2023, the Company announced the proposed rights issue (the “**Rights Issue**”) on the basis of one rights share (the “**Right Share**”) for every one existing shares at the subscription price of HKD0.60 per Right Share. 116,095,491 Rights Shares are expected to be allotted and issued to the shareholders accordingly. The proposed Rights Issue is not yet completed as at the date of this report.

Details of the Rights Issue were set out in the Company’s announcements dated 16 June 2023, 13 July 2023 and 3 August 2023, and the Company’s circular dated 10 August 2023.

## 22. SHARE OPTION SCHEME

Particulars of the Company’s share option schemes adopted on 30 June 2021 (the “**Scheme 2021**”) are set out in Note 36(a) to the consolidated financial statements of the Group for the year ended 31 December 2022 dated 31 March 2023.

During the six months ended 30 June 2023, no share options were granted. All share options are fully amortised and no share options expenses included in the profit or loss for the six months ended 30 June 2022.

During the six months ended 30 June 2022, no share options were granted. 94,900,000 share options at the exercise price of HKD0.108 (4,881,511 share options with exercise price of HKD2.10 after the share consolidation effective on 23 February 2022 and rights issue completed on 20 May 2022 (the “**Share Consolidation and Rights Issue**”) were granted on 17 September 2021. The fair value of share options granted to directors and employees 17 September 2021 amounted to approximately HKD2,158,000, of which approximately HKD848,000 included in the profit or loss for the six months ended 30 June 2022.

At 30 June 2023, the weighted average remaining contractual life of these outstanding share options is approximately 0.21 year (31 December 2022: 0.68 year), with a weighted average exercise price of HKD2.10 (31 December 2022: HKD2.197) per share option. At 30 June 2023, the number of exercisable share options was 3,616,125 (31 December 2022: 4,608,888).

During the six months ended 30 June 2023, certain share options granted at 17 September 2021 were cancelled since the grantees are resigned as directors and employees of the Group.

During the six months ended 30 June 2022, the share options granted at 27 March 2020 are lapsed due to expire of exercise period and certain share options granted at 17 September 2021 were cancelled since the grantees are resigned as directors and employees of the Group.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2023

## 23. COMMITMENTS

### a) Operating lease – the Group as lessor

The Group leases its investment properties (Note 11) under operating lease arrangements, with leases negotiated for terms of ranging from 1 to 3 years (31 December 2022: 1 to 4 years). The terms of the leases also require the tenants to pay security deposits and provide for periodic rental adjustments according to the then prevailing market conditions.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum undiscounted lease payments:

	<b>30 June 2023 HKD'000 (Unaudited)</b>	31 December 2022 HKD'000 (Audited)
Within one year	7,792	4,838
Over one year but within two years	1,197	2,311
Over two years but within five years	449	534
	<b>9,438</b>	7,683

### b) Other commitment

#### **Unpaid share capital for 揚州越界**

For the 30% registered capital of RMB1,980,000 (equivalent to approximately HKD2,135,000) (31 December 2022: RMB1,980,000 (equivalent to approximately HKD2,230,000)) for 揚州越界, an associate of the Company, the Group shall pay the remaining amount of 30% registered capital amounting to RMB1,480,000 (equivalent to approximately HKD1,596,000) (31 December 2022: RMB1,480,000 (equivalent to approximately HKD1,667,000)) within two years after the date of issuance of business license on 16 October 2019.

For the unpaid registered capital, the directors of the Company considered that the risk to pay the penalty is remote and hence no provision for the penalty has been provided as at 30 June 2023 and 31 December 2022.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2023

## 24. MATERIAL RELATED PARTY TRANSACTIONS AND DISCLOSURES

### (a) Transactions with related parties

Save as disclosed elsewhere in the Interim Financial Statements, the Group had the following material transactions with related parties during the six months ended 30 June 2023:

- (i) During the six months ended 30 June 2023, 合肥哈工焊研威達自動化科技有限公司 (“合肥哈工焊研威達”), an indirectly non-wholly-owned subsidiary of the Company which disposed on 22 March 2023, outsourced the assembling work to and purchased Nil raw materials from 成都焊研威達科技股份有限公司 (“成都焊研威達”) of high technology business (six months ended 30 June 2022: RMB58,000 (equivalent to approximately HKD70,000)), in which 金雲龍 is the key management personnel of both 合肥哈工焊研威達 and 成都焊研威達.
- (ii) During the six months ended 30 June 2023, 合肥哈工廣泰數控科技有限公司 (“合肥哈工廣泰”), an indirectly non-wholly-owned subsidiary of the Company which disposed on 22 March 2023, purchased Nil inventory of high technology business from 成都廣泰威達數控技術股份有限公司 (“成都廣泰威達”) (six months ended 30 June 2022: RMB61,000 (equivalent to approximately HKD74,000)), in which 金雲龍 is the key management personnel of both 合肥哈工廣泰 and 成都廣泰威達.

### (b) Compensation to key management personnel

The remuneration for key management personnel of the Group, including directors and other members of key management, during the six months ended 30 June 2023 was as follows:

	Six months ended 30 June	
	2023 HKD'000 (Unaudited)	2022 HKD'000 (Unaudited)
Fees, salaries, bonuses and other benefits in kind	2,885	1,904
Contributions to retirement benefits scheme	66	37
Share-based payment expenses	–	203
	<b>2,951</b>	2,144

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2023

## 25. FAIR VALUE MEASUREMENT OF THE FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis.

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurement is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value as at		Fair value Hierarchy	Valuation technique(s) and key inputs	Significant unobservable inputs
	30 June 2023 HKD'000 (Unaudited)	31 December 2022 HKD'000 (Audited)			
Listed equity securities classified as financial assets at FVTOCI	26,194	66,197	Level 1	Quoted bid prices in an active market	N/A
A securities bond classified as financial assets at FVTPL	5,423	5,482	Level 2	Quoted bid price in over-the-counter market	N/A
Listed equity securities classified as financial assets at FVTPL	67,028	114,551	Level 1	Quoted bid prices in an active market	N/A

There were no transfers between Level 1, 2 and 3 in current period and prior year.

The directors of the Company considered that carrying amounts of financial assets and financial liabilities recognised in the Interim Financial Statements approximate their fair values.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2023

## 26. DISPOSAL OF SUBSIDIARIES

### For the six months ended 30 June 2023

Disposal of 合肥哈工焊研威達自動化科技有限公司 (“合肥哈工焊研威達”)

On 2 January 2023, a wholly-owned subsidiary of the Company, 合肥哈工威達智能裝備有限公司 (“智能裝備”) entered into a sale and purchase agreements with independent third parties, pursuant to which the 智能裝備 agreed to dispose of its 51% equity interest in 合肥哈工焊研威達 (representing the entire equity interest in 合肥哈工焊研威達 held by the Group) with an aggregate cash consideration of RMB1,500,000 (equivalent to approximately HKD1,617,000) (the “Disposal”). The Disposal was completed on 22 March 2023. As at 22 March 2023, 合肥哈工焊研威達 held 100% equity interest in 合肥哈工廣泰數控科技有限公司 (“合肥哈工廣泰”).

The principal activities of 合肥哈工焊研威達 and 合肥哈工廣泰 are manufacturing of intelligent industrial welding robots and equipment business in PRC.

The breakdown of consolidated assets/(liabilities) of 合肥哈工焊研威達 and 合肥哈工廣泰 as at 22 March 2023, the completion date of Disposal, and the consideration of Disposal are as follow:

	HKD'000
Inventories	7,246
Trade and other receivables	30,500
Tax recoverable	1
Cash and bank balance	389
Trade payables, accruals and other payables	(40,509)
Lease liabilities	(3,499)
Net liabilities of 合肥哈工焊研威達 and 合肥哈工廣泰 disposed of	(5,872)
Non-controlling interests ( <i>Note</i> )	2,877
Release of translation reserve	(226)
Gain on disposal of subsidiaries	4,838
Total consideration to be satisfied by cash	1,617

Cashflow movement in relation to the disposal during the six months ended 30 June 2023:

	HKD'000
Cash consideration received	1,617
Cash at bank disposed of	(389)
Net Cash inflow arising on Disposal	1,228

*Note:* The balance of non-controlling interest of approximately HKD2,877,000, representing the share capital and accumulated loss shared to the non-controlling shareholder.

## Other Information

### DIRECTORS' INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2023, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules were as follows:

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

Name of Directors	Capacity	Personal Interest	Other Interest (Note 1)	Total Interest	Percentage of the Company's issued share capital
Yu Qingrui	Beneficial owner	133,511	25,719	159,230	0.14%

Note:

1. These interests represent options granted to the Directors as beneficial owners under the share option scheme of the Company. Details of the interests of the Directors in the share options of the Company are disclosed in the section "Share Option Scheme" below.

Save as disclosed above, as at 30 June 2023, none of the directors or chief executive of the Company had registered an interest or short positions in the shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the Share Option Scheme and the Share Award Scheme disclosed below, at no time during the Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its holding companies, subsidiaries and fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

## SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 22 February 2012, the Company adopted a share option scheme (the “**Scheme 2012**”). Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 30 June 2021, the Scheme 2012 was terminated and a new share option scheme (the “**Scheme 2021**”) was adopted. The adoption of Scheme 2021 will not in any event affect the terms of the grant of such outstanding options that has already been granted under the Scheme 2012 and shall continue to be valid and subject to the provisions of Scheme 2012. The remaining life of the Scheme 2021, which will expire on 29 June 2031, is approximately less than 9 years from the date of this report.

During the Period, no share options were granted under the Scheme 2021. Details of the movements in the share options during the Period are as follows:

Grantee	Date of grant	Exercise price per share	Number of share options			As at 30.06.2023	Exercise period	Vesting date	
			As at 01.01.2023	Granted during the period	Exercised during the period				Lapsed during the period
<b>Directors</b>									
Yu Qingrui	21.05.2021	2.44	483,522	-	-	(483,522)	-	21.05.2021 – 20.05.2023	21.05.2021
	17.09.2021	2.10	25,719	-	-	-	25,719	17.09.2021 – 16.09.2023	16.03.2022
<b>Former director</b>									
Lau Fai Lawrence (Note 1)	17.09.2021	2.10	509,241	-	-	(509,241)	-	17.09.2021 – 16.09.2023	16.03.2022
<b>Director of a subsidiary</b>									
In aggregate	17.09.2021	2.10	1,527,723	-	-	-	1,527,723	17.09.2021 – 16.09.2023	16.03.2022
<b>Employees</b>									
In aggregate	17.09.2021	2.10	2,062,683	-	-	-	2,062,683	17.09.2021 – 16.09.2023	16.03.2022
<b>Total</b>			4,608,888	-	-	(992,763)	3,616,125		

*Notes:*

1. Mr. Lau Fai, Lawrence has resigned as an executive director on 1 July 2022.
2. The closing price of the shares immediately before 27 March 2020 was HKD0.56. The closing price of the shares immediately before 21 May 2021 was HKD0.123. The closing price of the shares immediately before 17 September 2021 was HKD0.105.

## Other Information

Apart from the above movements, no share options were granted, exercised, lapsed or cancelled under the share option scheme of the Company during the Period.

As at the date of this report, an aggregate of 3,616,125 shares are issuable for share options granted under the Scheme 2021, representing approximately 3.11% of the total number of issued shares of the Company. The weighted average remaining contractual life of these outstanding share options is approximately 0.22 year (31 December 2022: 0.68 year).

During the Period, no expense was recognised by the Group (six months period ended 30 June 2022: HKD848,000) in relation to share options granted by the Company.

### SHARE AWARD SCHEME

The Company adopted a share award scheme on 15 July 2015 (the “**Share Award Scheme**”). The purposes and objectives of the Share Award Scheme are to recognise the contributions by certain employees and persons to the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of and contribution to the Group.

The existing scheme mandate limit in respect of the granting of share awards under the Share Award Scheme has been refreshed at the annual general meeting of the Company held on 31 May 2018 which the total number of shares of the Company may be awarded under the Share Award Scheme shall not be exceed 10% of the shares of the Company in issue as at 31 May 2018. Notwithstanding the foregoing, the Company will not issue or grant any awarded shares under the Share Award Scheme which would result in the total number of the awarded shares together with shares which may be issued upon exercise of all outstanding share options granted but yet to be exercised under the share option scheme of the Company representing in aggregate over 30% of the Company’s shares in issue as at the date of such grant.

During the Period, no shares of the Company were purchased by the trustee of the Share Award Scheme pursuant to the terms of the trust deed of the Share Award Scheme (2022: Nil). No share award has been granted, vested, lapsed and cancelled during the Period.

### INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 June 2023, the following interests of more than 5% of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

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

Name of Shareholder	Capacity	Number of Shares	Percentage of the Company's issued share capital
Chu Mo Kwan	Beneficial owner	11,715,000	10.09%
Liu Mingzhong	Beneficial owner	11,320,000	9.75%
Tan Jinkang	Beneficial owner	11,220,000	9.66%
Yip Chun Tat	Beneficial owner	10,980,000	9.46%
Yang XuanZi	Beneficial owner	10,880,000	9.37%
哈爾濱工業大學(“哈工大學”) (Note)	Interest of controlled corporations	9,454,000	8.14%
哈爾濱工業大學資產投資經營有限責任公司(“哈工投資”) (Note)	Interest of controlled corporations	9,454,000	8.14%
嚴格集團股份有限公司(“嚴格集團”) (Note)	Interest of controlled corporations	9,454,000	8.14%
上海嚴格企賦科技服務有限公司(“上海嚴格”) (Note)	Interest of controlled corporations	9,454,000	8.14%
Ha Wu Industrial Hong Kong Investment Holding Co., Limited (“Ha Wu Industrial”)	Beneficial owner	9,454,000	8.14%
Fang Wen Wen	Beneficial owner	7,067,500	6.09%

Note:

Ha Wu Industrial has a security interest in 9,454,000 shares of the Company. Each of 哈工大學, 哈工投資, 嚴格集團 and 上海嚴格 is deemed to be interested in the 9,454,000 shares held by Ha Wu Industrial by reason of interests of controlled corporations within the meaning of Part XV of the SFO.

Save as disclosed above, the Company had not been notified of other relevant interests or short positions in the shares and underlying shares of the Company as at 30 June 2023 as required pursuant to section 336 of the SFO.

# Other Information

## 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 securities transactions by directors of the Company. Having made specific enquiry with the existing directors of the Company, all of them confirmed that they have complied with the required standards set out in the Model Code throughout the Period.

The Company also adopted a code with no less exacting terms than the Model Code to regulate dealings in the securities of the Company by certain employees of the Group who are considered to be likely in possession of inside information in relation to the Company or its securities.

## CORPORATE GOVERNANCE

The Company has complied with all code provisions of the Corporate Governance Code (the “**CG Code**”) throughout the Period as set out in Appendix 14 of the Listing Rules except for the following deviations:

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer (“**CEO**”) should be separate people and should not be performed by the same individual. During the Period, the roles of the chairman and the chief executive officer of the Company are not separate and both are performed by Mr. Liang Jian. The Board considers that this structure will not impair the balance of the power and authority between the Board and the management of the Company. The roles of the respective executive Directors and senior management, who are in charge of different functions complement the roles of chairman and chief executive officer. The Board believes that this structure is conducive to strong and consistent leadership which enables the Group to operate efficiently. The Board understands the importance of complying with the code provision C.2.1 of the Code and will continue to consider the feasibility of compliance. If compliance is determined, appropriate person will be nominated to take up the different roles of chairman and chief executive officer.

Code provision B.2.2 of the CG Code stipulates that non-executive directors should be appointed for a specific term. The independent non-executive directors were appointed with no specific term. All independent non-executive directors are subject to the requirement to retire by rotation at least once every three years. The Board considers that the requirement has the same effect of accomplishing the same objective as a specific term of appointment.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any shares of the Company during the Period.

## REVIEW OF INTERIM RESULTS

The unaudited interim results for the Period have been reviewed by the Audit Committee in compliance with Rule 3.21 of the Listing Rules and the relevant code provisions of the CG Code as set out in Appendix 14 to the Listing Rules.

By order of the Board  
**Future World Holdings Limited**  
**Liang Jian**  
*Chairman*

Hong Kong, 28 August 2023