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Great Wall Terroir
長城天下

Great Wall Terroir Holdings Limited
長城天下控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 524)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2023

The board (the “**Board**”) of directors (the “**Director(s)**”) of Great Wall Terroir Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries for the six months ended 30 June 2023.

FINANCIAL HIGHLIGHTS:

- Revenue amounted to approximately HK\$41.7 million (2022: approximately HK\$44.6 million).
- Gross profit amounted to approximately HK\$2.4 million (2022: approximately HK\$2.6 million).
- Loss for the period attributable to owners of the Company amounted to approximately HK\$12.9 million (2022: approximately HK\$11.6 million).
- Basic loss per share was approximately HK6.5 cents (2022: approximately HK7.3 cents).
- The Board does not recommend payment of any dividend for the six months ended 30 June 2023 (2022: nil).



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CORPORATE INFORMATION

BOARD OF DIRECTORS EXECUTIVE DIRECTORS

Cheung Siu Fai (*Chairman and Acting Chief Executive Officer*)
Hui Chun Wai Henry
Cheung Hung (*appointed with effect from 5 January 2023*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Fong Wai Ho
Chow Hiu Tung
Cheung Sze Ming

COMPANY SECRETARY

Leung Yung Yan

AUDITOR

Confucius International CPA Limited
Certified Public Accountants

LEGAL ADVISERS

Conyers Dill & Pearman (as to Bermuda laws)
Loeb & Loeb LLP (as to Hong Kong laws)

PRINCIPAL BANKERS

The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

Clarendon House
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Bermuda

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The Stock Exchange of Hong Kong Limited: 524

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BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Secretaries Limited
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Hong Kong



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

The board (the “**Board**”) of directors (the “**Director(s)**”) of Great Wall Terroir Holdings Limited (the “**Company**”) herein presents the unaudited interim results (the “**Interim Results**”) of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2023 (the “**Period**”), together with comparative figures for the corresponding period in 2022. The Interim Results are unaudited but have been reviewed by the audit committee (the “**Audit Committee**”) of the Company.

		Six months ended 30 June	
		2023	2022
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	<i>3</i>		
– Contracts with customers		40,987	43,906
– Leases		672	672
Total revenue		41,659	44,578
Cost of services		(39,286)	(41,983)
Gross profit		2,373	2,595
Other income, gains and losses	<i>4</i>	287	(2,337)
Selling and distribution expenses		(164)	(77)
Operation and administrative expenses		(14,524)	(10,892)
Loss allowances on			
– Trade receivables		(362)	(128)
– Other receivables		(29)	(645)
Write-off of other receivables		(209)	–
Net realised gain on financial assets at fair value through profit or loss (“ FVTPL ”)		–	59
Finance costs	<i>5(a)</i>	(166)	(97)
Loss before taxation	<i>5</i>	(12,794)	(11,522)
Income tax expense	<i>6</i>	(99)	(100)
Loss for the period attributable to owners of the Company		(12,893)	(11,622)
		HK cents	HK cents
			(restated)
Loss per share	<i>8</i>		
Basic and diluted		(6.5)	(7.3)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Loss for the period	(12,893)	(11,622)
Other comprehensive (expense) income for the period <i>Item that is or may be subsequently reclassified to profit or loss:</i>		
Exchange differences on translation of foreign subsidiaries	(23)	36
Other comprehensive (expense) income for the period	(23)	36
Total comprehensive expense for the period	(12,916)	(11,586)
Total comprehensive (expense) income for the period attributable to:		
Owners of the Company	(12,916)	(11,752)
Non-controlling interests	–	166
Total comprehensive expense for the period	(12,916)	(11,586)



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023

	Notes	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment		107	93
Right-of-use assets		7,612	–
Investment properties	9	51,400	51,400
Interest in associates		–	–
Designated fair value through other comprehensive income (“FVTOCI”)		1,910	1,910
Other receivables	10	1,020	395
		62,049	53,798
Current assets			
Trade and other receivables	10	17,522	6,132
Contract costs		–	37
Financial assets at FVTPL		11	11
Pledged bank deposits	11	602	598
Short-term bank deposits		–	9,000
Bank balances and cash		12,265	18,031
		30,400	33,809
Current liabilities			
Trade and other payables	12	31,841	21,196
Tax payables		203	125
Lease liabilities		3,314	1,376
		35,358	22,697
Net current (liabilities) assets		(4,958)	11,112
Total assets less current liabilities		57,091	64,910
Non-current liabilities			
Other payables	12	395	395
Lease liabilities		6,541	1,444
Deferred tax liabilities		204	204
		7,140	2,043
Net assets		49,951	62,867
Capital and reserves			
Share capital	13	19,693	19,693
Reserves		30,258	43,174
Total equity		49,951	62,867

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Attributable to owners of the Company											
	Reserves											Total equity HK\$'000 (Unaudited)
	Share capital HK\$'000 (Unaudited)	Share premium HK\$'000 (Unaudited)	Exchange reserve HK\$'000 (Unaudited)	Investment revaluation reserve (non-recycling) HK\$'000 (Unaudited)	Capital redemption reserve HK\$'000 (Unaudited)	Capital reserve HK\$'000 (Unaudited)	Contributed surplus HK\$'000 (Unaudited)	Accumulated losses HK\$'000 (Unaudited)	Total reserves HK\$'000 (Unaudited)	Sub-total HK\$'000 (Unaudited)	Non-controlling interests HK\$'000 (Unaudited)	
At 1 January 2023	19,693	360,630	787	(5,890)	25	(64)	83,489	(395,803)	43,174	62,867	-	62,867
Loss for the period	-	-	-	-	-	-	-	(12,893)	(12,893)	(12,893)	-	(12,893)
Other comprehensive expense for the period <i>Item that is or may be subsequently reclassified to profit or loss:</i> Exchange differences on translation of foreign subsidiaries	-	-	(23)	-	-	-	-	-	(23)	(23)	-	(23)
Total other comprehensive expense for the period	-	-	(23)	-	-	-	-	-	(23)	(23)	-	(23)
Total comprehensive expense for the period	-	-	(23)	-	-	-	-	(12,893)	(12,916)	(12,916)	-	(12,916)
As at 30 June 2023	19,693	360,630	764	(5,890)	25	(64)	83,489	(408,696)	30,258	49,951	-	49,951
At 1 January 2022	15,755	348,041	1,026	(5,736)	25	(64)	83,489	(372,601)	54,180	69,935	(3,387)	66,548
Loss for the period	-	-	-	-	-	-	-	(11,622)	(11,622)	(11,622)	-	(11,622)
Other comprehensive income (expense) for the period <i>Item that is or may be subsequently reclassified to profit or loss:</i> Exchange differences on translation of foreign subsidiaries	-	-	(130)	-	-	-	-	-	(130)	(130)	166	36
Total other comprehensive income (expense) for the period	-	-	(130)	-	-	-	-	-	(130)	(130)	166	36
Total comprehensive (expense) income for the period	-	-	(130)	-	-	-	-	(11,622)	(11,752)	(11,752)	166	(11,586)
As at 30 June 2022	15,755	348,041	896	(5,736)	25	(64)	83,489	(384,223)	42,428	58,183	(3,221)	54,962

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash used in operating activities	(13,551)	(11,365)
Investing activities		
Purchase of property, plant and equipment	(34)	(21)
Proceeds from disposal of property, plant and equipment	5	–
Proceeds from disposal of financial assets at FVTPL	–	207
Increase in pledged bank deposits	(6)	–
Decrease in short-term bank deposits	9,000	–
Net cash generated from investing activities	8,965	186
Financing activities		
Repayment of lease liabilities	(950)	(1,122)
Interest paid	(166)	(97)
Net cash used in financing activities	(1,116)	(1,219)
Net decrease in cash and cash equivalents	(5,702)	(12,398)
Cash and cash equivalents as at 1 January	18,031	30,663
Effect on exchange rate changes on cash and cash equivalents	(64)	(59)
Cash and cash equivalents as at 30 June, represented by bank balances and cash	12,265	18,206

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

1. GENERAL INFORMATION

Great Wall Terroir Holdings Limited is incorporated in Bermuda as an exempted company with limited liability and its ordinary shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the address of its principal place of business in Hong Kong is Room 1005, 10/F., Tower Two, Lippo Centre, No. 89 Queensway, Hong Kong. The principal activity of the Company is investment holding.

The condensed consolidated interim financial statements (the “**Interim Financial Statements**”) are unaudited, but have been reviewed by the Audit Committee.

The Interim Financial Statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company. In addition, the functional currencies of certain group entities that operate outside Hong Kong are determined based on the currency of the primary economic environment in which the group entities operate.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Interim Financial Statements of the Group for the Period are unaudited and have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS(s)**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and applicable disclosure requirements under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The Interim Financial Statements should be read in conjunction with the 2022 annual financial statements. The accounting policies adopted in preparing the Interim Financial Statements for the Period are consistent with those in the preparation of the Group’s annual financial statements for the year ended 31 December 2022.

In the current interim period, the Group has applied the following amendments to Hong Kong Financial Reporting Standards (“**HKFRS(s)**”) 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 Interim Financial Statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
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
Amendments to HKAS 12	International tax reform – Pillar Two model rules

The application of amendments to HKFRSs in the current period 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 the Interim Financial Statements.

Going concern

The Group incurred a net loss of approximately HK\$12,893,000 for the Period, and as at 30 June 2023, the Group had net current liabilities of approximately HK\$4,958,000. After taking into account a number of sources of finance available to fund its operations, the Directors are of the opinion that the Group would be able to continue as going concern as the Group has sufficient financial resources to support the operation of the Group in the foreseeable future. Accordingly, the Interim Financial Statements have been prepared on a going concern basis.

3. REVENUE AND SEGMENTAL INFORMATION

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue from contracts with customers		
Telecommunication services income	40,292	43,297
IT business income	695	609
	40,987	43,906
Revenue from leases		
Lease payments that are fixed under operating lease	672	672
	41,659	44,578

The revenue from contracts with customers within HKFRS 15 is disaggregated as follows:

	Telecommunication services		IT business		Total	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Six months ended 30 June						
Timing of revenue recognition:						
– at a point in time	37,114	38,991	–	287	37,114	39,278
– over time	3,178	4,306	695	322	3,873	4,628
	40,292	43,297	695	609	40,987	43,906

The Group's management, who are the chief operating decision-makers, determine the operating segments for the purposes of resource allocation and performance assessment. The business segments of the Group comprise telecommunication services, IT business and property investment.

Segment results represent the results before taxation earned by each segment without allocation of central operating and administrative expenses. All assets are allocated to reportable segments other than unallocated assets which are mainly designated FVTOCI, financial assets at FVTPL and bank balances and cash. All liabilities are allocated to reportable segments other than corporate liabilities.

Analyses of the Group's segmental information by business and geographical segments during the six months ended 30 June 2023 and 2022 are set out below.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

3. REVENUE AND SEGMENTAL INFORMATION *(continued)*

(a) By business segments

Segment results

Six months ended 30 June	Telecommunication services		IT business		Property investment		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue								
External sales	40,292	43,297	695	609	672	672	41,659	44,578
Results								
Segment results	(2,676)	(2,027)	(2,319)	175	664	666	(4,331)	(1,186)
Finance costs	-	-	(107)	-	-	-	(107)	-
	(2,676)	(2,027)	(2,426)	175	664	666	(4,438)	(1,186)
Unallocated other operating income and expenses							(8,356)	(10,336)
Loss before taxation							(12,794)	(11,522)

Segment assets and liabilities

	Telecommunication services		IT business		Property investment		Total	
	As at	As at	As at	As at	As at	As at	As at	As at
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2023	2022	2023	2022	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Assets								
Segment assets	20,480	7,282	8,461	212	52,506	52,836	81,447	60,330
Unallocated assets							11,002	27,277
Consolidated total assets							92,449	87,607
Liabilities								
Segment liabilities	(18,285)	(6,504)	(8,412)	(313)	(922)	(844)	(27,619)	(7,661)
Unallocated liabilities							(14,879)	(17,079)
Consolidated total liabilities							(42,498)	(24,740)

3. REVENUE AND SEGMENTAL INFORMATION *(continued)***(b) By geographical information**

The Group's operations are principally located in Hong Kong, the People's Republic of China (the "PRC") and Singapore. The following table provides an analysis of the Group's revenue from external customers by geographical market in which the operations are located:

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong	14,467	15,331
Singapore	22,214	29,247
PRC	4,978	–
	41,659	44,578

The following is an analysis of the carrying amounts of non-current assets (excluding financial instruments) by geographical area in which the assets are located:

	As at	As at
	30 June	31 December
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Hong Kong	60,109	51,870
Singapore	6	–
PRC	24	18
	60,139	51,888

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

4. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Interest income from bank	147	–
Gain on termination of lease arrangement	–	319
Government subsidy	91	238
Impairment loss on right-of-use assets	–	(3,491)
Gain on disposal of property, plant and equipment	5	–
Sundry income	44	597
	287	(2,337)

5. LOSS BEFORE TAXATION

Loss before taxation is stated after charging (crediting) the following:

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
(a) Finance costs		
Interest expenses on lease liabilities	166	97
(b) Other items		
Employee salaries and other benefits (including directors' emoluments)	6,589	5,838
Retirement benefit scheme contributions	346	221
Total staff costs	6,935	6,059
Gross rental income from investment properties	(672)	(672)
Less: direct operating expenses incurred for investment properties that generated rental income	1	1
	(671)	(671)
Cost of services	39,286	41,983
Depreciation of:		
– property, plant and equipment	19	9
– right-of-use assets	507	698
Lease expenses on short-term leases	127	126
Exchange loss, net	31	6

6. TAXATION

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for the six months ended 30 June 2023 and 2022.

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Current tax:		
Hong Kong Profits Tax		
Current period	(99)	(96)
Deferred tax:		
Current period	–	(4)
Total income tax expense	(99)	(100)

The Company's wholly-owned subsidiary in Singapore is subject to Corporate Income Tax at a rate of 17% (30 June 2022: 17%).

The subsidiary in the PRC is subject to PRC Enterprise Income Tax at 25% (30 June 2022: 25%).

7. INTERIM DIVIDEND

The Board does not recommend the payment of a dividend for the six months ended 30 June 2023 and 2022.

8. LOSS PER SHARE

The calculation of loss per share for the Period is based on the loss attributable to owners of the Company of approximately HK\$12,893,000 (30 June 2022: approximately HK\$11,622,000) and the number of shares of approximately 196,928,000 (30 June 2022 (restated): the weighted average number of shares of approximately 158,894,000) ordinary shares in issue during the Period.

Comparative figures for the weighted average number of ordinary shares for the six months ended 30 June 2022 for the purpose of basic loss per share has been adjusted retrospectively for rights issue on the basis of one (1) rights share for every four (4) shares held on the record date of 17 November 2022 and completed on 13 December 2022 (the "November 2022 Rights Issue"); and share consolidation on the basis that every ten (10) issued and unissued then existing shares be consolidated into one (1) consolidated share (the "Consolidated Share(s)") and completed on 9 June 2023 (the "Share Consolidation").

The Company has no dilutive potential ordinary shares in issue during the current and prior periods and, therefore, the diluted loss per share is the same as the basic loss per share for the periods presented.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

9. INVESTMENT PROPERTIES

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Fair value		
Balance at beginning of the period/year	51,400	53,000
Net decrease in fair value recognised in profit or loss	–	(1,600)
Balance at end of the period/year	51,400	51,400

The fair value of the Group's investment properties as at 30 June 2023 was determined by the Directors based on the direct comparison approach. The fair value of the Group's investment properties as at 31 December 2022 has been arrived at on the basis of a valuation on the direct comparison approach carried out on that date by Messer. Ravia Global Appraisal Advisory Limited, independent qualified professional valuers not connected to the Group.

The direct comparison approach uses prices and other relevant information generated by market transactions involving comparable properties. No change in fair value of investment properties has been recognised in profit or loss for the Period (30 June 2022: Nil).

The Group's investment properties are classified as Level 3 in the fair value hierarchy as at 30 June 2023 and 31 December 2022. There were no transfers into or out of Level 3 during the Period.

10. TRADE AND OTHER RECEIVABLES

	<i>Notes</i>	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Trade receivables			
Trade receivables from contracts with customers		16,753	4,166
Loss allowances on trade receivables		(1,215)	(856)
	<i>(a)</i>	15,538	3,310
Other receivables			
Deposits		1,494	866
Prepayments		763	977
Other debtors	<i>(b)</i>	4,862	5,747
Deferred lease receivables		312	360
		7,431	7,950
Loss allowances on other receivables		(4,427)	(4,733)
		3,004	3,217
Total trade and other receivables		18,542	6,527
Analysed for reporting purpose as:			
Current assets		17,522	6,132
Non-current assets		1,020	395
		18,542	6,527

Notes:

- (a) The Group's credit terms on sales mainly ranged from 30 to 90 days. Included in trade and other receivables are trade receivables (net of loss allowances) with the following ageing analysis by invoice date:

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Less than 1 month	10,167	1,391
1 to 3 months	4,018	730
More than 3 months but less than 12 months	761	772
More than 12 months	592	417
	15,538	3,310

- (b) Included in other debtors as at 30 June 2023 was a receivable of approximately HK\$4,304,000 (31 December 2022: approximately HK\$4,304,000) due from a third party which was arising from the proceeds from the disposal of financial assets at FVTPL in 2017. Full loss allowance has been provided in previous years.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

11. PLEDGED BANK DEPOSITS

As at 30 June 2023, the Group had pledged bank deposits amounting to approximately HK\$602,000 (31 December 2022: approximately HK\$598,000). At the end of the reporting period, bank guarantees of approximately HK\$155,000 (31 December 2022: approximately HK\$476,000) were issued to suppliers for operational requirements. The Directors do not consider it is probable that a claim will be made against the Group under these guarantees. The amounts utilised by the Group at the end of the reporting period under these guarantees were approximately HK\$155,000 (31 December 2022: approximately HK\$476,000), representing the outstanding amounts payable to these suppliers.

12. TRADE AND OTHER PAYABLES

	<i>Notes</i>	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Trade payables	<i>(a)</i>	11,131	4,200
Other payables			
Accrued charges and other creditors		13,632	10,053
Contract liabilities		1,148	1,013
Deposit received		495	495
Loans from former directors	<i>(b)</i>	5,710	5,710
Receipt in advance		120	120
		21,105	17,391
Total trade and other payables		32,236	21,591
Analysed for reporting purposes as:			
Current liabilities		31,841	21,196
Non-current liabilities		395	395
		32,236	21,591

Notes:

(a) Ageing analysis of trade payables by invoice date is summarised as follows:

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Less than 1 month	4,349	847
1 to 3 months	4,568	972
More than 3 months but less than 12 months	1,273	1,365
More than 12 months	941	1,016
	11,131	4,200

12. TRADE AND OTHER PAYABLES *(continued)**Notes: (continued)*

- (b) As at 30 June 2023 and 31 December 2022, the Group has outstanding loans from former directors Mr. Zhao Ruiyong (“**Mr. Zhao**”) of approximately HK\$2,378,000 and Mr. Cheung Ka Heng Frankie (“**Mr. Frankie Cheung**”) of approximately HK\$3,332,000, both of which loans are unsecured, unguaranteed, interest-free and repayable on demand.

13. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.1 (2022: HK\$0.01) each		
Authorised:		
Balance as at 1 January 2022, 31 December 2022, and 1 January 2023	12,000,000,000	120,000
Share Consolidation (<i>Note a</i>)	(10,800,000,000)	–
Balance as at 30 June 2023	1,200,000,000	120,000
Issued and fully paid:		
Balance as at 1 January 2022	1,575,420,000	15,755
Issue of new shares under the November 2022 Rights Issue (<i>Note b</i>)	393,855,000	3,938
Balance as at 31 December 2022 and 1 January 2023	1,969,275,000	19,693
Share Consolidation (<i>Note a</i>)	(1,772,347,500)	–
Balance as at 30 June 2023	196,927,500	19,693

Notes:

- (a) Pursuant to an ordinary resolution passed by shareholders at the annual general meeting of the Company held on 7 June 2023 (the “**2023 AGM**”), the Share Consolidation of every ten (10) issued and unissued then existing shares of HK\$0.01 each into one (1) Consolidated Share of HK\$0.1 each became effective on 9 June 2023. Details of the Share Consolidation are disclosed in the Company’s announcements dated 24 March 2023 and 8 June 2023 and circular dated 27 April 2023 respectively.
- (b) In December 2022, the Company allotted 393,855,000 new ordinary shares on the basis of one (1) rights share for every four (4) shares held on the record date of 17 November 2022 at a subscription price of HK\$0.045 per rights share. Details of the November 2022 Rights Issue are disclosed in the Company’s announcements dated 13 October 2022 and 12 December 2022 and prospectus dated 21 November 2022 respectively.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

14. RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2023 and 2022, the Group had the following transactions with a related party:

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Nature of transactions		
Income from office sharing from a related party	–	557

15. FAIR VALUE MEASUREMENTS

The following presents the Group's financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy as defined in HKFRS 13 *Fair Value Measurement*, with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

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

15. FAIR VALUE MEASUREMENTS *(continued)***(a) Assets measured at fair value**

	Level 1 HK\$'000 (Unaudited)	Level 2 HK\$'000 (Unaudited)	Level 3 HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
As at 30 June 2023				
Designated FVTOCI				
Unlisted equity securities	–	–	1,910	1,910
Financial assets at FVTPL				
Equity investments listed in Hong Kong	11	–	–	11
	11	–	1,910	1,921

	Level 1 HK\$'000 (Audited)	Level 2 HK\$'000 (Audited)	Level 3 HK\$'000 (Audited)	Total HK\$'000 (Audited)
As at 31 December 2022				
Designated FVTOCI				
Unlisted equity securities	–	–	1,910	1,910
Financial assets at FVTPL				
Equity investments listed in Hong Kong	11	–	–	11
	11	–	1,910	1,921

During the Period and the year ended 31 December 2022, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

15. FAIR VALUE MEASUREMENTS *(continued)*

(a) Assets measured at fair value *(continued)*

Description	Fair value at 30 June 2023 HK\$'000 (Unaudited)	Fair value at 31 December 2022 HK\$'000 (Audited)	Fair value hierarchy	Valuation techniques
Assets				
Financial assets at FVTPL				
– Equity investments listed in Hong Kong	11	11	Level 1	Quoted bid prices in an active market
Designated FVTOCI				
– Unlisted equity securities	1,910	1,910	Level 3	Adjusted net asset values as reported by management of investee companies

(b) Financial assets and liabilities carried at amortised cost

The carrying amounts of the financial assets and liabilities of the Group that are carried at amortised cost are not materially different from their fair values as at 30 June 2023 and 31 December 2022.

OVERVIEW

In the first half of 2023, the global economy had experienced a diminishing impact from the Coronavirus Disease 2019 (“**COVID-19**”) pandemic as an increasing number of countries had returned to normality after restrictions of business activities in varying degrees. In Singapore, in light of the low number of newly confirmed cases during the Period, the Government of Singapore had continued to relax certain precautionary measures such as mask-wearing on public transport and lifted all COVID-19 border restrictions in the first quarter of 2023. In Hong Kong, the society was heading towards a full return to normality. The Government of Hong Kong had relaxed the precautionary measures one after another including but not limited to lifting the restriction in relation to group gathering in public place, resumption of whole-day face-to-face classes in schools and lifting all mandatory mask-wearing requirements where citizens were no longer required to wear masks onboard a public transport carrier or in public place.

Despite the weakened impact from the COVID-19 pandemic, the recovery of global economy was still highly uncertain due to the ongoing geopolitical conflict between Russia and Ukraine and the tightening of monetary policies by major economies such as the United Kingdom and the United States in an attempt to combat the persistent inflationary pressure. The conflict between Russia and Ukraine had gradually strained the relationships between their neighbouring countries and even other countries who had aligned themselves with either side and disrupted the trade flows between Russia, Ukraine and other countries resulting in higher costs, especially the energy prices, reduction in supplies and disruption to certain businesses operation. In addition, the significant increase in interest rates, as a result of the tightening of monetary policies by major economies, also had a profound impact on the operating environment of businesses, causing a surge in borrowing costs and prompting businesses to reduce their investment activities. Higher costs of borrowing for individuals, such as higher mortgage rates or increased credit card interest rates, made people and businesses more cautious on consumption and reduce regular overheads and spending. Citizens in several European countries, fearful of the continuous conflict between Russia and Ukraine escalating into a full-blown war which would involve more nations, intended to save more and spend less. Amidst the challenges as stated above, the pace of global economic recovery had been further hindered.

Considering the pressure on the recovery of global economy, it was inevitable for both Singapore and Hong Kong to be affected by the same economic circumstances. According to the Ministry of Trade and Industry of Singapore and the Census and Statistics Department of Hong Kong, Singapore and Hong Kong experienced modest GDP growth of only 0.4% and 2.7% respectively in the first quarter of 2023, despite starting from low base figures compared to the previous year, which still fell significantly short of pre-pandemic level. Under the weak recovery of the economies of Singapore and Hong Kong, the demand for telecommunication services in Singapore and Hong Kong driven by business activities was likely to slow down in a short run. Against this backdrop, the Group’s revenue decreased by approximately 6.5% to approximately HK\$41.7 million for the Period, from approximately HK\$44.6 million for the preceding period.

The loss attributable to owners of the Company for the Period increased by approximately 11.2% to approximately HK\$12.9 million, from approximately HK\$11.6 million for the preceding period.

TELECOM BUSINESS

Revenue recorded from the telecom business, which comprised the telecommunication and related information technology businesses in Singapore, Hong Kong and the PRC (the “**Telecom Business**”), amounted to approximately HK\$40.3 million for the Period, representing a decrease of approximately 6.9% compared to approximately HK\$43.3 million for the preceding period mainly attributable to the decrease in revenue of both retail and wholesale voice telecommunication services of the Telecom Business.

Amid the pressure posed on the performance of the Telecom Business in recent years since the outbreak of the COVID-19 pandemic, the Group had been active in exploring new market opportunities to diversify the income stream of the Telecom Business in order to gain resilience against the cyclical downturn of the economy, and had to some extent succeeded in generating revenue growth over the last two years. During the Period, the Group had expanded its service offerings in the Telecom Business by engaging in provision of global positioning system (“**GPS**”) mobile connectivity solutions in the PRC automobile market and international SMS wholesale business.

TELECOM BUSINESS *(continued)*

GPS refers to a group of navigation satellites orbiting the Earth that transmit signals, and such signals can be used by a receiver device to triangulate its location. GPS technology is widely used in the business world, often bundled with other detection devices and mobile connectivity, in fleet management, taxi services and private cars monitoring. The demand for GPS vehicle positioning services had increased in recent years as more businesses took advantage of advance technology in terms of accuracy and reliability for navigation and location tracking. The Group expected such demand would continue to grow as technology kept evolving and more people embraced the benefits of GPS technology advancement as evidenced by the growing popularity of small tracking device like Apple AirTag. The Group intended to leverage its existing knowledge and relationship network in the telecommunications and information technology industry to capture the opportunities in the asset tracking services. The GPS services with mobile connectivity currently provided by the Group mainly included GPS vehicle positioning services and the distribution and installation of GPS vehicle terminal equipment (the “**GPS Services**”). The GPS Services tracked the locations of targeted vehicles in real-time to ensure the whereabouts and security of the targeted vehicles. Apart from vehicles positioning, our clients would also be instantly alerted of unusual circumstances associated with their vehicles or any attempt to tamper with the GPS vehicle terminal equipment. The Group started recording revenue of approximately HK\$5.0 million from the provision of the GPS Services during the Period.

Over the last few years, with the rapid development of e-Commerce businesses and the wide acceptance of social media platforms, there had been a resurgence in the use of SMS to facilitate two-factor authentication (2FA) for online transactions and log-ins and also for marketing and user interactions purposes. In order to capitalise on this increase in demand of SMS, the Group had decided to engaged in the SMS wholesale business and recorded a revenue of approximately HK\$3.4 million during the Period.

IT BUSINESS

Revenue recorded from the information technology business, which comprised the IT Services (as defined below) and E-Commerce Business (as defined below) (the “**IT Business**”), amounted to approximately HK\$0.7 million for the Period, representing an increase of approximately 16.7% compared to approximately HK\$0.6 million for the preceding period.

Revenue recorded from the IT services provided in Hong Kong, which mainly comprised the provision of one-stop information technology services, including but not limited to maintenance of point-of-sale system, installation of server and network equipment, security system and website maintenance (the “**IT Services**”), amounted to approximately HK\$0.7 million for the Period. The revenue from the IT Services for the Period increased by approximately 16.7% to approximately HK\$0.7 million, from approximately HK\$0.6 million for the preceding period.

Since the commencement of the IT Services in 2021, the Group had successfully built a strong relationship with its customers, enabling easier cross-selling of other value-added services to them. During the Period, the Group had completed most of the works of the two contracts for revamping the online e-shop and point-of-sale system with a total contract sum of approximately HK\$0.7 million which had been secured from its existing customers (the “**e-Shop Revamp Contracts**”). The revenue from the e-Shop Revamp Contracts for the Period was approximately HK\$0.4 million. There was no revenue recorded for the e-Shop Revamp Contracts in the preceding period as they were secured in the second half of the preceding year. As at 30 June 2023, an aggregate revenue of approximately HK\$0.5 million was recognised.

Other than the IT Services, the Group had actively worked on expanding the sources of revenue for the IT Business by developing an e-Commerce platform on wine, namely Winestry (the “**Platform**” or “**Winestry**”) which allows users of the Platform to buy and sell wine online (the “**E-Commerce Business**”), in light of the rapid development of e-Commerce business in Hong Kong and the potential growth in the wine market of Hong Kong. The Platform was launched and went live in April 2023 with more than 1,000 SKU now.

INVESTMENT PROPERTIES

The rental income from a property acquired by the Group in September 2021 (the “**Property**”) was approximately HK\$0.7 million for both the Period and the preceding period. The Property, located at Units Nos. 4 and 6 on 11th Floor of Block A, Sea View Estate, No. 2 Watson Road, Hong Kong, is an industrial property with a gross area of approximately 5,430 square feet. It is held under a medium-term lease. The Property is held for investment purpose and has been leased on operating leases.

INVESTMENT PROPERTIES *(continued)*

The fair value of the Property, which was determined by the Directors with reference to recent transaction prices of similar properties in the market, amounted to approximately HK\$51.4 million as at 30 June 2023. There was no change in the fair value of the Property for the Period as compared to the fair value of the Property as at 31 December 2022, which was also valued at HK\$51.4 million by an independent qualified professional valuer.

The Property is expected to generate stable income in the future and the Group may also benefit from any long-term capital appreciation of the Property.

OUTLOOK

The economic outlook of Singapore and Hong Kong for the second half of 2023 is uncertain, with the recovery of both economies struggling to gain momentum. In Singapore, the growth outlook for Singapore's economy has become more challenging and the Ministry of Trade and Industry only expects the GDP growth in 2023 to be 0.5% to 2.5%. In Hong Kong, although there is a sign of recovery in the economy after the society returning to normality in the post-pandemic era, the economy has continued to be impacted by the concerns of the recent migration flow and the not-as-expected consumption recovery after resumption of full customs clearance with the mainland. The recent migration flow in Hong Kong leads to loss of skilled workers, professionals, and entrepreneurs which damages the city's human capital and productivity in long term. Furthermore, the departure of high-net-worth individuals who hold significant assets may have implications for the real estate market leading to a potential decline in property prices which in turn has a negative impact on the economic growth and demand for all sorts of services including telecommunications of the city. Despite the resumption of full customs clearance in mainland, the number of mainland visitors to Hong Kong has not returned to its previous level, and their travel preferences have also undergone a shift, from shopping to in-depth travelling, resulting in weakening of the recovery in consumption. With the headwinds as described, the Group will remain vigilant and disciplined in our business decisions and adopt prudent strategies in our efforts to improve the Group's operating performance. This will be achieved through instituting targeted measures to enhance operational efficiency, and aligning our cost structure and capital investments with our projected business growth.

Regarding the Telecom Business, as both the retail and wholesale voice telecommunication segments continue to face fierce competition within the industry and other communication channels, the Group will strive to adopt prudent financial management and cost control measures to preserve its operating margin. On the other hand, the Group will continue its efforts to broaden its revenue base and product mix to deliver sustainable growth, by being less reliant on the voice telecommunication business, further penetrating into other IT-related sectors and capitalising on other opportunities to provide products and services to both telecommunications companies and IT companies. During the Period, the Group had broadened its range of services in the Telecom Business by providing GPS services in the PRC market and engaging in the international SMS wholesale business. The Group will keep on exploring new products offerings to supplement its existing portfolio with an aim of creating a well-balanced revenue stream.

The demand for IT Services is projected to increase as businesses focus on enhancing their digital capabilities and improving operational efficiency. The Group will leverage its existing technological expertise to take advantage of the opportunities arising from the growing demands in the IT industry. Apart from IT Services, the Group started its E-Commerce Business by establishing the Platform during the Period. With the mission of "Connecting people, who are potential buyers or sellers of wine, with wine through our Platform", the Group strives to provide a delightful one-stop shopping experience on wine to all Hong Kong people, from wine sourcing, order placement, payment collection, product delivery to post-sales customer services. Going forward, to further enhance the shopping experience of our customers, we will continue to expand our product mix of wine so that consumers can enjoy their favourite wine at ease as much as they can. If the business model is proven successful, we consider greater business opportunities for Winestry to extend to markets overseas. While the Platform is currently in its early stage, the Group anticipates that more resources will be invested in system enhancement and product offerings, which is an ongoing process to increase customer satisfaction.

The Group will actively look for new business opportunities to enhance its business diversification and deliver improved returns for the shareholders of the Company.

FINANCIAL REVIEW

REVENUE AND RESULTS

The revenue of the Group for the Period decreased by approximately 6.5% to approximately HK\$41.7 million, from approximately HK\$44.6 million for the preceding period. The revenue from the Telecom Business for the Period decreased by approximately 6.9% to approximately HK\$40.3 million, from approximately HK\$43.3 million for the preceding period. The decrease in revenue was mainly due to stiffer market competition resulting in customer churn, in particular in the retail segment of the business. The revenue from the IT Business for the Period increased by approximately 16.7% to approximately HK\$0.7 million, from approximately HK\$0.6 million for the preceding period, mainly due to the revenue recognised for the e-Shop Revamp Contracts during the Period. The rental income from the Property for both the Period and the preceding period were approximately HK\$0.7 million.

The gross profit of the Group for the Period decreased by approximately 7.7% to approximately HK\$2.4 million, from approximately HK\$2.6 million for the preceding period. The decrease in gross profit was in line with the decrease in revenue of the Group. The overall gross profit margin of the Group for the Period was approximately 5.7% (30 June 2022: approximately 5.8%), maintained at a similar level as compared to the preceding period.

Other income, gains and losses of the Group recorded from a net loss of approximately HK\$2.3 million for the preceding period to a net gain of approximately HK\$0.3 million for the Period. The change was mainly due to the absence of the impairment losses on the right-of-use assets of approximately HK\$3.5 million recognised in the preceding period as a result of the impairment assessment performed by the Group on the cash-generating units relating to the right-of-use assets which were underperforming.

Selling and distribution expenses of the Group for the Period increased by approximately 113.0% to approximately HK\$164,000, from approximately HK\$77,000 for the preceding period. The increase was mainly due to increase in staff costs on marketing and sales in the second quarter of 2023 in an attempt to reduce churn in the telecommunication services of the Telecom Business.

Operation and administrative expenses of the Group for the Period increased by approximately 33.0% to approximately HK\$14.5 million, from approximately HK\$10.9 million for the preceding period. The increase was mainly due to the increase in both consultancy fee and staff costs for managerial and administrative staff in an aggregate amount of approximately HK\$3.6 million for various purposes, including development and maintenance of Winestry and obtaining professional advice on evaluation of potential investment opportunities.

Finance costs of the Group for the Period were represented by the interest expenses on lease liabilities of approximately HK\$166,000, compared to approximately HK\$97,000 for the preceding period. The increase was due to the recognition of interest expenses on lease liabilities regarding the lease of an additional office which details were disclosed in the Company's announcement dated 31 March 2023.

As a result of the foregoing, the loss attributable to owners of the Company for the Period increased by approximately 11.2% to approximately HK\$12.9 million, from approximately HK\$11.6 million for the preceding period.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCING

As at 30 June 2023, the net assets of the Group amounted to approximately HK\$50.0 million, compared to approximately HK\$62.9 million as at 31 December 2022. The decrease in net assets was mainly due to the Group's operating loss for the Period.

As at 30 June 2023, the bank balances and cash (excluding pledged bank deposits) of the Group amounted to approximately HK\$12.3 million (31 December 2022: approximately HK\$18.0 million). The decrease was mainly due to the net effect of (i) net cash used in operating activities of approximately HK\$13.6 million, and (ii) the cash inflow from the maturity of the short-term bank deposits of HK\$9.0 million.

As at 30 June 2023, the pledged bank deposits of the Group amounted to approximately HK\$0.6 million (31 December 2022: approximately HK\$0.6 million). Bank guarantees of approximately HK\$0.2 million as at 30 June 2023 (31 December 2022: approximately HK\$0.5 million) were issued to suppliers for operation requirements.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCING *(continued)*

As at 30 June 2023, the loans from two former Directors amounted to approximately HK\$5.7 million (31 December 2022: approximately HK\$5.7 million). The loans from two former Directors are unsecured, unguaranteed and interest-free.

As at 30 June 2023, the Group's gearing ratio, measured on the basis of loans from former Directors as a percentage of net assets was approximately 11.4% (31 December 2022: approximately 9.1%). The higher gearing ratio was mainly due to the decrease in net assets of the Group as a result of the operating loss recorded by the Group for the Period.

As at 30 June 2023, the lease liabilities of the Group amounted to approximately HK\$9.9 million (31 December 2022: approximately HK\$2.8 million). The increase was mainly due to recognition of lease liabilities for the Period in relation to the lease of an additional office partly offset by repayment of lease liabilities for the Period.

On 7 June 2023, shareholders of the Company approved the consolidation of every ten issued and unissued then existing ordinary shares of the Company with par value of HK\$0.01 each into one Consolidated Share with par value of HK\$0.10 each. The Share Consolidation took effect on 9 June 2023. Immediately after the Share Consolidation becoming effective, the authorised share capital of the Company of HK\$120,000,000 were divided into 1,200,000,000 Consolidated Shares with par value of HK\$0.10 each, of which 196,927,500 Consolidated Shares were in issue. Further details of the Share Consolidation are set out in the announcements of the Company dated 24 March 2023 and 8 June 2023 and the circular of the Company dated 27 April 2023 respectively.

FOREIGN EXCHANGE EXPOSURE

The Group has certain assets, liabilities, and transactions which are denominated in Singapore dollars and Renminbi. The Group continues to closely monitor the exchange rates of each of Singapore dollar and Renminbi and will, whenever appropriate, take appropriate action to mitigate such exchange risks. As at 30 June 2023, no related currency hedges had been undertaken by the Group.

CAPITAL COMMITMENTS

As at 30 June 2023, the Group had no material capital commitments (31 December 2022: nil).

CONTINGENT LIABILITIES

As at 30 June 2023, the Group had no material contingent liabilities (31 December 2022: nil).

MATERIAL ACQUISITIONS AND DISPOSAL

There was no material acquisition or disposal of subsidiaries, associates and joint ventures during the Period.

ADDITIONAL INFORMATION

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

As at 30 June 2023, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, the "SFO") as required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules were as follows:

Interests in shares, underlying shares and debentures of the Company

Name of Director	Capacity	Number of Shares [#] interested	Approximate percentage of shareholding
Cheung Siu Fai ("Mr. Cheung")	Interest of a controlled corporation	135,589,342 (Note 1)	68.85% (Note 2)

[#] "Shares" means ordinary shares of HK\$0.10 each in the share capital of the Company.

Notes:

1. The 135,589,342 Shares are beneficially owned by Beta Dynamic Limited which is wholly and beneficially owned by Mr. Cheung. Mr. Cheung is also the sole director of Beta Dynamic Limited. Prior to the Share Consolidation which became effective on 9 June 2023, where every ten (10) issued and unissued then existing Shares were consolidated into one (1) Consolidated Share, 1,355,893,423 Shares were beneficially owned by Beta Dynamic Limited. As at 1 January 2023, the 1,355,893,423 Shares were also subject to stock borrowing arrangements between Beta Dynamic Limited (as lender) and Hammer Capital Ventures Limited (which is also wholly and beneficially owned by Mr. Cheung) (as borrower) pursuant to a securities borrowing and lending agreement dated 29 September 2022. On 6 February 2023, Hammer Capital Ventures Limited has returned the 1,355,893,423 Shares to Beta Dynamic Limited. After the Share Consolidation, on 28 June 2023, Beta Dynamic Limited has lent 70,000,000 Shares to Hammer Capital Ventures Limited. On 18 July 2023, Beta Dynamic Limited has further lent 65,589,342 Shares, in aggregate of 135,589,342 Shares, to Hammer Capital Ventures Limited.
2. The percentage of shareholding was calculated based on 196,927,500 Shares, being the total issued share capital of the Company as at 30 June 2023.

All interests disclosed above represent long positions in the shares of the Company and there were no underlying shares or debentures of the Company held by the Directors or the chief executives of the Company as at 30 June 2023.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(continued)*

Interests in shares, underlying shares and debentures of associated corporations

Name of Director	Name of associated corporation	Capacity	Number of shares held by Director and the percentage of interests in the share capital of the associated corporation
Cheung Siu Fai	Beta Dynamic Limited <i>(Note 3)</i>	Beneficial owner	130,000 shares, 100%

Note:

3. Beta Dynamic Limited, which holds more than 50% of the total issued share capital of the Company, is the holding company of the Company and thus an associated corporation of the Company under the SFO.

All interests disclosed above represent long positions.

Save as disclosed above, as at 30 June 2023, none of the Directors or the chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 30 June 2023, the interests and short positions of the persons, other than the Directors or the chief executives of the Company, in the shares and underlying shares of the Company as required to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of shareholder	Capacity	Number of Shares [#] interested	Approximate percentage of shareholding
Beta Dynamic Limited	Beneficial owner	135,589,342 <i>(Note 1 above)</i>	68.85% <i>(Note 2 above)</i>

[#] "Shares" means ordinary shares of HK\$0.10 each in the share capital of the Company.

All interests disclosed above represent long positions in the shares of the Company.

Save as disclosed above, as at 30 June 2023, no other person, other than the Directors or the chief executives of the Company, had any interests or short positions in the shares and underlying shares of the Company as required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept under section 336 of the SFO or as otherwise notified to the Company.

UPDATE ON USE OF PROCEEDS FROM RIGHTS ISSUES

Rights Issue in May 2021

On 25 June 2021, the Company completed a rights issue of 262,570,000 rights shares at a subscription price of HK\$0.15 per rights share on the basis of one (1) rights share for every four (4) shares held by the qualifying shareholders on the record date of 31 May 2021 (the “**May 2021 Rights Issue**”), the remaining balance of the net proceeds from the May 2021 Rights Issue (the “**May 2021 Net Proceeds**”) was approximately HK\$5.7 million at the beginning of the Period. On 27 April 2023, the Board resolved to change the proposed use of the May 2021 Net Proceeds in the amount of approximately HK\$5.7 million from repayment of the interest-free amounts of approximately HK\$5.7 million in aggregate owing to two former non-executive Directors to general working capital purpose, details of which were disclosed in the announcement of the Company dated 28 April 2023. The originally intended use, revised intended use, actual use and remaining balance of the May 2021 Net Proceeds are set out below:

Breakdown	Originally intended use of the May 2021 Net Proceeds HK\$'million (approximately)	Revised intended use of the May 2021 Net Proceeds HK\$'million (approximately)	Actual use of the May 2021 Net Proceeds as at 30 June 2023 HK\$'million (approximately)	Remaining balance of the May 2021 Net Proceeds as at 30 June 2023 HK\$'million (approximately)	Progress
Repayment of loans and borrowings of the Group:					
– owing to Mr. Cheung	10.2 (<i>note 1</i>)	10.2	10.2	–	
– owing to a licensed money lending company which is an independent third party	5.1 (<i>note 2</i>)	5.1	5.1	–	
– owing to Mr. Frankie Cheung	3.3	–	–	–	– Reallocated to general working
– owing to Mr. Zhao	2.4	–	–	–	– capital on 27 April 2023.
General working capital, including operating and administrative expenses, salary and rental expenses	17.0	22.7	19.2	3.5	Reallocated from repayment of the interest-free amounts owing to two former non-executive Directors on 27 April 2023. To be utilised by September 2023.
	38.0	38.0	34.5	3.5	

Notes:

1. comprising of outstanding principal of HK\$10 million and unpaid interest accrued thereon at 12% per annum.
2. comprising of outstanding principal of HK\$5 million and unpaid interest accrued thereon at 15% per annum.



UPDATE ON USE OF PROCEEDS FROM RIGHTS ISSUES *(continued)*

Rights Issue in November 2021

On 6 December 2021, the Company completed a rights issue of 262,570,000 rights shares at a subscription price of HK\$0.10 per rights share on the basis of one (1) rights share for every five (5) shares held by the qualifying shareholders on the record date of 10 November 2021 (the “**November 2021 Rights Issue**”), the remaining balance of the net proceeds from the November 2021 Rights Issue (the “**November 2021 Net Proceeds**”) was approximately HK\$5.9 million at the beginning of the Period. On 5 July 2022, the Board resolved to change the proposed use of the November 2021 Net Proceeds in the amount of approximately HK\$7 million from funding future investment opportunities to financing the development and maintenance of the Platform, details of which were disclosed in the announcement of the Company dated 6 July 2022. The originally intended use, revised intended use, actual use and remaining balance of the November 2021 Net Proceeds are set out below:

Breakdown	Originally intended use of the November 2021 Net Proceeds	Revised intended use of the November 2021 Net Proceeds	Actual use of the November 2021 Net Proceeds as at 30 June 2023	Remaining balance of the November 2021 Net Proceeds as at 30 June 2023	Progress
	HK\$'million (approximately)	HK\$'million (approximately)	HK\$'million (approximately)	HK\$'million (approximately)	
Funding tender submissions, supplier deposits and other payments for projects awarded to the Group's telecommunications business	2.1	2.1	2.1	–	
Repayment of loan owing to Mr. Cheung	10.8 <i>(note 3)</i>	10.8	10.8	–	
General working capital, including operating and administrative expenses, salary and rental expenses	5.1	5.1	5.1	–	
Future investment opportunities	7.0	–	–	–	– Reallocated to the Platform on 5 July 2022.
The Platform	–	7.0	3.4	3.6	Reallocated from future investment opportunities on 5 July 2022. To be utilised by 2023.
	25.0	25.0	21.4	3.6	

Note:

- comprising of outstanding principal of HK\$10.5 million and unpaid interest accrued thereon at 9.8% per annum.

UPDATE ON USE OF PROCEEDS FROM RIGHTS ISSUES *(continued)*

Rights Issue in November 2022

On 13 December 2022, the Company completed a rights issue of 393,855,000 rights shares at a subscription price of HK\$0.045 per rights share on the basis of one (1) rights share for every four (4) shares held by the qualifying shareholders on the record date of 17 November 2022, the remaining balance of the net proceeds from the November 2022 Rights Issue (the “**November 2022 Net Proceeds**”) was approximately HK\$10.1 million at the beginning of the Period. The intended use, actual use and remaining balance of the November 2022 Net Proceeds are set out below:

Breakdown	Intended use of the November 2022 Net Proceeds HK\$'million (approximately)	Actual use of the November 2022 Net Proceeds as at 30 June 2023 HK\$'million (approximately)	Remaining balance of the November 2022 Net Proceeds as at 30 June 2023 HK\$'million (approximately)
Repayment of loan owing to Mr. Cheung	6.2 <i>(Note 4)</i>	6.2	–
Promotion and online marketing expenses of the Platform for sale and distribution of wine	0.1	0.1	–
Staff costs, save for the cost incurred for the Platform	6.2	6.2	–
Audit and other professional fees	1.2	1.2	–
Rental expenses	1.0	1.0	–
Other administrative expenses	1.8	1.8	–
	16.5	16.5	–

Note:

- comprising outstanding principal of HK\$6.0 million and unpaid interest accrued thereon at 9.8% per annum.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**Share Option Scheme**”) on 28 June 2018 which is valid and effective for a period of 10 years until 27 June 2028. The scheme mandate limit of the Share Option Scheme has been refreshed upon the shareholders’ approval at the annual general meeting of the Company held on 31 May 2022, which allowed the Company to grant up to 157,542,000 share options pursuant to the Share Option Scheme, details of which were disclosed in the Company’s circular dated 27 April 2022 and announcement dated 31 May 2022. Upon the Share Consolidation becoming effective on 9 June 2023, where every ten (10) issued and unissued then existing shares of the Company were consolidated into one (1) Consolidated Share, the maximum number of share options which can be granted under the Share Option Scheme amounts to 15,754,200, representing 8% of the issued shares of the Company as at the date of this report. A summary of the principal terms of the Share Option Scheme was set out in the circular of the Company dated 28 May 2018.

During the Period, no share option was outstanding or had been granted or agreed to be granted under the Share Option Scheme. No options were ever granted under the Share Option Scheme.

At the beginning and the end of the Period, the total number of share options that can be granted under the Share Option Scheme were 157,542,000 (shares of the Company before the Share Consolidation) and 15,754,200 (Consolidated Shares) respectively, which represented approximately 8% of the issued share capital of the Company at such dates.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board is committed to maintaining high standards of corporate governance in performing its obligations to act in the best interests of shareholders and enhance long-term shareholder value. Except for the non-compliance and deviations described below, the Directors are not aware of any information which would reasonably indicate that the Company is not, or was not at any time during the Period, acting in compliance with the code provisions (the “**Code Provision(s)**”) of the Corporate Governance Code (the “**Corporate Governance Code**”) set out in Appendix 14 to the Listing Rules.

Under Code Provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. No chief executive officer was appointed by the Company upon the resignation of Ms. Li Bing on 9 November 2020. With effect from 2 March 2021, Mr. Cheung has become the chairman of the Board and also assumed the role of acting chief executive officer of the Company until a suitable candidate is identified. The Board believes that vesting the roles of the chairman of the Board and the acting chief executive officer of the Company in Mr. Cheung will provide the Company with strong and consistent leadership and promote effective and efficient formulation and implementation of business decisions and strategies. The Board considers that such structure is in the best interests of the Company and its shareholders at this stage. The Board however will keep reviewing the current structure of the Group’s management from time to time and should a candidate with suitable knowledge, skill and experience be identified, the Company will make such nomination as appropriate to ensure that the roles of the chairman of the Board and the chief executive officer of the Company are performed by two separate individuals.

Pursuant to Code Provision F.2.2 of the Corporate Governance Code, the chairman of the board should attend the annual general meeting. Mr. Cheung, the chairman of the Board, was unable to attend the 2023 AGM due to other business engagements. Despite his absence, Mr. Cheung had reviewed all the documents of the 2023 AGM provided by the company secretary of the Company before the meeting, and all records and minutes of the 2023 AGM have been circulated to Mr. Cheung after the meeting for information. Mr. Hui Chun Wai Henry, an executive Director, who took the chair of the 2023 AGM, together with other members of the Board who attended the 2023 AGM was of sufficient calibre and knowledge for answering questions at the 2023 AGM.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirms that the Directors have complied with the required standard set out in the Model Code during the Period.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Period (30 June 2022: nil).

ASSET CHARGES

The Group had no material asset charges as at 30 June 2023 (31 December 2022: nil).

REVIEW OF INTERIM FINANCIAL STATEMENTS

The unaudited Interim Financial Statements of the Group for the Period have been reviewed by the Audit Committee before they were duly approved by the Board and the Board is of the opinion that such financial information has been prepared in accordance with the applicable accounting standards.

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

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

EVENTS AFTER THE REPORTING PERIOD

No significant event affecting the Group has occurred since the end of the Period and up to the date of this report.

CHANGES IN INFORMATION OF THE DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the Directors are set out below:

- (a) Mr. Cheung Hung, an executive Director, has been appointed as an independent non-executive chairman of Reach Energy Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 5256), since 29 March 2023; and
- (b) Mr. Chow Hiu Tung, an independent non-executive Director, has been appointed as an independent non-executive director of Reach Energy Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 5256), since 29 March 2023.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2023, the Group had 29 (31 December 2022: 25) employees, including Directors, in Hong Kong, Singapore and the PRC and its total staff costs for the Period were approximately HK\$6.9 million (30 June 2022: approximately HK\$6.1 million).

The Group's remuneration policies and structure have remained unchanged since the date of the 2022 annual report of the Company. The Share Option Scheme was adopted by the Company on 28 June 2018 as set out in the section headed "Share Option Scheme" on page 30 of this report.

ENVIRONMENTAL AWARENESS

Over the years, the Group has made considerable endeavours in reducing waste in the course of its operations. Since 2015, the Company has participated in the "Wastewi\$e Certificate" of the Hong Kong Green Organisation Certification, which is a recognition scheme established by, among others, the Environmental Protection Department and Environmental Campaign Committee to encourage Hong Kong businesses and organisations in adopting structured measures to reduce the amount of waste generated within their establishments or generated through the services and products they provide. For details, please refer to the section headed "The Company's Mission and Vision on Sustainability Commitment" of the Company's environmental, social and governance report incorporated in the 2022 annual report as issued and published on 26 April 2023.

By Order of the Board

Cheung Siu Fai

Chairman and Executive Director

Hong Kong, 24 August 2023



This announcement, containing the full text of the 2023 interim report of the Company, complies with the relevant requirements of the Listing Rules in relation to information to accompany preliminary announcements of interim results.

By Order of the Board
Great Wall Terroir Holdings Limited
Cheung Siu Fai
Chairman and Executive Director

Hong Kong, 24 August 2023

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Cheung Siu Fai (chairman), Mr. Hui Chun Wai Henry and Mr. Cheung Hung, and three independent non-executive Directors, namely Mr. Fong Wai Ho, Mr. Chow Hiu Tung and Mr. Cheung Sze Ming.