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GBA HOLDINGS LIMITED

GBA集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00261)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “**Board**”) of directors (the “**Directors**”) of GBA Holdings Limited (stock code: 261), a company incorporated in Bermuda with limited liability and the shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Company**” and together with its subsidiaries, the “**Group**”) announces its unaudited consolidated interim results of the Company for the six months ended 30 June 2022 (the “**Current Period**”) together with the comparative figures for the six months ended 30 June 2021 (the “**Corresponding Period**”).

BUSINESS REVIEW

Property Business

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

The Group’s remaining project in Anshan is entitled “CCT Land-Jun Mansion”, which is currently under development. CCT Land-Jun Mansion is divided into six phases, consisting of Phases 1.1, 1.2, 1.3, 2.1, 2.2 and 3. Like our first two projects in Anshan, development of CCT Land-Jun Mansion has been well-received by home buyers. Phase 2.2 of this project is under development. The Property Business recorded revenue of approximately HK\$7 million for the six months ended 30 June 2022. This was attributable to sales of some of the remaining units of Landmark City and CCT Land-Jun Mansion.

Finance Business

After we discontinued our finance business in mainland of the PRC, we continue to be engaged in a money lender business in Hong Kong. We expect this business will continue to contribute stable stream of interest income to the Group. The finance business recorded interest income of approximately HK\$2 million for the six months ended 30 June 2022. We will explore opportunities to expand our finance business, including property mortgage, share mortgage, working capital financing and luxury goods financing.

Automobile Business

During the period under review, we commenced the business of sale of automobile to diversify our revenue base. No revenue was generated from automobile business for the six months ended 30 June 2022. We expect this business will contribute a stable stream of income to the Group.

OUTLOOK

Looking forward, the global economic outlook remains highly uncertain. The outbreak of novel coronavirus of disease (“**COVID-19**”) pandemic continues to pose challenges to global economic recovery and remains a presence in all of our lives.

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

FINANCIAL REVIEW

REVENUE

The Group’s revenue principally represented involved in the investment holding, development and sale of land and properties (the “**Property Business**”), the money lender business in Hong Kong (the “**Finance Business**”) and automobile business in Hong Kong (the “**Automobile Business**”).

The revenue of the Group decreased by approximately 52.6% from approximately HK\$19 million for the six months ended 30 June 2021, to approximately HK\$9 million for the six months ended 30 June 2022. The Current Period, revenue of approximately HK\$7 million was mainly derived from sales of some of the remaining units of Landmark City and CCT Land-Jun Mansion, whereas the revenue of approximately HK\$19 million for the Corresponding Period was largely attributable to the sales of the property units of Landmark City and Evian Villa.

For the Current Period, the Property Business continued to be the Group's largest business segment in terms of revenue, contributing almost 70% of the Group's total revenue. However, revenue from our Property Business decreased due to absence of contribution from Evian Villa in the Current Period. The revenue of Property Business decreased mainly due to (i) the negative impact arising from the outbreak of COVID-19 which affected the sales of properties; and (ii) the weak economy in the People's Republic of China (the "PRC").

The Finance Business contributed revenue of approximately HK\$1.8 million for the Current Period compared to approximately HK\$0.4 million for the Corresponding Period.

The mainland of the PRC (the "Mainland China") and Hong Kong is the only market region of the Group, contributing all of the Group's total revenue for the six months ended 30 June 2022 and 2021.

High Step Developments Limited ("High Step"), which holds an industrial property redevelopment project (the "Project") in Huizhou City, Guangdong Province represents a composite redevelopment of industrial properties in Huiyang District of Huizhou City, Guangdong Province, the PRC into residential properties, retail shops, car parks and ancillary schools. High Step plans to commence development of the Project after the COVID-19 pandemic is contained.

COST OF SALES

The cost of sales primarily consists of direct cost including construction materials and supplies and VAT for the property. The cost of sales decreased by approximately 70.0% from approximately HK\$20 million for the Corresponding Period to approximately HK\$6 million for the Current Period, which was mainly due to decrease in the revenue.

GROSS PROFIT/(LOSS) AND GROSS PROFIT/(LOSS) MARGIN

The gross loss was approximately HK\$1 million for the Corresponding Period and the gross profit approximately HK\$3 million for the Current Period. The gross loss margin was approximately 5.26% for the Corresponding Period and the gross profit margin approximately 33.3% for the Current Period. The increase in our gross profit was mainly due to decrease in the direct cost from the Property Business and increase in the interest income from the Finance Business.

OTHER INCOME

During the Current Period, the Group's other income increased to approximately HK\$3 million from nil for the Corresponding Period. The increase was mainly attributable to the increase in value added tax refund received by the Group during the period.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses consist primarily of advertising and sales agent fee. The selling and distribution expenses decreased by approximately 50.0% from approximately HK\$4 million for the Corresponding Period to approximately HK\$2 million for the Current Period. The decrease was mainly due to decreases in the advertising.

ADMINISTRATIVE EXPENSES

Administrative expenses consist primarily of auditors' remuneration, depreciation, directors' remuneration, legal and professional fee and staff costs. The administrative expenses decreased by approximately 33.3% from approximately HK\$27 million for the Corresponding Period to approximately HK\$18 million for the Current Period. The decrease was mainly due to decrease in the auditors' remuneration, entertainment and other expenses.

LOSS FOR THE PERIOD

As a result of the foregoing, the Group recorded a loss of approximately HK\$14 million for the Current Period as compared to a loss of approximately HK\$32 million for the Corresponding Period, which was mainly due to the decrease in selling and distribution expenses and administrative expenses.

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

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

As at 30 June 2022, the Group had net current assets of approximately HK\$620 million (as at 31 December 2021: approximately HK\$590 million), of which the cash and cash equivalents were approximately HK\$4 million (as at 31 December 2021: approximately HK\$48 million). The Group's current ratio (current assets divided by current liabilities) as at 30 June 2022 is approximately 829.41% (as at 31 December 2021: approximately 702.04%).

The Group had no bank and other borrowings as at 30 June 2022 (as at 31 December 2021: nil), reflecting a solid and healthy financial position of the Group.

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

CAPITAL COMMITMENTS

As at 30 June 2022, the Group had no capital commitment (31 December 2021: nil).

TREASURY MANAGEMENT

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

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

ACQUISITIONS AND DISPOSALS OF MATERIAL SUBSIDIARIES AND ASSOCIATES

The Group did not acquire or dispose of any material subsidiaries and associates during the period under review.

CHARGE ON ASSETS

As at 30 June 2022 and 31 December 2021, none of the Group's assets were pledged.

CONTINGENT LIABILITIES

As at 30 June 2022, the Group did not have any significant contingent liabilities (31 December 2021: nil).

EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group as at 30 June 2022 was 45 (31 December 2021: 42). The Group's remuneration policy is built on principle of equality, motivating, performance-oriented and market-competitive remuneration package to employees. Remuneration packages are normally reviewed on an annual basis. Apart from salary payments, other staff benefits include mandatory provident fund contributions, medical insurance coverage and performance related bonuses. Share options may also be granted to eligible employees and persons of the Group. There were 7,469,993,990 share options outstanding as at 30 June 2022 (as at 31 December 2021: 10,914,993,990 share options outstanding) under the 2011 Scheme.

EVENTS AFTER THE REPORTING PERIOD

A special general meeting was held on 18 July 2022, at which, resolutions were passed in related to (i) Share Consolidation of every one hundred (100) existing shares of par value of HK\$0.01 each in the issued share capital of the Company be consolidated into one (1) consolidated share of par value of HK\$1.00 (the “**Share Consolidation**”); (ii) immediately upon the Share Consolidation becoming effective, the share capital of the Company will be reduced whereby: (a) where applicable, any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation shall be cancelled (the “**Consolidated Share(s)**”); (b) the issued share capital of the Company of HK\$1,838,461,000 divided into 1,838,461,000 Consolidated Shares shall be reduced to HK\$18,384,610 divided into 1,838,461,000 New Shares by cancelling the paid-up capital of the Company to the extent of HK\$0.99 on each of the issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$1.00 to HK\$0.01 (the “**Capital Reduction**”); and (c) the credit arising from the Capital Reduction in the amount of approximately HK\$1,820,076,390 will be credited to the contributed surplus account (within the meaning of the Companies Act) up to the Effective Date for use by the Directors in any manner permitted by the Companies Act and the Bye-laws (the “**Capital Reorganisation**”; and (iii) Change in Board lot size of 80,000 existing shares to 8,000 new shares conditional upon the Capital Reorganization becoming effective (the “**Change in Board Lot Size**”).

For the details in relation to the Share Consolidation, Capital Reduction and Change in Board Lot Size, please refer to the announcements of the Company dated 7 June 2022, 24 June 2022 and 18 July 2022 and the circular of the Company dated 24 June 2022.

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

PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the listed Shares during the six months ended 30 June 2022.

CORPORATE GOVERNANCE

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

In the opinion of the Directors, the Company has complied with all the Code Provisions under the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules (the “**CG Code**”) throughout the six months period from 1 January 2022 to 30 June 2022, except for the minor deviations from the following Code Provisions of the CG Code:

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

Detailed information of such deviations and their respective considered reasons as well as other information on the corporate governance practices of the Company have been disclosed in the corporate governance report contained in the 2021 annual report of the Company issued in April 2022 and will be disclosed in the 2022 interim report of the Company, which will be despatched to the Shareholders on or before 30 September 2022.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted its code of conduct regarding the securities transactions by the Directors on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry of all Directors, they confirmed that they have complied with the required standard set out in the Model Code adopted by the Company throughout the six months ended 30 June 2022.

REVIEW OF UNAUDITED INTERIM RESULTS

The audit committee of the Company has reviewed the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2022.

PUBLICATION OF THE UNAUDITED INTERIM RESULTS ANNOUNCEMENT AND UNAUDITED INTERIM REPORT

The unaudited interim results announcement of the Company for the six months ended 30 June 2022 is published on the website of the Company at www.gbaholdings.com/ and that of the Stock Exchange at www.hkexnews.hk. The 2022 interim report of the Company will be dispatched to the Shareholders and made available on the website of the Company and that of the Stock Exchange on or before 30 September 2022.

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

Hong Kong, 30 August 2022

As at the date of this announcement, the executive Directors are Mr. Ong Chor Wei and Mr. Yuk Kai Yao; and the independent non-executive Directors are Mr. Lau Yik Lok, Ms. Wu Wai Shan and Mr. Tam King Ching, Kenny.

INTERIM RESULTS

The Board is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 June 2022 together with the comparative figures for the corresponding period in 2021 as follows:

Unaudited Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2022

HK\$ million	Notes	Six months ended 30 June	
		2022 (Unaudited)	2021 (Unaudited)
REVENUE	4	9	19
Cost of sales		<u>(6)</u>	<u>(20)</u>
Gross profit/(loss)		3	(1)
Other income	5	3	-
Selling and distribution expenses		(2)	(4)
Administrative expenses		<u>(18)</u>	<u>(27)</u>
LOSS BEFORE TAX	6	(14)	(32)
Income tax	7	<u>-</u>	<u>-</u>
LOSS FOR THE PERIOD		<u>(14)</u>	<u>(32)</u>
LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u><u>(14)</u></u>	<u><u>(32)</u></u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	9		Restated
Basic and diluted		<u><u>(HK0.77 cents)</u></u>	<u><u>(HK1.76 cents)</u></u>

Unaudited Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2022

HK\$ million	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
LOSS FOR THE PERIOD	(14)	(32)
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent period, net of tax:		
Exchange differences on translation of foreign operations	<u>(25)</u>	<u>3</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(39)</u>	<u>(29)</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>(39)</u>	<u>(29)</u>

Unaudited Condensed Consolidated Statement of Financial Position

30 June 2022

HK\$ million	<i>Notes</i>	30 June 2022 (Unaudited)	31 December 2021 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	<i>10</i>	-	-
Loan and interest receivables	<i>12</i>	-	70
Financial asset at fair value through profit or loss		220	220
Total non-current assets		<u>220</u>	<u>290</u>
Current assets			
Properties under development		109	101
Properties held for sale		411	437
Inventories	<i>11</i>	25	-
Trade receivables	<i>13</i>	-	1
Loan and interest receivable	<i>12</i>	71	2
Prepayments, other receivables and other assets		38	50
Financial assets at fair value through profit or loss		47	49
Cash and cash equivalents		4	48
Total current assets		<u>705</u>	<u>688</u>
Total assets		<u>925</u>	<u>978</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Issued capital		1,839	1,839
Reserves		(999)	(960)
Total equity		<u>840</u>	<u>879</u>
Non-current liabilities			
Lease liabilities		-	1

HK\$ million	<i>Notes</i>	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Current liabilities			
Trade payables	<i>14</i>	35	49
Other payables and accruals		49	48
Lease liabilities		1	1
Total current liabilities		<u>85</u>	<u>98</u>
Total liabilities		<u>85</u>	<u>99</u>
Total equity and liabilities		<u>925</u>	<u>978</u>
Net current assets		<u>620</u>	<u>590</u>
Total assets less current liabilities		<u>840</u>	<u>880</u>

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

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

The unaudited interim condensed consolidated financial statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 31 December 2021 (the “**2021 Annual Report**”).

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group’s 2021 Annual Report, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) for the first time for the Current Period’s financial information.

Amendments to HKAS 16, Property, plant and equipment	Proceeds before intended use
Amendments to HKAS 37, Provisions, contingent liabilities and contingent assets	Onerous contracts — cost of fulfilling a contract

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

3. OPERATING SEGMENT INFORMATION

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

- (a) the Property Business segment representing the development and sale of land and properties;
- (b) the Finance Business segment representing the money lender business in Hong Kong; and
- (c) the Automobile Business segment representing the automobile business in Hong Kong.

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

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

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

3. OPERATING SEGMENT INFORMATION *(Continued)*

For the six months ended 30 June 2022

HK\$ million	Property Business (Unaudited)	Finance Business (Unaudited)	Automobile Business (Unaudited)	Subtotal (Unaudited)	Reconciliation (Unaudited)	Group total (Unaudited)
Segment revenue:						
From external customers	7	2	-	9	-	9
Other revenue	-	-	-	-	-	-
	<u>7</u>	<u>2</u>	<u>-</u>	<u>9</u>	<u>-</u>	<u>9</u>
Operating (loss)/profit	(2)	2	-	-	-	-
Reconciled items:						
Corporate and other unallocated expenses	-	-	-	-	(14)	(14)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14)</u>	<u>(14)</u>
(Loss)/profit before tax	(2)	2	-	-	(14)	(14)
Income tax	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(Loss)/profit for the period	(2)	2	-	-	(14)	(14)
Other segment information:						
Depreciation	-	-	-	-	-*	-*
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-*</u>	<u>-*</u>

* *less than HK\$1 million*

3. OPERATING SEGMENT INFORMATION *(Continued)*

For the six months ended 30 June 2021

HK\$ million	Property Business (Unaudited)	Finance Business (Unaudited)	Subtotal (Unaudited)	Reconciliation (Unaudited)	Group total (Unaudited)
Segment revenue:					
From external customers	19	-*	19	-	19
Other revenue	-	-	-	-	-
	<u>19</u>	<u>-*</u>	<u>19</u>	<u>-</u>	<u>19</u>
Operating loss	(22)	-**	(22)	-	(22)
Reconciled items:					
Corporate and other unallocated expenses	-	-	-	(10)	(10)
Loss before tax	<u>(22)</u>	<u>-**</u>	<u>(22)</u>	<u>(10)</u>	<u>(32)</u>
Income tax	-	-	-	-	-
Loss for the period	<u>(22)</u>	<u>-**</u>	<u>(22)</u>	<u>(10)</u>	<u>(32)</u>
Other segment information:					
Depreciation	-	-	-	-*	-*

* *less than HK\$1 million*

** *less than HK\$1 million operating profit*

3. OPERATING SEGMENT INFORMATION *(Continued)*

As at 30 June 2022

HK\$ million	Property Business (Unaudited)	Finance Business (Unaudited)	Automobile Business (Unaudited)	Subtotal (Unaudited)	Reconciliation (Unaudited)	Group total (Unaudited)
Segment assets	561	71	25	657	-	657
Reconciled items:						
Corporate and other unallocated assets	-	-	-	-	268	268
Total assets	<u>561</u>	<u>71</u>	<u>25</u>	<u>657</u>	<u>268</u>	<u>925</u>
Segment liabilities	79	-*	-	79	-	79
Reconciled items:						
Corporate and other unallocated liabilities	-	-	-	-	6	6
Total liabilities	<u>79</u>	<u>-*</u>	<u>-</u>	<u>79</u>	<u>6</u>	<u>85</u>

As at 31 December 2021

HK\$ million	Property Business (Audited)	Finance Business (Audited)	Subtotal (Audited)	Reconciliation (Audited)	Group total (Audited)
Segment assets:	595	72	667	-	667
Reconciled items					
Corporate and other unallocated assets	-	-	-	311	311
Total assets	<u>595</u>	<u>72</u>	<u>667</u>	<u>311</u>	<u>978</u>
Segment liabilities:	89	-*	89	-	89
Reconciled items					
Corporate and other unallocated liabilities	-	-	-	10	10
Total liabilities	<u>89</u>	<u>-*</u>	<u>89</u>	<u>10</u>	<u>99</u>

* *less than HK\$1 million*

3. OPERATING SEGMENT INFORMATION *(Continued)*

Geographical information

(a) Revenue from external customers

HK\$ million	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Mainland China and Hong Kong	<u>9</u>	<u>19</u>

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

(b) Non-current assets

HK\$ million	30 June 2022 (Unaudited)	31 December 2021 (Audited)
	Hong Kong	<u>-</u>

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

Information about major customers

For the six months ended 30 June 2022, revenue of approximately HK\$2 million in the Finance Business (six months ended 30 June 2021: less than HK\$1 million) from one single customer contributed 10% or more of the Group's total revenue.

4. REVENUE

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

An analysis of revenue is as follows:

HK\$ million	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
<i>Revenue from contracts with customers</i>		
Sale of properties	7	19
<i>Revenue from other sources</i>		
Interest income from loans receivable	2	.*
	<u>9</u>	<u>19</u>

* *less than HK\$1 million*

Revenue from contracts with customers

(i) Disaggregated revenue information

For the six months ended 30 June 2022, the revenue from sale of properties of approximately HK\$7 million (six months ended 30 June 2021: approximately HK\$19 million), which was recognised at a point in time when the properties are transferred, was derived from the Mainland China.

(ii) Performance obligations

Sales of properties

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

5. OTHER INCOME

HK\$ million	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Value added tax (“VAT”) refund**	3	-
Others	.*	-
	<u>3</u>	<u>-</u>

* *less than HK\$1 million*

* VAT refund is received/receivable for the period in relation to Property Business on the PRC. There is no unfulfilled condition attached to the receipt of VAT refund.

6. LOSS BEFORE TAX

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

HK\$ million	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Cost of sales	6	20
Depreciation	.*	.*
	<u>6</u>	<u>20</u>

* *less than HK\$1 million*

7. INCOME TAX

No Hong Kong profits tax has been provided for the six months ended 30 June 2022 and 2021 as the Group had no profits chargeable to Hong Kong profits tax during that periods. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

HK\$ million	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Current – Mainland China		
Mainland China land appreciation tax	-	-
Deferred tax	-	-
Total tax for the period	<u>-</u>	<u>-</u>

8. DIVIDENDS

The Board did not recommend payment of an interim dividend for the six months ended 30 June 2022 (30 June 2021: nil).

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

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

HK\$ million	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Loss attributable to ordinary equity holders of the Company, used in the basic and diluted loss per share calculation	<u>(14)</u>	<u>(32)</u>

**9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY
HOLDERS OF THE COMPANY (continued)**

	Number of shares	
	30 June 2022	30 June 2021
	(Unaudited)	(Unaudited)
		(Restated)
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation	<u>1,838,461,000</u>	<u>1,838,461,000</u>

Notes:

- (i) The weighted average number of ordinary shares used to calculate the basis and diluted loss per share for both years have been adjusted to reflect the share consolidation after the reporting period. Accordingly, the basis and diluted loss per share for the six months ended 30 June 2021 is restated.
- (ii) On 20 July 2022, the Company completed the share consolidation on the basis that every one hundred issued existing shares of HK\$0.01 each in the share capital of the Company be consolidated into one ordinary share of HK\$1.00, details of which are set out in note 20 of the 2022 Interim Report.

The share consolidation, pursuant to the special resolution passed at the special general meeting held on 18 July 2022, is adjusted in the weighted average number of ordinary shares in issue as if the share consolidation had occurred at 1 January 2021, the beginning of the earliest period reported.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2022 and 2021 in respect of a dilution as the impact of the outstanding share options had an anti-dilutive effect on the basic loss per share amounts presented.

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

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2022, no property, plant and equipment was acquired by the Group (six months ended 30 June 2021: nil).

11. INVENTORIES

HK\$ million	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Classic car	<u>25</u>	<u>-</u>

12. LOAN AND INTEREST RECEIVABLE

The loan and interest receivable arose from the Finance Business in Hong Kong, which were unsecured, carried interest at 7% per annum and was repayable within one year.

The loan and interest receivable was not overdue and impaired.

13. TRADE RECEIVABLES

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

HK\$ million	30 June 2022 (Unaudited)		31 December 2021 (Audited)	
	Balance	Percentage	Balance	Percentage
Current to 30 days	<u>-</u>	<u>-</u>	<u>1</u>	<u>100</u>
	<u>-</u>	<u>-</u>	<u>1</u>	<u>100</u>

The trade receivables are receivables from property sales in Mainland China.

14. TRADE PAYABLES

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

HK\$ million	30 June 2022 (Unaudited)		31 December 2021 (Audited)	
	Balance	Percentage	Balance	Percentage
Current to 30 days	-	-	47	96
Over 90 days	35	100	2	4
	<u>35</u>	<u>100</u>	<u>49</u>	<u>100</u>

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

15. EVENTS AFTER THE REPORTING PERIOD

A special general meeting was held on 18 July 2022, at which, resolutions were passed in related to (i) Share Consolidation of every one hundred (100) existing shares of par value of HK\$0.01 each in the issued share capital of the Company be consolidated into one (1) consolidated share of par value of HK\$1.00 (the “**Share Consolidation**”); (ii) immediately upon the Share Consolidation becoming effective, the share capital of the Company will be reduced whereby: (a) where applicable, any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation shall be cancelled (the “**Consolidated Share(s)**”); (b) the issued share capital of the Company of HK\$1,838,461,000 divided into 1,838,461,000 Consolidated Shares shall be reduced to HK\$18,384,610 divided into 1,838,461,000 New Shares by cancelling the paid-up capital of the Company to the extent of HK\$0.99 on each of the issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$1.00 to HK\$0.01 (the “**Capital Reduction**”); and (c) the credit arising from the Capital Reduction in the amount of approximately HK\$1,820,076,390 will be credited to the contributed surplus account (within the meaning of the Companies Act) up to the Effective Date for use by the Directors in any manner permitted by the Companies Act and the Bye-laws (the “**Capital Reorganisation**”); and (iii) Change in Board lot size of 80,000 existing shares to 8,000 new shares conditional upon the Capital Reorganization becoming effective (the “**Change in Board Lot Size**”).

15. EVENTS AFTER THE REPORTING PERIOD *(continued)*

For the details in relation to the Share Consolidation, Capital Reduction and Change in Board Lot Size, please refer to the announcements of the Company dated 7 June 2022, 24 June 2022 and 18 July 2022 and the circular of the Company dated 24 June 2022.

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