

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



中國鼎益豐控股有限公司

CHINA DING YI FENG HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00612)

**ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2020**

INTERIM RESULTS

The Board (the “Board”) of Directors (the “Directors”) of China Ding Yi Feng Holdings Limited (the “Company”) hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2020 (the “period”), together with comparative figures for the corresponding period in 2019.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2020

	<i>Notes</i>	Six months ended 30 June	
		2020	2019
		<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)
Revenue	4	451	603
Other income		643	—
Net realised gain on disposal of financial assets at fair value through profit or loss		—	6,858
Net unrealised loss on financial assets at fair value through profit or loss		<u>(11,934)</u>	<u>(137,239)</u>
		(10,840)	(129,778)
Net gain on disposals of subsidiaries		4	—
Administrative expenses		(46,169)	(45,490)
Finance costs	6	<u>(14,245)</u>	<u>(18,476)</u>
Loss before tax	7	(71,250)	(193,744)
Income tax credit	8	<u>—</u>	<u>19,465</u>
Loss for the period attributable to owners of the Company		<u>(71,250)</u>	<u>(174,279)</u>
Loss per share	10		
— Basic (HK cents)		<u>(5.59)</u>	<u>(14.10)</u>
— Diluted (HK cents)		<u>(5.59)</u>	<u>(14.10)</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

For the six months ended 30 June 2020

	Six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss for the period attributable to owners of the Company	<u>(71,250)</u>	<u>(174,279)</u>
Other comprehensive expense		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(1,659)	—
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value loss on equity instruments at fair value through other comprehensive income	<u>(875)</u>	—
Other comprehensive expense for the period, net of tax	<u>(2,534)</u>	—
Total comprehensive expense for the period attributable to owners of the Company	<u><u>(73,784)</u></u>	<u><u>(174,279)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2020

		30 June 2020	31 December 2019
	<i>Notes</i>	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (audited)
Non-current assets			
Property, plant and equipment		482,537	6,189
Intangible assets		13,301	13,301
Right-of-use assets		27,589	6,792
Equity instruments at fair value through other comprehensive income	11	—	956
Deferred tax assets		3,238	3,238
Rental and utility deposits	12	5,261	1,003
		531,926	31,479
Current assets			
Prepayments, deposits and other receivables	12	12,176	13,261
Financial assets at fair value through profit or loss	13	135,952	121,398
Bank balances and cash		252,236	208,065
		400,364	342,724
Current liabilities			
Accruals and other payables		11,272	12,120
Borrowings	14	139,001	150,662
Lease liabilities		11,165	3,606
		161,438	166,388
Net current assets		238,926	176,336

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2020

		30 June 2020	31 December 2019
	<i>Notes</i>	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (audited)
Total assets less current liabilities		770,852	207,815
Non-current liabilities			
Borrowings	<i>14</i>	104,043	116,247
Lease liabilities		16,169	3,636
		120,212	119,883
Net assets		650,640	87,932
Capital and reserve			
Share capital	<i>15</i>	65,155	61,836
Reserves		585,485	26,096
Total equity		650,640	87,932
Net asset value per share	<i>10</i>	HK\$0.50	HK\$0.07

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Share option reserve HK\$'000	Capital reserve HK\$'000	Investment revaluation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2020 (audited)	61,836	575,477	(4,199)	9,610	65,158	(844)	(619,106)	87,932
Loss for the period	—	—	—	—	—	—	(71,250)	(71,250)
Other comprehensive expense for the period:								
Exchange differences arising on translation of foreign operations	—	—	(1,659)	—	—	—	—	(1,659)
Fair value loss on equity instruments at fair value through other comprehensive income ("FVTOCI")	—	—	—	—	—	(875)	—	(875)
Total comprehensive expense for the period	—	—	(1,659)	—	—	(875)	(71,250)	(73,784)
Issue of shares under placement of shares	3,319	174,174	—	—	—	—	—	177,493
Contributions from a shareholder	—	—	—	—	458,999	—	—	458,999
Transfer of investment revaluation reserve upon disposal of equity instruments at FVTOCI	—	—	—	—	—	1,719	(1,719)	—
At 30 June 2020 (unaudited)	<u>65,155</u>	<u>749,651</u>	<u>(5,858)</u>	<u>9,610</u>	<u>524,157</u>	<u>—</u>	<u>(692,075)</u>	<u>650,640</u>
At 1 January 2019 (audited)	61,836	575,477	18	9,610	65,158	537	(343,815)	368,821
Loss for the period	—	—	—	—	—	—	(174,279)	(174,279)
Other comprehensive expense for the period	—	—	—	—	—	—	—	—
Total comprehensive expense for the period	—	—	—	—	—	—	(174,279)	(174,279)
Transfer of investment revaluation reserve upon disposal of equity instruments at FVTOCI	—	—	—	—	—	(215)	215	—
Dividend declared	—	—	—	—	—	—	(24,734)	(24,734)
At 30 June 2019 (unaudited)	<u>61,836</u>	<u>575,477</u>	<u>18</u>	<u>9,610</u>	<u>65,158</u>	<u>322</u>	<u>(542,613)</u>	<u>169,808</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

1. GENERAL INFORMATION

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and its shares has been listed on the Stock Exchange of Hong Kong Limited (“Stock Exchange”) since 2 January 2002. The address of the registered office of the Company is Unit 6602–03, Level 66, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

The principal activities of the Company and its subsidiaries are investing in listed and unlisted securities.

The condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the six months ended 30 June 2020 have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The condensed consolidated financial statements of the Group have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values, as appropriate.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended 31 December 2019.

The condensed consolidated financial statements are unaudited, but have been reviewed by the Company’s audit committee (the “Audit Committee”). The condensed consolidated financial statements for the six months ended 30 June 2020 were approved and authorised for issue by the Board of Directors on 11 August 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the condensed consolidated financial statements for the six months ended 30 June 2020 are consistent with those adopted by the Group in its audited consolidated financial statements for the year ended 31 December 2019 except for the adoption of the amendments to Hong Kong Financial Reporting Standards (the “Amendments to HKFRSs”) (which include all HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the HKICPA that are effective for the first time for the current period’s financial statements.

The Group has not applied any New and Amendments to HKFRSs that have been issued but are not yet effective. The Group is currently assessing the impact of the adoption of such New and Amendments to HKFRSs to the Group but is yet in a position to state whether they would have any material financial impact on the Group’s results of operations and financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Details of the changes in accounting policies are set out as below:

Changes in Hong Kong Financial Reporting Standards (“HKFRSs”)

The HKICPA has issued a number of new and amendments to HKFRSs that become effective for the current accounting period of the Group:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of amendments to references to the Conceptual Framework in the HKFRS standards and the amendments to HKFRSs had no material impact on the condensed consolidated financial statements in the current and prior periods. Their impacts on presentation and disclosures, if any, will be reflected on the consolidated financial statements for the year ending 31 December 2020.

4. REVENUE

An analysis of the Group’s revenue for the period is as follows:

	Six months ended 30 June	
	2020	2019
	<i>HK\$’000</i>	<i>HK\$’000</i>
	(unaudited)	(unaudited)
Interest income from deposits in banks and financial institutions	215	333
Dividend income from listed investments	236	270
	<u>451</u>	<u>603</u>

5. SEGMENT INFORMATION

For the six months ended 30 June 2020 and 2019 respectively, the Group's revenue was mainly interest income from banks and financial institutions and dividend income. The directors consider that these activities constitute one business segment since the Group only engaged in investing in listed and unlisted securities. Given the nature of the Group's operation is investment holding, it is not considered meaningful to provide a business segment analysis of operating profits. The Group's segment revenue, assets and liabilities for the period, analysed by geographical markets, are as follows:

	Hong Kong		PRC and other jurisdictions		Consolidated	
	six months ended 30 June		six months ended 30 June		six months ended 30 June	
	2020	2019	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Segment revenue:						
Interest income from banks and financial institutions	181	320	34	13	215	333
Dividend income	236	270	—	—	236	270
	<u>417</u>	<u>590</u>	<u>34</u>	<u>13</u>	<u>451</u>	<u>603</u>
	Hong Kong		PRC and other jurisdictions		Consolidated	
	30 June	December	30 June	December	30 June	December
	2020	2019	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	(audited)
Non-current assets*	44,166	25,349	479,261	933	523,427	26,282
Total assets	372,492	291,152	559,798	83,051	932,290	374,203
Total liabilities	280,776	285,249	874	1,022	281,650	286,271
	<u>209</u>	<u>5,093</u>	<u>478,492</u>	<u>—</u>	<u>478,701</u>	<u>5,093</u>
Additions to property, plant and equipment	24,211	6,431	—	950	24,211	7,381
Additions to right-of-use assets	—	3,072	—	—	—	3,072
Additions to intangible assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

* The non-current assets information above is based on the locations of the assets and excluded equity instruments at FVTOCI, deferred tax assets and rental and utility deposits.

6. FINANCE COSTS

	Six months ended 30 June	
	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (unaudited)
Interest expenses on:		
Interest-bearing loan notes	1,086	1,085
Interest-bearing bonds	12,222	16,148
Interest-bearing loans	386	1,243
Lease liabilities	551	—
	<u>14,245</u>	<u>18,476</u>

7. LOSS BEFORE TAX

	Six months ended 30 June	
	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (unaudited)
Loss before tax has been arrived at after charging (crediting) the following items:		
Directors' remuneration:		
Fees	1,790	2,184
Other emoluments	1,654	1,737
Retirement benefits scheme contributions	18	18
Other staff costs:		
Basic salaries and allowances	5,990	4,626
Retirement benefits scheme contributions	203	172
Total staff costs (including Directors' remuneration)	<u>9,655</u>	<u>8,737</u>
Auditor's remuneration	220	220
Depreciation of property, plant and equipment	2,353	3,088
Depreciation of right-of-use assets	3,414	—
Loss on written off of property, plant and equipment	—	84
Net foreign exchange losses	246	3,039
Government subsidies	(587)	—
Effective interest income from rental deposits	(44)	—
	<u>(44)</u>	<u>—</u>

8. INCOME TAX CREDIT

No Hong Kong Profits Tax has been provided as the Group had no assessable profits in Hong Kong for both periods. There are also no tax liabilities in other jurisdictions.

	Six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Deferred taxation		
Credit for the period	—	19,465
	<u> </u>	<u> </u>

No deferred tax asset has been recognised in respect of tax loss for the six months ended 30 June 2020 due to unpredictability stream of future taxable profits that will be available against which the tax loss can be utilised.

9. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2020 (six months ended 30 June 2019: Nil).

10. NET ASSET VALUE PER SHARE AND LOSS PER SHARE

Net asset value per share

The net asset value per share is calculated by dividing the net assets included in the condensed consolidated statement of financial position of approximately HK\$650,640,000 (31 December 2019: approximately HK\$87,932,000) by the number of shares in issue as at 30 June 2020, being 1,303,090,000 (31 December 2019: 1,236,722,000).

Loss per share

The calculation of the basic and diluted loss per share is based on:

	Six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
<i>Loss:</i>		
Loss attributable to owners of the Company	<u>(71,250)</u>	<u>(174,279)</u>

10. NET ASSET VALUE PER SHARE AND LOSS PER SHARE (CONTINUED)

	30 June 2020 '000	30 June 2019 '000
<i>Shares:</i>		
Weighted average number of ordinary shares in issue during the period used in basic loss per share calculation	1,275,011	1,236,722
Effect of dilutive potential ordinary shares:		
Share options	<u>32,480</u>	<u>32,480</u>
Weighted average number of ordinary shares in issue during the period used in diluted loss per share calculation	<u>1,307,491*</u>	<u>1,269,202*</u>

* No adjustment has been made to the basic loss per share amount for the six months ended 30 June 2020 because the diluted loss per share amount is decreased when taking outstanding share options into account, so the outstanding share options had an anti-dilutive effect on the basic loss per share amount. Accordingly, the diluted loss per share is same as the basic loss per share.

11. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2020 HK\$'000 (unaudited)	31 December 2019 HK\$'000 (audited)
Unlisted investments		
— Equity securities in Hong Kong (note 1)	<u>—</u>	<u>956</u>

11. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

Particulars of investments in unlisted equity securities held by the Group as at 30 June 2020 and 31 December 2019 disclosed pursuant to Chapter 21 of Listing Rules are as follows:

Note 1: Unlisted equity securities

Name of investee company	Place of incorporation	Proportion of investee's capital owned	Cost <i>HK\$'000</i>	Fair value <i>HK\$'000</i>	Accumulated fair value adjustment <i>HK\$'000</i>	Net assets attributable to the Group <i>HK\$000</i>	Dividend received/ receivable during the year/period <i>HK\$'000</i>	% of gross assets of the Group
At 30 June 2020 (unaudited)								
China Investment Fund International Securities Limited	Hong Kong	—	—	—	—	—	—	—
At 31 December 2019 (audited)								
China Investment Fund International Securities Limited	Hong Kong	9%	1,800	956	(844)	571	—	0.26%

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2020 <i>HK\$'000</i> (unaudited)	31 December 2019 <i>HK\$'000</i> (audited)
Rental deposits and prepayments	5,293	6,632
Due from brokers (<i>note</i>)	6,217	3,890
Other prepayments	83	308
Other deposits and receivables	5,844	3,434
	<u>17,437</u>	<u>14,264</u>
Portion classified as non-current assets	<u>(5,261)</u>	<u>(1,003)</u>
	<u>12,176</u>	<u>13,261</u>

Note: The balances represent the cash account balances in the brokers that are used for investing in securities. The management of the Company monitors the credit risk on these brokers on a regular basis.

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default and regarded as low default risk by the management of the Company.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	30 June 2020 HK\$'000 (unaudited)	31 December 2019 HK\$'000 (audited)
Equity securities listed in Hong Kong (<i>note</i>)	65,507	59,139
Equity securities listed in the PRC (<i>note</i>)	70,445	62,259
	135,952	121,398

Note: Particulars of investments of listed equity securities held by the Group as at 30 June 2020 and 31 December 2019 disclosed pursuant to Chapter 21 of the Listing Rules are as follows:

Name of investee companies	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Cost HK\$'000	Market value HK\$'000	Accumulated unrealised gain (loss) recognised HK\$'000	Dividend received/receivable during the period HK\$'000	% of gross assets of the Group
At 30 June 2020 (unaudited)								
<u>Listed equity securities in Hong Kong</u>								
AAC Technologies Holdings Inc.	Cayman Islands	150,000	0.01%	9,936	7,132	(2,804)	—	0.76%
Sunny Optical Technology (Group) Company Limited	Cayman Islands	70,000	Less than 0.01%	9,966	8,680	(1,286)	57	0.93%
Smartac Group China (Holdings) Limited	Cayman Islands	266,000,000	4.72%	52,188	39,634	(12,554)	—	4.25%
Alibaba Group Holding Limited	Cayman Islands	48,000	Less than 0.01%	9,982	10,061	79	—	1.08%
				82,072	65,507	(16,565)		
<u>Listed equity securities in PRC</u>								
Irico Display Devices Co., Ltd.	PRC	2,880,032	0.08%	18,868	14,402	(4,466)	—	1.54%
Tianma Bearing Group Co., Ltd.	PRC	15,000,001	1.26%	40,175	22,700	(17,475)	—	2.43%
Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd.	PRC	2,080,000	0.57%	11,043	17,290	6,247	—	1.85%
Kweichow Moutai Co., Ltd.	PRC	10,007	Less than 0.01%	15,790	16,053	263	179	1.72%
				85,876	70,445	(15,431)		
				167,948	135,952	(31,996)		

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (CONTINUED)

Note : (Continued)

Name of investee companies	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Cost HK\$'000	Market value HK\$'000	Accumulated unrealised gain (loss) recognised HK\$'000	Dividend received/receivable during the year HK\$'000	% of gross assets of the Group
At 31 December 2019 (audited)								
<u>Listed equity securities in Hong Kong</u>								
AAC Technologies Holdings Inc.	Cayman Islands	150,000	0.01%	9,936	10,200	264	—	2.73%
Smartac Group China (Holdings) Limited	Cayman Islands	197,000,000	3.50%	40,311	29,550	(10,761)	—	7.90%
Sunny Optical Technology (Group) Company Limited	Cayman Islands	70,000	Less than 0.01%	9,966	9,443	(523)	—	2.52%
Alibaba Group Holding Limited	Cayman Islands	48,000	Less than 0.01%	9,982	9,946	(36)	—	2.66%
				70,195	59,139	(11,056)		
<u>Listed equity securities in PRC</u>								
Irico Display Devices Co., Ltd.	PRC	2,880,032	0.08%	19,246	13,659	(5,587)	—	3.65%
Tianma Bearing Group Co., Ltd.	PRC	15,000,001	1.26%	40,979	33,221	(7,758)	—	8.88%
Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd.	PRC	2,080,000	0.57%	11,264	15,379	4,115	—	4.11%
				71,489	62,259	(9,230)		
				141,684	121,398	(20,286)		

The fair value of these listed securities are based on their closing prices quoted in active markets.

14. BORROWINGS

	30 June 2020 HK\$'000 (unaudited)	31 December 2019 HK\$'000 (audited)
Interest-bearing loan notes, unsecured	42,347	42,323
Interest-bearing bonds, unsecured	186,697	217,586
Interest-bearing loans, unsecured	<u>14,000</u>	<u>7,000</u>
	243,044	266,909
Less: Amount classified as current liabilities	<u>(139,001)</u>	<u>(150,662)</u>
Amount classified as non-current liabilities	<u>104,043</u>	<u>116,247</u>

15. SHARE CAPITAL

	Number of ordinary shares of HK\$0.05 each	Nominal value HK\$'000
Authorised: At 1 January 2019, 31 December 2019 and 30 June 2020	<u>4,000,000,000</u>	<u>200,000</u>
Issued and fully paid: At 1 January 2019 and 31 December 2019	1,236,722,000	61,836
Issue of shares under placement of shares (<i>Note</i>)	<u>66,368,000</u>	<u>3,319</u>
At 30 June 2020	<u>1,303,090,000</u>	<u>65,155</u>

Note: On 17 March 2020, 66,368,000 ordinary shares were issued by the Company as a result of a placing agreement dated 9 March 2020 (amended on 10 March 2020). Shares were issued at a price of HK\$2.75 giving the gross proceeds of HK\$182,512,000.

16. RELATED PARTY AND CONNECTED TRANSACTIONS

(a) Compensation of key management personnel

The remuneration of key management personnel during the period was as follows:

	Six months ended 30 June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Directors' fee	1,790	2,184
Other emoluments	1,654	1,737
Retirement benefits scheme contributions	18	18
	<u>3,462</u>	<u>3,939</u>

The remuneration of Directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

(b) Investment management fee

On 4 July 2019, the Company and Tianhe Quant Asset Management Limited (“Tianhe”), a wholly-owned subsidiary of the Company, entered into an investment management agreement pursuant to which Tianhe shall act as the investment manager of the Company for the period up to 4 July 2021. Under the investment management agreement, the investment management fee payable to the investment manager was HK\$220,000 per month together with expenses reimbursement up to a maximum amount of HK\$1,390,000, HK\$2,840,000 and HK\$1,450,000 respectively for each of the years ending 31 December 2019, 2020 and 2021. The investment manager is defined as a connected person of the Company pursuant to the Rule 21.13 of the Listing Rules. As Tianhe (the investment manager) is a wholly-owned subsidiary of the Company, the transaction with Tianhe is eliminated on consolidation and will not be considered a connected transaction under the Listing Rules.

(c) Contributions from a shareholder

During the six months ended 30 June 2020, Hainan Qirisheng Enterprise Consulting Co. Ltd., an indirect substantial shareholder of the Company, has unconditionally and unilaterally gifted 22 non-residential units located in the PRC (“PRC properties”) to the Group with a fair value of approximately RMB421,000,000 (equivalent to approximately HK\$458,999,000) on the date of completion of transfer in June 2020.

Value of the PRC properties gifted was arrived at on the basis of a valuation by Access Partner Professional Services Limited, an independent qualified valuer not connected to the Group. The fair value was determined based on direct comparison method assuming sale of the properties in their existing state with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market.

The amounts contributed from a shareholder was recognised and resulted in an increase in the capital reserve under equity.

17. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Financial instruments measured at fair value on a recurring basis

Some of the Group's financial assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined, as well as the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 <i>HK\$'000</i>	Level 2 <i>HK\$'000</i>	Level 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 30 June 2020 (unaudited)				
<i>Assets</i>				
Financial assets at FVTPL				
— Listed equity securities (<i>note a</i>)	<u>135,952</u>	<u>—</u>	<u>—</u>	<u>135,952</u>
At 31 December 2019 (audited)				
<i>Assets</i>				
Financial assets at FVTPL (<i>note a</i>)				
— Listed equity securities	121,398	—	—	121,398
Equity instruments at FVTOCI (<i>note b</i>)	<u>—</u>	<u>—</u>	<u>956</u>	<u>956</u>
	<u>121,398</u>	<u>—</u>	<u>956</u>	<u>122,354</u>

Notes:

- The fair value of listed equity securities classified as Level 1 is determined by the closing price quoted in an active market.
- The fair value of unlisted equity securities classified as Level 3 is determined by management's valuation assessment with reference to valuation report performed by the independent professional valuer.

17. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Reconciliation for financial instruments arrived at fair value based on significant inputs (Level 3) are as follows:

	Unlisted equity securities <i>HK\$'000</i>
At 1 January 2020	956
Change in fair value	(875)
Disposal	(81)
	<hr/>
At 30 June 2020	—
	<hr/> <hr/>

18. CONTINGENT LIABILITIES

As at 30 June 2020, the Group did not have any material contingent liabilities (31 December 2019: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

During the period, the Group reported a loss of approximately HK\$71.3 million (six months ended 30 June 2019: HK\$174.3 million). The loss for the period decreased by HK\$103.0 million or 59.1% as compared with corresponding period in 2019 was primarily due to (i) a decrease of net unrealised loss on financial assets at fair value through profit or loss (“FVTPL”) by HK\$125,305,000, from HK\$137,239,000 to HK\$11,934,000; and (ii) an decrease in finance costs by HK\$4,231,000 as compared with corresponding period in 2019.

For the period, the Group recorded a revenue of HK\$451,000 (six months ended 30 June 2019: HK\$603,000), a decrease of HK\$152,000 as compared to the corresponding period in 2019. The Group recorded a net realised gain on disposal of financial assets at FVTPL of HK\$Nil (six months ended 30 June 2019: HK\$6,858,000). The Group recorded a net unrealised loss on financial assets at FVTPL of HK\$11,934,000 (six months ended 30 June 2019: HK\$137,239,000).

SECURITIES INVESTMENTS

The Board exercised caution while actively managing its investment portfolio in accordance with the Company’s investment objective and policy for the best interests of our shareholders.

Investment in listed securities

As at 30 June 2020, the Group held listed securities classified under financial assets at FVTPL of approximately HK\$135,952,000 (31 December 2019: approximately HK\$121,398,000).

Investment in unlisted securities

As at 30 June 2020, the Group did not hold any unlisted securities (31 December 2019: approximately HK\$956,000).

INVESTMENT PORTFOLIO

We divide our strategy into three categories, namely long-term holding investment, mid-term private equity and venture capital and short-term trading of securities and other financial instruments. The main sectors of our current investments as at 30 June 2020 were e-commerce & internet services, telecommunication, energy and commerce and Chinese liquor industry.

LIQUIDITY AND FINANCIAL RESOURCES

The Group had bank balances and cash of HK\$252,236,000 as at 30 June 2020 (31 December 2019: HK\$208,065,000) representing 27.1% (31 December 2019: 55.6%) of the Group's total assets. As at 30 June 2020, the Group had long-term debts which are unsecured interest-bearing loan notes and unsecured interest-bearing bonds in total amount of HK\$104,043,000 (31 December 2019: HK\$116,247,000). Apart from the long-term debts, the Group had short-term debts consisting of unsecured interest-bearing bonds and unsecured interest-bearing loans of approximately HK\$139,001,000 (31 December 2019: unsecured interest-bearing bonds and unsecured interest-bearing loans of HK\$150,662,000).

As at 30 June 2020, the Group's gearing ratio, being the total debts (including borrowings) divided by total equity, was 37.4% (31 December 2019: 303.5%).

FOREIGN CURRENCY EXPOSURE

Most of the business transactions of the Group are denominated in Hong Kong dollars and Renminbi ("RMB"). The Group closely monitors the fluctuation in these currencies and take actions as appropriate. As at 30 June 2020, the Group did not engage in currency hedging. During the period, the Group had financial assets of HK\$121,591,000 (31 December 2019: HK\$81,871,000) which was denominated in RMB. The Group does not have any foreign currency hedging policy. However, the Group monitors foreign exchange exposure and will take hedging or other actions as appropriate.

CAPITAL STRUCTURE

The shares of the Company are listed on The Stock Exchange of Hong Kong Limited. During the period, the movement in the Company's share capital is as follow:

On 17 March 2020, 66,368,000 ordinary shares were issued by the Company as a result of a placing agreement dated 9 March 2020 (amended on 10 March 2020). Shares were issued at a price of HK\$2.75 giving the gross proceeds of HK\$182,512,000. Up to 30 June 2020, the Company used of HK\$27.9 million (or 15% of the gross proceeds) to invest in listed securities (namely, listed equity securities in Smartac International Holdings Limited (HK\$11.9 million) and Kweichow Moutai Co. Ltd. (HK\$16.0 million)) and HK\$26.5 million (or 15% of the gross proceeds) for general working capital purposes.

COMMITMENTS

There were no commitment as at 30 June 2020 (2019: Nil).

CONTINGENT LIABILITIES

As at 30 June 2020, the Group did not have material contingent liabilities (31 December 2019: Nil).

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2020, the Group had 24 employees and 8 Directors. The Group's remuneration policies are in line with prevailing market practice and are determined on the basis of the performance and experience of individual employees.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the period, there was no material acquisition or disposal of subsidiaries by the Group.

INTERIM DIVIDEND

The Board did not recommend the payment of any interim dividend for the period.

PROSPECT

The outbreak of COVID-19 pandemic earlier this year has severe negative impacts on the global economy. China introduced extremely strict measures to contain the spread of the virus and managed to turn its GDP from a 6.8 percent decline in the first quarter to a 3.2 percent growth in the second quarter, pointing towards a V-shaped recovery. In response to the pandemic, the Federal Reserve System slashed rates to near zero and promised unlimited, open-ended large-scale asset purchases to increase liquidity in financial markets. Recently, the IMF forecast that global GDP will contract by 4.9 percent this year, a noticeable downgrade from its previous estimate of 3 percent shrink in April 2020. Under such highly challenging investment environment, the Directors will focus more on the China market and take prudent strategies to manage our portfolio.

**DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS
IN THE SHARES AND THE UNDERLYING SHARES OF THE COMPANY AND
ANY ASSOCIATED CORPORATIONS**

As at 30 June 2020, the interests and short positions of each Director and the chief executives of the Company in the shares and the underlying shares of the Company and any associated corporations (as defined in Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") were as follows:

(i) Long positions in shares as at 30 June 2020

Name of Director	Capacity	Notes	Number of shares	Approximate percentage of shareholding
Ma Xiaoqiu	Beneficial owner		10,520,000	0.81%

(ii) Long positions in underlying shares as at 30 June 2020

Name of Director	Capacity	Notes	Number of underlying shares	Approximate percentage of shareholding
Luk Hong Man, Hammond	Beneficial owner	(1)	6,076,597	0.47%
Zhang Xi	Beneficial owner	(1)	6,076,597	0.47%
Wang Mengtao	Beneficial owner	(2)	3,000,000	0.23%
Leung Ka Fai	Beneficial owner	(2)	3,000,000	0.23%
Jing Siyuan	Beneficial owner	(2)	800,000	0.06%
Zhang Aimin	Beneficial owner	(2)	800,000	0.06%
Zhang Qiang	Beneficial owner	(2)	800,000	0.06%
Ma Xiaoqiu	Beneficial owner	(3)	1,200,000	0.09%

Notes:

- (1) 776,597 share options are at an exercise price of HK\$0.729 per share of the Company with exercise period from 17 June 2015 to 16 June 2025. 5,300,000 share options are at an exercise price of HK\$0.808 per share of the Company with exercise period from 16 November 2016 to 15 November 2026.
- (2) These share options are at an exercise price of HK\$0.808 per share of the Company with exercise period from 16 November 2016 to 15 November 2026.
- (3) These share options are at an exercise price of HK\$2.25 per shares of the Company with exercise period from 30 August 2017 to 29 August 2027.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES AND THE UNDERLYING SHARES OF THE COMPANY AND ANY ASSOCIATED CORPORATIONS (CONTINUED)

(ii) Long positions in underlying shares as at 30 June 2020 (Continued)

Save as disclosed above, at 30 June 2020, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in shares, underlying shares or debentures of the Company and its associated corporations as recorded in the register required to be maintained under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDER

As at 30 June 2020, the following person's interest in 5% or more in the shares and underlying shares of the Company have been notified to the Company or recorded in the register of interest in shares and short positions required to be kept under Section 336 of the SFO:

Name	Number of Shares	Type of interest	Approximate percentage of total issued share capital of the Company
HK DYF Int'l Holding Group Limited	198,030,400	Beneficial owner	15.20%
Shenzhen Ding Yi Feng Enterprise Management Co., Ltd. (Note 1)	198,030,400	Interest of controlled corporation	15.20%
Hainan Qirisheng Enterprise Consulting Co. Ltd. (Note 1)	198,303,400	Interest of controlled corporation	15.20%
Sui Guangyi (Note 2)	347,612,800	Beneficial owner and Interest of controlled corporation	26.68%

Note 1: Each of Shenzhen Ding Yi Feng Enterprise Management Co., Ltd. and Hainan Qirisheng Enterprise Consulting Co. Ltd. is deemed to be interested in 198,030,400 shares through its controlled corporation, HK DYF Int'l Holding Group Limited.

Note 2: 198,030,400 of these shares are held by HK DYF Int'l Holding Group Limited, which is held as to 68.72% by Shenzhen Ding Yi Feng Enterprise Management Co., Ltd., and 31.28% by Hainan Qirisheng Enterprise Consulting Co. Ltd., which are respectively held as to 26% and 29.39% and controlled by Mr. Sui. Mr. Sui is deemed to be interested in these shares by virtue of the SFO.

Save as disclosed above, the Directors are not aware of any person who has an interest or short position in the shares or underlying shares of the Company (which is discloseable under Divisions 2 and 3 of Part XV of the SFO), or is directly or is indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group (which is discloseable under the Listing Rules).

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

During the period, 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

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all Directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the period.

CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2020, the Company had complied with all the applicable provisions of the Corporate Governance Code (the "Code Provision") as set out in Appendix 14 to the Listing Rules, except for the deviation set out as below.

Code Provision E.1.2 stipulates that the Chairman of the Board should attend the annual general meeting. The Chairman of the Board had not attended the annual general meeting of the Company held on 5 May 2020. The Chairman of the Board will endeavour to attend all future annual general meetings of the Company unless unexpected or special circumstances prevent him from doing so.

AUDIT COMMITTEE

The Audit Committee currently comprised solely of independent non-executive Directors, namely, Ms. Jing Siyuan (chairman), Mr. Zhang Aimin and Mr. Zhang Qiang. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group. The unaudited interim results and unaudited condensed consolidated financial information of the Group for the period have been reviewed by the Audit Committee and approved by the Board on 11 August 2020.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on both the Stock Exchange's website at www.hkexnews.hk and the website of the Company at www.dyf.com.hk. The Company's interim report for the six months ended 30 June 2020 will be published at the same websites and will be despatched to the Company's shareholders in due course

By Order of the Board
China Ding Yi Feng Holdings Limited
Luk Hong Man, Hammond
Executive Director

Hong Kong, 11 August 2020

As at the date of this announcement, the executive Directors are Mr. Luk Hong Man, Hammond and Mr. Zhang Xi; the non-executive Directors are Ms. Ma Xiaoqiu, Mr. Leung Ka Fai and Mr. Wang Mengtao; and the independent non-executive Directors are Ms. Jing Siyuan, Mr. Zhang Aimin and Mr. Zhang Qiang.