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GBA HOLDINGS LIMITED

GBA集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00261)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “**Board**”) of directors (the “**Directors**”) of GBA Holdings Limited (stock code: 261), a company incorporated in Bermuda with limited liability and the shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Company**” and together with its subsidiaries, the “**Group**”) announces its unaudited condensed consolidated interim results of the Company for the six months ended 30 June 2023 (the “**Current Period**”) together with the comparative figures for the six months ended 30 June 2022 (the “**Corresponding Period**”).

BUSINESS REVIEW

Property Business

During the period under review, we continued to focus on our property projects in Anshan, the Liaoning Province. The Group has three property projects in Anshan, of which two projects, namely “Landmark City” and “Evian Villa” have been completed. Most of the property units of these two projects have been sold.

The Group’s remaining project in Anshan is entitled “CCT Land-Jun Mansion”, which is currently under development. CCT Land-Jun Mansion is divided into six phases, consisting of Phases 1.1, 1.2, 1.3, 2.1, 2.2 and 3. Like our first two projects in Anshan, development of CCT Land-Jun Mansion has been well-received by home buyers. Phase 2.2 of this project is under development. The Property Business recorded revenue of approximately HK\$6.3 million for the six months ended 30 June 2023. This was attributable to sales of some of the remaining units of Landmark City and CCT Land-Jun Mansion.

Finance Business

During the period under review, we continued to be engaged in a money lender business in Hong Kong. We expect this business will continue to contribute stable stream of interest income to the Group. The finance business recorded interest income of approximately HK\$2.9 million for the six months ended 30 June 2023. We will explore opportunities to expand our finance business, including property mortgage, share mortgage, working capital financing and luxury goods financing.

Automobile Business

During the period under review, we continued the business of sale of automobile to diversify our revenue base. No revenue was generated from automobile business for the six months ended 30 June 2023. We will continue to develop this business.

Catering and Related Food Business

During the period under review, we commenced the catering business in March 2023 and related food business in June 2023. The catering and related food business recorded revenue of approximately HK\$11.4 million for the six months ended 30 June 2023. We will continue to develop this business.

Live Streaming Business

During the period under review, we have not yet commence this business of live streaming related and digital contents creation industry in the PRC and target started on this year to diversify our revenue base. No revenue was generated from live streaming business for the six months ended 30 June 2023.

OUTLOOK

Looking forward, the stabilization of the outbreak of novel coronavirus disease (“**COVID-19**”) cases, our business is expected to recover.

We will continue to look for new business opportunities to diversify our revenue base while continue to reduce our costs where possible.

FINANCIAL REVIEW

Revenue

The Group's revenue principally represented involved in the investment holding, development and sale of land and properties in the People's Republic of China (the "**PRC**") (the "**Property Business**"), the money lender business in Hong Kong (the "**Finance Business**"), the automobile business in Hong Kong (the "**Automobile Business**"), the catering and related food business in Hong Kong (the "**Catering and Related Food Business**") and the live streaming related sector and digital contents creation industry in the PRC (the "**Live Streaming Business**").

The revenue of the Group increased by approximately 120.4% from approximately HK\$9.3 million for the six months ended 30 June 2022 (the "**Corresponding Period**"), to approximately HK\$20.6 million for the six months ended 30 June 2023 (the "**Current Period**").

The Current Period, revenue of approximately HK\$6.3 million was mainly derived from sales of some of the remaining units of Lankmark City and CCT Land-Jun Mansion, whereas the revenue of approximately HK\$7.2 million for the Corresponding Period was largely attributable to the sales of the property units of Landmark City and Evian Villa. For the Current Period, the Property Business continued to be the Group's business segment in terms of revenue, contributing approximately 30.5% of the Group's total revenue. However, revenue from our Property Business remained stable in the Current Period.

The Finance Business contributed revenue of approximately HK\$2.9 million for the Current Period compared to approximately HK\$2.1 million for the Corresponding Period.

The Catering and Related Food Business contributed revenue of approximately HK\$11.4 million for the Current Period compared to nil for the Corresponding Period.

The Live Streaming Business has not yet commenced the business in the Current Period.

The PRC and Hong Kong is the only market region of the Group, contributing all of the Group's total revenue for the six months ended 30 June 2023 and 2022.

High Step Developments Limited ("**High Step**"), which holds an industrial property redevelopment project (the "**Project**") in Huizhou City, Guangdong Province represents a composite redevelopment of industrial properties in Huiyang District of Huizhou City, Guangdong Province, the PRC into residential properties, retail shops, car parks and ancillary schools.

COST OF SALES

The cost of sales primarily consists of direct cost including (i) construction materials and supplies and VAT for the property; and (ii) materials and supplies in catering and related food business. The cost of sales increased by approximately 117.1% from approximately HK\$6.4 million for the Corresponding Period to approximately HK\$13.8 million for the Current Period, which was mainly due to the increase in the direct cost in the Property Business and the direct cost in the Catering and Related Food Business.

GROSS PROFIT AND GROSS PROFIT MARGIN

The gross profit was approximately HK\$3.0 million for the Corresponding Period and the gross profit approximately HK\$6.7 million for the Current Period. The gross profit margin was approximately 31.7% for the Corresponding Period and the gross profit margin approximately 32.7% for the Current Period. The increase in our gross profit was mainly due to increase revenue in the Catering and Related Food Business.

OTHER INCOME

During the Current Period, the Group's other income decreased to approximately HK\$0.4 million from approximately HK\$3.1 million for the Corresponding Period. The decrease was mainly attributable to the decrease in the value added tax refund received by the Group during the period.

SHARE OF LOSS OF AN ASSOCIATE

During the Current Period, the Group recorded share of loss of an associate approximately HK\$1.4 million (six months ended 30 June 2022: nil).

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses consist primarily of advertising and sales agent fee. The selling and distribution expenses increased by approximately 289.5% from approximately HK\$1.7 million for the Corresponding Period to approximately HK\$6.4 million for the Current Period. The increase was mainly due to increase in the advertising.

ADMINISTRATIVE EXPENSES

Administrative expenses consist primarily of auditors' remuneration, depreciation, directors' remuneration, legal and professional fee and staff costs. The administrative expenses remained stable at approximately HK\$17.8 million for the Corresponding Period and approximately HK\$17.0 million for the Current Period.

LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

As a result of the foregoing, the Group recorded a loss attributable to owners of the Company of approximately HK\$16.8 million for the Current Period as compared to a loss attributable to owners of the Company of approximately HK\$14.1 million for the Corresponding Period, which was mainly due to the increase in selling and distribution expenses.

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has been maintaining its capital adequacy ratios during the period under review.

As at 30 June 2023, the Group had net current assets of approximately HK\$374.8 million (as at 31 December 2022: approximately HK\$507.9 million), of which the cash and cash equivalents were approximately HK\$5.3 million (as at 31 December 2022: approximately HK\$26.6 million). The Group's current ratio (current assets divided by current liabilities) as at 30 June 2023 is approximately 382.03% (as at 31 December 2022: approximately 776.47%).

The Group had bank overdraft approximately HK\$2.0 million as at 30 June 2023 (as at 31 December 2022: approximately HK\$2.1 million), reflecting a solid and healthy financial position of the Group.

The Group derives its working capital mainly from cash on hand and net cash used in operating activities. The Board expects that the Group will rely on net cash from operating activities and bank borrowings, if required, to meet future demand of working capital and capital expenditure, if any.

CAPITAL COMMITMENTS

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

TREASURY MANAGEMENT

The Group employs a conservative approach to cash management and risk control. To achieve better risk control and efficient fund management, the Group's treasury activities are centralised.

The objective of the Group's treasury policies is to minimise risks and exposures due to the fluctuations in foreign currency exchange rates and interest rates. In the Current Period, the Group did not have any interest rate risk as the Group did not have any bank borrowings. In the period under review, the Group did not have any significant foreign exchange exposure. We will continue to monitor our currency exposure but we have no intention to enter into any high-risk exchange derivatives.

ACQUISITIONS OF MATERIAL ASSOCIATES

The Group acquire of material associates during the period under review.

On 17 March 2023, Regal Fair Limited (“**RFL**”) entered into a sale and purchase agreement with Mr. Ma Hing Cheong (“**Mr. Ma**”), pursuant to which RFL agreed to acquire, and Mr. Ma agreed to dispose of, the entire equity interest in Charm Vision Enterprises Incorporated (“**CVEI**”), and the entire outstanding shareholder's loan owing by CVEI to Mr. Ma up to the date of completion, at the consideration of HK\$4.5 million (the “**Acquisition**”).

For the details in relation to the Acquisition, please refer to the announcement of the Company dated 17 March 2023.

Save as disclosed above, there were no other significant events subsequent to the six months ended and up to the date of this interim results announcement.

CHARGE ON ASSETS

As at 30 June 2023 and 31 December 2022, none of the Group's assets were pledged.

CONTINGENT LIABILITIES

As at 30 June 2023, the Group did not have any significant contingent liabilities (31 December 2022: nil).

EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group as at 30 June 2023 was 64 full-time and 13 part-time (31 December 2022: 38 full time). The Group's remuneration policy is built on principle of equality, motivating, performance-oriented and market-competitive remuneration package to employees. Remuneration packages are normally reviewed on an annual basis. Apart from salary payments, other staff benefits include mandatory provident fund contributions, medical insurance coverage and performance related bonuses. Share options may also be granted to eligible employees and persons of the Group. There were no share options outstanding as at 30 June 2023 (as at 31 December 2022: none share options outstanding) under the 2011 Scheme.

EVENTS AFTER THE REPORTING PERIOD

A special general meeting was held on 14 August 2023, at which, resolutions were proposed in related to (i) Share Consolidation of every four (4) issued and unissued shares of par value of HK\$0.01 each in the issued share capital of the Company be consolidated into one (1) consolidated share of HK\$0.04 each (the "**Share Consolidation**") in the issued and unissued share capital of the Company immediately upon the Share Consolidation becoming effective (the "**Consolidated Share(s)**"). Upon the Share Consolidation becoming effective, the Consolidated Shares will rank pari passu in all respects with each other in accordance with the Bye-laws. The Share Consolidation will not result in any change in the relative rights or proportionate interests of the holders of shares of the same class. Fractions of Consolidated Shares that arise from the Share Consolidation will not be allocated to the Shareholders otherwise entitled thereto and will be aggregated, sold and retained for the benefit of the Company; (ii) Change in Board lot size of 8,000 existing shares to 16,000 Consolidated Shares per board lot, Conditional upon the Share Consolidation becoming effective (the "**Change in Board Lot Size**"); and (iii) The Company proposes, subject to, among others, the Share Consolidation becoming effective, to implement the Rights Issue on the basis of four (4) Rights Shares for every five (5) Consolidated Shares held on the Record Date at the Subscription Price of HK\$0.12 per Rights Share, to raise gross proceeds of up to approximately HK\$52.9 million by way of issuing up to 441,230,640 Rights Shares (assuming there is no change in the number of Shares in issue from the Latest Practicable Date up to the Record Date, save for the Share Consolidation) to the Qualifying Shareholders. The Rights Issue will not be extended to the Non-Qualifying Shareholders.

For the details in relation to the Share Consolidation, Capital Reduction and Change in Board Lot Size and Rights Issue, please refer to the announcements of the Company dated 7 June 2023, 23 June 2023, 10 July 2023 and 24 July 2023 and the circular of the Company dated 24 July 2023.

Save as disclosed above, there were no other significant events subsequent to the period end and up to the date of this report.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the listed Shares during the six months ended 30 June 2023.

CORPORATE GOVERNANCE

The Company has always recognised the importance of the Shareholders' transparency and accountability. It is the belief of the Board that the Shareholders can maximise their benefits from good corporate governance. The Company is committed to maintaining and ensuring high standards of corporate governance in the interests of the Shareholders.

In the opinion of the Directors, the Company has complied with all the Code Provisions under the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules (the “**CG Code**”) throughout the six months period from 1 January 2023 to 30 June 2023, except for the minor deviations from the following Code Provisions of the CG Code:

Code Provision C.2.1: the roles of chairman of the Company (the “**Chairman**”) and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Detailed information of such deviations and their respective considered reasons as well as other information on the corporate governance practices of the Company have been disclosed in the corporate governance report contained in the 2022 annual report of the Company issued in April 2023 and will be disclosed in the 2023 interim report of the Company, which will be despatched to the Shareholders on or before 30 September 2023.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted its code of conduct regarding the securities transactions by the Directors on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry of all Directors, they confirmed that they have complied with the required standard set out in the Model Code adopted by the Company throughout the six months ended 30 June 2023.

REVIEW OF UNAUDITED INTERIM RESULTS

The audit committee of the Company has reviewed the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2023.

PUBLICATION OF THE UNAUDITED INTERIM RESULTS ANNOUNCEMENT AND UNAUDITED INTERIM REPORT

The unaudited interim results announcement of the Company for the six months ended 30 June 2023 is published on the website of the Company at www.gbaholdings.com/ and that of the Stock Exchange at www.hkexnews.hk. The 2023 interim report of the Company will be dispatched to the Shareholders and made available on the website of the Company and that of the Stock Exchange on or before 30 September 2023.

By Order of the Board
GBA HOLDINGS LIMITED
Ong Chor Wei
Chairman

Hong Kong, 28 August 2023

As at the date of this announcement, the executive Directors are Mr. Ong Chor Wei, Mr. Yuk Kai Yao and Ms. Lam Ka Lee and the independent non-executive Directors are Ms. Chan Sheung Yu, Ms. Wu Wai Shan and Mr. Leung Gar Gene Vincent.

INTERIM RESULTS

The Board is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2023 together with the comparative figures for the corresponding period in 2022 as follows:

Unaudited Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2023

	Notes	Six months ended 30 June	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
REVENUE	4	20,551	9,323
Cost of sales		<u>(13,822)</u>	<u>(6,366)</u>
Gross profit		6,729	2,957
Other income		411	3,103
Share of loss of an associate		(1,421)	–
Selling and distribution expenses		(6,442)	(1,654)
Administrative expenses		(16,954)	(17,798)
Other gains/(expenses), net		233	(558)
Financial costs		<u>(626)</u>	<u>(34)</u>
LOSS BEFORE TAX	5	(18,070)	(13,984)
Income tax	6	<u>(85)</u>	<u>(117)</u>
LOSS FOR THE PERIOD		<u>(18,155)</u>	<u>(14,101)</u>
LOSS FOR THE PERIOD ATTRIBUTABLE TO			
— owners of the company		(16,834)	(14,101)
— non-controlling interest		<u>(1,321)</u>	<u>–</u>
		<u>(18,155)</u>	<u>(14,101)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	8		
Basic and diluted		<u>(HK\$0.76 cents)</u>	<u>(HK\$0.77 cents)</u>

Unaudited Condensed Consolidated Statement of 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	(18,155)	(14,101)
Other comprehensive loss to be reclassified to profit or loss in subsequent period, net of tax:		
Exchange differences on translation of foreign operations	<u>(19,585)</u>	<u>(25,777)</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(37,740)</u>	<u>(39,878)</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO		
— owners of the company	(36,419)	(39,878)
— non-controlling interest	<u>(1,321)</u>	<u>—</u>
	<u>(37,740)</u>	<u>(39,878)</u>

Unaudited Condensed Consolidated Statement of Financial Position

30 June 2023

		30 June	31 December
		2023	2022
		HK\$'000	HK\$'000
	<i>Notes</i>	(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		26,868	201
Loan and interest receivable	<i>10</i>	70,000	–
Financial asset at fair value through profit or loss		168,000	168,000
Investment in an associate		–	2,500
Goodwill		7,833	5
		<hr/>	<hr/>
Total non-current assets		272,701	170,706
		<hr/>	<hr/>
Current assets			
Properties under development		106,383	94,978
Properties held for sale		284,981	311,463
Inventories	<i>9</i>	44,990	–
Trade receivables	<i>11</i>	2,341	25,740
Loan and interest receivable	<i>10</i>	13,393	79,070
Prepayments, other receivables and other assets		15,197	24,365
Financial assets at fair value through profit or loss		17,698	17,698
Pledged time deposit		3,000	3,020
Cash and cash equivalents		5,329	26,640
		<hr/>	<hr/>
Total current assets		493,312	582,974
		<hr/>	<hr/>
Total assets		<u>766,013</u>	<u>753,680</u>

Unaudited Condensed Consolidated Statement of Financial Position *(continued)*

30 June 2023

		30 June 2023	31 December 2022
		HK\$'000	HK\$'000
	<i>Notes</i>	(Unaudited)	(Audited)
EQUITY AND LIABILITIES			
Equity attributable to owners of the company			
Issued capital	12	22,062	22,062
Reserves		<u>614,822</u>	<u>656,538</u>
Total equity		<u>636,884</u>	<u>678,600</u>
Non-current liabilities			
Lease liabilities		<u>10,625</u>	–
Current liabilities			
Bank overdraft		1,967	2,103
Trade payables	13	36,740	35,680
Other payables and accruals		72,724	37,297
Lease liabilities		<u>7,073</u>	–
Total current liabilities		<u>118,504</u>	<u>75,080</u>
Total liabilities		<u>129,129</u>	<u>75,080</u>
Total equity and liabilities		<u>766,013</u>	<u>753,680</u>
Net current assets		<u>374,808</u>	<u>507,894</u>
Total assets less current liabilities		<u><u>636,884</u></u>	<u><u>678,600</u></u>

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Listing Rules and with Hong Kong Accounting Standards (“**HKAS**”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The unaudited condensed consolidated interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 31 December 2022 (the “**2022 Annual Report**”).

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those applied in the preparation of the Group’s 2022 Annual Report, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) for the first time for the Current Period’s financial information.

Amendments to HKAS 8

Definition of Accounting Estimates

The amendments did not have any impact on the financial position and performance of the Group.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products. For the Current Period, there were five reportable operating segments of the Group (the Corresponding Period: three reportable operating segments) as set out below:

- (a) the Property Business segment representing the development and sale of land and properties in PRC;
- (b) the Finance Business segment representing the money lender business in Hong Kong;
- (c) the Automobile Business segment representing the automobile business in Hong Kong;
- (d) the Catering and Related Food Business segment representing the restaurant and selling the related food products in Hong Kong; and
- (e) the Live Streaming Business segment representing the live streaming related and digital contents creation industry in the PRC.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except the finance costs, the equity-settled share option expense, the head office and corporate expenses are excluded from such measurement.

Segment assets exclude financial assets at fair value through profit or loss and corporate and other unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

3. OPERATING SEGMENT INFORMATION *(continued)*

For the six months ended 30 June 2023

	Property Business <i>HK\$'000</i> (Unaudited)	Finance Business <i>HK\$'000</i> (Unaudited)	Automobile Business <i>HK\$'000</i> (Unaudited)	Catering and Related Food Business <i>HK\$'000</i> (Unaudited)	Subtotal <i>HK\$'000</i> (Unaudited)	Reconciliation <i>HK\$'000</i> (Unaudited)	Group total <i>HK\$'000</i> (Unaudited)
Segment revenue:							
From external customers	6,258	2,903	-	11,390	20,551	-	20,551
Other revenue	-	-	-	-	-	-	-
	<u>6,258</u>	<u>2,903</u>	<u>-</u>	<u>11,390</u>	<u>20,551</u>	<u>-</u>	<u>20,551</u>
Operating (loss)/profit	(14,142)	2,862	-	(5,066)	(16,346)	-	(16,346)
Reconciled items:							
Corporate and other unallocated expenses	-	-	-	-	-	(1,724)	(1,724)
	<u>(14,142)</u>	<u>2,862</u>	<u>-</u>	<u>(5,066)</u>	<u>(16,346)</u>	<u>(1,724)</u>	<u>(18,070)</u>
(Loss)/profit before tax	(14,142)	2,862	-	(5,066)	(16,346)	(1,724)	(18,070)
Income tax	(85)	-	-	-	(85)	-	(85)
	<u>(14,227)</u>	<u>2,862</u>	<u>-</u>	<u>(5,066)</u>	<u>(16,431)</u>	<u>(1,724)</u>	<u>(18,155)</u>
Other segment information:							
Depreciation	<u>5</u>	<u>-</u>	<u>-</u>	<u>2,787</u>	<u>2,792</u>	<u>-</u>	<u>2,792</u>

3. OPERATING SEGMENT INFORMATION *(continued)*

For the six months ended 30 June 2022

	Property Business <i>HK\$'000</i> (Unaudited)	Finance Business <i>HK\$'000</i> (Unaudited)	Automobile Business <i>HK\$'000</i> (Unaudited)	Subtotal <i>HK\$'000</i> (Unaudited)	Reconciliation <i>HK\$'000</i> (Unaudited)	Group total <i>HK\$'000</i> (Unaudited)
Segment revenue:						
From external customers	7,249	2,074	-	9,323	-	9,323
Other revenue	-	-	-	-	-	-
	<u>7,249</u>	<u>2,074</u>	<u>-</u>	<u>9,323</u>	<u>-</u>	<u>9,323</u>
Operating (loss)/profit	(2,320)	1,685	-	(635)	-	(635)
Reconciled items:						
Corporate and other unallocated expenses	-	-	-	-	(13,349)	(13,349)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,349)</u>	<u>(13,349)</u>
(Loss)/profit before tax	(2,320)	1,685	-	(635)	(13,349)	(13,984)
Income tax	(117)	-	-	(117)	-	(117)
	<u>(117)</u>	<u>-</u>	<u>-</u>	<u>(117)</u>	<u>-</u>	<u>(117)</u>
(Loss)/profit for the period	(2,437)	1,685	-	(752)	(13,349)	(14,101)
	<u>(2,437)</u>	<u>1,685</u>	<u>-</u>	<u>(752)</u>	<u>(13,349)</u>	<u>(14,101)</u>
Other segment information:						
Depreciation	20	-	-	-	20	20
	<u><u>20</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>20</u></u>	<u><u>20</u></u>

3. OPERATING SEGMENT INFORMATION *(continued)*

As at 30 June 2023

	Property Business <i>HK\$'000</i> (Unaudited)	Finance Business <i>HK\$'000</i> (Unaudited)	Automobile Business <i>HK\$'000</i> (Unaudited)	Catering and related food Business <i>HK\$'000</i> (Unaudited)	Subtotal <i>HK\$'000</i> (Unaudited)	Reconciliation <i>HK\$'000</i> (Unaudited)	Group total <i>HK\$'000</i> (Unaudited)
Segment assets	403,592	83,393	44,404	39,368	570,757	-	570,757
Reconciled items:							
Corporate and other unallocated assets	-	-	-	-	-	195,256	195,256
Total assets	403,592	83,393	44,404	39,368	570,757	195,256	766,013
Segment liabilities	71,635	219	-	46,753	118,587	-	118,587
Reconciled items:							
Corporate and other unallocated liabilities	-	-	-	-	-	10,542	10,542
Total liabilities	71,635	219	-	46,733	118,587	10,542	129,129

As at 31 December 2022

	Property Business <i>HK\$'000</i> (Audited)	Finance Business <i>HK\$'000</i> (Audited)	Automobile Business <i>HK\$'000</i> (Audited)	Subtotal <i>HK\$'000</i> (Audited)	Reconciliation <i>HK\$'000</i> (Audited)	Group total <i>HK\$'000</i> (Audited)
Segment assets	429,175	79,085	25,740	534,000	-	534,000
Reconciled items:						
Corporate and other unallocated assets	-	-	-	-	219,680	219,680
Total assets	429,175	79,085	25,740	534,000	219,680	753,680
Segment liabilities	63,492	226	-	63,718	-	63,718
Reconciled items:						
Corporate and other unallocated liabilities	-	-	-	-	11,362	11,362
Total liabilities	63,492	226	-	63,718	11,362	75,080

3. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Mainland China and Hong Kong	<u>20,551</u>	<u>9,323</u>

The revenue information above is based on the final locations where the Group's products and properties were sold to customers.

(b) Non-current assets

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
	Hong Kong	<u>26,868</u>

The non-current assets information is based on the locations of the assets and excludes financial instruments and goodwill.

Information about major customers

For the six months ended 30 June 2023, revenue of approximately HK\$2.4 million in the Finance Business (six months ended 30 June 2022: approximately HK\$1.8 million) from one single customer contributed 10% or more of the Group's total revenue.

4. REVENUE

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts and interest income, and gross proceeds from the sale of properties during the period.

An analysis of revenue is as follows:

	Six months ended 30 June	
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
<i>Revenue from contracts with customers</i>		
Sale of properties	6,258	7,249
<i>Revenue from other sources</i>		
Interest income from loans receivable	2,903	2,074
<i>Revenue from customers</i>		
Catering and related food income	<u>11,390</u>	<u>–</u>
	<u>20,551</u>	<u>9,323</u>

Revenue from contracts with customers

(i) *Disaggregated revenue information*

For the six months ended 30 June 2023, the revenue from sale of properties of approximately HK\$6.3 million (six months ended 30 June 2022: approximately HK\$7.2 million), which was recognised at a point in time when the properties are transferred, was derived from the PRC.

(ii) *Performance obligations*

Sales of properties

The performance obligation is satisfied upon transfer of properties to the buyers and the Group has the present right to payment and the collection of the consideration is probable.

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Cost of sales	13,822	6,366
Depreciation	<u>2,792</u>	<u>20</u>

6. INCOME TAX EXPENSES

No Hong Kong profits tax has been provided for the six months ended 30 June 2023 and 2022 as the Group had no profits chargeable to Hong Kong profits tax during that periods. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current — Mainland China		
Mainland China land appreciation tax	85	117
Deferred tax	<u>—</u>	<u>—</u>
Total tax expenses for the period	<u>85</u>	<u>117</u>

7. DIVIDENDS

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

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic and diluted loss per share attributable to the ordinary equity holders of the Company is based on:

	Six months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Loss attributable to ordinary equity holders of the Company, used in basic and diluted loss per share calculation	<u>(16,834)</u>	<u>(14,101)</u>
	Number of shares	
	30 June 2023	30 June 2022
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation	<u>2,206,153,947</u>	<u>1,838,461,000</u>

Notes:

- (i) The weighted average number of ordinary shares used to calculate the basic and diluted loss per share for both years have been adjusted to reflect the share consolidation after the reporting period.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2023 and 2022 in respect of a dilution as the impact of the outstanding share options had an anti-dilutive effect on the basic loss per share amounts presented.

The denominators used are the same as those detailed above for both basic and diluted loss per share.

9. INVENTORIES

	30 June 2023	31 December 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Automobile stock	44,404	–
Catering and related food materials	586	–
	<hr/>	<hr/>
Total	<u>44,990</u>	<u>–</u>

10. LOAN AND INTEREST RECEIVABLE

	30 June 2023	31 December 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Loan receivables	82,000	80,500
Interest receivables	5,890	3,067
Provision on expect credit loss	(4,497)	(4,497)
	<hr/>	<hr/>
Total	<u>83,393</u>	<u>79,070</u>
	<hr/>	<hr/>
Less: Current portion	(13,393)	(79,070)
	<hr/>	<hr/>
Non-current portion	<u>70,000</u>	<u>–</u>

11. TRADE RECEIVABLES

An aging analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	30 June 2023		31 December 2022	
	(Unaudited)		(Audited)	
	<i>HK\$'000</i>		<i>HK\$'000</i>	
	Balance	Percentage	Balance	Percentage
Current to 30 days	<u>2,341</u>	<u>100</u>	<u>25,740</u>	<u>100</u>
	<u>2,341</u>	<u>100</u>	<u>25,740</u>	<u>100</u>

The trade receivables are receivables from catering and related food business in Hong Kong for the six months ended 30 June 2023.

12. SHARE CAPITAL

	30 June 2023	31 December 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Authorised:		
300,000,000,000 (31 December 2022: 300,000,000,000) ordinary shares of HK\$0.01 each	3,000,000	3,000,000
Issued and fully paid:		
2,206,153,200 (31 December 2022: 2,206,153,200) ordinary shares of HK\$0.01 each	<u>22,062</u>	<u>22,062</u>

13. TRADE PAYABLES

An aging analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2023		31 December 2022	
	(Unaudited)		(Audited)	
	<i>HK\$'000</i>		<i>HK\$'000</i>	
	Balance	Percentage	Balance	Percentage
Current to 30 days	16,018	43.6	–	–
31 to 60 days	1,331	3.6	637	1.8
Over 90 days	19,391	52.8	35,043	98.2
	<u>36,740</u>	<u>100</u>	<u>35,680</u>	<u>100</u>

The trade payables are non-interest bearing and are normally settled on credit terms between 30 days to 120 days.

14. EVENTS AFTER THE REPORTING PERIOD

A special general meeting was held on 14 August 2023, at which, resolutions were proposed in related to (i) Share Consolidation of every four (4) issued and unissued shares of par value of HK\$0.01 each in the issued share capital of the Company be consolidated into one (1) consolidated share of HK\$0.04 each (the “**Share Consolidation**”) in the issued and unissued share capital of the Company immediately upon the Share Consolidation becoming effective (the “**Consolidated Share(s)**”). Upon the Share Consolidation becoming effective, the Consolidated Shares will rank pari passu in all respects with each other in accordance with the Bye-laws. The Share Consolidation will not result in any change in the relative rights or proportionate interests of the holders of shares of the same class. Fractions of Consolidated Shares that arise from the Share Consolidation will not be allocated to the Shareholders otherwise entitled thereto and will be aggregated, sold and retained for the benefit of the Company; (ii) Change in Board lot size of 8,000 existing shares to 16,000 Consolidated Shares per board lot, Conditional upon the Share Consolidation becoming effective (the “**Change in Board Lot Size**”); and (iii) The Company proposes, subject to, among others, the Share Consolidation becoming effective, to implement the Rights Issue on the basis of four (4) Rights Shares for every five (5) Consolidated Shares held on the Record Date at the Subscription Price of HK\$0.12 per Rights Share, to raise gross proceeds of up to approximately HK\$52.9 million by way of issuing up to 441,230,640 Rights Shares (assuming there is no change in the number of Shares in issue from the Latest Practicable Date up to the Record Date, save for the Share Consolidation) to the Qualifying Shareholders. The Rights Issue will not be extended to the Non-Qualifying Shareholders.

For the details in relation to the Share Consolidation, Capital Reduction and Change in Board Lot Size and Rights Issue, please refer to the announcements of the Company dated 7 June 2023, 23 June 2023, 10 July 2023 and 24 July 2023 and the circular of the Company dated 24 July 2023.

Save as disclosed above, there were no other significant events subsequent to the period end and up to the date of this report.