



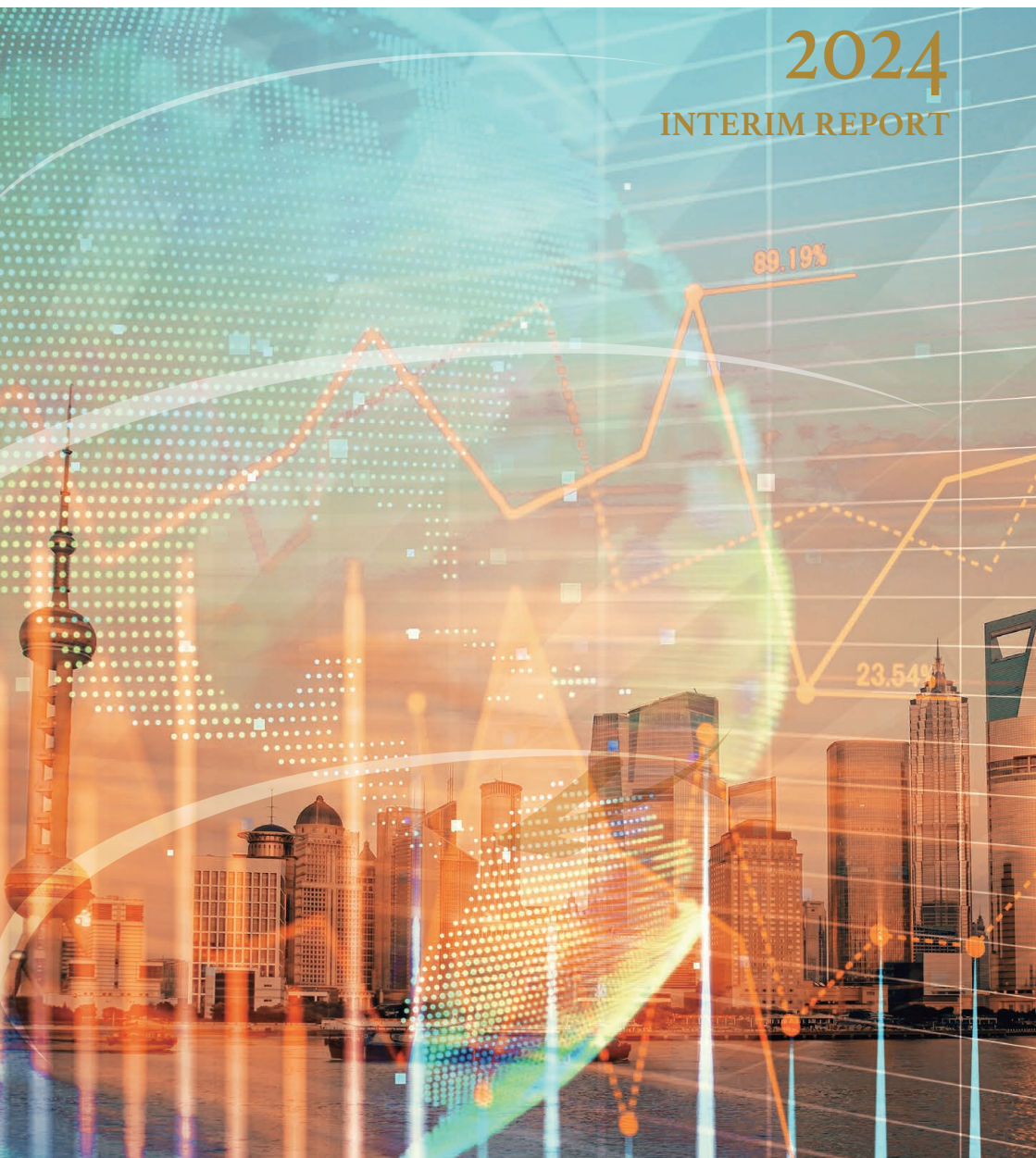
鼎益豐控股集團國際有限公司

DING YI FENG HOLDINGS GROUP INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 00612

2024 INTERIM REPORT





INTERIM RESULTS

The Board (the “Board”) of Directors (the “Directors”) of Ding Yi Feng Holdings Group International Limited (the “Company”) is pleased to present the audited consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2024. The consolidated financial statements have been audited by the Company’s auditor and reviewed by the audit committee of the Company.

INDEPENDENT AUDITOR'S REPORT



天健國際會計師事務所有限公司

Confucius International CPA Limited

Certified Public Accountants

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TO THE MEMBERS OF DING YI FENG HOLDINGS GROUP INTERNATIONAL LIMITED

鼎益豐控股集團國際有限公司

(Incorporated as an exempted company in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Ding Yi Feng Holdings Group International Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 9 to 108, which comprise the consolidated statement of financial position as at 30 June 2024, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2024, and of its consolidated financial performance and its consolidated cash flows for the six months then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.



BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.


KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment of property, plant and equipment

Refer to note 14 to the consolidated financial statements

The carrying amount of property, plant and equipment was approximately HK\$356,011,000 as at 30 June 2024 including land and buildings in the People’s Republic of China (“PRC”) amounting to approximately HK\$352,712,000. Based on management’s assessment, impairment loss of approximately HK\$74,862,000 is recognised on property, plant and equipment for the six months ended 30 June 2024.



We identified the impairment assessment of property, plant and equipment as a key audit matter due to the significance of balance on the consolidated statement of financial position as at 30 June 2024 and the significant judgement and estimates were made by the management in: (i) identifying whether any impairment indicators existed for the assets during the period; (ii) determining the appropriate recoverable amounts, being higher of the fair value less costs of disposal and value in use; and (iii) selecting key assumptions to be adopted in the valuation model for the impairment assessments, including market unit sales price per square meter. The recoverable amount was determined by the management with reference to the valuation performed by an independent valuer (the “Valuer”) engaged by the Group.

How our audit addressed the key audit matter

Our procedures in relation to the impairment assessment of property, plant and equipment included the following:

- assessing the competence, capabilities, independence and objectivity of the Valuer;
- assessing the valuation methodology used by the Valuer, validating the observable inputs using external market data, assessing the appropriateness of the key bases and assumptions used in the valuation, including market unit sales price per square meter, and discussing these bases and assumptions with the management and the Valuer;
- challenging the reasonableness of the key assumptions used in the valuation based on our knowledge of the business and industry;
- obtaining supportive evidence for the significant judgements and estimates of the valuation and the key inputs used in the valuation model; and
- checking the mathematical accuracy of the valuation.

Based on available evidence, we consider that the bases and assumptions used by the management in the impairment assessment of the property, plant and equipment as at the period-end date were reasonable.



OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the interim report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Confucius International CPA Limited

Certified Public Accountants

Wong Kam Hing

Practising Certificate Number: P05697

Hong Kong, 28 August 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

		Six months ended 30 June	
Notes		2024 HK\$'000 (audited)	2023 HK\$'000 (unaudited)
Revenue	5	877	221
Other income, gains and (losses)	6	(76,160)	(5,025)
Net realised gain on disposals of financial assets at fair value through profit or loss		1,638	128
Net unrealised (loss) gain on financial assets at fair value through profit or loss		(248,638)	140,833
		(322,283)	136,157
Net gains on disposals/deregistrations of subsidiaries	33	9,706	32,963
Administrative expenses		(55,153)	(61,452)
Finance costs	8	(3,107)	(4,280)
(Loss) profit before taxation	9	(370,837)	103,388
Taxation	10	1,990	(6,428)
(Loss) profit for the period attributable to owners of the Company		(368,847)	96,960
(Loss) earnings per share	13		
– Basic (HK cents per share)		(23.62)	6.56
– Diluted (HK cents per share)		(23.62)	6.54

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 HK\$'000 (audited)	2023 HK\$'000 (unaudited)
(Loss) profit for the period attributable to owners of the Company	(368,847)	96,960
Other comprehensive expense:		
<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	(101)	(778)
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(12,410)	(27,381)
Other comprehensive expense for the period, net of tax	(12,511)	(28,159)
Total comprehensive (expense) income for the period attributable to owners of the Company	(381,358)	68,801

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	Notes	30 June 2024 HK\$'000 (audited)	31 December 2023 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	14	356,011	445,705
Intangible assets	15	4,087	4,995
Right-of-use assets	16	15,362	21,724
Equity instruments at fair value through other comprehensive income	18	22,308	22,005
Financial assets at fair value through profit or loss	19	63,816	269,177
Deposits	17	3,609	5,381
		465,193	768,987
Current assets			
Prepayments, deposits and other receivables	17	15,138	13,934
Financial assets at fair value through profit or loss	19	43,803	111,598
Bank balances and cash	20	105,127	173,342
		164,068	298,874
Current liabilities			
Accruals and other payables	21	5,543	8,737
Borrowings	22	-	34,792
Lease liabilities	23	11,163	13,330
Tax payable		-	8
		16,706	56,867
Net current assets		147,362	242,007

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

At 30 June 2024

	Notes	30 June 2024 HK\$'000 (audited)	31 December 2023 HK\$'000 (audited)
Total assets less current liabilities		612,555	1,010,994
Non-current liabilities			
Borrowings	22	–	10,102
Deferred tax liabilities	24	–	2,018
Lease liabilities	23	5,182	9,629
		5,182	21,749
Net assets		607,373	989,245
Capital and reserve			
Share capital	25	78,072	78,072
Reserves		529,301	911,173
Total equity		607,373	989,245
Net asset value per share	13	HK\$0.39	HK\$0.63

The consolidated financial statements on pages 9 to 108 were approved and authorised for issue by the Board of Directors on 28 August 2024 and are signed on its behalf by:

Luk Hong Man, Hammond
Director

Zhang Xi
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Share capital	Share premium	Exchange reserve	Share option reserve	Capital reserve	FVTOCI reserve	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024 (audited)	78,072	1,249,655	(4,893)	4,880	485,318	-	(823,787)	989,245
Loss for the period	-	-	-	-	-	-	(368,847)	(368,847)
Other comprehensive expense for the period:								
Fair value loss on equity instruments at fair value through other comprehensive income ("FVTOCI")	-	-	-	-	-	(101)	-	(101)
Exchange differences arising on translation of foreign operations	-	-	(12,410)	-	-	-	-	(12,410)
Total comprehensive expense for the period	-	-	(12,410)	-	-	(101)	(368,847)	(381,358)
Recognition of equity-settled share-based payments	-	-	-	(514)	-	-	-	(514)
Share options lapsed	-	-	-	(545)	-	-	545	-
At 30 June 2024 (audited)	78,072	1,249,655	(17,303)	3,821	485,318	(101)	(1,192,089)	607,373
At 1 January 2023 (audited)	71,014	1,031,217	10,528	2,104	485,318	-	(503,489)	1,096,692
Profit for the period	-	-	-	-	-	-	96,960	96,960
Other comprehensive expense for the period:								
Fair value loss on equity instruments at FVTOCI	-	-	-	-	-	(778)	-	(778)
Exchange differences arising on translation of foreign operations	-	-	(27,381)	-	-	-	-	(27,381)
Total comprehensive expense for the period	-	-	(27,381)	-	-	(778)	96,960	68,801
Issue of shares by placement	7,018	224,550	-	-	-	-	-	231,568
Share issue expenses	-	(6,947)	-	-	-	-	-	(6,947)
Exercise of share options	40	835	-	(228)	-	-	-	647
Recognition of equity-settled share-based payments	-	-	-	6,265	-	-	-	6,265
Share options lapsed	-	-	-	(3,455)	-	-	3,455	-
Deregistrations of subsidiaries	-	-	722	-	-	-	-	722
At 30 June 2023 (unaudited)	78,072	1,249,655	(16,131)	4,686	485,318	(778)	(403,074)	1,397,748

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

		Six months ended 30 June	
Notes	2024 HK\$'000 (audited)	2023 HK\$'000 (unaudited)	
Operating activities			
(Loss) profit for the period	(368,847)	96,960	
Adjustments for:			
Taxation	10 (1,990)	6,428	
Depreciation of property, plant and equipment	14 6,176	6,115	
Depreciation of right-of-use assets	16 6,221	6,868	
Dividend income	5 (117)	–	
Interest income	(932)	(382)	
Interest expenses	8 3,107	4,280	
Net gains on disposals/ deregistrations of subsidiaries	33 (9,706)	(32,963)	
Impairment loss on intangible assets	15 908	4,759	
Impairment loss on property, plant and equipment	14 74,862	–	
Loss on disposal of property, plant and equipment	4	–	
Loss on written-off of other deposits	375	–	
Equity-settled share-based payments	(514)	6,265	
Net realised gain on disposals of financial assets at fair value through profit or loss (“FVTPL”)	(1,638)	(128)	
Net unrealised loss (gain) on financial assets at FVTPL	248,638	(140,833)	

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the six months ended 30 June 2024

	Note	Six months ended 30 June	
		2024 HK\$'000 (audited)	2023 HK\$'000 (unaudited)
Operating cash flows before movements in working capital		(43,453)	(42,631)
Decrease in prepayments, deposits and other receivables		206	2,107
(Decrease) increase in accruals and other payables		(268)	3,738
Proceeds from disposals of financial assets at FVTPL		24,453	8,191
Purchase of financial assets at FVTPL		-	(20,864)
Cash used in operations		(19,062)	(49,459)
Dividend received		117	-
Interest received		841	225
Income tax paid		(8)	-
Net cash used in operating activities		(18,112)	(49,234)
Investing activities			
Purchase of property, plant and equipment		(1,050)	(2,600)
Proceeds on disposal of property, plant and equipment		100	-
Net cash inflow from disposals of subsidiaries	33	6,200	22,910
Net cash from investing activities		5,250	20,310

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the six months ended 30 June 2024

		Six months ended 30 June	
Notes	2024 HK\$'000 (audited)	2023 HK\$'000 (unaudited)	
Financing activities			
Interest paid	32 (1,452)	(2,605)	
Repayment of lease liabilities	32 (7,159)	(6,945)	
Net proceeds from issue of shares	-	225,268	
Proceeds from borrowings raised	-	8,000	
Repayment of borrowings	32 (46,152)	(43,000)	
Net cash (used in) from financing activities		(54,763)	180,718
Net (decrease) increase in cash and cash equivalents		(67,625)	151,794
Effect of foreign exchange rate changes	(590)	(1,133)	
Cash and cash equivalents at 1 January		173,342	101,029
Cash and cash equivalents at 30 June		105,127	251,690
	20		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. GENERAL INFORMATION

Ding Yi Feng Holdings Group International Limited (the “Company”) is an exempted company limited by shares incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited. The addresses of the registered office and principal place of business 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 (the “Group”) are investing in listed and unlisted securities. The principal activities of its subsidiaries are set out in note 36 to the consolidated financial statements.

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current period

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKAS 21	Lack of Exchangeability ²
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ⁴
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ⁴

¹ Effective date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company anticipate that the application of the above new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Investments in subsidiaries

Investments in subsidiaries are included in the Company's statement of financial position at cost less any identified impairment loss.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; and
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Property, plant and equipment

Property, plant and equipment including land and buildings, leasehold improvements, office equipment and motor vehicles are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Buildings in the course of administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

The property, plant and equipment are depreciated on a straight-line basis at the following rates:

Land and buildings	Over the lease terms or 40 years, whichever is shorter
Leasehold improvements	Over the lease term or 3 years, whichever is shorter
Office equipment	20%-33% per annum
Motor vehicles	20% per annum

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in profit or loss.



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Intangible assets acquired separately

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Impairment on property, plant and equipment, intangible assets and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, intangible assets and right-of-use assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, intangible assets and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Impairment on property, plant and equipment, intangible assets and right-of-use assets (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application of HKFRS 16 or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to certain leases of office premises that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

The Group as lessee (Continued)

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

The Group as lessee (Continued)

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

The Group as lessee (Continued)

Lease liabilities (Continued)

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Equity-settled share-based payment transactions

Share options granted to employees (including directors)

Equity-settled share-based payments to employees (including directors) and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation

Taxation represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from (loss) profit before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be use by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income and dividend income which are derived from the Group's ordinary course of business are presented as revenue.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the revenue line item in profit or loss.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including financial assets included in prepayments, deposits and other receivables and bank balances and cash) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

For all instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9
(Continued)

- (i) Significant increase in credit risk (Continued)
- an actual or expected significant deterioration in the operating results of the debtor;
 - an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Foreign exchange gain and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the “other income, gains and (losses)” line item as part of the net foreign exchange gains (losses);
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the “other income, gains and (losses)” line item as part of the gain (loss) from changes in fair value of financial assets;
- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the FVTOCI reserve.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to accumulated losses.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debit or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities (including accruals and other payables, borrowings and lease liabilities) are subsequently measured at amortised cost, using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the “other income, gains and (losses)” line item in profit or loss as part of net foreign exchange gains (losses) for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Due from and due to brokers

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered at the end of the reporting period respectively.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash at banks and on hand, demand deposits with banks or other financial institutions and short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value, and are within three months of maturing at acquisition.

Related parties

A related party is a person or an entity that is related to the Group.

- (a) A person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of the Group's parent.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions applies:
- (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of the Group or an entity related to the Group.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) the entity or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the Group including:

- (i) the person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

4. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, which are described in note 3 to the consolidated financial statements, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Useful lives of property, plant and equipment

The Group depreciates property, plant and equipment over their estimated useful life after taking into account their estimated residual values, using the straight-line method. The estimated useful life reflects the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual values reflect the amounts that the directors estimate that the Group would currently obtain from the disposal of the assets, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgements in applying accounting policies (Continued)

Deferred tax asset

The recognition of deferred tax assets depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss in the period in which such a reversal takes place.

Fair value measurement of financial instruments

As at 30 June 2024, certain of the Group's equity instruments at FVTOCI amounting to approximately HK\$22,308,000 (31 December 2023: approximately HK\$22,005,000) are measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Whilst the Group considers these valuations are the best estimates, the ongoing unstable global economic environment have resulted in greater market volatility and may affect the investees' businesses, which have led to higher degree of uncertainties in respect of the valuations in the current six month period. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments.

Impairment of property, plant and equipment, right-of-use assets and intangible assets

Property, plant and equipment, right-of-use assets and intangible assets are stated at cost less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (i) whether an event has occurred or any indicators that may affect the asset value; (ii) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (iii) the appropriate key assumptions to be applied in estimating the recoverable amounts including market unit sales price per square meter.

5. REVENUE

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

	Six months ended 30 June	
	2024 HK\$'000 (audited)	2023 HK\$'000 (unaudited)
Dividend income from listed investments	117	–
Interest income from banks and financial institutions	760	221
	877	221

6. OTHER INCOME, GAINS AND (LOSSES)

	Six months ended 30 June	
	2024 HK\$'000 (audited)	2023 HK\$'000 (unaudited)
Effective interest income from rental deposits	172	161
Government subsidies	–	3
Impairment loss on intangible assets	(908)	(4,759)
Impairment loss on property, plant and equipment	(74,862)	–
Net foreign exchange losses	(183)	(430)
Loss on disposal of property, plant and equipment	(4)	–
Loss on written-off of other deposits	(375)	–
	(76,160)	(5,025)

7. SEGMENT INFORMATION

For the six months ended 30 June 2024 and 2023, the Group's revenue was interest income from banks and financial institutions and dividend income from listed investments. The directors of the Company consider that these activities constitute one business segment since these transactions are subject to common risks and returns. 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		The People's Republic of China ("PRC")		Consolidated	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2024 HK\$'000 (audited)	2023 HK\$'000 (unaudited)	2024 HK\$'000 (audited)	2023 HK\$'000 (unaudited)	2024 HK\$'000 (audited)	2023 HK\$'000 (unaudited)
Segment revenue:						
Dividend income from listed investments	117	-	-	-	117	-
Interest income from banks and financial institutions	742	192	18	29	760	221
	859	192	18	29	877	221

	Hong Kong		PRC		Consolidated	
	30 June 2024 HK\$'000 (audited)	31 December 2023 HK\$'000 (audited)	30 June 2024 HK\$'000 (audited)	31 December 2023 HK\$'000 (audited)	30 June 2024 HK\$'000 (audited)	31 December 2023 HK\$'000 (audited)
	Non-current assets*	83,106	291,117	378,478	472,489	461,584
Total assets	186,866	480,856	442,395	587,005	629,261	1,067,861
Total liabilities	16,889	65,239	4,999	13,377	21,888	78,616
Other segment information:						
Additions to property, plant and equipment	1,050	2,771	-	-	1,050	2,771
Additions to right-of-use assets	-	18,883	-	-	-	18,883

* The non-current assets information above is based on the locations of the assets and excluded deposits.

Given that the nature of the Group's operation is investment holding, there was no information regarding major customers as determined by the Group.

8. FINANCE COSTS

	Six months ended 30 June	
	2024 HK\$'000 (audited)	2023 HK\$'000 (unaudited)
Interest expenses on:		
Interest-bearing loan notes	–	152
Interest-bearing bonds (note 22)	2,393	3,365
Lease liabilities	714	763
	3,107	4,280

9. (LOSS) PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2024 HK\$'000 (audited)	2023 HK\$'000 (unaudited)
The Group's (loss) profit before taxation has been arrived at after charging (crediting) the following items:		
Employee benefits expenses (including directors' emoluments):		
Basic salaries, allowances and benefits in kind (note)	20,409	12,449
Retirement benefits scheme contributions	284	264
Equity-settled share-based payments	(514)	6,265
Total employee benefits expenses	20,179	18,978
Auditor's remuneration	400	235
Depreciation of property, plant and equipment	6,176	6,115
Depreciation of right-of-use assets	6,221	6,868
Expenses related to short-term leases	453	287
Loss on disposal of property, plant and equipment	4	-
Loss on written-off of other deposits	375	-
Impairment loss on intangible assets	908	4,759
Impairment loss on property, plant and equipment	74,862	-
Net foreign exchange losses	183	430

Note: For the six months ended 30 June 2024, redundancy cost of approximately HK\$2,884,000 is recognised in profit or loss which is resulted from a redundancy exercise undertaken by the Group during May 2024 and June 2024 (six months ended 30 June 2023: Nil).

10. TAXATION

	Six months ended 30 June	
	2024 HK\$'000 (audited)	2023 HK\$'000 (unaudited)
Deferred taxation (Credit) charge for the period (note 24)	(1,990)	6,428

Under the Hong Kong Profits Tax two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

No Hong Kong Profits Tax has been provided as the Group had no assessable profits in Hong Kong for both periods.

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Regulation on the Implementation of the EIT Law of the PRC, the applicable PRC EIT rate of the Group's PRC subsidiaries is 25% for both periods.

10. TAXATION (Continued)

The tax (credit) charge for the period can be reconciled to the (loss) profit before taxation in the consolidated statement of profit or loss as follows:

	Six months ended 30 June	
	2024 HK\$'000 (audited)	2023 HK\$'000 (unaudited)
(Loss) profit before taxation	(370,837)	103,388
Tax at the applicable statutory tax rates	(72,280)	18,753
Tax effect of income not taxable for tax purpose	(2,157)	(43,552)
Tax effect of expenses not deductible for tax purpose	6,100	11,183
Tax effect of temporary differences not recognised	46,251	–
Tax effect of temporary differences recognised	(1,990)	6,428
Tax effect of tax losses not recognised	22,086	13,616
Tax (credit) charge for the period	(1,990)	6,428

11. DIRECTORS' AND EMPLOYEES' REMUNERATION

(a) Directors' emoluments

Directors' remuneration for the period, disclosed pursuant to applicable Listing Rules and the Hong Kong Companies Ordinance, are as follows:

	Directors' fees HK\$'000	Salaries and allowances HK\$'000	Retirement benefits scheme contributions HK\$'000	Equity-settled share-based payments HK\$'000	Total HK\$'000
Six months ended 30 June 2024 (audited)					
<i>Executive Directors</i>					
Luk Hong Man, Hammond	-	1,799	16	81	1,896
Zhang Xi	-	1,699	21	81	1,801
<i>Non-executive Directors</i>					
Wang Mengtao	480	-	-	57	537
Leung Ka Fai (note 1)	80	-	-	(775)	(695)
Liang Wenzhi (note 2)	480	-	-	-	480
<i>Independent Non-executive Directors</i>					
Jing Siyuan	90	-	-	-	90
Zhang Aimin	90	-	-	-	90
Zhang Qiang	90	-	-	-	90
	1,310	3,498	37	(556)	4,289

11. DIRECTORS' AND EMPLOYEES' REMUNERATION (Continued)

(a) Directors' emoluments (Continued)

	Directors' fees HK\$'000	Salaries and allowances HK\$'000	Retirement benefits scheme contributions HK\$'000	Equity-settled share-based payments HK\$'000	Total HK\$'000
Six months ended 30 June 2023 (unaudited)					
<i>Executive Directors</i>					
Luk Hong Man, Hammond	-	1,121	17	1,062	2,200
Zhang Xi	-	1,120	21	1,062	2,203
<i>Non-executive Directors</i>					
Wang Mengtao	480	-	-	743	1,223
Leung Ka Fai (note 1)	480	-	-	743	1,223
Liang Wenzhi (note 2)	340	-	-	-	340
Ma Xiaoqiu (note 3)	160	-	-	2,124	2,284
<i>Independent Non-executive Directors</i>					
Jing Siyuan	90	-	-	-	90
Zhang Aimin	90	-	-	-	90
Zhang Qiang	90	-	-	-	90
	1,730	2,241	38	5,734	9,743

11. DIRECTORS' AND EMPLOYEES' REMUNERATION (Continued)

(a) Directors' emoluments (Continued)

Note 1: Resigned on 10 January 2024

Note 2: Appointed on 22 February 2023

Note 3: Resigned at close of business on 21 February 2023

The Group provided insurance benefits to two executive directors with payments to insurance company in a total sum of approximately HK\$4,063,000 during the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

The executive directors' emoluments shown above include their services in connection with the management of the affairs of the Company and the Group.

The fees paid to non-executive and independent non-executive directors shown above were mainly for their services as directors of the Company.

Mr. Luk Hong Man, Hammond is also chief executive officer and Mr. Zhang Xi is also chief investment officer of the Company and their emoluments disclosed above include those services rendered by them.

No share options were granted to directors during the six month ended 30 June 2024. For the six months ended 30 June 2023, certain directors were granted share options in respect of their services to the Group under the share option scheme of the Company. Details of the share option scheme are set out in note 27 to the consolidated financial statements.

There was no arrangement under which a director or a chief executive waived or agreed to waive any remuneration during both periods.

During the period, no retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors, nor any are payable (six months ended 30 June 2023: Nil). No consideration was provided to or receivable by third parties for making available directors' services (six months ended 30 June 2023: Nil). There are no loans, quasi-loans and other dealing arrangements in favour of the directors, their controlled body corporates and connected entities (six months ended 30 June 2023: Nil).

11. DIRECTORS' AND EMPLOYEES' REMUNERATION (Continued)

(b) Five highest paid individuals

The five highest paid individuals of the Group during the period included four (six months ended 30 June 2023: four) directors, details of whose remuneration are set out in note 11(a) above. The emoluments of the remaining one (six months ended 30 June 2023: one) employee were as follows:

	Six months ended 30 June	
	2024 HK\$'000 (audited)	2023 HK\$'000 (unaudited)
Salaries, allowances and benefits in kind	1,062	706
Retirement benefits scheme contributions	9	9
Equity-settled share-based payments recognised	42	531
	1,113	1,246

11. DIRECTORS' AND EMPLOYEES' REMUNERATION (Continued)

(b) Five highest paid individuals (Continued)

The emoluments of the five individuals with the highest emoluments were within the following bands:

	Number of individuals Six months ended 30 June	
	2024 (audited)	2023 (unaudited)
HK\$Nil-HK\$1,000,000	2	–
HK\$1,000,001-HK\$1,500,000	1	2
HK\$1,500,001-HK\$2,000,000	2	–
HK\$2,000,001-HK\$2,500,000	–	3

During the six months ended 30 June 2024 and 2023, no remuneration was paid by the Group to any of the directors of the Company or one (six months ended 30 June 2023: one) highest paid employee of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

12. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

13. NET ASSET VALUE PER SHARE AND (LOSS) EARNINGS PER SHARE

Net asset value per share

The net asset value per share is calculated by dividing the net assets included in the consolidated statement of financial position of approximately HK\$607,373,000 (31 December 2023: approximately HK\$989,245,000) by the number of ordinary shares in issue as at 30 June 2024, being approximately 1,561,434,000 (31 December 2023: approximately 1,561,434,000) shares.

13. NET ASSET VALUE PER SHARE AND (LOSS) EARNINGS PER SHARE (Continued)

(Loss) earnings per share

The calculations of basic and diluted (loss) earnings per share are based on:

	Six months ended 30 June	
	2024 HK\$'000 (audited)	2023 HK\$'000 (unaudited)
(Loss) profit		
(Loss) profit attributable to owners of the Company	(368,847)	96,960
	30 June 2024 '000 (audited)	30 June 2023 '000 (unaudited)
Shares		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share calculation	1,561,434	1,478,633
Effect of dilutive potential ordinary shares – share options	1,650	4,000
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share calculation	1,563,084*	1,482,633

- * No adjustment has been made to the basic loss per share for the six months ended 30 June 2024 because the resulted loss per share is decreased when taking the outstanding share options into account, as the outstanding share options had an anti-dilutive effect on the basic loss per share. Accordingly, the diluted loss per share is same as the basic loss per share.

14. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Leasehold improvements	Office equipment	Motor vehicles	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
COST					
At 1 January 2023	496,363	9,355	7,961	1,004	514,683
Additions	-	-	51	2,720	2,771
Disposals	-	-	-	(120)	(120)
Written off	-	-	-	(18)	(18)
Exchange adjustments	(13,380)	(25)	(3)	-	(13,408)
At 31 December 2023 and at 1 January 2024 (audited)	482,983	9,330	8,009	3,586	503,908
Additions	-	-	-	1,050	1,050
Disposals	-	-	-	(120)	(120)
Exchange adjustments	(11,313)	(21)	(2)	-	(11,336)
At 30 June 2024 (audited)	471,670	9,309	8,007	4,516	493,502
DEPRECIATION AND IMPAIRMENT					
At 1 January 2023	29,484	8,639	7,871	913	46,907
Charge for the year	11,543	332	49	312	12,236
Eliminated on disposals	-	-	-	(46)	(46)
Written off	-	-	-	(18)	(18)
Exchange adjustments	(867)	(10)	1	-	(876)
At 31 December 2023 and at 1 January 2024 (audited)	40,160	8,961	7,921	1,161	58,203
Charge for the period	5,656	163	20	337	6,176
Eliminated on disposals	-	-	-	(16)	(16)
Impairment loss recognised	74,862	-	-	-	74,862
Exchange adjustments	(1,720)	(14)	-	-	(1,734)
At 30 June 2024 (audited)	118,958	9,110	7,941	1,482	137,491
CARRYING AMOUNTS					
At 30 June 2024 (audited)	352,712	199	66	3,034	356,011
At 31 December 2023 (audited)	442,823	369	88	2,425	445,705

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

During the six months ended 30 June 2024, the Group carried out a review of the recoverable amount of certain land and buildings and recognised an impairment loss of approximately HK\$74,862,000 (six months ended 30 June 2023: Nil). The recoverable amounts of the land and buildings have been determined based on the valuations conducted by the independent professional valuer engaged by the Group. The valuation of the land and buildings is based on the recent transaction prices for similar properties adjusted for nature, location and conditions of the land and buildings.

15. INTANGIBLE ASSETS

	Cross-boundary vehicle licenses HK\$'000	Type 9 regulated activity license HK\$'000	Total HK\$'000
COST			
At 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024 (audited)	4,893	6,616	11,509
IMPAIRMENT			
At 1 January 2023	1,703	-	1,703
Provided for the year	-	4,811	4,811
At 31 December 2023 and 1 January 2024 (audited)	1,703	4,811	6,514
Provided for the period	-	908	908
At 30 June 2024 (audited)	1,703	5,719	7,422
CARRYING AMOUNTS			
At 30 June 2024 (audited)	3,190	897	4,087
At 31 December 2023 (audited)	3,190	1,805	4,995

15. INTANGIBLE ASSETS (Continued)

The cross-boundary vehicle licenses have a legal life of one year but are renewable every year at minimal costs. The directors considered the Group would renew the cross-boundary vehicle licenses continuously and has the ability to do so. As a result, the cross-boundary vehicle licenses are considered by the directors of the Company as having an indefinite useful life and will not be amortised.

The management of the Company performed impairment assessment of cross-boundary vehicle licenses at the end of each reporting period. The recoverable amounts of cross-boundary vehicle licenses were assessed with reference to the market value quoted in second-hand market and no impairment loss had been recognised to profit or loss for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

Type 9 regulated activity license is regarded as having an indefinite useful life and there is no foreseeable limit to the period over which it is expected to generate cash flows for the Group as it is expected that its value will not be reduced through the usage and there are no legal or similar limits on the period for its use.

The management of the Company performed impairment assessment of the type 9 regulated activity license with reference to valuation conducted by an independent valuer and impairment of approximately HK\$908,000 had been recognised to profit or loss for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately HK\$4,759,000).

16. RIGHT-OF-USE ASSETS

	30 June 2024 HK\$'000 (audited)	31 December 2023 HK\$'000 (audited)
At 1 January	21,724	16,257
Additions	–	18,883
Depreciation charge	(6,221)	(13,081)
Exchange adjustments	(141)	(335)
At 30 June/31 December	15,362	21,724
Expense relating to short-term leases with lease terms ending within 12 months	453	736
Total cash outflow for leases	7,612	14,653

The Group leases offices for its operations. Lease contracts are entered into for fixed terms of 1 to 3 years (31 December 2023: 1 to 3 years).

17. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2024 HK\$'000 (audited)	31 December 2023 HK\$'000 (audited)
Rental deposits	6,322	6,208
Due from brokers (note)	10,943	11,868
Other prepayments	1,245	826
Other utility deposits and receivables	230	320
Interest receivables from bank deposits	7	93
	18,747	19,315
Analysed for reporting purposes as:		
Current assets	15,138	13,934
Non-current assets*	3,609	5,381
	18,747	19,315

* Non-current assets include rental deposits of approximately HK\$3,609,000 (31 December 2023: approximately HK\$5,381,000).

Note: The balance represents the cash account balances with securities brokers that are used for trading of securities. The management of the Company monitors the credit risk of these brokers on a regular basis.

None of the above assets is either past due or impaired. The receivables included in the above balances have no recent history of default.

18. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2024 HK\$'000 (audited)	31 December 2023 HK\$'000 (audited)
Unlisted equity investments, at fair value	22,308	22,005

Particulars of investments in unlisted equity securities held by the Group as at 30 June 2024 and 31 December 2023 disclosed pursuant to Chapter 21 of the Listing Rules are as follow:

Name of investee company	Place of incorporation	Proportion of investee's capital owned	Cost HK\$'000	Fair value HK\$'000	Accumulated unrealised gain (loss) HK\$'000	Net assets attributable to the Group HK\$'000	Dividend received/receivable during the period/year HK\$'000	% of gross assets of the Group
At 30 June 2024								
Cheer Top Development Limited (note a)	Republic of Seychelles	18%	920	819	(101)	819	-	0.13%
Shanghai Hongpeng Energy Technology Co., Ltd. (note b)	PRC	10%	21,891	21,489	(402)	4,697	-	3.41%
			22,811	22,308	(503)			
At 31 December 2023								
Shanghai Hongpeng Energy Technology Co., Ltd. (note b)	PRC	10%	21,891	22,005	114	5,013	-	2.06%

The above unlisted equity investments represent the Group's equity interests in private entities established in the Republic of Seychelles and the PRC. The directors of the Company have elected to designate these investments as equity instruments at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

18. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

Notes:

- (a) Cheer Top Development Limited (“Cheer Top”) was principally engaged in the business of investment holding.

For the six months ended 30 June 2024, the unaudited net loss of Cheer Top was of approximately HK\$8,000. As at 30 June 2024, its unaudited net assets was approximately HK\$4,548,000.

- (b) Shanghai Hongpeng Energy Technology Co., Ltd. (“Shanghai Hongpeng”) was principally engaged in the business of research and development of nuclear fusion technology, and development and commercial application of fusion neutron source products in the PRC.

For the six months ended 30 June 2024, the unaudited net loss of Shanghai Hongpeng was approximately RMB1,789,000 (equivalent to approximately HK\$1,941,000) (six months ended 30 June 2023: Nil). As at 30 June 2024, the unaudited net assets of Shanghai Hongpeng as approximately RMB43,714,000 (equivalent to approximately HK\$46,969,000) (31 December 2023: approximately RMB45,563,000 (equivalent to approximately HK\$50,129,000)).

The fair values of the unlisted equity investments were assessed by the directors of the Company with reference to the valuations conducted by independent professional valuers.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2024 HK\$'000 (audited)	31 December 2023 HK\$'000 (audited)
Equity securities in Hong Kong (note)	63,816	288,961
Equity securities in the PRC (note)	43,803	91,814
	107,619	380,775
Analysed for reporting purposes as:		
Current assets	43,803	111,598
Non-current assets	63,816	269,177
	107,619	380,775

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Note: Particulars of investments of listed equity securities held by the Group as at 30 June 2024 and 31 December 2023 disclosed pursuant to Chapter 21 of Listing Rules are as follows:

Name of investee company	Place of incorporation	Number of shares held	Proportion of investee's interests	Cost	Market value	Accumulated unrealised gain (loss) recognised	Dividend received/receivable during the period	% of gross assets of the Group	% of net assets of the Group
				HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 30 June 2024 (audited)									
<i>Listed equity securities in Hong Kong</i>									
Hua Yin International Holdings Limited (note a)	Bermuda	1,042,000,000	14.46%	79,192	46,690	(32,302)	-	7.45%	7.72%
New Concepts Holdings Limited (note b)	Cayman Islands	156,740,000	9.76%	42,998	16,457	(26,541)	-	2.62%	2.71%
Jiading International Group Holdings Limited (note c)	Bermuda	3,906,250	4.26%	8,938	469	(8,469)	-	0.07%	0.08%
				131,128	63,616	(67,312)			
<i>Listed equity securities in the PRC</i>									
Caihong Display Devices Co., Ltd. (note d)	PRC	100,000	Less than 0.01%	882	732	(150)	-	0.12%	0.12%
HuiZhou Intelligence Technology Group Co., Ltd. (note e)	PRC	19,180,000	0.96%	46,348	43,071	(3,277)	-	6.84%	7.09%
				47,230	43,803	(3,427)			
				178,358	107,619	(70,739)			

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Note: Particulars of investments of listed equity securities held by the Group as at 30 June 2024 and 31 December 2023 disclosed pursuant to Chapter 21 of Listing Rules are as follows: (Continued)

Name of investee company	Place of incorporation	Number of shares held	Proportion of investee's interests	Cost	Market value	Accumulated unrealised gain (loss) recognised	Dividend received/receivable during the year	% of gross assets of the Group	% of net assets of the Group
				HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 31 December 2023 (audited)									
<i>Listed equity securities in Hong Kong</i>									
Hong Kong Exchanges and Clearing Limited	Hong Kong	30,000	Less than 0.01%	7,963	8,040	57	-	0.75%	0.81%
Tencent Holdings Limited	Cayman Islands	40,000	Less than 0.01%	11,692	11,744	52	-	1.10%	1.19%
Hua Yin International Holdings Limited	Bermuda	1,042,000,000	14.46%	79,192	171,930	92,738	-	16.10%	17.38%
New Concepts Holdings Limited	Cayman Islands	156,740,000	9.76%	42,998	94,044	51,046	-	8.81%	9.51%
Jading International Group Holdings Limited	Bermuda	78,125,000	4.26%	8,938	3,203	(6,735)	-	0.30%	0.32%
				150,803	288,961	138,158			
<i>Listed equity securities in the PRC</i>									
Caihong Display Devices Co., Ltd.	PRC	100,000	Less than 0.01%	903	743	(160)	-	0.07%	0.08%
HuZhou Intelligence Technology Group Co., Ltd.	PRC	19,850,000	0.99%	49,117	91,071	41,954	-	8.53%	9.21%
				50,020	91,814	41,794			
				200,823	380,775	179,952			

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Note: Particulars of investments of listed equity securities held by the Group as at 30 June 2024 and 31 December 2023 disclosed pursuant to Chapter 21 of Listing Rules are as follows: (Continued)

A brief description of the business and financial information of the listed investee companies extracted from their latest published annual reports and annual results announcements is as follows:

- (a) Hua Yin International Holdings Limited (“Hua Yin”) was incorporated in Bermuda and its shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (Stock code: 989). Hua Yin is principally engaged in property development and management, including planning, designing, budgeting, licensing, contract tendering and contract administration and property investment in the PRC.

For the year ended 31 March 2024, the audited consolidated loss attributable to the owners of Hua Yin was approximately RMB193,330,000 and the basic loss per share was RMB2.68 cents. As at 31 March 2024, its audited consolidated net assets value attributable to the owners of Hua Yin was approximately RMB228,874,000. No dividend was received during the period.

- (b) New Concepts Holdings Limited (“New Concepts”) was incorporated in the Cayman Islands and its shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (Stock code: 2221). New Concepts is principally engaged in construction works and environmental protection.

For the year ended 31 March 2024, the audited consolidated profit attributable to the owners of New Concepts was approximately HK\$2,863,000 and the basic earnings per share was HK0.18 cents. As at 31 March 2024, its audited consolidated net assets value attributable to the owners of New Concepts was approximately HK\$399,251,000. No dividend was received during the period.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Note: Particulars of investments of listed equity securities held by the Group as at 30 June 2024 and 31 December 2023 disclosed pursuant to Chapter 21 of Listing Rules are as follows: (Continued)

- (c) Jiading International Group Holdings Limited (“Jiading”) was incorporated in Bermuda and its shares are listed on the GEM of the Stock Exchange of Hong Kong Limited (Stock code: 8153). Jiading is principally engaged in provision of advertising services.

For the year ended 31 March 2024, the audited consolidated loss attributable to the owners of Jiading was approximately HK\$21,094,000 and the basic loss per share was HK24.85 cents. As at 31 March 2024, its audited consolidated net assets value attributable to the owners of Jiading was approximately HK\$93,282,000. No dividend was received during the period.

- (d) Caihong Display Devices Co., Ltd. (“Caihong”) was incorporated in the PRC and its shares are listed on the Shanghai Stock Exchange (Stock code: 600707). Caihong was principally engaged in research and development, production and sale of liquid crystal glass substrates and liquid crystal panels.

For the year ended 31 December 2023, the audited consolidated profit attributable to the owners of Caihong was approximately RMB661 million and the basic earnings per share was RMB0.18. As at 31 December 2023, its audited consolidated net assets value attributable to the owners of Caihong was approximately RMB20,277 million. No dividend was received during the period.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Note: Particulars of investments of listed equity securities held by the Group as at 30 June 2024 and 31 December 2023 disclosed pursuant to Chapter 21 of Listing Rules are as follows: (Continued)

- (e) HuiZhou Intelligence Technology Group Co., Ltd. (“HuiZhou”) was incorporated in the PRC and its shares are listed on the Shenzhen Stock Exchange (Stock code: 002122). HuiZhou is principally engaged in (i) venture capital services and asset management; (ii) internet information technology services; (iii) media business; and (iv) high-end equipment manufacturing business.

For the year ended 31 December 2023, the audited consolidated profit attributable to the owners of HuiZhou was approximately RMB141 million and the basic earnings per share was RMB0.0707. As at 31 December 2023, its audited consolidated net assets value attributable to the owners of HuiZhou was approximately RMB2,268 million. No dividend was received during the period.

The fair values of listed equity securities were based on their quoted closing prices in active markets.

Financial assets at FVTPL were denominated in the following currencies:

	30 June 2024 HK\$'000 (audited)	31 December 2023 HK\$'000 (audited)
HKD	63,816	288,961
RMB	43,803	91,814
	107,619	380,775

20. BANK BALANCES AND CASH/CASH AND CASH EQUIVALENTS

	30 June 2024 HK\$'000 (audited)	31 December 2023 HK\$'000 (audited)
Bank balances and cash	105,127	173,342

As at 30 June 2024, the bank balances that were placed with banks in the PRC amounted to approximately HK\$6,220,000 (31 December 2023: approximately HK\$9,020,000). Remittance of funds out of the PRC is subject to the relevant rules and regulations of a foreign exchange control promulgated by the PRC government.

At the end of the reporting period, cash and cash equivalents comprised of cash at banks and in hand. Bank balances carried interest at prevailing market rates ranging from 0.01% to 0.876% (31 December 2023: 0.01% to 1.13%) per annum.

Included in bank balances and cash in the consolidated statement of financial position are the following amounts denominated in currencies other than the functional currency of the Group:

	30 June 2024 '000 (audited)	31 December 2023 '000 (audited)
USD	USD75	USD65
RMB	RMB11,197	RMB13,606
JPY	JPY22,433	JPY9,400

21. ACCRUALS AND OTHER PAYABLES

	30 June 2024 HK\$'000 (audited)	31 December 2023 HK\$'000 (audited)
Accruals and other payables	1,599	4,476
Interest payables	–	317
Dividend payables	3,944	3,944
	5,543	8,737

22. BORROWINGS

	30 June 2024 HK\$'000 (audited)	31 December 2023 HK\$'000 (audited)
Interest-bearing bonds, unsecured (note)	–	44,894
Analysed for reporting purposes as:		
Current liabilities	–	34,792
Non-current liabilities	–	10,102
	–	44,894
The carrying amounts of above borrowings are repayable:		
Within one year	–	34,792
More than one year but not exceeding two years	–	9,964
More than two years but not exceeding five years	–	138
	–	44,894

22. BORROWINGS (Continued)

Note: During the six months ended 30 June 2024, the Company has issued and repaid unsecured interest-bearing bonds with aggregate principal amounts of HK\$Nil and approximately HK\$46,152,000 (31 December 2023: HK\$12,000,000 and HK\$31,000,000) respectively. As at 31 December 2023, the outstanding interest-bearing bonds bore interest ranging from 2.8% p.a. to 12.0% p.a. and with maturity dates from six months to eight years.

The bonds recognised in the consolidated statement of financial position of the Group are calculated as follows:

	HK\$'000
At 1 January 2023	61,491
Issued during the year, at fair value	12,000
Repaid during the year	(31,000)
Effective interest expenses	6,317
Interest paid/payables	(3,914)
At 31 December 2023 and 1 January 2024 (audited)	44,894
Repaid during the period	(46,152)
Effective interest expenses (note 8)	2,393
Interest paid/payables	(1,135)
At 30 June 2024 (audited)	-

23. LEASE LIABILITIES

	30 June 2024 HK\$'000 (audited)	31 December 2023 HK\$'000 (audited)
Within one year	11,163	13,330
Within a period of more than one year but not more than two years	5,182	7,720
Within a period of more than two years but not more than five years	–	1,909
	16,345	22,959
Less: Amount due for settlement within 12 months shown under current liabilities	(11,163)	(13,330)
Amount due for settlement after 12 months shown under non-current liabilities	5,182	9,629

The weighted average incremental borrowing rates applied to lease liabilities range from 7.0% p.a. to 7.8% p.a. (31 December 2023: 7.0% to 7.8% p.a.).

Lease liabilities of approximately HK\$4,987,000 (31 December 2023: HK\$8,688,000) are denominated in RMB.

24. DEFERRED TAX LIABILITIES

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	30 June 2024 HK\$'000 (audited)	31 December 2023 HK\$'000 (audited)
Deferred tax liabilities	-	(2,018)

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the current period and prior year:

	Unrealised gain on financial assets at FVTPL HK\$'000	Tax losses HK\$'000	Total HK\$'000
At 1 January 2023	-	6,359	6,359
Charge to profit or loss	(5,160)	(3,230)	(8,390)
Exchange adjustments	32	(19)	13
At 31 December 2023 and 1 January 2024 (audited)	(5,128)	3,110	(2,018)
Credit (charge) to profit or loss (note 10)	5,057	(3,067)	1,990
Exchange adjustments	71	(43)	28
At 30 June 2024 (audited)	-	-	-

24. DEFERRED TAX LIABILITIES (Continued)

At the end of the reporting period, the Group has unused tax losses of approximately HK\$499,482,000 (31 December 2023: approximately HK\$458,447,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams (31 December 2023: approximately HK\$12,440,000). All tax losses may be carried forward indefinitely.

25. SHARE CAPITAL

	Number of ordinary shares of HK\$0.05 each '000	Nominal value HK\$'000
Authorised:		
At 1 January 2023, 31 December 2023 and 30 June 2024 (audited)	4,000,000	200,000
Issued and fully paid:		
At 1 January 2023	1,420,290	71,014
Issue of shares by placement (note a)	140,344	7,018
Exercise of share options (note b)	800	40
At 31 December 2023, 1 January 2024 and 30 June 2024 (audited)	1,561,434	78,072

Notes:

- (a) On 17 April 2023, 140,344,000 ordinary shares were issued by the Company pursuant to a placing agreement dated 4 April 2023 at a placing price of HK\$1.65 per share, giving gross proceeds of approximately HK\$231,568,000.
- (b) During the year ended 31 December 2023, 800,000 share options were exercised at the subscription price of HK\$0.808 per share, and 800,000 ordinary shares were issued, giving gross proceeds of approximately HK\$646,000.

26. RESERVES OF THE COMPANY

The Company

	Share premium HK\$'000	Share options reserve HK\$'000	Capital reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2023	1,031,217	2,104	26,319	(791,774)	267,866
Loss and total comprehensive expense for the year	-	-	-	(57,601)	(57,601)
Issue of shares by placement	224,550	-	-	-	224,550
Share issue expenses	(6,947)	-	-	-	(6,947)
Exercise of share options	835	(229)	-	-	606
Recognition of equity-settled share-based payments	-	4,335	-	-	4,335
Share options lapsed	-	(1,330)	-	1,330	-
At 31 December 2023 and 1 January 2024 (audited)	1,249,655	4,880	26,319	(848,045)	432,809
Loss and total comprehensive expense for the period	-	-	-	(8,118)	(8,118)
Recognition of equity-settled share-based payments	-	(514)	-	-	(514)
Share options lapsed	-	(545)	-	545	-
At 30 June 2024 (audited)	1,249,655	3,821	26,319	(855,618)	424,177

27. SHARE OPTION SCHEME

2011 Scheme

The Company's adopted a share options scheme ("2011 Scheme") pursuant to a shareholders' resolution passed on 27 June 2011. The purpose of the 2011 Scheme is to enable the Company to grant options to selected participants as incentives and/or rewards for their contribution and support to the Company. Under the 2011 Scheme, the Board of Directors of the Company may grant options to eligible employees and executives, including all the Directors of the Company and any substantial shareholders as defined in the Listing Rules to subscribe for shares in the Company.

Eligibility

Eligible participants of the 2011 Scheme include the Company's directors, employees of the Group and other participants.

Maximum number of shares

The maximum number of shares in respect of which options may be granted under the 2011 Scheme must not in aggregate exceed 30% of the shares of the Company in issue from time to time. The number of shares in respect of which options may be granted to any individual is not permitted to exceed 1% of the shares of the Company in issue during the twelve-month period before the date of grant, unless with prior approval from the Company's shareholders.

Share options granted must be taken up within 21 days of the date of grant, upon payment of HK\$1 on the acceptance. Options may be exercised in accordance with the terms of the 2011 Scheme at any time during a period to be notified by the Board of Directors to each grantee but must not be exercised after the expiry of ten years from the date of grant of the option. There is no minimum period for which an option must be held or a performance target that must be achieved before an option can be exercised specified in the terms of the 2011 Scheme. However, the Board of Directors may provide restrictions on the exercise of an option during the period an option may be exercised including, if appropriate, a minimum period for which an option must be held or a performance target which must be achieved before an option can be exercised.

27. SHARE OPTION SCHEME (Continued)

2011 Scheme (Continued)

Maximum number of shares (Continued)

The exercise price is determined by the Board of Directors, and should not be less than the higher of (i) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of offer of the option, which must be a business day, (ii) the average of the closing prices of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of offer of the option and (iii) the nominal value of the Share on the date of offer of the option.

On 13 May 2021, the 2011 Scheme was terminated pursuant to a shareholders' resolution passed on the same date. Accordingly, after that date, the 2011 Scheme may not be relied upon to grant any share option.

2021 Scheme

On 13 May 2021, the Company adopted a new share option scheme ("2021 Scheme") pursuant to a shareholders' resolution. The terms of the 2021 Scheme are in all material respects similar to the terms of the 2011 Scheme.

Eligibility

Eligible participants of the 2021 Scheme include the Company's directors, employees of the Group and other participants.

Maximum number of shares

The maximum number of Shares that may be issued pursuant to options granted under the 2021 Scheme is 133,271,400 Shares, being 10% of the Company's issued share capital as at the date of adoption of the 2021 Scheme.

As at 30 June 2024, the number of options available for grant and the respective number of shares that may be issued is 130,271,400 (31 December 2023: 130,271,400) share options and 130,271,400 (31 December 2023: 130,271,400) shares respectively. The 2021 Scheme has a remaining life of approximately 6.5 (31 December 2023: 7) years as at the date of this interim report.

27. SHARE OPTION SCHEME (Continued)

Six months ended 30 June 2024

The following table disclosed details of the Company's share options under the 2011 Scheme and the 2021 Scheme held by directors, employees and other participants and the movements during the six months ended 30 June 2024.

Grantee	Date of grant/ acceptance	Exercise price HK\$	Exercisable period up to	Vesting period	Number of share options					Outstanding at 30 June 2024 (audited)	
					At 1 January 2024	Granted during the period	Exercised during the period	Expired during the period	Cancelled during the period		Lapsed during the period
<i>Executive Directors</i>											
Luk Hong Man, Hammond	26/1/2023	3.39	25/1/2033	26/1/2023-25/1/2024	500,000	-	-	-	-	-	500,000
Zhang Xi	26/1/2023	3.39	25/1/2033	26/1/2023-25/1/2024	500,000	-	-	-	-	-	500,000
<i>Non-executive Directors</i>											
Leung Ka Fai (note 1)	15/11/2016	0.808	15/11/2026	15/11/2016	1,500,000	-	-	-	-	(1,500,000)	-
	26/1/2023	3.39	25/1/2033	26/1/2023-25/1/2024	350,000	-	-	-	(350,000)	-	-
Wang Mengtao	26/1/2023	3.39	25/1/2033	26/1/2023-25/1/2024	350,000	-	-	-	-	-	350,000
Subtotal					3,200,000	-	-	-	(350,000)	(1,500,000)	1,350,000
Employees and other participants	15/11/2016	0.808	15/11/2026	15/11/2016	500,000	-	-	-	-	(500,000)	-
	26/1/2023	3.39	25/1/2033	26/1/2023-25/1/2024	300,000	-	-	-	-	-	300,000
Total					4,000,000	-	-	-	(350,000)	(2,000,000)	1,650,000
Weighted average exercise price (HK\$)					2.099	-	-	-	3.390	0.808	3.390

For the six months ended 30 June 2024, (a) 350,000 share options were cancelled under the 2021 Scheme; and (b) 2,000,000 share options were lapsed under the 2011 Scheme. No share options under the 2021 Scheme or the 2011 Scheme were granted, exercised or expired during the period.

The Group recognised a reversal of the total expense of approximately HK\$514,000 in relation to share options granted by the Company for the six months ended 30 June 2024.

As at 30 June 2024, the number of outstanding granted share options under the 2021 Scheme was 1,650,000 share options, and the respective number of shares may be issued was 1,650,000 shares, which divided by the weighted average number of shares of the Company in issue during the six months ended 30 June 2024, being approximately 1,520,374,000, was 0.11%.

27. SHARE OPTION SCHEME (Continued)

Six months ended 30 June 2023

The following table disclosed details of the Company's options under the 2011 Scheme and the 2021 Scheme held by the directors, employees and other participants and the movements during the six months ended 30 June 2023.

Grantee	Date of grant/ acceptance	Exercise price HK\$	Exercisable period		At 1 January 2023	Number of share options					Outstanding at 30 June 2023 (unaudited)	
			up to	Vesting period		Granted during the period	Exercised during the period	Expired during the period	Cancelled during the period	Lapsed during the period		
<i>Executive Directors</i>												
Luk Hong Man,												
Hammond	26/1/2023	3.39	25/1/2033	26/1/2023-25/1/2024	-	500,000	-	-	-	-	-	500,000
Zhang Xi	26/1/2023	3.39	25/1/2033	26/1/2023-25/1/2024	-	500,000	-	-	-	-	-	500,000
<i>Non-executive Directors</i>												
Leung Ka Fai (note 1)												
	15/11/2016	0.808	15/11/2026	15/11/2016	1,500,000	-	-	-	-	-	-	1,500,000
	26/1/2023	3.39	25/1/2033	26/1/2023-25/1/2024	-	350,000	-	-	-	-	-	350,000
Wang Mengtao	26/1/2023	3.39	25/1/2033	26/1/2023-25/1/2024	-	350,000	-	-	-	-	-	350,000
Ma Xiaoli (note 2)	29/8/2017	2.250	29/8/2027	29/8/2017	1,200,000	-	-	-	-	-	(1,200,000)	-
	26/1/2023	3.39	25/1/2033	26/1/2023-25/1/2024	-	1,000,000	-	-	(1,000,000)	-	-	-
<i>Independent Non-executive Director</i>												
Jing Siyuan	15/11/2016	0.808	15/11/2026	15/11/2016	800,000	-	(800,000)	-	-	-	-	-
Subtotal					3,500,000	2,700,000	(800,000)	-	(1,000,000)	(1,200,000)	-	3,200,000
Employees and other participants	15/11/2016	0.808	15/11/2026	15/11/2016	500,000	-	-	-	-	-	-	500,000
	26/1/2023	3.39	25/1/2033	26/1/2023-25/1/2024	-	300,000	-	-	-	-	-	300,000
Total					4,000,000	3,000,000	(800,000)	-	(1,000,000)	(1,200,000)	-	4,000,000
Weighted average exercise price (HK\$)					1.241	3.390	0.808	-	3.390	2.250	-	2.099

27. SHARE OPTION SCHEME (Continued)

Six months ended 30 June 2023 (Continued)

On 20 January 2023, the Company granted 3,000,000 share options to eligible persons of the Group under the 2021 Scheme, and the respective number of shares that may be issued was 3,000,000 shares, which divided by the weighted average number of shares of the Company in issue for the year ended 31 December 2023, being approximately 1,520,374,000, was 0.20%. The closing price of the shares granted of the Company immediately before the date of grant was HK\$3.16 per share.

In relation to the 3,000,000 share options granted, the fair value of such options granted was measured on the date of acceptance, 26 January 2023, and determined using Binomial Option Pricing Model was approximately HK\$7,031,000. The significant inputs into the model were share price of HK\$3.42 at the acceptance date, an exercise price of HK\$3.39, an expected volatility of 117.43%, no dividend yield, an expected option life of ten years and an annual risk free interest rate of 3.05%. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last ten years. The share options granted are exercisable one year after the date of acceptance of such options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Change in variables and assumptions may result in changes in the fair value of the options.

For the six months ended 30 June 2023, (a) 3,000,000 share options were granted (with closing price of the shares immediately before the date of grant was HK\$3.16 per share) and 1,000,000 share options were cancelled under the 2021 Scheme; and (b) 1,200,000 share options were lapsed and 800,000 share options were exercised (with closing price of the shares immediately before the date the options were exercised was HK\$2.47 per share) under the 2011 Scheme. No share options under the 2021 Scheme or the 2011 Scheme were expired during the period. The Group recognised the total expense of approximately HK\$6,265,000 in relation to share options granted by the Company during the period.

27. SHARE OPTION SCHEME (Continued)

Six months ended 30 June 2023 (Continued)

As at 30 June 2023, the number of outstanding granted share options under the 2021 Scheme was 2,000,000 share options, and the respective number of shares may be issued was 2,000,000 shares, while the number of outstanding granted share options under the 2011 Scheme was 2,000,000 share options, and the respective number of shares may be issued was 2,000,000 shares. The aggregated number of shares that may be issued in respect of the outstanding granted share options, 4,000,000 shares, which divided by the weighted average number of shares of the Company in issue during the six months ended 30 June 2023, being approximately 1,478,633,000, was 0.27%.

Note 1: Resigned on 10 January 2024

Note 2: Resigned at the close of business on 21 February 2023

28. RETIREMENT BENEFITS SCHEME

The Group has arranged its Hong Kong employees to join the Mandatory Provident Fund Scheme ("MPF Scheme"), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, the Group (the employer) and its employees are each required to make contributions to the MPF scheme at 5% of the employees' relevant income, as defined under the Mandatory Provident Fund Legislation, subject to a cap of monthly relevant income of HK\$30,000.

The employees of the Group's subsidiaries operating in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

28. RETIREMENT BENEFITS SCHEME (Continued)

The total cost charged to profit or loss of approximately HK\$284,000 (six months ended 2023: approximately HK\$264,000) represents contribution payable to these schemes by the Group in respect of the current year. As at 30 June 2024 and 31 December 2023, no forfeited contributions were available for utilisation by the Group to reduce the existing level of contributions.

29. RELATED PARTY AND CONNECTED TRANSACTIONS

Saved as disclosed in elsewhere to the consolidated financial statements, the Group had the following significant related party transactions:

(a) Compensation of key management personnel

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

	Six months ended 30 June	
	2024 HK\$'000 (audited)	2023 HK\$'000 (unaudited)
Fees	1,310	1,730
Salaries and allowances	3,498	2,241
Retirement benefits scheme contributions	37	38
Equity-settled share-based payments	(556)	5,734
	4,289	9,743

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

29. RELATED PARTY AND CONNECTED TRANSACTIONS (Continued)

(b) Related party transactions

The Group had the following transaction with a related party during the period:

	Six months ended 30 June	
	2024 HK\$'000 (audited)	2023 HK\$'000 (unaudited)
Paid to related party: Donation	100	–

During the six months ended 30 June 2024, the Group made charitable donations totalling HK\$100,000 (six months ended 30 June 2023: Nil) to China Investment Fund International Charitable Foundation Limited, a company limited by guarantee and founded for charitable purposes under Hong Kong laws and registered pursuant to Section 88 of the Inland Revenue Ordinance of the laws of Hong Kong. As among the founders/directors of the charitable foundation, there were certain executive directors of the Company at the relevant time, the charitable foundation was considered a related party to the Company.

29. RELATED PARTY AND CONNECTED TRANSACTIONS (Continued)

(c) Investment management fee

On 4 July 2023, the Company and Tianhe Quant Asset Management Limited (“Tianhe”), a wholly-owned subsidiary of the Company, entered into a renewal investment management agreement pursuant to which Tianhe shall act as the investment manager of the Company for the period up to 4 July 2024. Under the renewal investment management agreement, the investment management fee payable to the investment manager was HK\$230,000 per month together with expenses reimbursement up to a maximum amount of HK\$1,450,000 and HK\$1,510,000 respectively for each of the years ending 31 December 2023 and 2024. The investment manager is defined as a connected person of the Company pursuant to 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.

30. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group’s overall strategy remains unchanged from that of the previous year.

The capital structure of the Group consists of debt, which includes the borrowings, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debts.

31. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	30 June 2024 HK\$'000 (audited)	31 December 2023 HK\$'000 (audited)
Financial assets		
Financial assets at FVTPL	107,619	380,775
Equity instruments at FVTOCI	22,308	22,005
Financial assets at amortised cost	122,629	191,758
	252,556	594,538
Financial liabilities		
Financial liabilities at amortised cost	21,888	76,590

(b) Financial risk management objectives and policies

(i) *Equity price risk*

The Group is exposed to equity price risk mainly through its investments in listed and unlisted equity securities. The Group's strategy for the management of market risk is driven by the Group's investment objective. The Group's market risk is managed by the Board of Directors in accordance with policies and procedures in place. The Group's market positions are monitored on a monthly basis by the Board of Directors, and the investments in equity of other entities are Hong Kong listed and PRC listed financial assets. Decisions to buy or sell financial assets are based on daily monitoring of the performance of individual financial assets compared to that of the relevant stock market index and other industry indicators, as well as the Group's liquidity needs. To manage its price risk arising from the financial assets, the management will monitor a portfolio of the Group's investments on a regular basis. In addition, the Group's management monitors the price risk and will consider hedging the risk exposure if necessary.

31. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(i) **Equity price risk** (Continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to financial assets price risk at the reporting date. For sensitivity analysis purpose, the sensitivity rate remained at 15% in the current year.

If financial assets prices had been 15% higher/lower (31 December 2023: 15%), loss for the six months ended 30 June 2024 would decrease/increase by approximately HK\$16,143,000 (31 December 2023: approximately HK\$57,116,000) which is mainly due to the changes in fair value of financial assets at FVTPL. Also, if the fair value of the equity instruments at FVTOCI had increased/decreased by 15% (31 December 2023: 15%) and all other variables were held constant, the FVTOCI reserve would increase/decrease by approximately HK\$3,346,000 (31 December 2023: approximately HK\$3,301,000).

(ii) **Credit risk**

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Group. Credit risk arises from contractual cash flows of financial assets at FVTPL, equity instruments at FVTOCI, financial assets at amortised cost and deposits with banks and financial institutions.

The Group limits its exposure to credit risk by transacting the majority of its securities and contractual commitment activities with broker-dealers, banks and regulated exchanges with high credit ratings and which the Group considers to be well established. All transactions in listed securities are settled/paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal, as delivery of securities sold is only made when the broker has received payment. Payment is made on a purchase only when the securities have been received by broker. The Group reviews and monitors the credit concentration of investments on a regular basis.



23.7344
56.0521

31. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(ii) **Credit risk** (Continued)

The credit risk on liquid funds is limited because the counterparties are banks or financial institutions with high credit ratings assigned by international credit-rating agencies.

Other than concentration of the Company's investments in listed securities and liquid funds deposited with several banks and financial institutions with high credit ratings, the Group does not have any other significant concentration of credit risk.

(iii) **Liquidity risk**

Liquidity risk is the risk that the Group may not be able to generate sufficient cash resources to settle its obligations in full as they fall due. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group's listed securities are considered readily realisable, as all such securities are listed in Hong Kong and the PRC.

31. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iii) Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on contractual undiscounted payments, was as follows:

	On demand/ within 12 months HK\$'000	1-2 years HK\$'000	2-5 years HK\$'000	Contractual undiscounted cash flow HK\$'000	Carrying amount HK\$'000
At 30 June 2024 (audited)					
Non-derivative financial liabilities					
Accruals and other payables	5,543	-	-	5,543	5,543
Lease liabilities	11,889	5,325	-	17,214	16,345
Capital commitments in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	15,385	-	-	15,385	15,385
	32,817	5,325	-	38,142	37,273
At 31 December 2023 (audited)					
Non-derivative financial liabilities					
Accruals and other payables	8,737	-	-	8,737	8,737
Borrowings	37,544	10,609	161	48,314	44,894
Lease liabilities	14,521	8,103	1,924	24,548	22,959
Capital commitments in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	15,754	-	-	15,754	15,754
	76,556	18,712	2,085	97,353	92,344

31. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iv) *Interest rate risk*

The Group's income and operating cash flow are substantially independent of changes in market interest rates.

The Group's exposure to risk of changes in market interest rates primarily related to the Group's interest-bearing bank deposits with floating rates.

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis points (31 December 2023: 100 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible changes in interest rates.

If interest rates had been 100 basis points (31 December 2023: 100 basis points) higher/lower and all other variables were held constant, the Group's loss for the six months ended 30 June 2024 would decrease/increase by approximately HK\$826,000 (31 December 2023: approximately HK\$1,457,000). This is mainly attributable to the Group's exposure to interest rates on its variable interest-bearing bank deposits.

(v) *Foreign currency risk*

The functional currency of the Group is HK\$ in which most of the transactions are denominated. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to RMB. Foreign currency risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group currently does not have any foreign currency hedging policy. However, the management will closely monitor foreign exchange exposure and will consider hedging its foreign currency exposure should the need arise.

31. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(v) Foreign currency risk (Continued)

The carrying amounts of the Group's major foreign currency denominated financial assets at the reporting date are as follows:

	ASSETS	
	30 June 2024 HK\$'000 (audited)	31 December 2023 HK\$'000 (audited)
RMB	87,980	139,986

Sensitivity analysis

The following table shows the sensitivity analysis of a 5% increase/decrease in RMB against HK\$, the effects in loss for the period/year are as follows:

	Impact of RMB	
	30 June 2024 HK\$'000 (audited)	31 December 2023 HK\$'000 (audited)
Decrease/increase in loss for the period/year	4,399	6,999

31. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements of financial instruments

(i) *Fair value of the Group's financial assets and financial liabilities that are 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 level of 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 are observable.

Fair value hierarchy

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in an 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 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
At 30 June 2024 (audited)				
Financial assets at FVTPL (note a)				
– Listed equity securities	107,619	-	-	107,619
Equity instruments at FVTOCI (note b)				
– Unlisted equity securities	-	-	22,308	22,308
	107,619	-	22,308	129,927

31. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements of financial instruments (Continued)

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

Fair value hierarchy (Continued)

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
At 31 December 2023 (audited)				
Financial assets at FVTPL (note a)				
- Listed equity securities	380,775	-	-	380,775
Equity instrument at FVTOCI (note b)				
- Unlisted equity securities	-	-	22,005	22,005
	<u>380,775</u>	<u>-</u>	<u>22,005</u>	<u>402,780</u>

Notes:

- (a) The fair values of listed equity securities classified as Level 1 were determined by the closing price quoted in active markets.
- (b) The fair values of unlisted equity securities classified as level 3 were determined by management's valuation assessment with reference to the valuation conducted by independent professional valuers.

During the six months ended 30 June 2024 and year ended 31 December 2023, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

31. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements of financial instruments (Continued)

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

Fair value hierarchy (Continued)

	30 June 2024 HK\$'000 (audited)	31 December 2023 HK\$'000 (audited)	Fair value hierarchy	Valuation technique(s)	Significant unobservable inputs	Range	Relationship of unobservable inputs to fair value
Equity instruments at FVTOCI:							
Unlisted equity investment	21,489	22,005	Level 3	Precedent transaction method	Transaction price	N/A	The higher the transaction price, the higher the fair value
Unlisted equity investment	819	-	Level 3	Asset approach	Net assets	N/A	The higher the net assets, the higher the fair value

(ii) Reconciliation of level 3 fair value measurements

	Equity instruments at FVTOCI	
	30 June 2024 HK\$'000 (audited)	31 December 2023 HK\$'000 (audited)
At 1 January	22,005	-
Addition	920	21,891
Fair value loss	(101)	-
Exchange adjustments	(516)	114
At 30 June/31 December	22,308	22,005

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Interest payable from financing activities	Borrowings	Lease liabilities	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2023	1,113	93,972	17,346	112,431
Changes from financing cash flows:				
Raised	-	12,000	18,193	30,193
Repayment	-	(63,500)	(13,917)	(77,417)
Other changes:				
Interest expenses	4,673	2,422	1,702	8,797
Interest paid	(5,469)	-	-	(5,469)
Exchange adjustments	-	-	(365)	(365)
At 31 December 2023 and 1 January 2024 (audited)	317	44,894	22,959	68,170
Changes from financing cash flows:				
Repayment	-	(46,152)	(7,159)	(53,311)
Other changes:				
Interest expenses	1,135	1,258	714	3,107
Interest paid	(1,452)	-	-	(1,452)
Exchange adjustments	-	-	(169)	(169)
At 30 June 2024 (audited)	-	-	16,345	16,345

33. NET GAINS (LOSSES) ON DISPOSALS/DEREGISTRATIONS OF SUBSIDIARIES

Disposals of subsidiaries

In February 2024, the Group disposed of its 82% equity interests in Cheer Top Development Limited together with its subsidiaries (“Cheer Top Group”) to independent third parties for a consideration of HK\$6,200,000. The disposal was completed in February 2024 and resulted in a gain on disposal of approximately HK\$9,706,000. The retained 18% equity interests in this Cheer Top Group were classified as equity instruments at FVTOCI.

The aggregate net assets of the Cheer Top Group at the date of disposal were as follows:

	HK\$'000 (audited)
Intangible asset (note)	7,697
Prepayment	23
Other payables	(2,609)
	<hr/>
Net assets disposed of	5,111
Release of capital reserve	(7,697)
	<hr/>
	(2,586)
Fair value of retained interests in Cheer Top Group	(920)
Consideration received	(6,200)
	<hr/>
Gain on disposal	(9,706)
	<hr/>

33. NET GAINS (LOSSES) ON DISPOSALS/DEREGISTRATIONS OF SUBSIDIARIES (Continued)

Disposals of subsidiaries (Continued)

An analysis of net inflows of cash and cash equivalents in respect of the disposal of Cheer Top Group is as follows:

	HK\$'000 (audited)
Net cash inflow arising on disposal:	
Cash consideration received	6,200
Cash and cash equivalents disposed of	—
	<u>6,200</u>

Note: The intangible asset represents the right to use over the properties located in the PRC which were owned by a wholly owned subsidiary of the Company free of charge (the “Right”) for a period of one year up to 31 December 2024. The Right was initially recognised as intangible asset at fair value with reference to the valuation report provided by an independent valuer. The fair value was determined taking into account of the expected discounted cash flows generated by the properties under the Right over one year.

33. NET GAINS (LOSSES) ON DISPOSALS/DEREGISTRATIONS OF SUBSIDIARIES (Continued)

Disposals of subsidiaries (Continued)

During the six months ended 30 June 2023, the Group disposed of its 82% equity interests in Sunshine Forever Limited, Bravo Fortune Limited and Energy Vitality Limited together with their subsidiaries (“Disposed Subsidiaries”) to independent third parties for an aggregate consideration of HK\$22,900,000. The disposals were completed in January 2023 and resulted in an aggregate gain on disposal of approximately HK\$33,654,000. The retained 18% equity interests in these Disposal Subsidiaries was classified as equity instruments at FVTOCI.

The aggregate net assets of the Disposed Subsidiaries at the date of disposal were as follows:

	HK\$'000 (unaudited)
Intangible assets	53,987
Other payables	(58)
Net assets disposed of	53,929
Release of capital reserve	(53,987)
	(58)
Fair value of retained interests in Disposed Subsidiaries	(10,696)
Consideration received	(22,900)
Gain on disposals	(33,654)

33. NET GAINS (LOSSES) ON DISPOSALS/DEREGISTRATIONS OF SUBSIDIARIES

(Continued)

Disposals of subsidiaries (Continued)

An analysis of net inflows of cash and cash equivalents in respect of the disposal of Disposed Subsidiaries is as follows:

	HK\$'000 (unaudited)
Net cash inflow arising on disposal:	
Cash consideration received	22,900
Cash and cash equivalents disposed of	—
	<u>22,900</u>

During the six months ended 30 June 2023, the Group disposed of its entire equity interests in Enrich Bloom Limited together with its subsidiaries to an independent third party for a consideration of HK\$10,000, resulting in a gain on disposal of approximately HK\$31,000.

The aggregate net liabilities of the subsidiaries at the date of disposal were as follows:

	HK\$'000 (unaudited)
Other receivable	8
Other payables	(28)
	<u>(20)</u>
Net liabilities disposed of	(20)
Release of exchange reserve	(1)
	<u>(21)</u>
Consideration received	(10)
	<u>(31)</u>

33. NET GAINS (LOSSES) ON DISPOSALS/DEREGISTRATIONS OF SUBSIDIARIES (Continued)

Disposals of subsidiaries (Continued)

An analysis of net inflows of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	HK\$'000 (unaudited)
Net cash inflow arising on disposal:	
Cash consideration received	10
Cash and cash equivalents disposed of	–
	10

Deregistrations of subsidiaries

During the six months ended 30 June 2023, the Group had dissolved of two PRC subsidiaries, resulting in a loss on deregistrations of approximately HK\$722,000.

34. CAPITAL COMMITMENTS

	30 June 2024 HK\$'000 (audited)	31 December 2023 HK\$'000 (audited)
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	15,385	15,754



35. LITIGATIONS

High Court Action HCA 796 of 2016

A Writ of Summons with an Indorsement of Claim was issued on 29 March 2016 in the High Court of Hong Kong in HCA 796 of 2016 by Yang Yan as plaintiff against the Company and its former subsidiary, Grand Dragon Investment Development Limited (“Grand Dragon”) as defendants whereby the plaintiff is claiming against the defendants for the forfeiture of a deposit for HK\$10,000,000 paid by the Company on behalf of Grand Dragon to the plaintiff pursuant to the written equity transfer agreement between Grand Dragon and the plaintiff in relation to the failure to commence due diligence of the target company which the plaintiff claims is a repudiatory breach of the said agreement. The defendants have counterclaimed against the plaintiff (which action has been consolidated with High Court Action 796 of 2016) for, inter alia, an order for the return of the deposit of HK\$10,000,000 to the defendants.

Upon the Plaintiff’s repeated failures to appear at Court for the case management conferences and to comply with various procedural directions, the Plaintiff’s claim was formally struck out and the Company applied to the Court on 15 August 2022 for judgement and costs against the Plaintiff. The Plaintiff subsequently applied to the Court after the deadline to restore her claim, the date of which application has not yet been fixed by the Plaintiff. Pending resolution of the Plaintiff’s application, the Plaintiff’s claim remains struck out until further order of the Court.

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Interests in subsidiaries

	30 June 2024 HK\$'000 (audited)	31 December 2023 HK\$'000 (audited)
Unlisted shares, at cost	25,870	25,869
Impairment loss recognised	-	-
	25,870	25,869
Amounts due from subsidiaries (note (b))	415,662	395,385
Impairment loss recognised	(145,134)	(145,134)
	270,528	250,251
Amounts due to subsidiaries (note (b))	(9,778)	(9,780)
Loans to subsidiaries (note (a))	237,443	253,200
Impairment loss recognised	(102,262)	(102,262)
	135,181	150,938

Notes:

- (a) Loans to subsidiaries are unsecured and repayable on demand. Interest is charged on the outstanding balance at 5.75% p.a. (31 December 2023: 10% p.a.).
- (b) Amounts due from/to subsidiaries are unsecured, interest-free and repayable on demand.

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Interests in subsidiaries (Continued)

Name of subsidiaries	Place of incorporation/ operation	Issued and fully paid share capital/ registered capital	Proportion ownership interest and voting power held by the Company				Principal activity
			Directly		Indirectly		
			30 June 2024 (audited)	31 December 2023 (audited)	30 June 2024 (audited)	31 December 2023 (audited)	
Ace Innovator Limited	Republic of Vanuatu	US\$100	100%	100%	-	-	Investment holdings
China Investment Fund Company Limited	Cayman Islands	US\$1	100%	-	-	100%	Investment holdings
China Investment Fund International Financial Group Limited	Hong Kong	HK\$100	-	100%	100%	-	Investment holdings
China Investment Fund International Management Limited	Hong Kong	HK\$100	-	-	100%	100%	Administration
Deluxe Century Limited	Republic of Seychelles	US\$100	100%	100%	-	-	Investment holdings
Eternity Sky Limited	British Virgin Islands	US\$100	-	-	100%	100%	Investment holdings
Ever Gain Inc Limited	Hong Kong	HK\$100	-	100%	100%	-	Investment holdings
Final Destination Limited	British Virgin Islands	US\$100	-	-	100%	100%	Investment holdings
Flying Goddess Limited	British Virgin Islands	US\$100	100%	100%	-	-	Investment holdings
Fortune Strike Limited	Republic of Seychelles	US\$100	-	-	100%	100%	Investment holdings
Foundation Tide Limited	Hong Kong	HK\$10,000	-	-	100%	100%	Holding a cross-boundary vehicle license
General Luck Limited	Republic of Seychelles	US\$100	100%	100%	-	-	Investment holdings
Globe Golden Rich Limited	Hong Kong	HK\$100	-	-	100%	100%	Investment holdings
Golden Trend China Limited	Hong Kong	HK\$100	-	-	100%	100%	Investment holdings
Golden Trend Oriental Limited	Hong Kong	HK\$100	-	-	100%	100%	Investment holdings
Good Charm Inc Limited	Hong Kong	HK\$100	-	-	100%	100%	Holding a motor vehicle
Hong Kong Toprich Investment Limited	Hong Kong	HK\$100	-	-	100%	100%	Securities investment
Joyful Diamond Limited	Hong Kong	HK\$100	-	-	100%	100%	Administration
Kingdom Stage Limited	Republic of Seychelles	US\$100	-	-	100%	100%	Investment holdings
Smile Capture Company Limited	British Virgin Islands	US\$100	-	100%	100%	-	Administration
Super Star Investment Holdings Limited	Republic of Seychelles	US\$100	-	100%	100%	-	Investment holdings
Sustainable Investment Holdings Limited	Republic of Vanuatu	US\$100	100%	100%	-	-	Investment holdings
Prime Team Group Limited	Hong Kong	HK\$100	-	-	100%	100%	Administration
Tianhe Quant Asset Management Limited	Hong Kong	HK\$19,917,602	100%	100%	-	-	Investment management
Wealth Bless Investment Development Limited	Republic of Seychelles	US\$100	-	-	100%	100%	Investment holdings
深圳華創金盛投資諮詢有限公司 (note)	PRC	RMB30,000,000	-	-	100%	100%	Securities investment
深嘉盛創 (深圳) 貿易有限公司 (note)	PRC	RMB30,000,000	-	-	100%	100%	Holding of properties
金創中海 (深圳) 供應鏈管理有限公司 (note)	PRC	RMB30,000,000	-	-	100%	100%	Inactive

Note: The subsidiaries are established as wholly foreign owned enterprise under PRC law.

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

37. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period includes:

	30 June 2024 HK\$'000 (audited)	31 December 2023 HK\$'000 (audited)
Non-current assets		
Investments in subsidiaries	25,870	25,869
Property, plant and equipment	2,059	2,335
Right-of-use assets	11,304	14,451
Rental and utility deposit	3,609	3,496
	42,842	46,151
Current assets		
Prepayments, deposits and other receivables	442	806
Loans to a subsidiary	135,181	150,938
Amounts due from subsidiaries	270,528	250,251
Bank balances and cash	79,889	137,688
	486,040	539,683
Current liabilities		
Accruals and other payables	5,497	6,008
Amounts due to subsidiaries	9,778	9,780
Borrowings	–	34,792
Lease liabilities	6,176	5,941
	21,451	56,521
Net current assets	464,589	483,162
Total assets less current liabilities	507,431	529,313

37. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

	30 June 2024 HK\$'000 (audited)	31 December 2023 HK\$'000 (audited)
Non-current liabilities		
Borrowings	–	10,102
Lease liabilities	5,182	8,330
	5,182	18,432
Net assets	502,249	510,881
Capital and reserves		
Share capital (note 25)	78,072	78,072
Reserves (note 26)	424,177	432,809
Total equity	502,249	510,881

The Company's statement of financial position was approved and authorised by the board of directors on 28 August 2024 and is signed on its behalf by:

Luk Hong Man, Hammond
Director

Zhang Xi
Director

38. COMPARATIVE FIGURES

Certain comparative figure have been reclassified to conform to current period's presentation.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

During the period, the Group reported a loss of approximately HK\$368,847,000 (six months ended 30 June 2023: a profit of approximately HK\$96,960,000). The turnaround of the result with a loss for the six months ended 30 June 2024 as compared to a gain for the same period in 2023 was primarily due to the net unrealised loss on revaluation of financial assets at fair value through profit or loss (“FVTPL”) of approximately HK\$248,638,000 and impairment loss on property, plant and equipment of approximately HK\$74,862,000 incurred for the six months ended 30 June 2024 (six months ended 30 June 2023: the net unrealised gain on revaluation of financial assets at FVTPL of approximately HK\$140,833,000).

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 2024, the Group held listed securities classified under financial assets at FVTPL of approximately HK\$107,619,000 (31 December 2023: HK\$380,775,000).

Investment in unlisted securities

For the six months ended 30 June 2024, the Group held unlisted securities classified under equity instruments at fair value through other comprehensive income of approximately HK\$22,308,000 (31 December 2023: approximately HK\$22,005,000). The Group’s investment portfolio in unlisted securities consists of Cheer Top Development Limited (“Cheer Top”) of approximately HK\$819,000 (31 December 2023: Nil) and Shanghai Hongpeng Energy Technology Co., Ltd. (“Shanghai Hongpeng”) of approximately HK\$21,489,000 (31 December 2023: approximately HK\$22,005,000).

Cheer Top was principally engaged in the business of investment holding.



Shanghai Hongpeng was principally engaged in the business of research and development of nuclear fusion technology, and development and commercial application of fusion neutron source products in the People's Republic of China.

INVESTMENT PORTFOLIO

We divide our strategy into two major categories, namely long-term holding securities investment and short-term trading of equity securities. The main sectors of our current investments as at 30 June 2024 were property development and management, e-commerce business, construction works and environmental protection and investment in innovation and technology.

Significant Investments

As at 30 June 2024, the Group's securities investments in an entity with a value which exceeds 5% of the Group's total assets are investments in Hua Yin International Holdings Limited and HuiZhou Intelligence Technology Group Co., Ltd.

Details of above investments are disclosed in note 19 to this report.

The Group has established risk management procedures that enable it to identify, measure, monitor and control various types of risk it faces. The management will closely monitor the Group's investment portfolio.

LIQUIDITY AND FINANCIAL RESOURCES

The Group had bank balances and cash of approximately HK\$105,127,000 as at 30 June 2024 (31 December 2023: approximately HK\$173,342,000) representing 16.7% (31 December 2023: 16.2%) of the Group's total assets. As at 30 June 2024, the Group had no long-term and short-term borrowings. As at 31 December 2023, the Group had long-term unsecured interest-bearing bonds of approximately HK\$10,102,000, and short-term unsecured interest-bearing bonds of approximately HK\$34,792,000.

As at 30 June 2024, the Group's gearing ratio, being the total debt divided by total equity, was not applicable as the Group did not have any borrowings (31 December 2023: 4.5%).



FOREIGN CURRENCY EXPOSURE

Most of the business transactions of the Group are denominated in Hong Kong dollars (“HK\$”) and Renminbi (“RMB”). The management of the Group will closely monitors fluctuation in these currencies and take appropriate actions when needed. As at 30 June 2024, the Group did not engage in currency hedging nor did it adopt any formal hedging activities. During the period, the Group had major financial assets of approximately HK\$87,980,000 (31 December 2023: approximately HK\$139,986,000) which was denominated in RMB. The Group currently does not have any foreign currency hedging policy. However, the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

CAPITAL STRUCTURE

The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). During the period, there was no movements in the Company’s share capital:

Following a placing which completed on 17 April 2023, the Company obtained gross proceeds of approximately HK\$231,568,000. Up to 31 December 2023, the Group used (a) HK\$45.5 million (or 19.6% of the gross proceeds) to invest in listed securities (namely, listed equity securities in Hong Kong Exchanges and Clearing Limited (HK\$8.0 million); Tencent Holdings Limited (HK\$22.6 million); Jiading International Group Holdings Limited (HK\$5.9 million) and Alibaba Group Holding Limited (HK\$9 million) and (b) HK\$102.7 million (or 44.3% of the gross proceeds) for general working capital purposes. During the period, the Company fully utilized the balance of the gross proceeds in the amount of HK\$83.4 million (or 36.1% of the gross proceeds) for general working capital purposes.

CAPITAL COMMITMENTS

As at 30 June 2024, the Group had capital commitments in respect of the acquisition of property, plant and equipment which are contracted for but not provided for of approximately HK\$15,385,000 (31 December 2023: HK\$15,754,000).



PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 30 June 2024, there was no charges on the Group's assets and the Group did not have any material contingent liabilities (31 December 2023: Nil).

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2024, the Group had 19 employees and 7 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

Apart from disclosed in note 33 to this report, there was no other material acquisition or disposal of subsidiaries by the Group during the period.

INTERIM DIVIDEND

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

PROSPECT

With all-out hostilities in Ukraine, Palestine, Sudan or Yemen, we are seeing the most active conflicts of any time since the end of the Second World War. The outcome of the November 2024 presidential election in the United States could bring a drastic shift in the power relations and Washington's position in each of these conflicts, from weapons' supplies to the Ukrainian government or the support for Israel, to confrontation with Russia and China. In the meantime, the Federal Reserve has maintained the federal funds rate at a 23-year high of 5.25%-5.50%, which will continue to exert pressure on business activities and consumption. Under such highly uncertain political and economic environment, the Directors will 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 2024, 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 2024

Name of Director	Capacity	Number of shares	Approximate percentage of shareholding
Liang Wenzhi	Beneficial owner	14,789,600	0.95%
Wang Mengtao ("Mr. Wang")	Beneficial owner	1,768,000	0.11%

(ii) Long positions in underlying shares as at 30 June 2024

Name of Director	Capacity	Note	Number of underlying shares	Approximate percentage of shareholding
Luk Hong Man, Hammond	Beneficial owner	(1)	500,000	0.03%
Zhang Xi	Beneficial owner	(1)	500,000	0.03%
Mr. Wang	Beneficial owner	(1)	350,000	0.02%

Note:

- (1) These share options are at an exercise price of HK\$3.39 per share of the Company with exercise period from 26 January 2024 to 25 January 2033.

Save as disclosed above, at 30 June 2024, 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 2024, 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	12.68%
DingYiFeng International Holding Limited (Note 1)	198,030,400	Interest of controlled corporation	12.68%
Ma Xiaoqiu ("Ms. Ma") (Note 2)	208,550,400	Beneficial owner and interest of controlled corporation	13.36%
Sui Guangyi ("Mr. Sui") (Note 3)	347,612,800	Beneficial owner and interest of controlled corporation	22.26%

Note 1: DingYiFeng International Holding Limited is deemed to be interested in 198,030,400 shares through its controlled corporation, HK DYF Int'l Holding Group Limited.

Note 2: Of these shares, (i) 198,030,400 shares are held by HK DYF Int'l Holding Group Limited, which is held as to 100% by DingYiFeng International Holding Limited, which in turn held as to 50% by Ms. Ma. Ms. Ma is deemed to be interested in these shares by virtue of the SFO; and (ii) 10,520,000 shares are held by Ms. Ma.

Note 3: Of these shares, (i) 198,030,400 shares are held by HK DYF Int'l Holding Group Limited, which is held as to 100% by DingYiFeng International Holding Limited, which is in turn held as to 50% by Mr. Sui. Mr. Sui is deemed to be interested in these shares by virtue of the SFO; and (ii) 149,582,400 shares are held by Mr. Sui.



SUBSTANTIAL SHAREHOLDER (Continued)

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 C3 to the Listing Rules. Upon enquiry by the Company of those who served as Directors as at 30 June 2024, all Directors 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 2024, the Company had complied with all the applicable provisions of the Corporate Governance Code (the "Code Provision") as set out in Appendix C1 to the Listing Rules, except for the deviation set out as below.

Code Provision C.2.1

Code Provision C.2.1 stipulates that the roles of the chairman and the chief executive should be segregated and assumed by two separate individuals who have no relationship with each other to strike a balance of power and authority, so that the job responsibilities are not concentrated on any one individual. While the post of chief executive was taken up throughout the year by an individual, the post of chairman has become vacate since February 2023. The Board is in the process of identifying a suitable candidate to fill in the vacancy for the post of chairman in order to be compliant with the requirement of this Code Provision. Further announcement will be made by the Company with regard to any appointment of the post of chairman of the Company as and when appropriate.

CORPORATE GOVERNANCE PRACTICES (Continued)

Code Provision F.2.2

Code Provision F.2.2 stipulates that the chairman of the Board should attend the annual general meeting (“AGM”). No chairman of the Board was available to attend the AGM of the Company held on 5 June 2024 as the Board was in the process of identifying suitable candidate to fill in the vacancy for the post of chairman. The said AGM was chaired by an executive Director.

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 audited interim results and audited consolidated financial statements of the Group for the period have been reviewed by the Audit Committee and approved by the Board on 28 August 2024.

By Order of the Board

Ding Yi Feng Holdings Group International Limited
Luk Hong Man, Hammond
Executive Director

Hong Kong, 28 August 2024

As at the date of this report, the executive Directors are Mr. Luk Hong Man, Hammond and Mr. Zhang Xi; the non-executive Directors are Mr. Liang Wenzhi and Mr. Wang Mengtao; and the independent non-executive Directors are Ms. Jing Siyuan, Mr. Zhang Aimin and Mr. Zhang Qiang.