

未來發展控股有限公司 Prosperous Future Holdings Limited

(incorporated in the Cayman Islands with limited liability)
Stock Code : 1259



2023
INTERIM REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Lau Ka Ho (*Chief Executive Officer*)
Mr. Chan Hoi Tik (*Chief Financial Officer*)

Non-executive Director

Mr. Sze Wine Him Jaime

Independent Non-executive Directors

Ms. Chan Sze Man
Mr. Ma Kwun Yung Stephen
Ms. Bu Yanan

BOARD COMMITTEES

Audit Committee

Ms. Chan Sze Man (*Chairman*)
Mr. Ma Kwun Yung Stephen
Ms. Bu Yanan

Nomination Committee

Ms. Chan Sze Man (*Chairman*)
Ms. Bu Yanan
Mr. Lau Ka Ho

Remuneration Committee

Mr. Ma Kwun Yung Stephen (*Chairman*)
Mr. Lau Ka Ho
Ms. Chan Sze Man

Executive Committee

Mr. Lau Ka Ho (*Chairman*)
Mr. Chan Hoi Tik

Investment and Credit Committee

Mr. Lau Ka Ho (*Chairman*)
Mr. Chan Hoi Tik

COMPANY SECRETARY

Mr. Li Kin Ping

AUDITOR

CCTH CPA Limited

PRINCIPAL BANKERS

Bank of Communications (Hong Kong) Limited
Bank of Communications Limited – Hong Kong Branch

STOCK CODE

1259

COMPANY WEBSITE

www.pfh.hk

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

17/F., Fung House,
Nos. 19-20 Connaught Road Central, Central,
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3,
Building D, P.O. Box 1586,
Gardenia Court, Camana Bay,
Grand Cayman, KY1-1100,
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

MANAGEMENT DISCUSSION AND ANALYSIS

The principal activity of Prosperous Future Holdings Limited (the “Company”) is investment holding. The subsidiaries of the Company are principally engaged in the provision of food and beverage services, provision of financial business, properties holding and investment holding. The Company and its subsidiaries are hereinafter referred to as the “Group”.

During the six months ended 30 June 2023 (the “Reporting Period”), the Group disposed its subsidiary engaged in temperature-controlled storage and ancillary services business. During the prior year ended 31 December 2022, the Group disposed certain subsidiaries that were engaged in businesses of manufacturing and sale of personal care products, compliance advisory services as well as finance leasing and factoring. All of these disposed businesses were presented as discontinued operations.

BUSINESS REVIEW

Continuing Operations

Provision of Food and Beverage Services

During the Reporting Period, the Group’s business segment of provision of food and beverage services business contributed a total revenue of approximately HK\$204.7 million to the Group, representing a decrease of about 5.8% over the same period of last year (30 June 2022: approximately HK\$217.4 million). The decrease in the turnover was mainly due to our strategy to refocus on sales of high margin products in response to the increasing competitive frozen meat consumption market in Hong Kong.

The provision of food and beverage services business recorded a segment profit of approximately HK\$4.8 million during the Reporting Period (30 June 2022: approximately HK\$5.1 million). The decrease in profit is mainly due to net foreign exchange loss incurred during the Reporting Period, as compared to net foreign exchange gain recorded in the same period of last year. The impact of foreign exchange is attributable to fluctuations of the US dollars relative to the Hong Kong dollars.

Provision of Financial Business

The Group’s business segment of provision of financial business includes securities investment, provision of professional services, securities brokerage, margin financing, advising on securities and asset management services, money lending and credit card issuing.

During the Reporting Period, the Group’s business segment of provision of financial business contributed a total revenue of approximately HK\$36.2 million to the Group (30 June 2022: approximately HK\$25.2 million), representing an increase of about 43.4% over the same period of last year.

The provision of financial business recorded a segment loss of approximately HK\$14.9 million during the Reporting Period (30 June 2022: approximately HK\$2.8 million).

Management Discussion and Analysis *(continued)*

– *Securities Investment Business*

The Group's securities investment includes investment in listed securities and private unlisted fund for long-term purposes which are classified as financial assets at fair value through other comprehensive income along with other unlisted investments which are classified as financial assets at fair value through profit or loss.

Both persistent geopolitical conflicts between Russia and Ukraine and the uncertainty of end of United States Federal Reserve interest rate hiking cycle weaken global investor sentiments in the first half of 2023. For the Reporting Period, our securities investment business did not record any net fair value gain on financial assets at fair value through profit or loss (30 June 2022: loss of approximately HK\$20.3 million) since we stay cautious on opening new position on securities trading.

As at 30 June 2023, the Group had a portfolio of securities investment of approximately HK\$34.2 million, which consisted of equity securities listed in Hong Kong of approximately HK\$12.4 million and unlisted investment funds of approximately HK\$21.8 million.

The securities investment business recorded a loss of approximately HK\$0.1 million (30 June 2022: approximately HK\$20.5 million).

– *Securities Brokerage, Margin Financing, Asset Management and Professional Services Business*

The Group currently provides brokerage services for securities, futures and other related products, margin financing as well as asset management services, to individuals and corporate clients. With a well-structured team of experienced professionals, the Group also offers fund administration and other relevant professional services to investment funds and corporates.

For the Reporting Period, amid soft demand this business recorded a total turnover of approximately HK\$36.0 million (30 June 2022: approximately HK\$44.9 million) due to decrease in income from provision of professional services and interest income derived from securities margin financing.

This business recorded a total loss of approximately HK\$5.1 million during the Reporting Period (30 June 2022: profit of approximately HK\$19.2 million). The turnaround from profit to loss is mainly attributable to the decrease in revenue as stated above and an impairment loss of trade receivables arising from margin financing.

An impairment loss of trade receivables arising from margin financing HK\$7.0 million (30 June 2022: Nil) was recognised during the Reporting Period.

Margin loans of two customers with the total gross carrying amount of approximately HK\$7.4 million were assessed as credit-impaired as at 30 June 2023. During the Reporting Period, the market price of listed securities pledged by those margin clients significantly declined, and they failed to fully make up the margin shortfall by providing sufficient monetary amount of additional collaterals or repayment. Accordingly forced sale of the relevant pledged securities of the clients' position in the open market were executed. Impairment provision with a total amount of approximately HK\$7.0 million was made for these two exposures at the end of the Reporting Period.

As at 30 June 2023, the gross value of outstanding trade receivables arising from margin financing is approximately HK\$4.0 million with interest rate of approximately 8.0% per annum and repayment on demand. Those trade receivables were secured by underlying equity securities amounted to approximately HK\$159.2 million. In the event of default or failure to repay any outstanding amounts by the debtors, the Group has the right to proceed with sale of collaterals. As at 30 June 2023, margin loans with gross carrying amount of HK\$7.4 million with interest rate of approximately 12.0% – 18.0% per annum and repayment on demand were assessed as credit-impaired due to margin shortfall as stated in the above paragraph. Those margin loans were unsecured at the end of the Reporting Period.

The Group will continue to provide tailor-made financial solutions and professional services in connection with financial products and funds to our clients in future.

– *Money Lending and Credit Card Business*

During the Reporting Period, as a step to reformulate the money lending business, the Group has pursued business development of credit card issuing.

Following the agreement entered between one of the world's largest card payment organization ("Card Payment Organization") and PFH Finance Limited ("PFH Finance"), an indirectly wholly-owned subsidiary of the Company, the Group is pursuing to develop the business of asset-backed credit cards in Hong Kong's consumer market. As a Card Payment Organization's authorized principal member, PFH Finance targets to issue the credit cards that allow consumers to apply for lines of credit with fewer typical qualifications such as income proof and credit scoring. Instead, customers may provide their assets (the "Underlying Assets"), in return for equivalent credit allowing customers to utilise their Underlying Assets as immediate spending power. The Underlying Assets will be put in escrow in PFH FinTech Limited ("PFH FinTech"), being an indirect wholly-owned subsidiary of the Company licensed as a Trust and Company Service Provider in Hong Kong by the Companies Registry. Eligible Underlying Assets shall be determined by PFH Finance in its sole discretion, all or part of which may include cryptocurrencies or virtual assets. The maximum credit granted to each customer is calculated in terms of the assessed market value of the Underlying Assets under the custody of PFH FinTech, with a cap determined by PFH Finance. Customers are granted with interest-free period of up to around 50 days, before interest will be imposed on the unrepaid balances after the relevant repayment due date. The effective interest rates charged on those unrepaid balances are ranging from 36.0% to 43.4% per annum.

The Group's money lending and credit card business recorded a turnover of approximately HK\$0.2 million (30 June 2022: approximately HK\$0.5 million) since the Group are switching its resources from money lending business to the credit card and other financial businesses with promising prospect. While we are focusing on the new business development for the credit card business, no additional loan was granted for our money lending business during the Reporting Period.

The provision of money lending and credit card business recorded a loss of approximately HK\$9.8 million (30 June 2022: approximately HK\$1.5 million). The increase was primarily due to the additional staff costs incurred which resulted from increase in headcount for our credit card business.

Management Discussion and Analysis *(continued)*

For money lending business, the Group has a total loan and interest receivables of approximately HK\$1.8 million, which consisted of 6 outstanding unsecured loans with average effective interest rate of approximately 21.5% per annum with terms ranging from 12 months to 48 months (the “Outstanding Loans”) as at 30 June 2023. All Outstanding Loans were granted to independent third parties of the Company. When the Group discovers that a borrower has become bankrupt, the Group will fully write off the loan and interest receivables of that borrower. No loan and interest receivables were written off during the Reporting Period.

As at 30 June 2023, the gross value of outstanding trade receivables arising from credit card business is approximately HK\$0.2 million. No impairment loss on credit card loan receivables was provided during the Reporting Period.

The Group accounts for its credit risk by providing for expected credit losses on a timely basis where appropriate. A reversal of impairment loss on loan and interest receivables of approximately HK\$0.8 million was recognised during the Reporting Period mainly due to the overall decrease in loan and interest receivables in the same period as there were more repayments made during the Reporting Period than loans granted.

Properties Holding

The Group currently holds certain industrial properties located at Cheung Sha Wan, Hong Kong and leased out some of these properties.

During the Reporting Period, the business segment of properties holding reported a revenue of approximately HK\$0.3 million (30 June 2022: Nil).

The properties holding business recorded a segment profit of approximately HK\$4.4 million (30 June 2022: loss of approximately HK\$4.2 million).

A reversal of impairment loss on properties for development of approximately HK\$4.0 million was recorded during the Reporting Period (30 June 2022: Nil).

The gain on change in fair value of investment properties of approximately HK\$0.8 million was recorded during the Reporting Period (30 June 2022: loss of approximately HK\$3.8 million).

Discontinued Operations

Personal Care Products

The Group's manufacture and sales of personal care products was conducted primarily through the Company's PRC indirectly wholly owned subsidiary, Frog Prince (Fujian) Baby & Child Care Products Co., Limited (青蛙王子(福建)婴童護理用品有限公司) (“Frog Prince (Fujian) Baby”). During the prior year ended 31 December 2022, the Group disposed its entire interest in Frog Prince (Fujian) Baby and ceased to engage in personal care products business upon the disposal.

During the Reporting Period, the Group's business segment of personal care products did not record any revenue. This business segment contributed a total revenue of approximately HK\$219.0 million and recorded a loss of approximately HK\$41.9 million for the period ended 30 June 2022.

Compliance Advisory Services Business

During the prior year ended 31 December 2022, the Group disposed all of its interest in Global Compliance Consulting Limited (“GCC”), an indirect subsidiary of the Company, which was primarily engaged in provision of compliance advisory services. The Group ceased to engage in compliance advisory services business upon the disposal. For the Reporting Period, the Group’s business segment of compliance advisory services business did not record any revenue. A revenue of approximately HK\$1.2 million and a loss of approximately HK\$0.7 million were recorded during the period ended 30 June 2022.

Finance Leasing And Factoring Business

The Group’s finance leasing and factoring business was conducted primarily in the PRC through the Company’s indirectly wholly owned subsidiary, 天一融資租賃(深圳)有限公司 (“天一融資”). During the prior year ended 31 December 2022, the Group disposed its entire interest in 天一融資 and ceased to engage in finance leasing and factoring business upon the disposal. The business segment of finance leasing and factor did not record any revenue during the Reporting Period. A revenue of approximately HK\$1.3 million and a loss of approximately HK\$6.1 million were recorded during the period ended 30 June 2022.

Others (Temperature-controlled Storage)

The segment mainly represents the provision of temperature-controlled storage and ancillary services business conducted primarily through the Company’s indirect subsidiary, China Cold Chain Co. Limited (“CCC”). During the Reporting Period, the Group disposed its entire interest in CCC and ceased to engage in temperature-controlled storage and ancillary services business upon the disposal. The segment contributed a total revenue of approximately HK\$1.9 million to the Group, representing a decrease of about 65.7% over the same period of last year (30 June 2022: approximately HK\$5.5 million) and posted a loss of approximately HK\$0.5 million, representing an increase of 405.4% (30 June 2022: approximately HK\$0.1 million).

FINANCIAL REVIEW

Change of Functional Currency and Presentation Currency

Prior to 1 September 2022, Renminbi (“RMB”) was regarded as the functional currency of the Company and the consolidated financial statements of the Group were presented in RMB.

On 31 August 2022, the disposal of the Group’s entire interest in Frog Prince (Fujian) Baby was completed. Through Frog Prince (Fujian) Baby, the Group was previously engaged in manufacturing and sale of personal care products business in the PRC. After the disposal, the Board considered that, with our continuing focus on the provision of food and beverage business and the significant capital investments in the business of securities brokerage, margin financing, asset management and professional services in Hong Kong, the primary economic environment in which the Company operates has changed and it is more appropriate to use Hong Kong dollars (“HK\$”) as the functional currency with effect from 1 September 2022. The presentation currency of the Group for the Reporting Period is also changed to HK\$ into line with the change in functional currency, offering the users of the consolidated financial statements with a more well-defined picture of the Group’s financial performance.

Management Discussion and Analysis *(continued)*

The effects of the change in presentation currency have been accounted for retrospectively with comparative figures restated. The comparative information in the consolidated financial statements has been restated to reflect as if HK\$ has always been the presentation currency of the Group. The change in functional currency of the Company was applied prospectively from the date of change.

Revenue

During the Reporting Period, the revenue of the Group was approximately HK\$241.2 million, representing a decrease of about 0.6% over the same period of last year (for the period ended 30 June 2022: approximately HK\$242.7 million).

Gross Profit and Gross Profit Margin

Gross profit of the Group for the Reporting Period was approximately HK\$54.4 million, representing an increase of about 18.7% as compared with HK\$45.8 million for the period ended 30 June 2022. The increase in overall gross profit was mainly due to increase in gross profit of financial business.

During the Reporting Period, the gross profit margin of the Group increased by around 3.7% over the same period of last year to about 22.6% (for the period ended 30 June 2022: approximately 18.9%). The increase in overall gross profit margin was primarily due to the increase in the gross profit margin for financial business.

The gross profit for the provision of food and beverage services business for the Reporting Period was approximately HK\$26.7 million (for the period ended 30 June 2022: approximately HK\$26.1 million). Gross profit margin was approximately 13.0%, representing an increase of approximately 1.0% compared with the same period of last year.

The gross profit of provision of financial business for the Reporting Period was approximately HK\$27.5 million (for the period ended 30 June 2022: approximately HK\$20.3 million).

The gross profit of properties holding business for the Reporting Period was approximately HK\$0.3 million (for the period ended 30 June 2022: Nil).

Other Income and Gains

Other income and gains mainly comprised of reversal of impairment loss on properties for development, net foreign exchange gains, interest income from bank deposits and other miscellaneous income or gains. Other income and gains amounted to approximately HK\$12.5 million for the Reporting Period, representing an increase of 300.3% as compared with approximately HK\$3.1 million for the same period of last year. The increase is primarily attributable to the reversal of impairment loss recorded, increase in interest income from bank deposit and net foreign exchange gains.

Selling and Distribution Expenses

Selling and distribution expenses primarily consisted of storage and logistics expenses, advertising expenses and other expenses. Selling and distribution expenses amounted to approximately HK\$18.6 million for the Reporting Period, representing a decrease of about 4.4% as compared with about HK\$19.5 million for the period ended 30 June 2022. The decrease was in line with the decrease in the revenue of provision of food and beverage services business.

The selling and distribution expenses accounted for about 7.7% of the revenue during the Reporting Period (for the period ended 30 June 2022: approximately 8.0%), among which, storage and logistics expenses, as a percentage of revenue, decreased from about 6.4% for the period ended 30 June 2022 to about 6.1% for the Reporting Period.

Administrative Expenses

Administrative expenses primarily consisted of salaries and wages for administrative staff, depreciation and other expenses. Administrative expenses of the Group amounted to approximately HK\$47.6 million for the Reporting Period (for the period ended 30 June 2022: approximately HK\$37.8 million), representing an increase of about 26.0% over the same period of last year. The increase was mainly due to increases in salaries and wages and depreciation of right-of-use assets during the Reporting Period.

Administrative expenses accounted for about 19.7% of the Group's revenue for the Reporting Period (for the period ended 30 June 2022: approximately 15.6%).

Other Expenses

Other expenses mainly comprised of impairment loss on trade receivables and some miscellaneous expenses. Other expenses amounted to approximately HK\$9.4 million for the Reporting Period, representing an increase of 110.8% as compared with approximately HK\$4.5 million for the period ended 30 June 2022. The increase is primarily attributable to impairment loss on trade receivables recognized during the Reporting Period, which was partially off-set by the absence of loss on change in fair value of investment properties incurred during the same period of last year.

Finance Costs

The Group had finance costs of approximately HK\$0.4 million for the Reporting Period (30 June 2022: approximately HK\$0.9 million).

Disposal of a Subsidiary

China Cold Chain Co. Limited ("CCC")

The Group entered into an agreement to dispose all of its interest in CCC for consideration valued at approximately HK\$2.3 million with a certain purchaser on 31 March 2023 and completed the disposal on 30 April 2023. CCC, a 70% indirectly owned subsidiary of the Company, was primarily engaged in provision of temperature-controlled storage and ancillary services business. Upon completion of the disposal, the Group ceased to hold any interests in CCC and a gain on disposal of approximately HK\$1.1 million was recognized.

Significant Investments Held, Material Acquisitions or Disposals of Subsidiaries and Affiliated Companies, and Plans for Material Investments or Capital Assets

Save as disclosed in the above section headed "Disposal of a Subsidiary", the Group did not have material acquisitions and disposals of subsidiaries and affiliated companies for the Reporting Period. As at 30 June 2023, the Group did not hold any significant investments. The Group does not have any future plans in relation to material investments or capital assets.

Management Discussion and Analysis *(continued)*

Net Loss and Net Loss Margin

For the Reporting Period, loss attributable to equity holders of the Company amounted to approximately HK\$20.4 million as compared with loss attributable to equity holders of the Company of approximately HK\$69.9 million for the period ended 30 June 2022. The net loss margin was about 8.5% as compared with about 28.8% of net loss margin for the period ended 30 June 2022, with basic loss per share of approximately HK\$0.90 cents (basic loss per share for the period ended 30 June 2022: approximately HK\$3.08 cents).

Capital Expenditure

For the Reporting Period, the Group's material capital expenditure amounted to approximately HK\$0.8 million, mainly used for renovation of our offices and acquisition of office equipment (for the period ended 30 June 2022: approximately HK\$9.7 million, mainly used for renovation of our offices, acquisition of office equipment and machinery as well as construction work).

Financial Resources and Liquidity

As at 30 June 2023, cash and bank balances of the Group amounted to approximately HK\$362.7 million (31 December 2022: approximately HK\$307.1 million). The current ratio was 2.7 (31 December 2022: 2.9). Our liquidity remained healthy. The uses of balance of cash and bank balances were mainly as follows: firstly, providing the liquid capital and strengthening the operation of the provision of financial business; secondly, developing the provision of food and beverage services business; and thirdly, pursuing potential acquisition and investment opportunities.

Fundraising Activities of the Group

During the Reporting Period, the Company had not issued any equity securities for cash.

Loan and Interest Receivables

As at 30 June 2023, the Group's loan and interest receivables were approximately HK\$1.8 million (31 December 2022: approximately HK\$2.5 million).

During the Reporting Period, the Group did not enter into any additional loan arrangements with customers for our money lending business (31 December 2022: Nil).

A reversal of impairment loss on loan and interest receivables of approximately HK\$0.8 million was recognised during the Reporting Period (30 June 2022: Nil).

No loan and interest receivables was written off during the Reporting Period (30 June 2022: Nil).

Trade Receivables

As at 30 June 2023, the Group's trade receivables were approximately HK\$75.0 million (31 December 2022: approximately HK\$136.8 million). The amount included trade receivables arising from margin financing approximately HK\$4.4 million (31 December 2022: HK\$46.1 million) with repayment on demand clause and trade receivables arising from dealing in securities and futures contracts services (clearing house, brokers and cash clients) approximately HK\$9.2 million (31 December 2022: approximately HK\$10.7 million) to be settled one to two days after trade date. Besides, the Group usually grants a credit period of 30 to 180 days to the customers for settling trade receivables arising from the remaining businesses amounted at approximately HK\$61.3 million (31 December 2022: approximately HK\$80.1 million).

Trade Payables

As at 30 June 2023, trade payables were approximately HK\$216.4 million (31 December 2022: approximately HK\$171.4 million), of which included trade payables arising from dealing in securities and futures contracts services approximately HK\$61.0 million (31 December 2022: HK\$26.1 million) to be settled one to two days after trade date and trade payables arising from provision of escrow services approximately HK\$144.0 million (31 December 2022: HK\$141.0 million) of which payments shall be made upon client's request. Besides, the Group normally settled the remaining payables arising from other businesses amounted at approximately HK\$11.4 million (31 December 2022: approximately HK\$4.4 million) on terms of 30 to 180 days and kept good payment records.

Inventories

As at 30 June 2023, inventories of the Group were approximately HK\$47.9 million (31 December 2022: approximately HK\$40.1 million) and the inventory balance increased by about 19.3% over 31 December 2022.

Gearing Ratio

As at 30 June 2023, the current assets and total assets of the Group were approximately HK\$701.1 million and HK\$931.1 million respectively, the current liabilities and total liabilities of the Group were approximately HK\$259.0 million and HK\$268.3 million respectively. The gearing ratio (total liabilities/total assets) of the Group was approximately 28.8% (31 December 2022: approximately 27.8%).

Bank and Other Borrowings

As at 30 June 2023, the Group had bank borrowings of approximately HK\$3.7 million (31 December 2022: approximately HK\$13.2 million). Facilities were provided to the Group from banks in Hong Kong in the form of secured bank borrowings amounting to approximately HK\$3.7 million secured by a guarantee from the Company.

As at 30 June 2023, the Group had other unsecured borrowings of approximately HK\$0.8 million (31 December 2022: Nil).

Pledge of Assets

As at 30 June 2023, the Group did not have any pledged deposits (31 December 2022: approximately HK\$3.0 million) for short-term bank borrowings.

Management Discussion and Analysis *(continued)*

Capital Structure

The major objective of the Group's capital management is to ensure the ability of sustainable operations and maintain a healthy capital ratio in order to support its businesses and maximise the interests of the shareholders (the "Shareholders") of the Company. The Group continued to emphasise the appropriate mix of equity and debt to ensure an efficient capital structure in order to reduce capital cost.

Risk of Foreign Exchange

The Group's business operations were denominated mainly in HK\$ and US dollars ("USD") during the Reporting Period.

The Group's assets and liabilities are mainly denominated in HK\$ and USD at the end of the Reporting Period. Currently, the Group has not entered into any agreement or purchased any instrument to hedge the Group's foreign currency risk. Since the HK\$ is pegged to the USD, the Group's exposure to foreign currency risk in respect of asset and liabilities denominated in USD is considered to be minimal.

The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

Contingent Liabilities

As at 30 June 2023 and 31 December 2022, the Group had no material contingent liabilities.

OUTLOOK

The Group aims to strengthen, develop and diversify its business portfolio in a sustainable manner. In light of the sluggish economic recovery following the resumption to normality post-COVID, the persistent geopolitical conflicts between Russia and Ukraine as well as interest rate upward cycle, the Group will maintain a prudent approach for the development of its businesses.

Looking ahead to second half of 2023, the food and beverage services business will continue to face challenging environment in post-pandemic era. It is expected that our procurement costs shall maintain at an increasing trend in view of the on-going global inflationary pressure and prolonged geopolitical conflicts. The Group will closely monitor the ever-changing market situations of the food and beverage services business. We will stay focused towards extending the range of our products to high margin items and building reliable relationships with a diverse list of suppliers from different sourcing territories to control the procurement costs. The Group also intends to pursue sustained profitable growth by providing more value-added services and raising brand recognition. Leveraging our robust customer network, which mainly comprises of reputable chains of restaurants and stores, supermarkets and wholesalers, we are upbeat about the prospects of the food and beverage service business in Hong Kong over the long term. The Group will also continue to seek further potential business opportunities of the provision of food and beverage services, including but not limited to: (a) either acquire or establish a food processing factory to slice and process wholesale frozen meat to reinforce the value-added services, (b) develop its own brand of products to broaden its product range and diversify its customer base and increase brand awareness, and (c) form cooperation with reliable logistic specialists in order to reduce the storage and transportation costs.

Tightening credit conditions resulted from high inflation environment in the US and Eurozone are dragging down worldwide economic growth in the second half of 2023. In Mainland China, recovery of consumer confidence is expected to remain underway in the remainder of 2023 under lower borrowing rates and likelihood of additional stimulus measures including relaxing home purchase restrictions and increasing infrastructure support. Under current uncertain circumstances, the Hong Kong stock market will unavoidably remain volatile, and the Group will continue to manage its portfolio of securities investments with caution.

The Group has been exploring opportunities to further invest in financial business as part of its current strategic plans, as the prospect of Hong Kong's financial services industry remains promising in light of Hong Kong's unique advantage of having close links with Mainland China and Hong Kong's role as the global hub for offshore RMB business. We are excited about our recent new focus on Hong Kong's credit card business since we will be pioneer (i) to be an issuer of asset-backed credit cards in Hong Kong in a business-to-consumer model; and (ii) to sponsor cobranded partnership and providing support services for small and medium-sized enterprises. The Group maintains a strong sense of confidence in its provision of financial business.

The Group currently holds lands and landed properties located in Yuen Long, Hong Kong. The Group remains optimistic about the long-term growth of Hong Kong real estate market due to the shortage in supply of land. The Company plans to demolish the properties erected on the parcels of lands in Yuen Long, Hong Kong held by the Group and to redevelop such parcels of land. Relevant applications have been made to the Hong Kong Government in relation to the redevelopment of the said parcels of lands. During the Reporting Period, the relevant government authority has conditionally approved our plan over four parcels of those lands by constructing single block residential building on each parcel of land under certain prerequisites. To the best knowledge, information and belief of the Directors, there is no legal impediment in obtaining the relevant approval from the Hong Kong Government for the redevelopment of remaining parcels of lands.

The Group will review its existing businesses' performance on an ongoing basis and will consider expanding the segment with potential, as well as diversifying into other new businesses in order to improve the profitability of the Group and to enhance the interests of the Shareholders more effectively. The Group will consider from time to time other investment opportunities. The Company will make an announcement according to the requirements of the Listing Rules as and when appropriate.

EMPLOYEES AND REMUNERATION

As at 30 June 2023, the Group employed 81 employees (as at 31 December 2022: 84 employees).

Employees of the Group are remunerated based on their individual performance, professional qualifications, experience in the industry and relevant market trends. In addition to basic salaries, year-end bonuses may be rewarded by the Group to those staff members with outstanding performance.

The Group operates the Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the laws of Hong Kong) for employees employed under the Hong Kong Employment Ordinance (Chapter 57 of the laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the Group and the employees are each required to make contributions to the plan at 5% of the employee's relevant income, subject to a cap of monthly relevant income of HK\$30,000 per employee. There are no forfeited contributions for the MPF Scheme as the contributions are fully vested to the employees upon payments to the MPF Scheme.

Management Discussion and Analysis *(continued)*

In addition, a share option scheme was adopted by the Company in June 2021 for the purpose of providing incentive or reward to staff members and other eligible participants who make contributions to the success of the Group. The Directors believe that the compensation packages offered by the Group to its staff members are competitive in comparison with market standards and practices.

DIVIDEND

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Notes	Six months ended 30 June	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited) (restated)
Continuing operations			
Revenue	4	241,174	242,674
Cost of sales		(186,742)	(196,835)
Gross profit		54,432	45,839
Other income and gains	5	12,498	3,122
Selling and distribution expenses		(18,623)	(19,467)
Administrative expenses		(47,595)	(37,769)
Other expenses	6	(9,424)	(4,470)
Finance costs	7	(355)	(947)
Loss before tax	8	(9,067)	(13,692)
Income tax expense	9	(4,076)	(2,576)
Loss for the period from continuing operations		(13,143)	(16,268)
Discontinued operations			
Gain/(loss) for the period from discontinued operations	11	573	(51,373)
Loss for the period		(12,570)	(67,641)
Loss for the period attributable to equity holders of the Company		(20,411)	(69,949)
Profit for the period attributable to non-controlling interests		7,841	2,308
Loss for the period		(12,570)	(67,641)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income *(continued)*

For the six months ended 30 June 2023

	Notes	Six months ended 30 June	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited) (restated)
Loss for the period		(12,570)	(67,641)
Other comprehensive income/(expense) for the period:			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of operations outside Hong Kong		–	(641)
Items that will not be reclassified to profit or loss in subsequent periods:			
Gain/(loss) on change in fair value of financial assets at fair value through other comprehensive income		16,746	(10,942)
Total other comprehensive income/(expense) for the period		16,746	(11,583)
Total comprehensive income/(expense) for the period		4,176	(79,224)
Total comprehensive income/(expense) for the period attributable to:			
– Equity holders of the Company		(3,665)	(81,532)
– Non-controlling interests		7,841	2,308
Total comprehensive income/(expense) for the period		4,176	(79,224)
		2023 HK\$ cents (unaudited)	2022 HK\$ cents (unaudited) (restated)
Loss per share from continuing and discontinued operations	12		
Basic		(0.90)	(3.08)
Diluted		N/A	N/A
Loss per share from continuing operations			
Basic		(0.72)	(0.84)
Diluted		N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	13	3,571	4,055
Right-of-use assets		17,747	14,742
Investment properties		53,010	52,250
Properties for development		73,000	69,000
Goodwill	14	40,781	40,781
Financial assets at fair value through other comprehensive income	15	34,224	17,478
Deferred tax assets		54	2,461
Loan and interest receivables	16	156	424
Prepayments, deposits and other receivables	19	7,430	2,425
		229,973	203,616
CURRENT ASSETS			
Inventories		47,850	40,094
Loan and interest receivables	16	1,637	2,078
Trade receivables	17	75,020	136,848
Prepayments, deposits and other receivables	19	41,442	55,378
Contract assets		6,813	3,797
Income tax recoverable		147	255
Pledged bank deposits		–	3,000
Digital assets		1,499	–
Cash held on behalf of clients		164,001	161,270
Cash and bank balances		362,723	307,094
		701,132	709,814

Condensed Consolidated Statement of Financial Position (continued)

As at 30 June 2023

	Notes	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
CURRENT LIABILITIES			
Trade payables	18	216,415	171,408
Other payables and accruals	20	27,535	45,192
Bank and other borrowings	21	4,458	13,230
Amount due to non-controlling interests		–	3,918
Lease liabilities		9,024	10,859
Income tax payable		1,594	3,718
		259,026	248,325
NET CURRENT ASSETS			
		442,106	461,489
TOTAL ASSETS LESS CURRENT LIABILITIES			
		672,079	665,105
NON-CURRENT LIABILITIES			
Lease liabilities		(9,275)	(5,867)
Deferred tax liabilities		(7)	(88)
		(9,282)	(5,955)
NET ASSETS			
		662,797	659,150
EQUITY			
Share capital	22	22,741	22,741
Reserves		598,828	602,493
		621,569	625,234
Equity attributable to equity holders of the Company		621,569	625,234
Non-controlling interests		41,228	33,916
TOTAL EQUITY			
		662,797	659,150

Chan Hoi Tik
Director

Lau Ka Ho
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Attributable to equity holders of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Share option reserve HK\$'000	Capital reserve HK\$'000	FVTOCI revaluation reserve HK\$'000	Capital redemption reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2023 (audited)	22,741	707,705	13,077	13	(123,472)	20	-	5,150	625,234	33,916	659,150
Loss for the period	-	-	-	-	-	-	-	(20,411)	(20,411)	7,841	(12,570)
Other comprehensive income/(expense)											
Gain on change in fair value of financial assets at fair value through other comprehensives income, net of tax	-	-	-	-	16,746	-	-	-	16,746	-	16,746
Total comprehensive income/(expense) for the period	-	-	-	-	16,746	-	-	(20,411)	(3,665)	7,841	4,176
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	(529)	(529)
At 30 June 2023 (unaudited)	22,741	707,705	13,077	13	(106,726)	20	-	(15,261)	621,569	41,228	662,797

Condensed Consolidated Statement of Changes in Equity (continued)

For the six months ended 30 June 2023

	Attributable to equity holders of the Company										
	Share capital HK\$'000 (restated)	Share premium HK\$'000 (restated)	Share option reserve HK\$'000 (restated)	Capital reserve HK\$'000 (restated)	FVTOCI revaluation reserve HK\$'000 (restated)	Capital redemption reserve HK\$'000 (restated)	Exchange fluctuation reserve HK\$'000 (restated)	Retained profits HK\$'000 (restated)	Total HK\$'000 (restated)	Non-controlling interests HK\$'000 (restated)	Total equity HK\$'000 (restated)
At 1 January 2022 (audited)	22,741	707,705	36,340	13	(103,912)	20	(6,829)	79,124	735,202	52,677	787,879
Loss for the period	-	-	-	-	-	-	-	(69,949)	(69,949)	2,308	(67,641)
Other comprehensive expense											
Exchange difference on translation of operation outside Hong Kong	-	-	-	-	-	-	(641)	-	(641)	-	(641)
Loss on change in fair value of financial assets at fair value through OCI, net of tax	-	-	-	-	(10,942)	-	-	-	(10,942)	-	(10,942)
Total comprehensive (expense)/income for the period	-	-	-	-	(10,942)	-	(641)	(69,949)	(81,532)	2,308	(79,224)
Transferred to retained profits on disposal of financial assets at FVTOCI	-	-	-	-	190	-	-	(190)	-	-	-
Transferred to retained profit upon lapse of share options	-	-	(7,681)	-	-	-	-	7,681	-	-	-
At 30 June 2022 (unaudited)	22,741	707,705	28,659	13	(114,664)	20	(7,470)	16,666	653,670	54,985	708,655

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Notes	Six months ended 30 June	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited) (restated)
Net cash generated from/(used in) operating activities		67,333	(116,168)
Investing activities			
Purchase of property, plant and equipment		(762)	(9,705)
Proceeds from disposal of property, plant and equipment		105	–
Net cash inflow from disposal of subsidiaries	24	129	–
Decrease in other financial assets		–	17,174
Proceeds from disposal of financial assets at FVTOCI		–	620
Decrease in pledged bank deposits		3,000	1,900
Net cash generated from investing activities		2,472	9,989
Financing activities			
Drawdown of bank borrowings		4,911	55,374
Drawdown of other borrowings		780	–
Repayment of bank borrowings		(14,463)	(46,327)
Payment of principal portion of lease liabilities		(5,198)	(5,038)
Net cash (used in)/generated from financing activities		(13,970)	4,009
Net increase/(decrease) in cash and cash equivalents		55,835	(102,170)
Cash and cash equivalents at beginning of the period		307,094	445,293
Effect of foreign exchange rate changes, net		(206)	(8,515)
Cash and cash equivalents at end of the period		362,723	334,608
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances presented in condensed consolidated statement of financial position		362,723	334,608

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

1. CORPORATE INFORMATION

Prosperous Future Holdings Limited was incorporated as an exempted company with limited liability in the Cayman Islands. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company's registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company's principal place of business in Hong Kong is located at 17/F., Fung House, Nos. 19-20 Connaught Road Central, Central, Hong Kong.

The principal activity of the Company is investment holding. The subsidiaries of the Company are principally engaged in the provision of food and beverage services, provision of financial business, properties holding and investment holding.

The Group discontinued its operations in certain subsidiaries, which were engaged in manufacturing and sale of personal care products, provision of financial business and provision of temperature-controlled storage and ancillary services (the "Discontinued Operations"). Details are set out in note 11.

The comparative information in respect of the condensed consolidated statement of profit or loss and other comprehensive income, together with notes thereon for the six months ended 30 June 2022 has been restated, where appropriate, in order to conform with the current period's presentation of the Discontinued Operations separately from continuing operations.

The functional currency of the Company was changed from Renminbi ("RMB") to Hong Kong dollars ("HK\$") upon completion of disposal of subsidiaries engaged in manufacturing and sale of personal care products (the "Disposal"). Subsequent to the Disposal, the Company mainly holds subsidiaries whose underlying operations are primarily in Hong Kong with HK\$ being the functional currency. The directors of the Company have determined that HK\$ better reflects the economic substance of the Company and its business activity as an investment holding company primarily holding subsidiaries with primary economic environment in Hong Kong. Accordingly, the functional currency of the Company was changed prospectively from the date of Disposal.

Having considered that the Company's shares are listed on the Stock Exchange and its stock is traded in HK\$, the Company believes that the change of presentation currency enables the shareholders and potential investors of the Company to have a more accurate picture of the Group's financial performance. As such, the Company believes that it is more appropriate to adopt HK\$ as its presentation currency for the unaudited condensed consolidated interim financial statements of the Group. Comparative figures in respect of the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows have been restated to reflect the change in the Group's presentation currency. All values are rounded to the nearest thousand except when otherwise indicated.

The unaudited condensed consolidated interim financial statements of the Group, comprising the Company and its subsidiaries, are presented in Hong Kong Dollars ("HK\$"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board and the applicable disclosure requirements under Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The unaudited condensed consolidated interim financial statements does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's audited consolidated financial statements for the year ended 31 December 2022.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(continued)*

Other than the changes in accounting policies resulting from application of new and amendments to International Financial Reporting Standards (“IFRS”), the accounting policies and basis of preparation adopted in the preparation of the unaudited condensed consolidated interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2022.

The Group changed presentation currency from RMB to HK\$. The HK\$ has been adopted as presentation currency as it represents the predominant functional currency within the Group considering the size and scale of the Group’s continuing operations.

Change in presentation currency has been accounted for retrospectively in accordance with IAS 8 “Accounting policies, change in accounting estimates and errors”. Net profit, comprehensive income, total assets and total equity are unaffected by these presentational changes apart from the translation from RMB to HK\$ as further detailed below.

Following the change in presentation currency, the financial information as previously reported has been retranslated in accordance with the provisions in IAS 21 using the procedures outlined below, as if HK\$ had always been the Group’s presentational currency:

- Assets and liabilities of foreign operations where the functional currency is not HK\$ have been translated into HK\$ at the relevant closing rates of exchange. Profit and loss items were translated into HK\$ at the relevant average rates of exchange. Differences arising from the retranslation of the opening net assets and the results for the year are recognised in the exchange fluctuation reserve; and
- Share capital, share premium and other reserves were translated at historical rates prevailing at the dates of transactions.

In the current period, the Group has applied, for the first time, the following amendments to the IFRSs issued by the International Accounting Standard Board. These IFRSs are mandatorily effective for the annual period beginning on or after 1 January 2023 for the preparation of the Group’s unaudited condensed consolidated interim financial statements.

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Presentation of financial statements: Disclosure of Accounting Policies
Amendments to IAS 8	Accounting policies, changes in accounting estimate and errors: Definition of Accounting Estimates
Amendments to IAS 12	Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	Income taxes: International tax reform – Pillar Two model rules

The adoption of the above new or revised IFRSs in the current period has no material effect on the amounts reported and/or disclosures set out in these unaudited condensed consolidated interim financial statements.

The Group has not applied any new or revised IFRSs that have been issued but are not yet effective for the current accounting period.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into the following operating segments based on their products and services:

Continuing operations

- (a) Food and beverage – sale of frozen food and beverage products
- (b) Financial business – provision of professional services, such as fund setup and administration, consultancy and co-ordination, corporate and accounting services, data analysis, provision of services regarding dealing in securities, futures contracts and other related products, margin financing, advising on securities and asset management services, securities investment and money lending
- (c) Properties holding

Discontinued operations

- (a) Personal care products – manufacturing and sale of skin care, body and hair care products which can be classified as anti-epidemic products and general products
- (b) Financial business – provision of professional services, such as consultancy services, finance leasing and factoring
- (c) Others – provision of temperature-controlled storage and ancillary services which provide storage services for frozen food and beverage products

The Group's management monitors the results of the Group's 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 that interest income derived from bank deposits, other unallocated income and gains, finance costs as well as corporate and other unallocated expenses are excluded from such measurement.

The Group disposed the interest in certain subsidiaries that were considered by the management as separate major line of business of the Group. Accordingly, the entire personal care products segment, part of the financial business segment and entire others segment were accounted for as discontinued operations. Details about these Discontinued Operations and the disposal are set out in note 11. Previously reported figures in respect of certain segment assets and segment liabilities as at 31 December 2022 and certain segment revenue and segment results for the six months ended 30 June 2022 have been restated to conform with the presentation of segmental information adopted in respect of the current period.

Segment assets exclude unallocated property, plant and equipment, right-of-use assets, prepayments, deposits and other receivables, income tax recoverable and cash and bank balances as these assets are managed on a group basis.

Segment liabilities exclude unallocated other payables and accruals, lease liabilities, bank and other borrowings, income tax payable and deferred tax liabilities as these liabilities are managed on a group basis.

3. OPERATING SEGMENT INFORMATION (continued)

	Food and beverage HK\$'000	Financial business HK\$'000	Properties holding HK\$'000	Total HK\$'000
Segment revenue and segment results for the six months ended 30 June 2023				
Segment revenue	204,706	36,192	276	241,174
Segment (loss)/profit	4,760	(14,902)	4,352	(5,790)
Interest income from bank deposits				3,486
Other unallocated income and gains				273
Corporate and other unallocated expenses				(6,681)
Finance costs				(355)
Loss before tax from continuing operations				(9,067)
	Food and beverage HK\$'000	Financial business HK\$'000	Properties holding HK\$'000	Total HK\$'000
Segment revenue and segment results for the six months ended 30 June 2022 (restated)				
Segment revenue	217,432	25,242	–	242,674
Segment (loss)/profit	5,135	(2,835)	(4,227)	(1,927)
Interest income from bank deposits				21
Other unallocated income and gains				2,277
Corporate and other unallocated expenses				(13,116)
Finance costs				(947)
Loss before tax from continuing operations				(13,692)

Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the six months ended 30 June 2023

3. OPERATING SEGMENT INFORMATION (continued)

	Food and beverage HK\$'000	Financial business HK\$'000	Properties holding HK\$'000	Total HK\$'000
Segment assets and segment liabilities as at 30 June 2023				
Segment assets	133,745	495,082	129,187	758,014
Goodwill				40,781
Corporate and other unallocated assets				132,310
Total assets				931,105
Segment liabilities	23,440	237,346	1,644	262,430
Corporate and other unallocated liabilities				5,878
Total liabilities				268,308

	Food and beverage HK\$'000	Financial business HK\$'000	Properties holding HK\$'000	Total HK\$'000
Segment assets and segment liabilities as at 31 December 2022 (restated)				
Segment assets	129,672	457,486	124,202	711,360
Goodwill				40,781
Corporate and other unallocated assets				147,514
Assets related to discontinued operations				13,775
Total assets				913,430
Segment liabilities	31,835	195,674	1,306	228,815
Corporate and other unallocated liabilities				13,955
Liabilities related to discontinued operations				11,510
Total liabilities				254,280

4. REVENUE

An analysis of the Group's revenue from continuing operations by major products and services categories for the period are as follows:

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited) (restated)
Income from food and beverage business	204,706	217,432
Income from provision of professional services	29,134	36,389
Income from provision of services regarding dealing in securities, futures contracts and other related products	2,268	1,374
Income from asset management and advising on securities services	4,400	3,094
Revenue from contracts with customers from continuing operations	240,508	258,289
Interest income from money lending business	233	520
Interest income from financial assets at fair value through profit or loss	–	105
Fair value loss on financial assets at fair value through profit or loss	–	(20,327)
Margin interest income from securities brokerage business	157	4,087
Rental income from lease of investment properties	276	–
Revenue from other source from continuing operations	666	(15,615)
Total revenue from continuing operations	241,174	242,674

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers from continuing operations is disaggregated by timing of revenue recognition:

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited) (restated)
Timing of revenue recognition		
At a point in time	210,429	233,787
Over time	30,079	24,502
	240,508	258,289

Notes to the Condensed Consolidated Interim Financial Statements *(continued)*

For the six months ended 30 June 2023

5. OTHER INCOME AND GAINS

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited) (restated)
Interest income from bank deposits	3,486	21
Gain on change in fair value of investment properties	760	–
Government subsidies*	–	96
Net foreign exchange gains	3,207	2,277
Reversal of impairment loss on loan and interest receivables	839	–
Reversal of impairment loss on properties for development	4,000	–
Sundry income	206	728
Other income and gains from continuing operations	12,498	3,122

* There were no unfulfilled conditions or contingencies relating to these subsidies.

6. OTHER EXPENSES

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited) (restated)
Impairment loss on trade receivables	9,140	–
Impairment loss on goodwill	–	675
Impairment loss on other receivables	284	–
Loss on change in fair value of investment properties	–	3,794
Others	–	1
Other expenses from continuing operations	9,424	4,470

7. FINANCE COSTS

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited) (restated)
Interest on bank and other borrowings	74	636
Finance costs on lease liabilities	281	311
Finance costs from continuing operations	355	947

8. LOSS BEFORE TAX

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

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited) (restated)
Cost of inventories sold	178,054	191,291
Depreciation of property, plant and equipment	1,141	953
Depreciation of right-of-use assets	5,030	2,894
Storage expenses	10,960	11,963
Employee benefit expenses (including directors' remuneration):		
Wages and salaries	28,146	24,090
Retirement benefit scheme contributions	838	988
Total staff costs	28,984	25,078
Auditors' remuneration	318	430

Notes to the Condensed Consolidated Interim Financial Statements *(continued)*

For the six months ended 30 June 2023

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited) (restated)
Current tax expense	1,669	2,725
Deferred tax charging/(credit)	2,407	(149)
Total income tax expense from continuing operations	4,076	2,576

Hong Kong Profits Tax is calculated in accordance with the two-tiered Hong Kong profits tax rates regime for both periods presented.

Under the two-tiered Hong Kong profits tax rates regime, the first HK\$2 million of the assessable profits of the qualifying corporation will be taxed at 8.25% (2022: 8.25%), and assessable profits above HK\$2 million will be taxed at 16.5% (2022: 16.5%). The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the rate of 16.5% (2022: 16.5%).

10. DIVIDENDS

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

11. DISCONTINUED OPERATIONS

The Group disposed its interest in subsidiaries, including 青蛙王子(福建)婴童護理用品有限公司 ("Frog Prince"), Global Compliance Consulting Limited ("GCC"), Brisk Day Limited ("Brisk Day") and China Cold Chain Co. Limited ("CCC"), on 31 August 2022, 30 September 2022, 31 December 2022 and 30 April 2023 respectively. Frog Prince and its subsidiary were principally engaged in the manufacturing and sales of personal care products. GCC was principally engaged in the provision of consultancy services. Brisk Day and its subsidiaries were principally engaged in the finance leasing and factoring businesses. CCC was principally engaged in the provision of temperature-controlled storage and ancillary services. After their respective completion date of disposal, the operations of Frog Prince, GCC, Brisk Day and CCC are accounted for as discontinued operations.

The loss for the period from the discontinued operations is set out below. The comparative figures in the unaudited condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2022 have been restated to re-present the discontinued operations.

11. DISCONTINUED OPERATIONS (continued)

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Loss of discontinued operations for the period	(488)	(51,373)
Gain on disposal of discontinued operations	1,061	–
	573	(51,373)

The results of the discontinued operations for the period from 1 January 2023 and comparative period from 1 January 2022 to respective the date of discontinuation of the operations, which have been included in the unaudited condensed consolidated statement of profit or loss and other comprehensive income, were as follows:

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue		
– Revenue from sale of goods	–	219,019
– Income from provision of professional services	–	1,163
– Interest income from finance lease business	–	1,340
– Income from provision of temperature-controlled storage and ancillary services	1,875	5,468
Total revenue	1,875	226,990
Cost of sales	(1,409)	(186,438)
Gross profit	466	40,552
Other income and gains	–	16,807
Selling and distribution expenses	–	(39,753)
Administrative expenses	(771)	(61,815)
Other expenses	(36)	(5,550)
Finance costs	(147)	(1,923)
Loss before tax	(488)	(51,682)
Income tax	–	309
Loss for the period	(488)	(51,373)

Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the six months ended 30 June 2023

11. DISCONTINUED OPERATIONS (continued)

	2023 HK\$ cents (unaudited)	2022 HK\$ cents (unaudited)
Loss per share from discontinued operations		
Basic	(0.18)	(2.24)
Diluted	N/A	N/A

12. LOSS PER SHARE

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

	Continuing and discontinued operations Six months ended 30 June		Continuing operations Six months ended 30 June		Discontinued operations Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited) (restated)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited) (restated)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited) (restated)
Loss						
Loss for the purpose of basic loss per share						
Loss for the period attributable to equity holders of the Company	(20,411)	(69,949)	(16,282)	(19,024)	(4,129)	(50,925)
	2023 '000 (unaudited)	2022 '000 (unaudited)	2023 '000 (unaudited)	2022 '000 (unaudited)	2023 '000 (unaudited)	2022 '000 (unaudited)
Number of shares						
Weighted average number of ordinary shares for the purpose of basic loss per share	2,274,123	2,274,123	2,274,123	2,274,123	2,274,123	2,274,123

The computation of diluted loss per share does not assume the exercise of the Company's share options granted because the exercise prices of those share options were higher than the average market prices for shares of the Company for both of the periods ended 30 June 2023 and 30 June 2022.

Diluted loss per share for the six months ended 30 June 2023 and 30 June 2022 are not presented as there were no other potential shares in issue for both of the periods.

13. PROPERTY, PLANT AND EQUIPMENT

	Six months ended 30 June 2023 HK\$'000 (unaudited)	Year ended 31 December 2022 HK\$'000 (audited)
At beginning of the period/year, net of accumulated depreciation and impairment	4,055	132,805
Additions, at cost	762	14,037
Disposals	(105)	(210)
Impact on disposal of subsidiaries	–	(115,782)
Depreciation provided for the period/year	(1,141)	(14,898)
Impairment	–	(6,191)
Exchange realignment	–	(5,706)
At end of the period/year, net of accumulated depreciation and impairment	3,571	4,055

14. GOODWILL

	Six months ended 30 June 2023 HK\$'000 (unaudited)	Year ended 31 December 2022 HK\$'000 (audited)
Cost		
At beginning of the period/year	48,122	52,622
Impact on disposal of subsidiaries	(319)	(4,500)
At end of the period/year	47,803	48,122
Accumulated impairment losses		
At beginning of the period/year	7,341	7,341
Impact on disposal of a subsidiary	(319)	–
At end of the period/year	7,022	7,341
Carrying amount at end of the period/year	40,781	40,781

Notes to the Condensed Consolidated Interim Financial Statements *(continued)*

For the six months ended 30 June 2023

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Financial assets at fair value through other comprehensive income		
– Equity securities listed in Hong Kong	12,381	2,757
– Unlisted investment fund	21,843	14,721
	34,224	17,478

16. LOAN AND INTEREST RECEIVABLES

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Loan and interest receivables thereon		
– within one year	6,821	8,087
– in the second to fifth year	164	358
– over five years	–	88
Loan and interest receivables, gross amount	6,985	8,533
Less: Impairment loss recognised	(5,192)	(6,031)
	1,793	2,502
Analysed for reporting as:		
Non-current assets	156	424
Current assets	1,637	2,078
	1,793	2,502

16. LOAN AND INTEREST RECEIVABLES (continued)

Movements during the period/year are as follows:

	Six months ended 30 June 2023 HK\$'000 (unaudited)	Year ended 31 December 2022 HK\$'000 (audited)
At beginning of the period/year	2,502	27,656
Interest on loan receivables	172	1,509
Loan and interest repaid by borrowers	(1,720)	(28,380)
Reversal of impairment loss recognised (note 5)	839	1,717
At end of the period/year	1,793	2,502

17. TRADE RECEIVABLES

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Trade receivables arising from dealing in securities and futures contracts services		
– clearing house, brokers and cash clients (note a)	9,243	10,670
– margin clients (note b)	11,444	46,101
Trade receivables arising from other businesses (note c)	67,208	83,854
Trade receivables, gross amount	87,895	140,625
Less: allowance for trade receivables arising from other businesses	(5,864)	(3,777)
allowance for trade receivables from margin clients	(7,011)	–
	75,020	136,848

Notes:

- (a) The settlement terms of the trade receivables from clearing house, brokers and cash clients are one to two days after trade date. The trade receivables as at 30 June 2023 are not past due based on credit terms, are not impaired and were settled subsequent to 30 June 2023. No aging analysis of these trade receivables are disclosed as management of the Group is of the view that the aging analysis does not give additional value in view of the nature of this business.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the six months ended 30 June 2023

17. TRADE RECEIVABLES (continued)

Notes: (continued)

- (b) The trade receivables from margin clients are repayable on demand and carry interest at interest rate ranged from 8.0% to 18.0% per annum. For credit facilities granted by the Group to margin clients, the margin clients are required to pledge their securities collateral to the Group, and the credit facilities granted is determined by the discounted market value of pledged securities in accordance with the Group's margin lending policies at a specified loan-to-collateral ratio.

At the end of the reporting period, the market value of securities pledged as collateral in respect of the trade receivables from margin clients amounted to approximately HK\$159,216,000 (31 December 2022: HK\$598,600,000).

No aging analysis of the trade receivables from margin clients are disclosed as management of the Group is of the view that the aging analysis does not give additional value in view of the nature of this business.

- (c) The trade receivables arising from other businesses include trade receivables arising from food and beverage, provision of professional services business and provision of temperature-controlled storage and ancillary services. The Group's trading terms with its customers of other businesses are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 30 days to 180 days (31 December 2022: 30 days to 180 days).

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivables balances. Trade receivables are non-interest bearing.

An aged analysis of the trade receivables, net of allowance recognised, arising from other businesses as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Within 30 days	36,033	54,858
31 to 60 days	16,089	20,262
61 to 90 days	1,754	3,755
91 to 180 days	7,468	602
181 to 365 days	–	600
Over 365 days	–	–
	61,344	80,077

18. TRADE PAYABLES

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Trade payables arising from dealing in securities and futures contracts services (note a)	61,018	26,057
Trade payables arising from provision of escrow services (note b)	143,986	140,961
Trade payables arising from other businesses (note c)	11,411	4,390
	216,415	171,408

Notes:

- (a) The trade payables arising from dealing in securities and futures contracts services represent payables to clearing house and cash clients. The settlement terms of these trade payables are two days after trade date. No aging analysis of the trade payables to clearing house and cash clients is disclosed as management of the Group is of the view that the aging analysis does not give additional value in view of the nature of this business.
- (b) Trade payables arising from provision of escrow services represent funds placed in the Group's bank accounts by its escrow clients (cash deposited with the Group's bank accounts are presented as "cash held on behalf of clients" under current assets in the Group's condensed consolidated statement of financial position). Settlement of these payables is effected when the related funds transferred out of the Group's bank accounts in accordance with the escrow clients' instructions. No aging analysis of the trade payables to escrow client is disclosed as management of the Group is of the view that the aging analysis does not give additional value in view of the nature of this business.
- (c) The trade payables arising from other businesses include trade payables arising from food and beverage, provision of professional services business (excluding the dealing in securities and futures contract services and provision of escrow services) and the provision of temperature-controlled storage and ancillary services.

An aged analysis of the trade payables arising from other businesses as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Within 30 days	744	1,289
31 to 90 days	1,299	1,358
91 to 180 days	3,389	911
Over 180 days	5,979	832
	11,411	4,390

The trade payables are interest free and are normally settled on terms of 30 days to 180 days (31 December 2022: 30 days to 180 days).

Notes to the Condensed Consolidated Interim Financial Statements *(continued)*

For the six months ended 30 June 2023

19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Prepayments	23,387	17,013
Deposits and other receivables	25,485	40,790
	48,872	57,803
Analysis for reporting purposes as		
Non-current assets	7,430	2,425
Current assets	41,442	55,378
	48,872	57,803

20. OTHER PAYABLES AND ACCRUALS

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Other payables	3,466	12,213
Accrued charges	5,094	15,278
Contract liabilities	18,975	17,701
	27,535	45,192

21. BANK AND OTHER BORROWINGS

Movements of the Group's bank and other borrowings for both of the period/year presented are as follows:

	Bank borrowings HK\$'000	Other borrowings HK\$'000	Total HK\$'000
For the year ended 31 December 2022 (audited)			
At 1 January 2022	89,110	72,988	162,098
New loan drawdown during the year	136,955	–	136,955
Impact on disposal of subsidiaries	(68,534)	–	(68,534)
Repayment during the year	(141,585)	(70,210)	(211,795)
Exchange realignment	(2,716)	(2,778)	(5,494)
At 31 December 2022	13,230	–	13,230
For the six months ended 30 June 2023 (unaudited)			
New loan drawdown during the period	4,911	780	5,691
Repayment during the period	(14,463)	–	(14,463)
At 30 June 2023	3,678	780	4,458

22. SHARE CAPITAL

	Six months ended 30 June 2023		Year ended 31 December 2022	
	Number of ordinary shares '000	Share capital HK\$'000 (unaudited)	Number of ordinary shares '000	Share capital HK\$'000 (audited)
Authorised:				
Ordinary shares of HK\$0.01 each				
At beginning and end of the period/year	5,000,000	50,000	5,000,000	50,000
Issued and fully paid:				
Ordinary shares of HK\$0.01 each				
At beginning and end of the period/year	2,274,123	22,741	2,274,123	22,741

23. SHARE OPTION SCHEMES

(A) 2011 Share Option Scheme

On 22 June 2011, the Company operated a share option scheme (the “2011 Share Option Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the 2011 Share Option Scheme include, among others, the Company’s Directors, including independent non-executive Directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group and the Company’s Shareholders.

The 2011 Share Option Scheme had a life of 10 years and was expired on 21 June 2021 such that no further options shall thereafter be offered under the 2011 Share Option Scheme but the options, which had been granted during its life, shall continue to be valid and exercisable in accordance with their terms of issue and in all other respects the provisions of the 2011 Share Option Scheme shall remain in full force and effect.

(B) 2021 Share Option Scheme

On 25 June 2021, a new share option scheme was adopted by the Shareholders at the annual general meeting of the Company (the “2021 Share Option Scheme”) for the purpose of providing an incentive or a reward to selected eligible participants for their contribution or potential contribution to, and continuing efforts to promote the interests of, the Group or any invested entity and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any invested entity. Eligible participants of the 2021 Share Option Scheme include, among others, (i) any employee (whether full-time or part-time) of the Company, any of the subsidiaries and any invested entity; (ii) any Director (including executive, non-executive and independent non-executive Directors) of the Company, any of the subsidiaries or any invested entity; (iii) any supplier of goods or services to any member of the Group or any invested entity; (iv) any customer of the Group or any invested entity; or (v) any business or joint venture partners, contractors, agents or representatives, consultants, advisers or service providers that provides research, development, professional services or other technological support to the Group or any invested entity.

The 2021 Share Option Scheme has a life of 10 years and no options were granted since the date of its adoption.

23. SHARE OPTION SCHEMES *(continued)*

A summary of the general terms of the 2011 Share Option Scheme and the 2021 Share Option Scheme (the "Share Option Schemes") are as follows:

(i) Maximum number of shares available for issue

The total number of shares which may be issued upon exercise of all options to be granted under the 2021 Share Option Scheme shall not exceed 10% of the shares in issue as at the date of approval of the 2021 Share Option Scheme, provided that the Company may seek approval from Shareholders to refresh such limit. Moreover, the maximum number of shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Schemes shall not exceed 30% of the shares in issue from time to time.

Up to the date of approval of these condensed consolidated interim financial statements, the total number of shares available for issue under the 2021 Share Option Scheme is 191,212,300, representing approximately 8.4% of the issued shares of the Company as at the date of this report.

(ii) Grant of share options to connected persons or any of their associates

Share options granted to a connected person (including but not limited to a Director, chief executive or substantial Shareholder of the Company), or to any of its associates, are subject to approval in advance by the independent non-executive Directors (excluding the independent non-executive Director who or whose associate is the grantee of the option). Any share options are proposed to be granted to a connected person who is also a substantial Shareholder or an independent non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares on the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to Shareholders' approval in advance in a general meeting.

(iii) Maximum entitlement of each eligible participant

The total number of shares issued and to be issued upon exercise of the share options granted to each eligible participant or grantee (including exercised and outstanding options) in any 12-month period up to the date of grant shall not exceed 1% of the total number of shares of the Company in issue. Any further grant of share options in excess of this limit is subject to Shareholders' approval in a general meeting.

(iv) Time of exercise of options

The exercise period of the share options granted is determinable by the Directors, and ends on a date which is no longer than ten years from the date of grant of the share options.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the six months ended 30 June 2023

23. SHARE OPTION SCHEMES (continued)

(v) Acceptance of Offer

The offer of a grant of share options shall be accepted by the grantee within 28 days for 2011 Share Option Scheme and 21 days for 2021 Share Option Scheme from the date of offer when the duplicate letter comprising acceptance of the share option duly signed by the grantee together with a payment of HK\$1 in total by way of nominal consideration of the grant.

(vi) Subscription price for shares

The exercise price of share options shall be determinable by the Directors at its absolute discretion, but in any event will not be less than the highest of: (i) the closing price of the shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the offer date, which must be a business day; (ii) the average of the closing prices of the shares as shown in the daily quotations sheets of the Stock Exchange for the 5 business days immediately preceding the offer date; and (iii) the nominal value of the share on the offer date.

Share options do not confer rights on the holders to dividends or to vote at Shareholders' meetings.

Movements of share options granted under 2011 Share Option Scheme during the Reporting Period are as follows:

	Six months ended 30 June 2023		Year ended 31 December 2022	
	Weighted average exercise price per share HK\$	Number of options '000	Weighted average exercise price per share HK\$	Number of options '000
At beginning of the period/year	0.695	46,400	1.090	84,635
Lapsed during the period/year	–	–	1.576	(38,235)
At end of the period/year	0.695	46,400	0.695	46,400

The exercise prices and exercise periods of the share options granted under 2011 Share Option Scheme outstanding as at the end of the reporting period and the year ended 31 December 2022 are as follows:

30 June 2023 Number of options '000	Exercise price HK\$ per share	Exercise period
7,600	1.830	26-09-2015 to 25-09-2024
11,100	0.810	18-01-2017 to 27-12-2025
9,700	0.810	20-01-2017 to 27-12-2025
18,000	0.084	22-01-2021 to 21-01-2031
46,400		

23. SHARE OPTION SCHEMES (continued)

31 December 2022			
Number of options	Exercise price		Exercise period
'000	HK\$ per share		
7,600	1.830		26-09-2015 to 25-09-2024
11,100	0.810		18-01-2017 to 27-12-2025
9,700	0.810		20-01-2017 to 27-12-2025
18,000	0.084		22-01-2021 to 21-01-2031
46,400			

At the end of the reporting period, the Company had 46,400,000 share options (31 December 2022: 46,400,000) outstanding under the 2011 Share Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 46,400,000 (31 December 2022: 46,400,000) additional ordinary shares of the Company which would give rise to the total proceeds of approximately HK\$32,268,000 (31 December 2022: approximately HK\$32,268,000).

Up to the date of approval of these condensed consolidated interim financial statements, the Company had 46,400,000 share options outstanding under the 2011 Share Option Scheme, which represented approximately 2.04% of the Company's shares in issue as at that date.

24. DISPOSAL OF A SUBSIDIARY

	Six months ended 30 June 2023 HK\$'000 (unaudited)	Six months ended 30 June 2022 HK\$'000 (unaudited)
Net cash inflow on disposal of:		
– China Cold Chain Co. Limited (note (a))	129	–
	129	–

(a) Disposal of a subsidiary during the six months ended 30 June 2023*Disposal of China Cold Chain Co. Limited*

On 31 March 2023, Powerful Force Limited, a subsidiary of the Company, entered into an agreement with an independent third party to dispose of 70% equity interest in a subsidiary, China Cold Chain Co. Limited, for an aggregate cash consideration of HK\$2,310,000. China Cold Chain Co. Limited is principally engaged in provision of temperature-controlled storage and ancillary services. The disposal was completed on 30 April 2023.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the six months ended 30 June 2023

24. DISPOSAL OF A SUBSIDIARY (continued)

(a) Disposal of a subsidiary during the six months ended 30 June 2023 (continued)

Disposal of China Cold Chain Co. Limited (continued)

An analysis of assets and liabilities over which control was lost:

	HK\$'000 (unaudited)
Assets	
Right-of-use assets	6,845
Trade receivables	762
Prepayments, deposits and other receivables	1,963
Cash and bank balances	2,181
Liabilities	
Trade payables	(690)
Other payables and accruals	(1,174)
Lease liabilities	(8,109)
Net assets disposed of	1,778

Gain on disposal of subsidiaries

	HK\$'000 (unaudited)
Cash consideration	2,310
Net assets disposed of	(1,778)
Non-controlling interest disposed of	529
Gain on disposal of subsidiary (note 11)	1,061

Net cash inflow from the disposal of subsidiary as follows:

	HK\$'000 (unaudited)
Cash consideration received	2,310
Cash and bank balances disposed of	(2,181)
Net cash inflow	129

(b) Disposal of subsidiary during the six months ended 30 June 2022

There is no disposal of subsidiary during the six months ended 30 June 2022.

25. CAPITAL COMMITMENTS

The Group did not have any material capital commitments as at 30 June 2023 and 31 December 2022.

26. CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 30 June 2023 and 31 December 2022.

27. RELATED PARTY TRANSACTIONS

- (i) In addition to the transactions detailed elsewhere in these condensed consolidated interim financial statements, the Group had the following material transactions with related parties during the period:

	Notes	Six months ended 30 June	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited) (restated)
Substantial shareholder:			
Consultancy fee	(a)	–	(50)
Non-controlling interests:			
Consultancy fee	(b)	–	(199)

Notes:

- (a) Consultancy fee paid to a substantial shareholder was made on mutually agreed terms.
- (b) Consultancy fee paid to non-controlling interests was made on mutually agreed terms.

- (ii) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Short term employee benefits	–	158
Post-employment benefits	–	3
Total compensation paid to key management personnel	–	161

28. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

The Group's certain equity securities listed in Hong Kong and unlisted investment fund included in financial assets at FVTOCI are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	30 June 2023 HK\$'000	31 December 2022 HK\$'000		
Financial assets at FVTOCI				
Equity securities listed in Hong Kong	12,381	2,757	Level 1	Quoted bid prices in an active market
Unlisted investment fund	21,843	14,721	Level 2	Proportion of net asset value

The fair value of all the equity securities listed in Hong Kong at 30 June 2023 is measured based on the quoted bid price as at 30 June 2023, being the last trading date of the securities for the period ended 30 June 2023.

The fair value of unlisted investment fund at 30 June 2023 is measured based on the valuation performed by fund managers by reference to quoted bid prices of the listed securities held by the fund.

There were no transfers between Level 1 and 2 in the period.

- (b) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis but fair value disclosures are required

The Directors consider that the carrying amounts of financial assets and financial liabilities at amortised cost in the condensed consolidated interim financial statements approximate their fair values. The fair values, which are included in Level 3 categories, have been determined in accordance with generally accepted pricing models based on a discounted cash flows analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

- (c) Reconciliation of Level 3 fair value measurements

The Group's financial assets and financial liabilities carried at fair value were measured at fair value on Level 1 and Level 2 fair value measurement. Reconciliation of Level 3 fair value measurement is not presented.

29. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

There are no significant events subsequent to 30 June 2023 which would materially affect the Group's operating and financial performance as of the date of this report.

30. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements were approved and authorised for issue by the board of Directors on 29 August 2023.

SUPPLEMENTARY INFORMATION TO THE INTERIM REPORT

SHARE OPTION SCHEME

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants for their contributions to the Group. Details of movements of the Company's share options, granted under the Share Option Scheme, during the six months ended 30 June 2023 are as follows:

Name or category of participants	Date of grant (Note 1)	Exercise price per share (HK\$)	Number of options					Outstanding as at 30 June 2023	Exercise period (Note 2)
			Outstanding as at 1 January 2023	Granted during the period	Exercised during the period	Cancelled during the period	Forfeited/ lapsed during the period		
Executive Director									
Mr. Chan Hoi Tik	22 January 2021	0.084	18,000,000	-	-	-	-	18,000,000	J
Former Directors									
	26 September 2014	1.83	3,040,000	-	-	-	-	3,040,000	A
			2,280,000	-	-	-	-	2,280,000	B
			2,280,000	-	-	-	-	2,280,000	C
			7,600,000	-	-	-	-	7,600,000	
	18 January 2016	0.81	4,440,000	-	-	-	-	4,440,000	D
			3,330,000	-	-	-	-	3,330,000	E
			3,330,000	-	-	-	-	3,330,000	F
			11,100,000	-	-	-	-	11,100,000	
Sub-total			18,700,000	-	-	-	-	18,700,000	
Total for Directors			36,700,000	-	-	-	-	36,700,000	
Distributors of the Group in aggregate	20 January 2016	0.81	3,880,000	-	-	-	-	3,880,000	G
			2,910,000	-	-	-	-	2,910,000	H
			2,910,000	-	-	-	-	2,910,000	I
Total for distributors			9,700,000	-	-	-	-	9,700,000	
TOTAL			46,400,000	-	-	-	-	46,400,000	

SHARE OPTION SCHEME (continued)

Notes:

1. The closing prices of the Company's shares immediately before the dates of grant on 26 September 2014, 18 January 2016, 20 January 2016 and 22 January 2021 were HK\$1.86, HK\$0.64, HK\$0.67 and HK\$0.083, respectively.
2. The respective exercise periods of the share options granted are as follows:
 - A: From 26 September 2015 to 25 September 2024
 - B: From 26 September 2016 to 25 September 2024
 - C: From 26 September 2017 to 25 September 2024
 - D: From 18 January 2017 to 27 December 2025
 - E: From 18 January 2018 to 27 December 2025
 - F: From 18 January 2019 to 27 December 2025
 - G: From 20 January 2017 to 27 December 2025
 - H: From 20 January 2018 to 27 December 2025
 - I: From 20 January 2019 to 27 December 2025
 - J: From 22 January 2021 to 21 January 2031

The vesting period of the share options is from the date of grant until the commencement of the exercise period.

3. The number and/or exercise price of the options may be subject to adjustments in the case of rights or bonus issues, or other changes in the Company's share capital.

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

As at 30 June 2023, the interests of the Directors in the shares and underlying shares of the Company, which were required, pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code", Appendix 10 to the Listing Rules), to be notified to the Company and the Stock Exchange, were as follows:

A. Long positions in the ordinary shares of the Company

Name of Director	Nature of interests	Number of ordinary shares interested	Percentage ⁺ of the Company issued share capital
Mr. Lau Ka Ho	Beneficial owner	18,000,000	0.79%

⁺ The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at 30 June 2023.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES *(continued)*

B. Long positions in the underlying shares of the Company (physically settled unlisted equity derivatives) – share options

Name of Director	Nature of interests	Number of underlying shares interested	Percentage⁺ of underlying shares over the Company's issued share capital
Mr. Chan Hoi Tik	Beneficial owner	18,000,000	0.79%

* The percentage represents the number of underlying shares interested divided by the number of the Company's issued shares as at 30 June 2023.

Save as disclosed above and in the above section headed "Share Option Scheme", as at 30 June 2023, none of the Directors or chief executive of the Company had registered an interest or a short position in the shares or underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2023, the following parties had interests of 5% or more of the issued share capital of the Company according to the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in the ordinary shares of the Company

Name of substantial Shareholders	Nature of interests	Number of ordinary shares interested	Percentage⁺ of the Company's issued share capital
Golden Sparkle Limited	Beneficial owner <i>(Note)</i>	551,686,500	24.25%
Mr. Lai Wai Lam Ricky	Interest of controlled corporation <i>(Note)</i>	551,686,500	24.25%

Note:

These shares are held by Golden Sparkle Limited, a controlled corporation of Mr. Lai Wai Lam Ricky. Accordingly, Mr. Lai Wai Lam Ricky is deemed to be interested in these shares pursuant to Part XV of the SFO.

* The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at 30 June 2023.

Save as disclosed above and in the above section headed "Share Option Scheme", as at 30 June 2023, no person had registered an interest or short position in the shares or underlying shares of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors’ dealings in the Company’s securities. Each Director has been given a copy of the Model Code. Specific enquiry has been made of all the Company’s Directors and they have confirmed their compliance with the Model Code throughout the period ended 30 June 2023.

COMPLIANCE WITH THE WRITTEN GUIDELINES FOR SECURITIES TRANSACTIONS BY THE RELEVANT EMPLOYEES OF THE COMPANY

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors’ dealings in the Company’s securities. Each Director has been given a copy of the Model Code. Specific enquiry has been made of all the Company’s Directors and they have confirmed their compliance with the Model Code throughout the period ended 30 June 2023.

CORPORATE GOVERNANCE

The Board is of the view that the Company has complied with the code provisions set out in the Corporate Governance Code (the “CG Code”) as contained in Appendix 14 of the Listing Rules during the period ended 30 June 2023 apart from the code provisions F.2.2 and C.2.1 as disclosed below.

Under code provision F.2.2 of the CG Code, the chairman of the Board should attend the annual general meeting. During the period ended 30 June 2023, the Company did not appoint any individual to be the chairman of the Board as the Board was still in the process of identifying a suitable candidate. Mr. Lau Ka Ho (“Mr. Lau”), the executive Director and chief executive officer of the Company, has chaired the annual general meeting held on 23 June 2023 (“2023 AGM”) and addressed questions raised by the Shareholders at the 2023 AGM. The chairman of the audit, remuneration and nomination committees of the Board, and representatives of the Company’s auditor also attended the 2023 AGM and were available to address questions from the Shareholders.

Having considered the knowledge of the aforesaid attendees, including representation from the Company’s management and auditor, the Company considers that questions or issues raised by Shareholders would be sufficiently addressed and that an effective dialogue between the Company and the Shareholders has been maintained.

Under code provision C.2.1 of the CG Code, the role of chairman and chief executive should be separate and should not be performed by the same individual. As aforesaid, the Company did not appoint any individual to be the chairman of the Board during the period ended 30 June 2023. Hence the Company deviated from the requirements under code provision C.2.1. The Board will nominate suitable candidate to act as chairman of the Board as soon as practicable and will make necessary announcement as and when appropriate.

EVENTS SUBSEQUENT TO THE REPORTING PERIOD

Details of events subsequent to the reporting period are set out in note 29 to the condensed consolidated interim financial statements.

UPDATE ON DIRECTORS' INFORMATION

There is no change in information of Directors shall be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period under review.

AUDIT COMMITTEE

The audit committee of the Company, comprising the Company's three independent non-executive Directors, has reviewed the unaudited condensed consolidated results of the Company for the six months ended 30 June 2023, including accounting principles and practices adopted by the Group, and discussed financial reporting matters.