

# Management Discussion and Analysis

## 管理層討論與分析

### RESULTS

For the year ended 31 December 2020, the Group's revenue amounted to approximately HK\$1,013.2 million, compared to approximately HK\$538.0 million for 2019, representing a increase of approximately HK\$475.2 million. The increase was mainly attributable to the increase in the sales of electronic products during the year. The loss attributable to the owners of the Company substantially decreased to HK\$211.9 million, a decrease of HK\$889.6 million from the profit of HK\$677.7 million recorded for the year ended 31 December 2019. The decrease was primarily due to a loss on fair value changes on investment properties incurred of approximately HK\$158.9 million (2019: Gain on fair value changes on investment properties of HK\$1,011.7 million).

### BUSINESS REVIEW

#### Investment property

##### Zhanjiang

The Group owns the land use rights of five land parcels located in Donghai Dao, Zhanjiang Economic and Technological Development Zone, Zhangjiang City, Guangdong Province, the People's Republic of China ("PRC") with total site area and total planned gross floor area of approximately 266,000 sq.m. and 1.3 million sq.m. respectively (the "Smart City Project"). The lands are divided into two portions: the portion held for sale (non-commercial portion) and the portion held for investment purpose (including the commercial portion and the car parking spaces).

According to the valuation report issued by a recognised valuer at the end of the year, the value of the lands of the Smart City Project was approximately RMB5 billion. The lands of the Smart City Project had been valued approximately the same as the value of the lands of the Smart City Project at 31 December 2019. The portion of lands at approximately RMB3.3 billion will be used for residential purpose which are classified as properties for sale and another portion of lands at approximately RMB1.7 billion will be used for commercial building development purpose which are classified as investment properties in the consolidated statement of financial position as at 31 December 2020. Therefore, the fair value loss of approximately RMB7.5 million of the investment properties were recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2020.

### 業績

截至二零二零年十二月三十一日止年度，本集團之收益約為1,013,200,000港元，而二零一九年則約為538,000,000港元，增加約475,200,000港元。該增加乃主要歸因於年內電子產品銷售增加。本公司擁有人應佔虧損大幅減少至211,900,000港元，較截至二零一九年十二月三十一日止年度錄得之溢利677,700,000港元減少889,600,000港元。該減少乃主要由於投資物業公平值變動產生虧損約158,900,000港元（二零一九年：投資物業公平值變動產生收益1,011,700,000港元）所致。

### 業務回顧

#### 投資物業

##### 湛江

本集團擁有位於中華人民共和國（「中國」）廣東省湛江市湛江經濟技術開發區東海島之五幅土地之土地使用權，而該等土地之總佔地面積及規劃總建築面積分別為約266,000平方米及1,300,000平方米（「智慧城項目」）。該等土地分為兩個部分：持作出售部分（非商業部分）及持作投資部分（包括商業部分及車位）。

根據認可估值師於年末出具之估值報告，智慧城項目該等土地之價值約為人民幣50億元。於二零一九年十二月三十一日，智慧城項目該等土地之估值與其價值相若。該等土地的一部分約人民幣33億元將用作住宅用途，並分類為待售物業，及該等土地的另一部分約人民幣17億元將用作商業樓宇開發用途，並於二零二零年十二月三十一日之綜合財務狀況表內分類為投資物業。因此，投資物業之公平值虧損約人民幣7,500,000元已於截至二零二零年十二月三十一日止年度之綜合損益及其他全面收益表內確認。

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### Beijing

The rental income of leasing the property covers an area of approximately 16,300 sq.m. at the Rong Ning Yuan Community of No. 60 Guang An Men Nan Jie, Xicheng District, Beijing, the PRC. The rental income recorded by this Beijing property was approximately HK\$5.5 million (2019: HK\$9.0 million) for the year ended 31 December 2020.

### Trading Business

The Group owns 60% interest in Shenzhen Qianhai Jiameijing Industrial Company Limited (深圳市前海嘉美靜實業有限公司) which principally engages in the business of trading, importing and exporting of electronic products. The trading business recorded revenue of approximately HK\$984.7 million (2019: HK\$508.8 million).

### Financial Business

The revenue of financial business of the Group generated from securities, futures and options broking business, underwriting commission, advisory for financial management business and interest income from securities margin loan portfolio and managed to register profit. Despite the economic damages brought by the widespread of Covid-19, both market and turnover increased amid the global Quantitative Easing policy, the massive stimulus program of the US government, the continued listing of Chinese giant companies in Hong Kong attracting investment interests from China and other regions. Market remained volatile as investors were sensitive to the development of Sino-American confrontations, the fear of inflation and the spread of Covid-19 disease. Dow Jones rallied towards new highs towards the second quarter but Hang Seng Index was still capped with range trading under 30,000. Market turnover hopefully expected to be buoyant benefited from more listings of Chinese companies.

### 北京

租賃物業的租金收入包括面積約為16,300平方米，地點為中國北京市西城區廣安門南街60號榮寧園小區內。該北京物業於截至二零二零年十二月三十一日止年度錄得的租金收入約為5,500,000港元（二零一九年：9,000,000港元）。

### 貿易業務

本集團於深圳市前海嘉美靜實業有限公司擁有60%權益，該公司主要從事貿易以及電子產品進出口業務。貿易業務錄得收益約984,700,000港元（二零一九年：508,800,000港元）。

### 金融業務

本集團金融業務的收益產生於證券、期貨及期權經紀業務、包銷佣金、財務管理業務諮詢及證券保證金貸款組合的利息收入，因此本集團成功錄得溢利。儘管因Covid-19傳播導致經濟受損，但在全球量化寬鬆政策、美國政府實施大量刺激方案、中國巨頭公司在香港持續上市吸引中國及其他地區的投資興趣下，市場及成交量均有所上漲。由於投資者對中美對抗發展情況、通貨膨脹的擔憂以及Covid-19疾病傳播的敏感情緒，市場依舊動蕩。道瓊斯指數在臨近第二季度時反彈至歷史新高，但恒生指數仍受限於30,000點以下的區間內。由於更多中國公司上市，市場成交量有望上漲。

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### Oil and gas business

The Group owns 100% of the exploration, exploitation and operation rights as well as the profit sharing right of Madagascar Oilfield Block 2101 which is an onshore site with total area of 10,400 square kilometers in the northern part of Madagascar. Pursuant to the exploration, exploitation and oil and gas production sharing contract and depending on the rate of liquid petroleum production of Madagascar Oilfield Block 2101, the Group will share the remaining petroleum profit after government royalty and recovery of petroleum costs according to the sharing ratios in the range of 40% to 72.5% as set out in the profit sharing right.

### PROSPECT

After disposing the Beijing Properties, the Group will be able to focus its resources on the development of the Zhanjiang project and other business segments of the Group, in particular the sand mining business in Papua New Guinea where the Group has been granted an exclusive operating right for constructing and operating a port terminal and conducting sand mining and export business in the Kikori Delta in the Gulf of Papua with a total area of 23,300 square kilometers and the Group has established a comprehensive strategic cooperation with China Harbour Engineering Company Limited (中國港灣工程有限責任公司) for carrying out sand mining operation and the planning, construction and operation of fairway and terminal facilities, the Board considers that the Disposal can prevent the Group from incurring further loss from the Properties and provide an immediate cash flow to the Group for repayment of borrowings and general working capital to support the future development of the Group.

### 油氣業務

本集團全資擁有馬國2101油田勘探開採經營權及約定分成權益。馬國2101油田位於馬達加斯加境內北部陸上，總面積為10,400平方公里。根據勘探開採和油氣產品生產分成合約及視乎馬國2101油田之液化石油產量，本集團將按約定分成權益所載分成比例（介乎40%至72.5%）分享扣除政府徵稅及鑽取石油成本後之餘下石油溢利。

### 前景

在出售北京物業後，本集團將集中資源發展湛江項目及本集團其他業務分部，尤其是巴布亞新幾內亞的採砂業務，本集團已於巴布亞新幾內亞獲授予獨家經營權，可於巴布亞灣基科裡三角洲建設及經營港口碼頭並進行沙石開採及出口業務，總面積為23,300平方公里，且本集團已與中國港灣工程有限責任公司建立全面戰略合作關係，以於巴布亞新幾內亞進行沙石開採營運和規劃、建設經營航道及碼頭設施，董事會認為，出售事項可防止本集團因該物業產生進一步虧損，並為本集團提供即時現金流，以用於償還借款及用作一般營運資金以支持本集團未來發展。

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### FINANCIAL REVIEW

#### Revenue

During the financial year, the total revenue for the Group was approximately HK\$1,013.1 million, representing an increase of approximately HK\$475.1 million as compared with HK\$538.0 million in 2019. This was mainly due to the increase in sale of electronic products during the year.

#### Administration expenses

Administrative expenses decreased to approximately HK\$61.3 million in 2020 from approximately HK\$63.9 million in 2019, representing a year-on-year decrease of 4.0%.

#### Fair value changes on investment properties

The Company has appointed independent valuation companies to determine the fair value for the investment properties. Based on the valuation reports, the Group has recorded losses of approximately HK\$158,920,000 during the year ended 31 December 2020. The reduction in fair value was mainly in relation to the investment properties in Beijing. Fair value gain of more than approximately HK\$1,011,747,000 on the investment properties at Zhanjiang was recorded during the year ended 31 December 2019.

### 財務回顧

#### 收益

於財政年度內，本集團之總收益約為1,013,100,000港元，較二零一九年之538,000,000港元增加約475,100,000港元。此乃主要由於年內電子產品銷售增加所致。

#### 行政費用

行政費用由二零一九年之約63,900,000港元減少至二零二零年之約61,300,000港元，按年減少4.0%。

#### 投資物業公平值變動

本公司已委聘獨立估值公司釐定投資物業的公平值。根據估值報告，本集團於截至二零二零年十二月三十一日止年度錄得虧損約158,920,000港元。公平值減少主要是與投資北京的物業有關。位於湛江的投資物業於截至二零一九年十二月三十一日止年度錄得公平值收益約1,011,747,000港元以上。

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### EVENTS AFTER REPORTING DATE

#### Issue of Convertible Bonds

On 4 June 2021, the Company entered into the Convertible Bonds subscription agreement, pursuant to which agreed to issue, the Convertible Bonds in an aggregate principal amount of HK\$20,000,000 bearing interest rate of 2% per annum with maturity to 2 years from the date of issue. The Conversion Price is HK\$0.98 per Conversion Share, assuming the conversion rights attaching to the Convertible Bonds are exercised in full at the Conversion Price, a maximum of 20,408,163 Conversion Shares will be allotted and issued, representing (i) approximately 0.51% of the existing issued shares of the Company of 4,000,000,000 Shares as at the date of announcement, and (ii) approximately 0.51% of the issued shares of the Company of 4,020,408,163 Shares as enlarged by the allotment and issue of the Conversion Shares. The issuance of the Convertible Bonds was completed on 9 July 2021.

#### Disposal of Beijing Project

On 5 November 2021, the Group entered into the sale and purchase agreement to dispose of the entire issued capital of Millhaven Holdings Limited which held the properties located at Rong Ning Yuan Community, Beijing (the "Disposal"). The consideration for the Disposal is HK\$338.0 million. The Company intends to apply the net proceeds from the Disposal for general working capital of the Group and repayment of outstanding loans.

After the Disposal, the Group has a present intention to focus its resources on the development of the Zhanjiang project and other business segments of the Group, in particular the sand mining business in Papua New Guinea.

### 報告日期後事項

#### 發行可換股債券

於二零二一年六月四日，本公司訂立可換股債券認購協議，據此同意發行本金總額為20,000,000港元按年利率2%計息的可換股債券，自發行日期起計兩年內到期。每股換股股份的換股價為0.98港元，假設可換股債券附帶之換股權按換股價獲悉數行使，將配發及發行最多20,408,163股換股股份，相當於(i)本公司於公佈日期之現有已發行股份4,000,000,000股股份約0.51%；及(ii)本公司經配發及發行換股股份擴大後之已發行股份4,020,408,163股股份約0.51%。可換股債券的發行已於二零二一年七月九日完成。

#### 出售北京項目

於二零二一年十一月五日，本集團訂立買賣協議以出售Millhaven Holdings Limited（擁有位於北京榮寧園小區的物業）的全部已發行股本（「出售事項」）。出售事項的代價為338,000,000港元。本公司擬將出售事項所得款項淨額用於本集團的一般營運資金及償還尚未償還貸款。

於出售事項後，本集團目前有意集中資源發展湛江項目及本集團其他業務分部，尤其是巴布亞新幾內亞的採砂業務。



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### LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

As at 31 December 2020, the Group's cash and cash equivalents (excluding the restricted cash) were approximately HK\$20.6 million (2019: approximately HK\$20.7 million). The net current assets of the Group were HK\$1.6 billion (2019: HK\$1.5 billion), which consisted of current assets of HK\$2.4 billion (2019: HK\$2.1 billion) and current liabilities of approximately HK\$835.8 million (2019: HK\$568.5 million), representing a current ratio of 2.88 (2019: 3.70). The Group manages its capital structure to finance its overall operation and growth by using different sources of funds. As at 31 December 2020, the Group's lease liabilities, amount due to a director, borrowings and corporate bonds amounted to approximately HK\$487.2 million (2019: HK\$398.2 million). The gearing ratio of the Group as at 31 December 2020 (defined as total interest-bearing liabilities divided by the Group's total equity) was 0.13 (2019: 0.11).

### CORPORATE BONDS

As at 31 December 2020, the accumulated principal amount of corporate bonds was HK\$29 million bearing interest rate of 7% per annum with maturity between 2021 to 2025. Such bonds are subsequently measured at amortised cost using effective interest method. Imputed interest of approximately HK\$2.3 million was recognised in the profit or loss during the year (2019: HK\$2.1 million). The issuance of the corporate bonds will not result in any dilution on the shareholding of the existing shareholders of the Group.

### EXCHANGE RATE RISK

The Group undertakes certain operating transactions in foreign currencies, which expose the Group to foreign currency risk, mainly to the risk of fluctuations in the Hong Kong dollar and U.S. dollar against RMB. We have not used any derivative contracts to hedge against its exposure to currency risk. The management manages the currency risk by closely monitoring the movement of the foreign currency rates and considering hedging significant foreign currency exposure should such need arise.

### 流動資金、財務資源及資金

於二零二零年十二月三十一日，本集團之現金及現金等價物（不包括受限制現金）約為20,600,000港元（二零一九年：約20,700,000港元）。本集團之流動資產淨值為16億港元（二零一九年：15億港元），包括流動資產24億港元（二零一九年：21億港元）及流動負債約835,800,000港元（二零一九年：568,500,000港元），流動比率為2.88（二零一九年：3.70）。本集團利用不同之資金來源管理其資本架構，以為其整體營運及增長撥付資金。於二零二零年十二月三十一日，本集團之租賃負債、應付董事款項、借貸及公司債券為約487,200,000港元（二零一九年：398,200,000港元）。於二零二零年十二月三十一日，本集團之資本負債比率（界定為計息負債總額除以本集團之權益總額）為0.13（二零一九年：0.11）。

### 公司債券

於二零二零年十二月三十一日，公司債券之累計本金額為29,000,000港元，其按年利率7%計息，到期日介乎二零二一年至二零二五年不等。有關債券隨後使用實際利率法按攤銷成本計量。年內估算利息約2,300,000港元於損益確認（二零一九年：2,100,000港元）。發行公司債券將不會對本集團現有股東所持股權造成任何攤薄影響。

### 匯率風險

本集團以外幣進行若干業務交易，導致本集團須面對主要來自港元及美元兌人民幣之匯率波動風險。本集團並無使用任何衍生合約對沖其外匯風險。管理層密切監察匯率走勢以管理外匯風險，並於有需要時考慮對沖重大外匯風險。

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### FINANCE COSTS

The Group's finance costs consisted mainly of interest expenses on corporate bonds, borrowings, amounts due to directors and lease liabilities. The aggregate amount of interest incurred was approximately HK\$32.3 million (2019: HK\$30.6 million) for the year.

### CONTINGENT LIABILITIES

The Company has no contingent liabilities as at 31 December 2020 (2019: nil).

### CHARGE ON ASSETS

In 2020, the term loan of HK\$250 million were secured by (i) the guarantee from Guangdong Gangyue Financial Holdings Real Estate Development Company Limited (廣東港粵金控房地產開發有限公司); (ii) the personal guarantee from the Guarantor (Dr. Hui Chi Ming) and Beijing Yinghe Property Development Limited (北京盈和房地產綜合開發有限公司) respectively; and (iii) the charge/pledge to be granted by several subsidiaries of the Company. On the other hand, the Group held banking facility from a bank as at 31 December 2020. The Group's banking facility were secured by guarantees given by the Group's bank deposits and the Company. As at 31 December 2020, bank deposits amounting to approximately HK\$171.1 million (31 December 2019: HK\$5.3 million) were pledged to secure banking facility granted to a subsidiary.

### 財務費用

本集團之財務費用主要包括公司債券、借貸、應付董事款項及租賃負債之利息開支。年內產生之利息總額為約32,300,000港元(二零一九年: 30,600,000港元)。

### 或然負債

本公司於二零二零年十二月三十一日並無或然負債(二零一九年: 無)。

### 資產抵押

於二零二零年, 250,000,000港元定期貸款乃以(i)廣東港粵金控房地產開發有限公司之擔保; (ii)擔保人(許智銘博士)及北京盈和房地產綜合開發有限公司各自之個人擔保; 及(iii)本公司若干附屬公司將授出之抵押/質押作抵押。另一方面, 於二零二零年十二月三十一日, 本集團持有一間銀行提供之銀行融資。本集團之銀行融資以本集團銀行存款及本公司提供之擔保作抵押。於二零二零年十二月三十一日, 本集團就附屬公司獲授之銀行融資抵押銀行存款約171,100,000港元(二零一九年十二月三十一日: 5,300,000港元)。

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### CHANGE OF COMPANY NAMES AND STOCK SHORT NAMES

On 16 October 2020, a special resolution in relation to the Change of Company Name was proposed and duly passed at the special general meeting of the Company to approve the change of the English name of the Company from "Hong Kong Finance Investment Holding Group Limited" to "Wisdom Wealth Resources Investment Holding Group Limited" and the Chinese secondary name of the Company has been changed from "香港金融投資控股集團有限公司" to "智富資源投資控股集團有限公司". The stock short names of the Company for trading in the Shares on the Stock Exchange has been changed from "HK FINANCE INV" to "WISDOM WEALTH" in English and from "香港金融集團" to "智富資源投資" in Chinese with effect on 28 May 2021. The stock code of the Company remains unchanged as "7". The website address of the Company will be changed from "www.hkfihg.com" to "WWRI007.com" with effect from 28 May 2021. Please refer to the announcements of the Company dated 21 May 2021 and the circular dated 21 September 2020 relating to the change of company names and stock short names.

### PURSUANT TO RULE 13.18 OF THE LISTING RULES

The Company obtained a term loan facility in an aggregate amount of HK\$250,000,000 for a term of 36 months in 2017. Pursuant to the terms of the facility agreement, the occurrence of change of control event constitutes an event of default which the lender may cancel the facility. The Group is in the process of negotiating the extension of the aforesaid term loan facility.

### 更改公司名稱及股份簡稱

於二零二零年十月十六日，有關更改公司名稱之特別決議案於本公司之股東特別大會上提呈並獲正式通過，以批准將本公司之英文名稱由「Hong Kong Finance Investment Holding Group Limited」更改為「Wisdom Wealth Resources Investment Holding Group Limited」，而本公司之中文第二名稱已由「香港金融投資控股集團有限公司」更改為「智富資源投資控股集團有限公司」。本公司於聯交所買賣股份之英文股份簡稱已由「HK FINANCE INV」更改為「WISDOM WEALTH」，而中文股份簡稱由「香港金融集團」更改為「智富資源投資」，自二零二一年五月二十八日起生效。本公司之股份代號維持不變為「7」。本公司之網址將由「www.hkfihg.com」更改為「WWRI007.com」，自二零二一年五月二十八日起生效。請參閱本公司日期為二零二一年五月二十一日之公佈以及日期為二零二零年九月二十一之通函（內容有關更改公司名稱及股份簡稱）。

### 根據上市規則第13.18條作出之披露

本公司於二零一七年獲得總額為250,000,000港元之定期貸款融資，為期36個月。根據融資協議之條款，若出現有關控制權變動事項將構成一項違約事項，貸方可取消融資。本集團正在磋商將上述定期貸款融資延期。



# Management Discussion and Analysis

## 管理層討論與分析

### HUMAN RESOURCES

As at 31 December 2020, the Group employed a total of 105 staff (2019: 174) of which 15 were commission based (2019: 20) and the total related staff cost amounted to HK\$32,074,000 (2019: HK\$34,159,000). The Group's long-term success rests primarily on the total integration of the company core value with the basic staff interest. In order to attract and retain high caliber staff, the Group provides competitive salary package and other benefits including mandatory provident fund, medical schemes and bonus. The future staff costs of the sales will be more directly linked to the performance of business turnover and profit. The Group maintained organic overhead expenses to support the basic operation and dynamic expansion of its business enabling the Group to respond flexibly with the changes of business environment.

### CAPITAL STRUCTURE

As at 31 December 2020, the total number of issued ordinary shares of the Company was 4,000,000,000 shares of HK\$0.10 each (31 December 2019: 4,000,000,000 shares of HK\$0.10 each).

### CHANGES OF EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTOR

With effect from 25 May 2020, Mr. Chow Kin Wing was appointed as an independent non-executive director of the Company and Mr. Chan Tsang Mo resigned tendered his resignation as an independent non-executive director of the Company respectively.

With effect from 16 July 2020, Mr. Chen Mailin and Mr. Hui Ngok Lun were appointed as executive directors of the Company and Mr. Chui Say Hoe and Mr. Ren Qian were re-designated from executive directors of the Company to consultants of the Company respectively.

With effect from 9 October 2020, Mr. Chen Mailin has resigned as an executive director and managing director.

Mr. Chow Kin Wing has resigned as an independent non-executive director with effect from 12 October 2020.

### 人力資源

於二零二零年十二月三十一日，本集團共僱用105名（二零一九年：174名）員工，其中15名（二零一九年：20名）為佣金制，相關員工成本總額為32,074,000港元（二零一九年：34,159,000港元）。本集團之長期成就主要取決於將公司核心價值與員工基本利益全面結合。為吸引及留聘優秀員工，本集團提供具競爭力的薪酬組合及其他福利，包括強制性公積金、醫療計劃及花紅。未來銷售之員工成本將更直接與營業額及利潤掛鉤。本集團維持靈活的間接開支，以支援基本業務及業務之積極擴展，讓本集團可因應商業環境轉變而靈活作出回應。

### 資本架構

於二零二零年十二月三十一日，本公司已發行普通股總數為4,000,000,000股每股面值0.10港元之股份（二零一九年十二月三十一日：4,000,000,000股每股面值0.10港元之股份）。

### 執行董事及獨立非執行董事變動

自二零二零年五月二十五日起，周建榮先生獲委任為本公司獨立非執行董事，而陳增武先生已提呈辭任本公司獨立非執行董事。

自二零二零年七月十六日起，陳脈林先生及許岳麟先生分別獲委任為本公司執行董事，而徐世和先生及任前先生已分別由本公司執行董事調任為本公司顧問。

陳脈林先生已辭任執行董事兼董事總經理，自二零二零年十月九日起生效。

周建榮先生已辭任獨立非執行董事，自二零二零年十月十二日起生效。

# Management Discussion and Analysis

## 管理層討論與分析

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the year ended 31 December 2020, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the financial year, the Company has adopted the Model Code under Appendix 10 to the Listing Rules as its code of conduct regarding Directors' securities transaction. All Directors of the Company have confirmed, following specific enquiry by the Company that they have complied with the required standard set out in the Model Code and the Code during the financial year.

### CORPORATE GOVERNANCE

The Company is aware of the importance that complying with the relevant statutory and regulatory requirements and maintaining good corporate governance standards are important to the effective and efficient operation of the Company. The Company has, therefore, adopted and implemented relevant measures to ensure that the relevant statutory and regulatory requirements are complied with and that a high standard of corporate governance practices is maintained. In the opinion of the Directors, the Company has complied with the Code on Corporate Governance Practices (the "Code"), as set out in Appendix 14 of the Listing Rules, throughout the accounting period covered by the interim report except for the deviation from code provision A.4.2. of the Code which every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. However, according to Bye-laws of the Company, the Chairman or Managing Director are not subject to retirement by rotation or taken into account on determining the number of Directors to retire. As continuation is a key factor to the successful implementation of any long-term business plans, the Board believes that the roles of Chairman and Managing Director provides the Group with strong and consistent leadership and allow more effective planning and execution of long-term business strategies, that the present arrangement is most beneficial to the Company and the shareholders as a whole.

### 購入、出售或贖回本公司上市股份

截至二零二零年十二月三十一日止年度，本公司及其任何附屬公司概無購入、出售或贖回本公司任何上市證券。

### 董事進行證券交易之標準守則

於財政年度內，本公司已採納上市規則附錄10之標準守則，作為董事進行證券交易之操守準則。本公司已向董事作出具體查詢，而全體董事均已確認彼等於財政年度內已遵從標準守則及守則所規定準則。

### 企業管治

本公司明白遵守相關法規和監管規定，以及維持良好企業管治標準對本公司之營運成效及效率極為重要。因此，本公司已採取及執行各項相關措施，確保符合相關法規和監管規定，以及維持高水平的企業管治常規。董事認為，本公司於中報所涵蓋之整段會計期間一直遵守上市規則附錄14所載之企業管治常規守則（「守則」），惟偏離守則之守則條文A.4.2.除外，其規定每名董事（包括有指定任期之董事）應輪流退任，至少每三年一次。然而，根據本公司之公司細則，主席或董事總經理均毋須輪值退任，於釐定董事退任人數時亦毋須計算在內。由於持續性是成功執行任何長遠業務計劃之主要因素，董事會相信，主席及董事總經理之職務，能為本集團提供強大而貫徹一致之領導，在策劃及落實長期商業策略方面更有效率，故現有之安排對於本公司以至股東之整體利益最為有利。

# Management Discussion and Analysis

## 管理層討論與分析

### ADDITIONAL INFORMATION IN RELATION TO GOING CONCERN

As disclosed in the audited consolidated financial statements, the Group incurred a net loss of HK\$212,917,000 during the year ended 31 December 2020 and, as of that date, the Group had net current liabilities of approximately HK\$326,103,000 without considering properties for sales of approximately HK\$1,921,997,000. Nevertheless, the consolidated financial statements have been prepared on a going concern basis as the Directors has actively implemented various measures as listed below to improve the liquidity of the Group:

#### (1) Getting new banking facilities

The Company has already received an indicative offer from a bank in December 2021 to grant a banking facility of HK\$200,000,000 bearing interest at 2.5% over Hong Kong Interbank Bank Offered Rate for a term of 18 months from the drawdown date. Such banking facilities will be secured by the Group's investment properties located in Zhanjiang, the People's Republic of China ("PRC"). The Company is now waiting for the formal banking facility letter from that bank and is confident that such banking facility would be granted to the Company in view of the securities pledged for the banking facility.

#### (2) Disposal of the property in Beijing

As disclosed in the announcement of the Company dated 5 November 2021, the Company has entered into a sale and purchase agreement with an independent third party to dispose the property in Beijing for a consideration of HK\$338,000,000. As at the date of this report, the buyer has already paid a deposit of HK\$8,000,000 in accordance with the terms of the agreement. The transaction is expected to complete in February 2022.

### 有關持續經營的其他資料

誠如經審核綜合財務報表所披露，本集團於截至二零二零年十二月三十一日止年度產生淨虧損212,917,000港元，而截至該日，本集團的流動負債淨額約為326,103,000港元，當中並不計及待售物業約1,921,997,000港元。然而，綜合財務報表乃根據持續經營基準編製，原因是董事已積極實施以下改善本集團流動資金各項措施：

#### (1) 獲得新銀行融資

本公司已於二零二一年十二月自一間銀行獲得指示性的同意函，可授予一筆自提取日期起計為期18個月的銀行融資200,000,000港元，按銀行同業拆息加2.5%的利率計息。該銀行融資將由本集團位於中華人民共和國（「中國」）湛江的投資物業作抵押。本公司正在等該銀行發出正式的銀行融資函，並堅信鑒於為銀行融資而抵押的保證品，本公司將獲授銀行融資。

#### (2) 出售北京物業

誠如本公司日期為二零二一年十一月五日的公佈所披露，本公司已與一名獨立第三方訂立買賣協議，以出售北京物業，代價為338,000,000港元。於本報告日期，買方已根據協議條款支付按金8,000,000港元。該交易預期將於二零二二年二月完成。

# Management Discussion and Analysis

## 管理層討論與分析

### (3) Renewal of existing loans with existing lenders

The Group is now actively negotiating with two lenders to renew two existing loans with a total sum of approximately HK\$318,200,000. The Group has got verbal confirmations from them that they will extend the repayment of outstanding borrowings by renewing the loan agreements.

The Group has obtained written confirmations from two directors, Dr. Hui Chi Ming and Mr. Nam Kwok Lun, that they would not demand repayment of amounts due to them within next twelve months.

### (4) Cost control measures

The Group are implementing various cost control measures to control the administrative expenses and capital expenditures.

Assuming all the above plans and actions can be completed as planned, the uncertainty related to the going concern is expected to be removed. In case there are any temporary cashflow shortfalls arise, the Group has already obtained written confirmation from the controlling shareholder, Dr Hui Chi Ming, to provide financial support to the Group.

### (3) 與現有貸方重續現有貸款

本集團正在積極與兩名貸方磋商，以重續總額約為318,200,000港元的兩筆現有貸款。本集團已得到彼等的口頭確認，彼等將透過重續貸款協議延長尚未償還借貸的還款。

本集團已獲得兩名董事（即許智銘博士及藍國倫先生）的書面確認，彼等將不會在未來十二個月內要求償還應付彼等款項。

### (4) 成本控制措施

本集團正在實施多項成本控制措施，以控制行政開支及資本開支。

假設上述計劃及行動能夠按計劃完成，有關持續經營的不確定因素預期將會被消除。倘出現任何臨時現金流不足，本集團已獲得控股股東許智銘博士將向本集團提供財務支持的書面確認。