



WINFULL GROUP
HOLDINGS LIMITED
宏輝集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)
Stock Code 股份代號: 00183

2021/22

Interim Report
中期報告





CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Pong Wilson Wai San (*Chairman*)

Lee Wing Yin (*Chief Executive Officer*)

Non-Executive Director

Lai Hin Wing Henry

Independent Non-Executive Directors

Koo Fook Sun Louis

Lung Hung Cheuk

Yeung Wing Yan Wendy

COMPLIANCE OFFICER

Lee Wing Yin

COMPANY SECRETARY

Lee Wing Yin

AUDIT COMMITTEE

Koo Fook Sun Louis (*Chairman*)

Lung Hung Cheuk

Yeung Wing Yan Wendy

REMUNERATION COMMITTEE

Lung Hung Cheuk (*Chairman*)

Pong Wilson Wai San

Koo Fook Sun Louis

Yeung Wing Yan Wendy

NOMINATION COMMITTEE

Yeung Wing Yan Wendy (*Chairwoman*)

Pong Wilson Wai San

Koo Fook Sun Louis

Lung Hung Cheuk

AUTHORISED REPRESENTATIVES

Pong Wilson Wai San

Lee Wing Yin

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit A, 6/F

9 Queen's Road Central

Central

Hong Kong

COMPANY HOMEPAGE

www.winfullgroup.hk

REGISTERED OFFICE

Windward 3

Regatta Office Park

P.O. Box 1350

Grand Cayman KY1-1108

Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited

Windward 3

Regatta Office Park

P.O. Box 1350

Grand Cayman KY1-1108

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong

AUDITOR

BDO Limited

Certified Public Accountants

STOCK CODE

183

INTERIM RESULTS

The board of directors (the “Director(s)”) (the “Board”) of Winfull Group Holdings Limited (the “Company”) herein presents the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 31 December 2021 (the “Period”) together with the comparative unaudited figures for the corresponding period in 2020 as follows:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2021

	Notes	Six months ended 31 December	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue	5	15,181	15,310
Cost of sales		(5,316)	(5,010)
Gross profit		9,865	10,300
Other income	5	4,437	16,332
Administrative expenses and other operating expenses		(14,619)	(14,138)
(Loss)/gain on disposal of debts instruments at FVOCI		(1,436)	96
Loss on disposal of equity instruments at FVTPL		(266)	–
Fair value gain on debt instruments at FVTPL		1,260	2,254
Fair value loss on equity instruments at FVTPL		(412)	–
Fair value (loss)/gain on financial instruments at FVTPL		(6,474)	12,113
Fair value loss on investment properties (Impairment)/reversal of impairment of properties held for trading		(57,830)	(46,532)
Finance costs		(1,950)	5,260
		(1,561)	(1,271)
Loss before income tax	6	(68,986)	(15,586)
Income tax expense	7	(103)	(554)
Loss for the period		(69,089)	(16,140)
Loss for the period attributable to:			
Owners of the Company		(70,859)	(15,004)
Non-controlling interests		1,770	(1,136)
		(69,089)	(16,140)
Loss per share for loss attributable to owners of the Company for the period	9		
Basic and diluted		HK(12.64) cent	HK(2.69) cent



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2021

	Six months ended 31 December	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Loss for the period	(69,089)	(16,140)
Other comprehensive income		
Item that will not be reclassified to profit or loss:		
Changes in fair value of equity instruments at FVOCI	(834)	402
Items that may be reclassified subsequently to profit or loss:		
Changes in fair value of debt instruments at FVOCI	(5,955)	1,155
Release of FVOCI reserve upon disposals of debt instruments at FVOCI	1,435	(72)
Exchange differences arising on translation of foreign operations	2,479	3,150
Other comprehensive income for the period, net of tax	(2,875)	4,635
Total comprehensive income for the period	(71,964)	(11,505)
Total comprehensive income for the period attributable to:		
Owners of the Company	(73,134)	(10,369)
Non-controlling interests	1,170	(1,136)
	(71,964)	(11,505)



UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

Notes	At 31 December 2021 HK\$'000 (Unaudited)	At 30 June 2021 HK\$'000 (Audited)
ASSETS AND LIABILITIES		
Non-current assets		
	143,109	145,458
Property, plant and equipment		
	917,273	976,946
Investment properties		
	2,225	1,442
Intangible assets		
Equity instruments at FVOCI	10	46,535
Financial instruments at FVTPL	10	366,430
Debt instruments at FVOCI	10	25,446
Debt instrument at amortised cost	10	5,373
Loan receivables	12	172
Deposit for leasehold improvement	17,533	16,249
	1,561,589	1,584,051
Current assets		
	65,423	67,373
Properties held for trading		
Properties under development	41,249	37,521
Trade receivables	11	1,121
Prepayments, deposits and other receivables	4,733	6,647
Loan receivables	12	17,315
Debt instruments at FVOCI	10	11,602
Debt instruments at FVTPL	10	24,478
Equity instruments at FVTPL	10	2,282
Cash and bank balances	161,850	183,179
Pledged bank deposits	201,889	201,514
	503,137	553,032



UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)

As at 31 December 2021

Notes	At 31 December 2021 HK\$'000 (Unaudited)	At 30 June 2021 HK\$'000 (Audited)
Current liabilities		
Accrued expenses, other payables and deposits received	9,296	11,660
Borrowings	226,168	222,671
Amounts due to non-controlling shareholders	18,331	18,231
Provision for income tax	25,349	24,841
	279,144	277,403
Net current assets	223,993	275,629
Total assets less current liabilities	1,785,582	1,859,680
Non-current liabilities		
Borrowings	10,317	12,036
Deferred tax liabilities	4,760	5,175
	15,077	17,211
Net assets	1,770,505	1,842,469
EQUITY		
Share capital	56,081	56,081
Reserves	1,715,982	1,789,716
Equity attributable to owners of the Company	1,772,063	1,845,797
Non-controlling interests	(1,558)	(3,328)
Total equity	1,770,505	1,842,469



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2021

	Six months ended 31 December	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Net cash (used in)/generated from operating activities	(4,524)	1,235
Net cash used in investing activities	(14,797)	(36,353)
Net cash generated from financing activities	1,878	18,613
Net decrease in cash and cash equivalents	(17,443)	(16,505)
Cash and cash equivalents at beginning of period	183,179	123,082
Effect of foreign exchange rate change	(3,886)	(15,359)
Cash and cash equivalents at end of period	161,850	91,218
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	39,313	82,808
Short-term deposits	122,537	8,410
	161,850	91,218



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2021

	Equity attributable to owners of the Company									
	Share-based							Total	Non-controlling interests	Total equity
	Share capital	Share premium	Translation reserve	Share-based payment reserve	FVOCI reserve	Other reserve	Retained profits			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
At 1 July 2020	55,481	1,568,267	2,242	11,708	(2,281)	1,380	158,963	1,795,740	(3,276)	1,792,464
Shares issued upon exercise of share options (note 13)	600	2,281	-	(303)	-	-	303	2,881	-	2,881
Transaction with owners	600	2,281	-	(303)	-	-	303	2,881	-	2,881
Loss for the period	-	-	-	-	-	-	(15,004)	(15,004)	(1,136)	(16,140)
Other comprehensive income:										
Change in fair value of equity instruments at FVOCI (note 10)	-	-	-	-	402	-	-	402	-	402
Change in fair value of debts instruments at fair FVOCI (note 10)	-	-	-	-	1,155	-	-	1,155	-	1,155
Release of FVOCI reserve upon disposals of debt instruments at FVOCI	-	-	-	-	(72)	-	-	(72)	-	(72)
Exchange differences arising on translation of foreign operations	-	-	3,150	-	-	-	-	3,150	-	3,150
Total comprehensive income for the period	-	-	3,150	-	1,485	-	(15,004)	(10,369)	(1,136)	(11,505)
At 31 December 2020	56,081	1,570,548	5,392	11,405	(796)	1,380	144,262	1,788,272	(4,412)	1,783,860

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

For the six months ended 31 December 2021

	Equity attributable to owners of the Company										
	Share capital	Share premium	Translation reserve	Share-based payment			Other reserve	Retained profits	Total	Non-controlling interests	Total equity
				reserve	reserve	reserve					
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)		
At 1 July 2021	56,081	1,570,851	3,644	11,867	6,118	1,380	195,856	1,845,797	(3,328)	1,842,469	
Loss for the period	-	-	-	-	-	-	(70,859)	(70,859)	1,770	(69,089)	
Other comprehensive income:											
Changes in fair value of equity instruments at FVOCI (note 10)	-	-	-	-	(834)	-	-	(834)	-	(834)	
Changes in fair value of debts instruments at FVOCI (note 10)	-	-	-	-	(5,955)	-	-	(5,955)	-	(5,955)	
Release of FVOCI reserve upon disposals of debt instruments at FVOCI	-	-	-	-	1,435	-	-	1,435	-	1,435	
Exchange differences arising on translation of foreign operations	-	-	2,479	-	-	-	-	2,479	-	2,479	
Total comprehensive income for the period	-	-	2,479	-	(5,354)	-	(70,859)	(73,734)	1,770	(71,964)	
At 31 December 2021	56,081	1,570,851	6,123	11,867	764	1,380	124,997	1,772,063	(1,558)	1,770,505	

Other reserve represents the difference between the proportionate share of the carrying amount of its subsidiaries' net liabilities, assignment of debt amount and the consideration received for the disposal of a certain interests in subsidiaries that does not result in loss of control.



NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Winfull Group Holdings Limited (the “Company”) is an exempted company with limited liability under the Companies Law (2001 Second Revision) of the Cayman Islands. The address of its registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and its principal place of business is Unit A, 6th Floor, 9 Queen’s Road Central, Hong Kong.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activity of the Company is investment holding. The Group is principally engaged in the property investment and trading, property development and securities investment and trading. There were no significant changes in the Group’s operations during the period.

These condensed consolidated interim financial statements are unaudited, but have been reviewed by the audit committee of the Company and approved for issue by the board of directors (the “Board”) of the Company on 25 February 2022.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 31 December 2021 (the “Condensed Financial Report”) have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

This Condensed Financial Report do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the 2022 Annual Financial Statements, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).



2. BASIS OF PREPARATION (cont'd)

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

In preparing the Condensed Financial Report, significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the 2021 Annual Financial Statements.

The Condensed Financial Report have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss ("FVTPL"), equity/debt instruments at fair value through other comprehensive income ("FVOCI") and investment properties which are stated at fair value.

The Condensed Financial Report are presented in Hong Kong Dollars ("HK\$") which is also the functional currency of the Company and all values are rounded to the nearest thousands ("HK\$'000") unless otherwise stated.

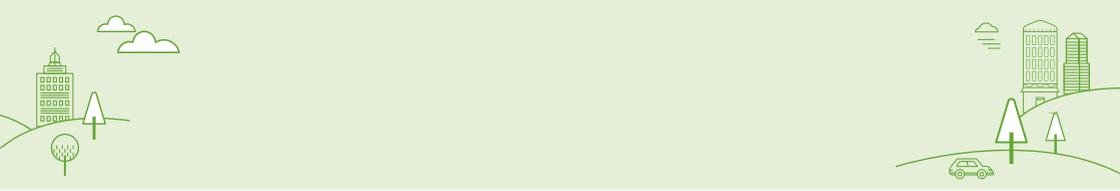
3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The HKICPA has issued a number of new or amendments to HKFRSs that are first effective for the current accounting period of the Group.

The Group has applied the following amendments to HKFRSs issued by the HKICPA to this interim financial information for the current accounting period:

Amendments to HKFRS 16	Covid-19-related rent concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest rate benchmark reform — phase 2

The application of these new or amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in this Condensed Financial Report and/or disclosures set out in this Condensed Financial Report.



4. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines.

The Group has identified the following reportable segments:

Property Development Business:	Property development
Property Investment and Trading Business:	Investment in properties and property trading for profit-making purpose
Renovation Business:	Provision of renovation services
Securities Investment and Trading Business:	Investment and trading in securities
Money Lending Business:	Provision of money lending services

Each of these operating segments is managed separately as each of the product and service line requires different resources as well as marketing approaches. All inter-segment transfers are priced with reference to prices charged to external parties for similar orders.

The measurement policies the Group used for reporting segment results under HKFRS 8 "Operating Segments" are the same as those used in its financial statements prepared under HKFRSs, except that reclassified from equity to profit or loss on significant change in fair value of financial assets at FVTPL and disposals of debt instruments at FVOCI, certain interest income, dividend income, share of results of associates and a joint venture, net exchange loss/gain, equity-settled share-based payments, income tax expense and corporate income and expenses which are not directly attributable to the business activities of any operating segment are not included in arriving at the operating results of the operating segment.

Segment assets include all assets but investments in financial assets. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment, which primarily applies to the Group's headquarter.

4. SEGMENT INFORMATION (cont'd)

There was no inter-segment sale and transfer during the period (six months ended 31 December 2020: Nil).

Six months ended 31 December 2021 (Unaudited)						
	Property Development Business HK\$'000	Property Investment and Trading Business HK\$'000	Renovation Business HK\$'000	Securities Investment and Trading Business HK\$'000	Money Lending Business HK\$'000	Total HK\$'000
Reportable segment revenue:						
From external customers	-	10,663	-	3,870	648	15,181
Reportable segment profit/(loss)	(778)	(53,948)	(1)	(539)	622	(54,644)
Reportable segment assets	70,222	1,145,465	17	14,241	3,045	1,232,990

Six months ended 31 December 2020 (Unaudited)						
	Property Development Business HK\$'000	Property Investment and Trading Business HK\$'000	Renovation Business HK\$'000	Securities Investment and Trading Business HK\$'000	Money Lending Business HK\$'000	Total HK\$'000
Reportable segment revenue:						
From external customers	-	10,573	-	3,510	1,227	15,310
Reportable segment profit/(loss)	(434)	(34,085)	(1)	154	1,097	(33,269)
Reportable segment assets	74,286	1,123,927	17	8,812	17,669	1,224,711

4. SEGMENT INFORMATION (cont'd)

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

	Six months ended 31 December	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue		
Reportable segment revenue	15,181	15,310
Consolidated revenue	15,181	15,310
Profit before income tax		
Reportable segment loss	(54,644)	(33,269)
(Loss)/gain on disposal of debts instruments at FVOCI	(1,436)	90
(Loss)/gain on financial instruments at FVTPL	(6,474)	12,179
Fair value gain on debts instruments at FVOCI	–	2,254
Interest income	2,520	5,164
Dividend income	456	351
Exchange (loss)/gain, net	(469)	7,126
Corporate salaries and allowances	(7,323)	(5,745)
Corporate professional fees	(269)	(221)
Depreciation on corporate property, plant and equipment	(676)	(434)
Unallocated corporate income	339	706
Unallocated corporate expenses	(1,010)	(3,787)
Consolidated loss before income tax	(68,986)	(15,586)

4. SEGMENT INFORMATION (cont'd)

The Group's reportable segment revenue from external customers and its non-current assets are divided into the following geographical areas:

	Revenue from external customer		Non-current assets	
	31 December 2021 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Unaudited)	30 June 2021 HK\$'000 (Audited)
Hong Kong	13,380	13,671	936,684	996,000
United Kingdom	1,506	1,436	88,427	90,270
Japan	295	203	37,645	37,576
	15,181	15,310	1,062,756	1,123,846

In the following table, revenue is disaggregated by timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segment.

	Property Development Business		Property Investment and Trading Business		Renovation Business		Security Investment and Trading Business		Money Lending Business		Total	
	31 December		31 December		31 December		31 December		31 December		31 December	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue from leasing	-	-	10,663	10,573	-	-	-	-	-	-	10,663	10,573
Revenue from other sources	-	-	-	-	-	-	3,870	3,510	648	1,227	4,518	4,737
	-	-	10,663	10,573	-	-	3,870	3,510	648	1,227	15,181	15,310

5. REVENUE AND OTHER INCOME

The Group's principal activities are disclosed in note 1 to this report. Revenue from the Group's principal activities and other income recognised during the period are as follows:

	Six months ended 31 December	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue		
Rental income from investment properties	10,663	10,573
Sale of securities	3,870	3,510
Interest income from money lending	648	1,227
	15,181	15,310
Other income		
Interest income	2,513	6,758
Dividend income	580	351
Exchange gains, net	–	7,520
Rental income from properties held for trading and properties under development	1,002	971
Sundry income	342	732
	4,437	16,332

6. LOSS BEFORE INCOME TAX

The Group's loss before income tax is arrived at after charging/(crediting) the following:

	Six months ended 31 December	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Depreciation	2,349	2,097
Directors' remuneration	4,064	4,064
Exchange loss/(gain), net	578	(7,520)

7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 31 December 2020: 16.5%) on the estimated assessable profit arising in Hong Kong for the current period.

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

8. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2021 (six months ended 31 December 2020: Nil).

9. LOSS PER SHARE

The calculations of basic and diluted loss per share are based on the following data:

	Six months ended 31 December	
	2021 (Unaudited)	2020 (Unaudited)
Loss for the period, attributable to owners of the Company (HK\$'000)	(70,859)	(15,004)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share ('000)	560,813	(Adjusted) 557,095

On 4 May 2021, every ten issued and unissued ordinary shares were consolidated into one consolidated share and the number of consolidated shares was rounded down to the nearest whole number by disregarding each and every fractional consolidated share which would otherwise arise.

Comparative figures of the weighted average number of shares for calculating basic earnings per share and diluted earnings per share have been adjusted on the assumption that the Share Consolidation have been effective in the prior period.

There were no diluted potential ordinary shares for the six months ended 31 December 2021 and 2020 as the outstanding share options were out of the money for the purpose of the diluted loss per share calculation.

10. OTHER FINANCIAL ASSETS

	Measured at FVOCI		Measured at FVTPL		Measured at amortised cost	
	At 31 December 2021 (Unaudited) HK\$'000	At 30 June 2021 (Audited) HK\$'000	At 31 December 2021 (Unaudited) HK\$'000	At 30 June 2021 (Audited) HK\$'000	At 31 December 2021 (Unaudited) HK\$'000	At 30 June 2021 (Audited) HK\$'000
Non-current						
Equity instruments (note)						
- Listed in Hong Kong*	12,745	12,890	-	-	-	-
- Listed outside Hong Kong*	69,087	33,645	-	-	-	-
	81,832	46,535	-	-	-	-
Financial instruments						
- Unlisted in Hong Kong [^]	-	-	28,088	28,088	-	-
- Unlisted outside Hong Kong [^]	-	-	113,923	112,651	-	-
- Unlisted investment funds [†]	-	-	226,968	225,691	-	-
	-	-	368,979	366,430	-	-
Debt instruments						
- Listed in Hong Kong*	22,927	25,446	-	-	-	-
- Unlisted outside Hong Kong [®]	-	-	-	-	5,264	5,373
	22,927	25,446	-	-	5,264	5,373
	104,759	71,981	368,979	366,430	5,264	5,373
Current						
Equity instruments						
- Listed in Hong Kong*	-	-	1,702	2,263	-	-
- Listed outside Hong Kong*	-	-	17	19	-	-
	-	-	1,719	2,282	-	-
Debt instruments						
- Listed in Hong Kong*	1,069	11,602	-	-	-	-
- Listed outside Hong Kong*	-	-	-	3,925	-	-
- Unlisted outside Hong Kong [®]	-	-	21,407	20,553	-	-
	1,069	11,602	21,407	24,478	-	-
	1,069	11,602	23,126	26,760	-	-

Note: These equity instruments were irrevocably designated at FVOCI as the directors of the Company consider these investments to be strategic in nature.

10. OTHER FINANCIAL ASSETS (cont'd)

- * These financial assets are measured at fair value which has been determined directly by reference to published price and quotations in active markets (30 June 2021: same).
- ^ These financial assets are measured at fair value which has been determined by reference to the fair values of the underlying assets and liabilities of each instrument (30 June 2021: same).
- # Among these financial assets, amount of HK\$107,547,000 (30 June 2021: HK\$82,957,000) is measured at fair value which has been determined directly by reference to published price and quotations in active markets and amount of HK\$142,011,000 (30 June 2021: HK\$142,734,000) is measured at fair value which has been determined by reference to the fair values of the underlying assets and liabilities of each instrument, respectively (30 June 2021: same).
- ⊙ Amount of HK\$21,407,000 (30 June 2021: HK\$20,553,000) is measured at fair value which has been determined by discounted cash flow method and amount of HK\$5,264,000 (30 June 2021: HK\$5,373,000) is measured at amortised cost.

Movements in other financial assets are summarised as follows:

	Equity instruments at FVOCI		Equity instruments at FVTPL		Financial instruments at FVTPL		Debt instruments at FVOCI		Debt instruments at FVTPL		Debt instrument at amortised cost	
	At 31 December 2021 (Unaudited) HK\$'000	At 30 June 2021 (Audited) HK\$'000										
	Net carrying amount at beginning of the year	46,535	32,665	2,282	-	366,430	328,559	37,048	70,593	24,478	30,852	5,373
Additions	36,131	13,194	1,363	4,597	9,836	105,191	6,468	24,365	-	2,579	-	-
Disposals	-	(8,298)	(1,514)	(2,822)	-	(43,845)	(13,564)	(57,691)	(3,870)	(7,299)	-	-
Changes in fair value credited/ (debited) to profit or loss	-	-	(412)	507	(6,474)	(30,424)	-	-	1,260	(4,115)	-	-
Changes in fair value credited/ (debited) to FVOCI reserve	(834)	8,974	-	-	-	-	(5,956)	(219)	-	-	-	-
Exchange difference	-	-	-	-	(813)	6,949	-	-	(461)	2,461	(109)	605
Net carrying amount at end of the year	81,832	46,535	1,719	2,282	368,979	366,430	23,996	37,048	21,407	24,478	5,264	5,373

As at 31 December 2021 and 30 June 2021, debt instruments measured at FVOCI and debt instrument measured at amortised cost were determined to be impaired in accordance with the accounting policy set out in note 3.12(ii). As at 31 December 2021 and 30 June 2021, no debt instruments measured at FVOCI and debt instrument measured at amortised cost were impaired.



11. TRADE RECEIVABLES

The Group generally allows a credit period of 1 month to its trade customers.

Based on the invoice dates, all trade receivable as at 31 December 2021 and 30 June 2021 were aged within 90 days.

12. LOAN RECEIVABLES

	31 December 2021 HK\$'000 (Unaudited)	30 June 2021 HK\$'000 (Audited)
Loan receivables	4,747	17,487
Reconciliation to the condensed consolidated statement of financial position:		
Non-current	2,447	172
Current	2,300	17,315
	4,747	17,487

Notes:

- The balances are interest-bearing at 3.33% to 8.36% (30 June 2021: 3.33% to 9.25%) per annum and are repayable in 2022 and 2025 respectively. These loan receivables are secured by the borrowers' properties and shares of one of borrower's holding company.
- The balances are neither past due nor impaired. Management believes that no impairments is necessary having regard to the creditworthiness of the borrowers and the value of the collateral.
- Loan receivables of approximate HK\$2,300,000 (30 June 2021: HK\$17,315,000) are assets under Money Lending Business at the reporting date.

13. SHARE CAPITAL

	31 December 2021		30 June 2021	
	Number of shares	HK\$'000 (Unaudited)	Number of shares	HK\$'000 (Audited)
Authorised:				
Ordinary shares of HK\$0.01 each	1,000,000,000	100,000	10,000,000,000	100,000
Share consolidation (note ii)	-	-	(9,000,000,000)	-
	1,000,000,000	100,000	1,000,000,000	100,000
Issued and fully paid:				
Ordinary shares of HK\$0.01 each				
At the beginning of the period	560,812,566	56,081	5,548,125,668	55,481
Shares issued upon exercise of share options (note i)	-	-	60,000,000	600
Share consolidation (note ii)	-	-	(5,047,313,102)	-
At the end of the period	560,812,566	56,081	560,812,566	56,081

Notes:

- (i) In October 2020, the Company issued an aggregate of 60,000,000 new ordinary shares of HK\$0.01 each at a price of HK\$0.048 per share to the directors of the Company.
- (ii) On 4 May 2021, every ten issued and unissued ordinary shares were consolidated into one consolidated share and the number of consolidated shares was rounded down to the nearest whole number by disregarding each and every fractional consolidated share which would otherwise arise.

14. MATERIAL RELATED PARTY TRANSACTION

The Group had the following material transaction with its related party during the Period:

	Six months ended 31 December	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Rental Income on investment properties, received from a related company owned by one of the substantial shareholders of the Company	1,638	1,713

The transaction was conducted at pre-determined price in accordance with terms mutually agreed between the Group and the related party. The transaction is conducted in the normal course of business.



14. MATERIAL RELATED PARTY TRANSACTION *(cont'd)* Key management personnel compensation

	Six months ended 31 December	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Short-term employee benefits	4,064	4,064

15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table presents financial assets measured at fair value in the condensed consolidated statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

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

The level in the fair value hierarchy within which the financial asset is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (cont'd)

The financial assets measured at fair value in the condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:

	Notes	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
31 December 2021 (Unaudited)					
Assets:					
Equity instruments at FVOCI					
– Listed equity securities	(a)	81,832	–	–	81,832
Debt instruments at FVOCI					
– Listed debts investments	(a)	23,996	–	–	23,996
Equity instruments at FVTPL					
– Listed equity securities		1,719	–	–	1,719
Debt instruments at FVTPL					
– Listed debt instruments	(a)	–	–	–	–
– Unlisted debt instruments	(d)	–	–	21,407	21,407
Financial instruments at FVTPL					
– Unlisted equity instruments	(b)	–	–	142,011	142,011
– Unlisted investment funds	(c)	–	91,281	135,687	226,968
Total and net fair values		107,547	91,281	299,105	497,933
30 June 2021 (Audited)					
Assets:					
Equity instruments at FVOCI					
– Listed equity securities	(a)	46,535	–	–	46,535
Debt instruments at FVOCI					
– Listed debts investments	(a)	37,048	–	–	37,048
Equity instruments at FVTPL					
– Listed equity securities	(a)	2,282	–	–	2,282
Debt instruments at FVTPL					
– Listed debt instruments	(a)	3,925	–	–	3,925
– Unlisted debt instruments	(d)	–	–	20,553	20,553
Financial instruments at FVTPL					
– Unlisted equity instruments	(b)	–	–	140,739	140,739
– Unlisted investment funds	(c)	–	76,408	149,283	225,691
Total and net fair values		89,790	76,408	310,575	476,773

There have been no significant transfers between levels in the reporting period.



15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(cont'd)*

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting periods.

(a) Listed equity securities and listed debts investments

The listed equity securities and listed debts investments are denominated in HK\$ and US\$. Fair values have been determined by reference to their quoted bid prices at the reporting date.

(b) Unlisted equity instruments

The unlisted equity instruments are denominated in HK\$, US\$ and GBP. Fair values have been determined based on asset-based approach as their major assets are properties held to earn rentals or for capital appreciation or both and the investee does not have sufficient earning history to support the use of other approaches. The value of these properties is adjusted to their fair value at the end of each reporting period for the purpose of determining the Group's share of adjusted net asset value and fair value of the investments.

(c) Unlisted investment funds

The unlisted investment funds are denominated in US\$, GBP and EURO. Fair values of unlisted investment funds included in level 2 have been determined based on observable market prices which are sourced from broker quotes as provided by financial institutions. Most significant inputs are observable market data including historical trading prices. For fair values of unlisted investment funds included in level 3 have been determined based on asset-based approach as their major assets are held for capital appreciation and the investee does not have sufficient earning history to support the use of other approaches. The value of the assets is adjusted to their fair value at the end of each reporting period for the purpose of determining the Group's share of adjusted net asset value and fair value of the investments.

(d) Unlisted debt instrument

The unlisted debt instrument is denominated in GBP. Fair value has been determined based on discounted cash flow method. The fair value of the unlisted debt instrument may be based on unobservable inputs which may have significant impact on the valuation of this financial instrument, and therefore, it has been classified by the Group as level 3. The unobservable inputs which may have impact on the valuation include weighted average cost of capital, discount rate, probability of profit sharing etc.



INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Period (six months ended 31 December 2020: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in investment, trading and development of properties and securities investment and trading.

During the Period, the Group was engaged in one property development project in the United Kingdom (the "UK"). The Group also has thirteen investment properties, which are commercial, industrial properties and residential properties located in Hong Kong, the UK and Japan, and two trading properties, which are commercial properties in Hong Kong.

Despite the fifth wave of Covid-19 since January 2022, Hong Kong's economic recovery became more entrenched during the Period alongside the continued revival of global economic activity and stable local epidemic situation. As regards domestic demand, private consumption expenditure rose appreciably because of the stable local epidemic situation, improved labour market conditions and the Consumption Voucher Scheme. Overall investment expenditure continued to rebound visibly as business outlook improved. Underlying consumer price inflation went up but remained moderate in the Period. Business sentiment largely remained positive, though the pandemic development and supply bottlenecks continued to cast uncertainties over Hong Kong and the global economic outlook.

The residential property market continued to be supported by the low interest rate environment, firm end-user demand and the local economic recovery. Trading activities picked up notably and flat prices firmed up slightly. Raising flat supply through increasing land supply is a policy priority of the Government. Reflecting the Government's sustained efforts to increase land and flat supply, total private first-hand flat supply in the coming three to four years would rise to a high level of 94,000 units.

The commercial and industrial property markets continued to improve from the weakness in the latter part of 2020. Prices and rentals generally stayed firm in the Period, though trading activities for all major market segments retreated somewhat from the last quarter of last financial year. Prices of office space on average increased slightly in the Period but it was offset by the decline in price of Grade A office. Office rentals on average showed little change over the Period.

Prices and rentals of retail shop space increased slightly by 1% during the Period. Compared with the respective peaks in 2018 and 2019, prices and rentals were slightly lower. The average rental yield edged down over the Period.

FINANCIAL REVIEW

For the Period, the Group recorded a turnover of approximately HK\$15,181,000, representing a decrease of approximately 0.84% comparing with that of approximately HK\$15,310,000 for the corresponding period of last financial year. The decrease in turnover was mainly attributed to the decrease in turnover for the interest income from loan financing business.

Loss before income tax of the Group for the Period was approximately HK\$68,986,000, representing an increase of approximately 342.62% comparing with the loss before income tax of approximately HK\$15,586,000 for the corresponding period of last financial year. The loss for the Period was mainly attributable to the fair value loss of investment properties for the Period.



LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2021, the Group had net current assets of approximately HK\$223,993,000 (30 June 2021: approximately HK\$275,629,000), including cash and bank balances of approximately HK\$161,850,000 (30 June 2021: approximately HK\$183,179,000).

The gearing ratio was approximately 11.5% as at 31 December 2021 (30 June 2021: approximately 11.0%). The gearing ratio is derived by dividing the total of borrowings by total assets. The gearing ratio increased slightly for the Period when compared to 30 June 2021 due to additional foreign currency bank loan for new overseas investments.

During the Period, the Group financed its operations with its own working capital and bank borrowings. As at 31 December 2021, the secured bank borrowings of the Group were approximately HK\$236,485,000 (30 June 2021: approximately HK\$234,707,000), in which approximately HK\$198,546,000 (30 June 2021: approximately HK\$195,826,000) were repayable within a period of not exceeding 5 years and approximately HK\$37,939,000 (30 June 2021: approximately HK\$38,881,000) were repayable beyond 5 years, and there was no other borrowing as at 31 December 2021 (30 June 2021: Nil).

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

On 23 December 2021, Luck Wise Investment Limited (“Luck Wise”), a wholly owned subsidiary of the Company, executed the capital contribution agreement in relation to the contribution of RMB20 million by Luck Wise to Tianjin Zhongwei Equity Investment Fund Partnership (Limited Partnership) (the “Partnership”). Luck Wise (as limited partner of the Partnership) and Suzhou Zhongyiwei Private Equity Fund Management Partnership (Limited Partnership) (the “General Partner”) (as general partner of the Partnership) will enter into the limited partnership agreement for the purpose of the establishment of the Partnership.

The Partnership is a limited partnership to be established in the People’s Republic of China, and for the purpose of this report, excluding Hong Kong, Macau and Taiwan, whose principal business is equity or quasi-equity investment in sub-funds and entities in emerging industries. Pursuant to the limited partnership agreement, the Partnership will have a targeted size of RMB1.5 billion (equivalent to about HK\$1.8 billion) and the total capital commitment of Luck Wise is RMB20 million (equivalent to about HK\$24.4 million).

For details of the transaction, please refer to the Company’s announcement dated 23 December 2021.

On 29 December 2021, August Ally Limited, a wholly-owned subsidiary of the Company, subscribed for wealth management product offered by China Life Insurance (Overseas) Company Limited, namely, the China Life Wealth Management Product, in an aggregate subscription amount of USD4,825,067.51.

For details of the transaction, please refer to the Company’s announcement dated 29 December 2021.

During the Period, those securities investments held by the Group are as follows:

	Cost as at 31 December 2021 HK\$'000	Carrying amount as at 31 December 2021 HK\$'000	Outstanding commitment as at 31 December 2021 HK\$'000	Total of carrying amount and outstanding commitment as at 31 December 2021 HK\$'000	Gain/(loss) in fair value during the Period HK\$'000	Gain/(loss) on disposal during the Period HK\$'000	Exchange different during the Period HK\$'000	Dividends/ interests received during the Period HK\$'000
<i>NON-CURRENT</i>								
Equity instruments at fair value through other comprehensive income								
Listed in Hong Kong	16,306	12,745	-	12,745	(775)	-	-	456
Listed outside Hong Kong	61,333	69,087	-	69,087	(59)	-	-	-
	77,639	81,832	-	81,832	(834)	-	-	456
Financial instruments at fair value through profit or loss								
Unlisted in Hong Kong	68,000	28,088	-	28,088	-	-	-	-
Unlisted outside Hong Kong	110,116	113,923	-	113,923	2,205	-	(109)	-
Unlisted Investment Funds	253,671	226,968	40,274	267,242	(8,679)	-	(704)	-
	431,787	368,979	40,274	409,253	(6,474)	-	(813)	-
Debt instruments at fair value through other comprehensive income								
Listed in Hong Kong	24,098	22,927	-	22,927	(3,175)	(1,435)	-	1,728
	24,098	22,927	-	22,927	(3,175)	(1,435)	-	1,728
Debt instruments at amortised costs								
Unlisted outside Hong Kong	4,967	5,264	-	5,264	-	-	(109)	-
	538,491	479,002	40,274	519,276	(10,483)	(1,435)	(922)	2,184
<i>CURRENT</i>								
Equity instruments at fair value through profit or loss								
Listed in Hong Kong	2,196	1,702	-	1,702	(412)	(266)	-	124
Listed outside Hong Kong	17	17	-	17	-	-	-	-
	2,213	1,719	-	1,719	(412)	(266)	-	124
Debt instruments at fair value through profit or loss								
Listed outside Hong Kong	-	-	-	-	(40)	-	-	-
Unlisted outside Hong Kong	23,937	21,407	-	21,407	1,300	-	(461)	-
	23,937	21,407	-	21,407	1,260	-	(461)	-



	Cost as at 31 December 2021 HK\$'000	Carrying amount as at 31 December 2021 HK\$'000	Outstanding commitment as at 31 December 2021 HK\$'000	Total of carrying amount and outstanding commitment as at 31 December 2021 HK\$'000	Gain/(loss) in fair value during the Period HK\$'000	Gain/(loss) on disposal during the Period HK\$'000	Exchange different during the Period HK\$'000	Dividends/ interests received during the Period HK\$'000
Debt instruments at fair value through other comprehensive income Listed in Hong Kong	3,903	1,069	-	1,069	(2,781)	-	-	67
	30,053	24,195	-	24,195	(1,933)	(266)	(461)	191
	568,544	503,197	40,274	543,471	(12,416)	(1,701)	(1,383)	2,375

The total size of carrying amount and outstanding commitment for each of those investments as at 31 December 2021 represents approximately 0.001% to 1.84% of the total assets of the Group as at 31 December 2021. It is the strategy of the Group to seek any opportunistic investments to enhance the yield of the surplus cash held by the Group on medium and long-term basis.

Save for those disclosed above and in this report, there were no significant investment held, material acquisitions or disposals of subsidiaries and affiliated companies during the Period and there is no plan for material investments or capital assets as at the date of this report.

PLEDGE OF ASSETS

As at 31 December 2021, the leasehold properties and certain investment properties with carrying value of approximately HK\$130,253,000 and approximately HK\$449,027,000 (30 June 2021: approximately HK\$131,650,000 and approximately HK\$513,771,000) respectively and bank deposits of approximately HK\$201,889,000 (30 June 2021: approximately HK\$201,514,000) were pledged to secure bank borrowings for the Group.

CONTINGENT LIABILITIES

As at 31 December 2021, the Company has no contingent liabilities (30 June 2021: Nil).

LEASE AND CONTRACTED COMMITMENTS

As Lessee

As at 31 December 2021, there was no future minimum lease payment under non-cancellable operating lease payable by the Group (30 June 2021: Nil).



As Lessor

As at 31 December 2021, the Group had future aggregate minimum lease receipts under non-cancellable operating leases as follows:

	31 December 2021 HK\$'000 (Unaudited)	30 June 2021 HK\$'000 (Audited)
Within one year	18,710	23,405
In the second year	8,770	14,415
In the third year	5,470	6,286
In the fourth year	2,986	3,342
In the fifth year	1,236	2,770
	37,172	50,218

The Group leases its properties under operating lease arrangements which run for an initial period of two to fifteen years (30 June 2021: one to ten years), with an option to renew the lease terms at the expiry date or at dates as mutually agreed between the Group and the respective tenants. None of the leases include contingent rentals.

Capital Commitments

	31 December 2021 HK\$'000 (Unaudited)	30 June 2021 HK\$'000 (Audited)
Contracted but not provided for:		
Debt instruments at amortised cost	4,080	6,379
Financial instruments at FVTPL	40,274	53,935
Properties under development	455	2,203
Properties held for trading	24,869	25,387
	69,678	87,904

Save for the above commitment, as at 31 December 2021, neither the Group nor the Company had any other significant commitments.



FOREIGN EXCHANGE EXPOSURE

The Group's income and expenditure during the Period were denominated in United States dollars (the "US\$"), British Pound (the "GBP"), Euro (the "EUR"), HK\$ and Japanese Yen (the "JPY"), and most of the assets and liabilities as at 31 December 2021 were denominated in US\$, GBP, EUR, HK\$ and JPY. Accordingly, the Board is of the view that, to a certain extent, the Group is exposed to foreign currency exchange risk. For the US\$ foreign exchange exposure, the Board believes the exposure is small as the exchange rate of US\$ to HK\$ is comparatively stable. However, the Group is exposed to GBP, EUR and JPY foreign exchange exposure and the fluctuation of exchange rates of GBP, EUR and JPY against HK\$ could affect the Group's results of operations. During the Period, foreign currency banking facilities for GBP, EUR and JPY were arranged for acquisition of properties and investments in these currencies to hedge for foreign exchange exposure.

TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

SEGMENT INFORMATION

The analysis of the principal activities of the operations of the Group is set out in note 4 to unaudited condensed consolidated financial statements.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2021, the Group had 22 (30 June 2021: 24) employees, including Directors. Total staff cost (including Directors' emoluments) was approximately HK\$8,241,000 for the Period as compared to approximately HK\$6,663,000 for the six months ended 31 December 2020. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme to its employees in Hong Kong and share option scheme.



BUSINESS OVERVIEW

Property Development Business

During the Period, the Group is engaged in one property development project, which is located in Birmingham, the UK.

It is a property development project at 50 School Road, Moseley, Birmingham, the UK. The project has a site area of 15,800 square feet and it can be developed into a residential building with gross floor area of approximately 12,000 square feet. The acquisition of the land was completed on 26 October 2018 and the development planning has been completed in the last financial year. Due to the effect of COVID-19, the development has been further delayed and is expected to be completed in the first quarter of 2022.

The Group considers that this development project in the UK provides a good opportunity for the Group to diversify its overall property portfolio and gain more experience in property development in the UK. The Group will continue to explore potential property development opportunities both in Hong Kong and overseas, to enhance the benefit of the shareholders of the Company (the "Shareholder(s)") while overcoming the challenges ahead.

Property Investment and Trading

As at 31 December 2021, the Group has twelve commercial, industrial and residential properties for investment and trading purposes, which are located in Hong Kong, one commercial property in Cardiff, the UK and two serviced apartments in Hokkaido, Japan, for investment purpose.

During the Period, the Group recorded a fair value loss of investment properties of approximately HK\$57,830,000 (six months ended 31 December 2020: approximately HK\$46,532,000) and an impairment of properties held for trading of approximately HK\$1,950,000 (six months ended 31 December 2020: reversal of impairment loss of approximately HK\$5,260,000).

Whole floor of 9 Queen's Road Central

The property is located at the 6th Floor of 9 Queen's Road Central, Hong Kong. It is a commercial property with gross floor area of approximately 13,700 square feet. A portion of the property is currently used by the Group for its own office, while the remaining portion has been rented out to various independent third parties for rental income. The Group believes that the property can provide a stable income with the long term appreciation in value.

Retail Shop Units at Grand Scholar, No. 419K Queen's Road West

The property is located at Grand Scholar, No. 419K Queen's Road West, Hong Kong. It consists of two shops, including shops on ground floor and on lower ground 1st floor. The property has a total gross floor area of approximately 10,300 square feet and has been leased to a church for a fixed term of three years. The Group believes that the property can provide a stable future income for the Group.



Whole Floor of Kenning Industrial Building at 19 Wang Hoi Road, Kowloon Bay

The property is located at 4th Floor of Kenning Industrial Building, No. 19 Wang Hoi Road, Kowloon Bay, Hong Kong in proximity to the Kowloon Bay MTR station. The property has a total gross floor area of approximately 16,500 square feet and all units of the property have been leased during the Period. The Group believes that the property can provide a stable future income and long term appreciation in value.

Atlantic House at Cardiff, United Kingdom

The property is located at Cardiff, the UK with a total net floor area of approximately 42,000 square feet. The property consists of two office buildings. The east wing is currently leased to a local law firm for a term of fifteen years, which will be expired in 2026. The west wing is under refurbishment now. Due to the effect of COVID-19, the tendering of refurbishment has been delayed and it is expected to be completed in early 2022. Cardiff is the principal office market within Wales and one of the major regional centres in the UK. The Group believes that it is a good opportunity for holding the property for long term investment purpose and diversification of the property portfolio.

Office units and carpark space of Universal Trade Centre at 3 Arbuthnot Road

The four office units are located on 30th and 13th floors of Universal Trade Centre, No. 3 Arbuthnot Road, Central, Hong Kong. They have a total gross floor area of approximately 5,600 square feet. The office units on 13th floor have been leased to an independent third party. The units on 30th floor have been vacant and they are now looking for new tenant.

Office unit of Arion Commercial Centre at 2–12 Queen's Road West

The property is located at Arion Commercial Centre at 2–12 Queen's Road West, Hong Kong and has a gross floor area of approximately 1,650 square feet. This office unit has been leased to a translation company, which is wholly-owned by Mr. Pong Wilson Wai San ("Mr. Pong"), with monthly rent of HK\$40,000. The rent was determined after arm's length negotiation with reference to the monthly rental of other similar premises in the Hong Kong market and the professional valuation report.

Whole office floor of Far East Consortium Building at 121 Des Voeux Road Central

The property is a whole floor office unit located on 15th Floor of Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong, which is an office building in Central district, with a gross floor area of approximately 7,300 square feet. This property has been leased to a financial printing company which is wholly-owned by Mr. Pong with monthly rent of HK\$233,000. The rent was determined after arm's length negotiation with reference to the monthly rental of other similar premises in the Hong Kong market and the professional valuation report. Further details of this transaction can be referred to our announcement dated 21 September 2020.



Roof of Block C of Sea View Estate, North Point

This property is located at the front portion of the roof of Sea View Estate in North Point, which is facing the South of Victoria Harbour in Hong Kong Island. The Group believes that it can be converted into an eye-catching rooftop advertising signage of approximately 300 square meters. The Group has engaged an advertising agent in looking for appropriate potential tenant for the signage.

Shops and signage at Lime Stardom Tai Kok Tsui

Two retail shops and 2 signages were acquired by the Group for trading purpose. The shops are located at ground floor of Lime Stardom, Tai Kok Tsui with outstanding features, such as curtain wall design and high ceiling. Hotels and shopping malls are within the proximity, together with the upcoming redevelopment and residential projects in the neighbourhood. Tai Kok Tsui will definitely become one of the new focuses of the city with high growth potential. In view of this, those properties are acquired for short-term trading purpose. The shops have been leased to independent third parties with acceptable yield. However, prices and rentals of retail shop space both decreased amid the continued weakness in the retail trade since last financial year due to the local social incidents and COVID-19, which led to the steepest decline in the private consumption expenditure and inbound tourism in the recent years. The price and rentals of the retail shop space was stabilised during the Period and an impairment on properties held for trading of HK\$1,950,000 has been recognised.

Serviced Apartments in Hokkaido Japan

Two serviced apartments in Niseko, Hokkaido, Japan, were acquired by the Group. One of the apartments is in Skye Niseko at Upper Hirafu Village, while the other is in Hanazono. Both of them are brand new serviced apartments with ski-in ski-out access to ski resorts and full range of hotel services. They are managed by premier asset managers with expertise and experience in effectively managing hospitality and tourism in Niseko. Operation of both serviced apartments was affected by COVID-19 and their occupancy rate was decreased by more than 90%. However, it is anticipated that rental income will be recovered gradually from July 2021. The Group believes that it is a good opportunity for investing in Japan real estate for long term investment and diversification of the property portfolio.

During the Period, the segment of property investment and trading business recorded a total rental income of approximately HK\$11,665,000 (six months ended 31 December 2020: approximately HK\$11,544,000), including revenue of approximately HK\$10,663,000 (six months ended 31 December 2020: approximately HK\$10,573,000) and rental income in other income of approximately HK\$1,002,000 (six months ended 31 December 2020: approximately HK\$971,000). Despite the effect of COVID-19, this segment continued to be the steady income source of the Group.



Securities Investment and Trading

The Group maintains a portfolio of equities, bonds and other investments products which generate steady income with potential of capital appreciation. The Group has taken into account of the following criteria when determining whether to take up an investment and trading opportunity: (i) potential for return on investment in terms of capital appreciation and dividend payment for the targeted holding period; (ii) risks exposure in comparison with the Group's risk tolerance level at the prevailing time; and (iii) diversification of the existing investment portfolio.

During the Period, the Group recorded a loss in fair value of its portfolio of approximately HK\$452,000 (six months ended 31 December 2020: gain of approximately HK\$148,000). The Group reported a segment loss of approximately HK\$539,000 (six months ended 31 December 2020: profit of approximately HK\$154,000) during the Period. The Group received no interest income from those bond investments for this segment (six months ended 31 December 2020: approximately HK\$267,000) during the Period. As at 31 December 2021, the carrying amount of the investments for this segment amounted to approximately HK\$1,702,000 (30 June 2021: approximately HK\$7,629,000).

Under this segment, the business' significant investments held for investment and for trading as at 31 December 2021 were as below:

	Cost as at 31 December 2021 HK\$'000	Carrying amount as at 31 December 2021 HK\$'000	Gain/(loss) in fair value during the Period HK\$'000	Gain/(loss) on disposal during the Period HK\$'000	Dividends/ interests received during the Period HK\$'000
<i>CURRENT</i>					
Financial assets at FVTPL					
Equity instruments	2,196	1,702	(412)	266	124
Listed debts investments	-	-	(40)	-	-



Loan Financing

During the Period, the Group recorded an interest income from the loan financing business amounting to approximately HK\$648,000 (six months ended 31 December 2020: approximately HK\$1,227,000), representing approximately 4.3% (six months ended 31 December 2020: approximately 8.0%) of the total revenue of the Group. Profit derived from loan financing business was approximately HK\$622,000 (six months ended 31 December 2020: approximately HK\$1,097,000) for the Period. Both revenue and profit derived from loan financing business were decreased for the Period since all short-term loans have been matured since the end of the corresponding period of last financial year. The carrying amount of loans receivable as at 31 December 2021 was approximately HK\$2,300,000 (30 June 2021: approximately HK\$17,487,000).

PROSPECTS

Looking forward, we expect the Hong Kong and global economy to face severe challenges. The outbreak of COVID-19 and its variants continue to be the biggest threat to the Hong Kong and world economy for the year 2022. While the impact of the pandemic has yet to be finished, Hong Kong and global economic activities are expected to remain subdued in the short to medium term as containment measures are likely to continue for a while. This, together with intensified Sino-US tensions, increased trade protectionism and continued geopolitical risks, will pose further challenges and uncertainties to economic recovery.

Despite the uncertainties in Hong Kong and global economy, we expect the local economy to gradually stabilise once the epidemic ends and Hong Kong will remain relevant and vital in its own right and as part of China, given the mature and healthy nature of Hong Kong's investment environment combined with the potential opportunities for Hong Kong to capitalise on its competitive advantages in the Greater Bay Area. The Group maintains a cautiously optimistic view on the property market and we are confident that we will be able to tackle the diverse challenges ahead.

The Group will continue to adopt a prudent approach on acquiring and disposing properties. In addition, the Group will continue to look for potential investment properties and development projects for recurring income and capital appreciation, at the same time expanding its securities investment and trading business and loan financing business for the growth of its stable recurring income. These strategies are intended to enable the Group to maintain its competitiveness thereby ensuring the Group's sustainability and securing the Shareholders' benefits.

EVENTS AFTER THE PERIOD

On 17 January 2022, Alpha Easy Limited, a wholly-owned subsidiary of the Company, entered into the conditional sale and purchase agreement with Charm Stand Limited, pursuant to which Alpha Easy Limited shall acquire 49 issued shares of Brilliant Icon Limited, representing 49% of the issued share capital of Brilliant Icon Limited, and all obligations, liabilities and debts owing or incurred by Brilliant Icon Limited to Charm Stand Limited and/or its associates from Charm Stand Limited for a total consideration of HK\$15,000,000.

For details of the transaction, please refer to the Company's announcement dated 17 January 2022.

Saved as disclosed above, there is no material subsequent event undertaken by the Company or by the Group after 31 December 2021 and up to the date of this report.

SHARE OPTIONS

A share option scheme was adopted by the Company on 1 November 2011 by the Shareholders (the "Share Option Scheme"). Details of the share options movements during the Period under the Share Option Scheme are as follows:

Name or category of grantees	Date of grant of share options	Exercise		Number of share options						
		Price (HK\$)	Exercise Period (Note)	Balance as at 01.07.2021	Granted during the Year	Exercised during the Year	Lapsed during the Year	Cancelled during the Year	Balance as at 31.12.2021	
Directors										
Pong Wilson Wai San	3/6/2014	2.210	3/6/2014-2/6/2024	2,260,000	-	-	-	-	-	2,260,000
	17/5/2016	1.890	17/5/2016-16/5/2026	2,640,000	-	-	-	-	-	2,640,000
	26/11/2018	1.210	26/11/2018-25/11/2028	4,130,000	-	-	-	-	-	4,130,000
	25/6/2021	0.306	25/6/2021-24/6/2022	5,600,000	-	-	-	-	-	5,600,000
Lee Wing Yin	3/6/2014	2.210	3/6/2014-2/6/2024	100,000	-	-	-	-	-	100,000
	17/5/2016	1.890	17/5/2016-16/5/2026	2,718,000	-	-	-	-	-	2,718,000
	26/11/2018	1.210	26/11/2018-25/11/2028	500,000	-	-	-	-	-	500,000
	25/6/2021	0.306	25/6/2021-24/6/2022	500,000	-	-	-	-	-	500,000
Lai Hin Wing Henry	26/11/2018	1.210	26/11/2018-25/11/2028	100,000	-	-	-	-	-	100,000
	28/4/2020	0.480	28/4/2020-27/04/2025	100,000	-	-	-	-	-	100,000
Koo Fook Sun Louis	26/11/2018	1.210	26/11/2018-25/11/2028	100,000	-	-	-	-	-	100,000
	28/4/2020	0.480	28/4/2020-27/04/2025	100,000	-	-	-	-	-	100,000
Yeung Wing Yan Wendy	26/11/2018	1.210	26/11/2018-25/11/2028	100,000	-	-	-	-	-	100,000
	28/4/2020	0.480	28/4/2020-27/04/2025	100,000	-	-	-	-	-	100,000
Lung Hung Cheuk	26/11/2018	1.210	26/11/2018-25/11/2028	100,000	-	-	-	-	-	100,000
	28/4/2020	0.480	28/4/2020-27/04/2025	100,000	-	-	-	-	-	100,000
Total				19,248,000	-	-	-	-	-	19,248,000

Note: All of the share options granted have no vesting period or vesting condition.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 December 2021, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the "SFO")) which were required to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Appendix 10 to the Listing Rules (the "Model Code"), were as follows:

Name of Directors	Capacity/ Nature of interests	Number of ordinary share(s) held	Number of underlying shares held pursuant to share options	Total	Approximate percentage of the total number of issued shares of the Company
Pong Wilson Wai San	Beneficial owner	37,479,600	14,630,000 (Note 1)	52,109,600	9.29%
	Interest of a controlled corporation	334,641,966 (Note 3)	-	334,641,966	59.67%
Lee Wing Yin	Beneficial owner	500,000	3,818,000 (Note 1)	4,318,000	0.77%
Lai Hin Wing Henry	Beneficial owner	-	200,000 (Note 2)	-	0.04%
Koo Fook Sun Louis	Beneficial owner	-	200,000 (Note 2)	-	0.04%
Yeung Wing Yan Wendy	Beneficial owner	-	200,000 (Note 2)	-	0.04%
Lung Hung Cheuk	Beneficial owner	-	200,000 (Note 2)	-	0.04%

Notes:

- These shares of the Company represent the share options granted by the Company on 3 June 2014, 17 May 2016, 26 November 2018 and 25 June 2021 under the Share Option Scheme.
- These shares of the Company represent the share options granted by the Company on 26 November 2018 and 28 April 2020 under the Share Option Scheme.
- These shares of the Company are beneficially owned by Virtue Partner Group Limited, a company wholly owned by Mr. Pong, and therefore Mr. Pong is deemed to be interested in these shares of the Company under the SFO.



DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (cont'd)

Interest in the associated corporation

Name of Director	Name of the associated corporation	Capacity/Nature of interests	Number of ordinary share(s) held	Approximate percentage of the total issued shares of the associated corporation
Pong Wilson Wai San	Virtue Partner Group Limited	Beneficial Owner	1 share	100%

All the interests disclosed above represent long position in the shares.

Save as disclosed above, as at 31 December 2021, none of the Directors and chief executives of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2021, the interests or short positions of person in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the total number of issued shares of the Company (the "Shares") carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial Shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholders	Capacity in which Shares are held	Number of Shares	Number of underlying shares held pursuant to share options	Total	Approximate percentage of the total number of issued shares of the Company
Tung Ching Yee Helena (Note 1)	Family interest	372,121,566	14,630,000	386,751,566	68.96%
Virtue Partner Group Limited	Beneficial owner	334,641,966	-	334,641,966	59.67%

(Note 2)



SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(cont'd)*

Notes:

1. Ms. Tung Ching Yee Helena is the wife of Mr. Pong and is accordingly deemed to be interested in the Shares beneficially owned by Mr. Pong in his own capacity and through his controlled corporation, Virtue Partner Group Limited, under the SFO.
2. 334,641,966 Shares are beneficially owned by Virtue Partner Group Limited, a company wholly owned by Mr. Pong, and therefore Mr. Pong is deemed to be interested in these Shares under the SFO.

All the interests disclosed above represent long position in Shares.

Save as disclosed above, as at 31 December 2021, the Directors were not aware of any other person (other than the Directors and chief executive of the Company) who had an interest or short position in the shares, underlying shares or debenture of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the total number of issued Shares carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial Shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

CHANGES OF DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes of information on the Directors are as follows:

The emolument of Mr. Pong, the chairman and executive Director, was adjusted from HK\$529,000 per month to HK\$550,000 per month (inclusive of salary and allowances but excluding any director's fee), which is determined by reference to his roles, experience and responsibilities in the Company, with effect from 1 January 2022.

The emolument of Mr. Lee Wing Yin ("Mr. Lee"), the chief executive officer, company secretary and executive Director, was adjusted from HK\$105,000 per month to HK\$110,000 per month (inclusive of salary and allowances but excluding any director's fee), which is determined by reference to his roles, experience and responsibilities in the Company, with effect from 1 January 2022.

The renewals of the service agreements of Mr. Pong and Mr. Lee for a further term of three years commencing on 17 May 2022 and 1 June 2022 respectively were approved.

The letters of appointment of Mr. Lai Hin Wing Henry ("Mr. Lai") and Ms. Yeung Wing Yan Wendy, the non-executive Director and an independent non-executive Director respectively, were renewed for a further term of one year commencing on 12 December 2021.

The letters of appointment of Mr. Koo Fook Sun Louis ("Mr. Koo") and Mr. Lung Hung Cheuk, both are independent non-executive Directors, were renewed for a further term of one year commencing on 23 March 2022.



DIRECTORS' RIGHTS TO ACQUIRE SHARE OR DEBENTURES

Apart from as disclosed under the heading "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation" above, at no time during the Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any other body corporate.

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

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed shares during the six months ended 31 December 2021.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with such required standard of dealings and its code of conduct regarding securities transactions by Directors throughout the six months ended 31 December 2021.

CORPORATE GOVERNANCE PRACTICES

The Company maintains a high standard of corporate governance practices. The Directors believe the long term financial performance as opposed to short term rewards is a corporate governance objective. The Board would not take unique risks to make short term gains at the expense of the long term objectives. The Company has adopted the code provisions set out in the Corporate Governance Code and Corporate Governance Report to the Appendix 14 (the "CG Code") to the Listing Rules. The Company has complied with all CG Code during the Period.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares of the Company on a pro rata basis to existing Shareholders.



AUDIT COMMITTEE

The Company established an audit committee (the “Committee”) on 2 May 2002, with the latest written terms of reference adopted on 18 January 2019 in compliance with the Listing Rules, for the purpose of reviewing and providing supervision over the financial reporting process, risk management and internal control of the Group. The Committee comprises three independent non-executive Directors, namely Mr. Koo Fook Sun Louis, Mr. Lung Hung Cheuk and Ms. Yeung Wing Yan Wendy. The unaudited consolidated results of the Group for the Period have been reviewed by the Committee, who is of the opinion that such statements comply with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

By Order of the Board
Winfull Group Holdings Limited
Pong Wilson Wai San
Chairman

Hong Kong, 25 February 2022

As at the date of this report, the Company’s executive directors are Mr. Pong Wilson Wai San and Mr. Lee Wing Yin, the Company’s non-executive director is Mr. Lai Hin Wing Henry and the Company’s independent non-executive directors are Mr. Koo Fook Sun Louis, Ms. Yeung Wing Yan Wendy and Mr. Lung Hung Cheuk respectively.



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