



中國投資基金有限公司

CHINA INVESTMENT FUND COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)
(formerly known as China Ding Yi Feng Holdings Limited)

Stock Code : 00612



2021
INTERIM REPORT

INTERIM RESULTS

The Board (the “Board”) of Directors (the “Directors”) of China Investment Fund Company Limited (the “Company”) hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2021 (the “period”), together with comparative figures for the corresponding period in 2020.



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2021

		Six months ended 30 June	
	Notes	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue	4	258	451
Other income		171	643
Net realised loss on disposals of financial assets at fair value through profit or loss		(21,928)	—
Net unrealised loss on financial assets at fair value through profit or loss		(52,277)	(11,934)
		(73,776)	(10,840)
Net gain on disposals of subsidiaries		—	4
Administrative expenses		(43,514)	(46,169)
Finance costs	6	(10,114)	(14,245)
Loss before tax	7	(127,404)	(71,250)
Taxation	8	78,885	—
Loss for the period attributable to owners of the Company		(48,519)	(71,250)
Loss per share	10		
— Basic (HK cents)		(3.65)	(5.59)
— Diluted (HK cents)		(3.65)	(5.59)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Loss for the period attributable to owners of the Company	(48,519)	(71,250)
Other comprehensive income (expense):		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	7,891	(1,659)
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value loss on equity instruments at fair value through other comprehensive income	—	(875)
Other comprehensive income (expense) for the period, net of tax	7,891	(2,534)
Total comprehensive expense for the period attributable to owners of the Company	(40,628)	(73,784)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021

	Notes	30 June 2021 HK\$'000 (unaudited)	31 December 2020 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	11	516,843	517,247
Intangible assets	12	13,301	13,301
Right-of-use assets	11	15,496	21,818
Deferred tax assets	21	12,132	—
Rental and utility deposits	13	4,473	4,415
		562,245	556,781
Current assets			
Prepayments, deposits and other receivables	13	3,036	7,143
Financial assets at fair value through profit or loss	14	552,836	682,142
Bank balances and cash		157,759	182,272
		713,631	871,557
Current liabilities			
Accruals and other payables		9,458	10,095
Borrowings	15	54,559	82,605
Lease liabilities		9,060	10,952
		73,077	103,652
Net current assets		640,554	767,905

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

At 30 June 2021

	Notes	30 June 2021 HK\$'000 (unaudited)	31 December 2020 HK\$'000 (audited)
Total assets less current liabilities		1,202,799	1,324,686
Non-current liabilities			
Borrowings	15	122,855	137,751
Lease liabilities		6,577	10,972
Deferred tax liabilities	21	—	66,753
		129,432	215,476
Net assets		1,073,367	1,109,210
Capital and reserve			
Share capital	16	66,690	66,394
Reserves		1,006,677	1,042,816
Total equity		1,073,367	1,109,210
Net asset value per share	10	HK\$0.80	HK\$0.84

The condensed consolidated financial statements on pages 2 to 34 were approved and authorised for issue by the Board of Directors on 20 August 2021 and are signed on its behalf by:

Luk Hong Man, Hammond
Director

Zhang Xi
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Share option reserve HK\$'000	Capital reserve HK\$'000	FVTOCI reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2021 (audited)	66,394	803,143	43,520	9,428	524,157	—	(337,432)	1,109,210
Loss for the period	—	—	—	—	—	—	(48,519)	(48,519)
Other comprehensive income:								
Exchange differences arising on translation of foreign operations	—	—	7,891	—	—	—	—	7,891
Total comprehensive expense for the period	—	—	7,891	—	—	—	(48,519)	(40,628)
Exercise of share options	296	5,860	—	(1,371)	—	—	—	4,785
At 30 June 2021 (unaudited)	66,690	809,003	51,411	8,057	524,157	—	(385,951)	1,073,367
At 1 January 2020 (audited)	61,836	575,477	(4,199)	9,610	65,158	(844)	(619,106)	87,932
Loss for the period	—	—	—	—	—	—	(71,250)	(71,250)
Other comprehensive expense:								
Exchange differences arising on translation of foreign operations	—	—	(1,659)	—	—	—	—	(1,659)
Fair value loss on equity instruments at fair value through other comprehensive income ("FVTOCI")	—	—	—	—	—	(875)	—	(875)
Total comprehensive expense for the period	—	—	(1,659)	—	—	(875)	(71,250)	(73,784)
Issue of shares under placement of shares	3,319	174,174	—	—	—	—	—	177,493
Contributions from a shareholder	—	—	—	—	458,999	—	—	458,999
Transfer of investment revaluation reserve upon disposal of equity instruments at FVTOCI	—	—	—	—	—	1,719	(1,719)	—
At 30 June 2020 (unaudited)	65,155	749,651	(5,858)	9,610	524,157	—	(692,075)	650,640

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

		Six months ended 30 June	
Notes	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	
Operating activities			
	(48,519)	(71,250)	
Loss for the period			
Adjustments for:			
	(78,885)	—	
	7,160	2,353	
11			
	5,808	3,414	
11			
	(258)	(215)	
4			
	(122)	(44)	
	—	(236)	
4			
	10,114	14,245	
6			
	(48)	—	
	—	(4)	
	21,928	—	
	52,277	11,934	
	(30,545)	(39,803)	
	4,171	(3,979)	
	(971)	360	
	64,095	—	

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the six months ended 30 June 2021

	Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Proceeds on disposal of equity instruments at FVTOCI	—	81
Purchase of financial assets at FVTPL	(7,999)	(27,667)
Release of restricted bank deposits	18,145	310
Cash generated from (used in) operations	46,896	(70,698)
Interest received	258	215
Dividend received	—	236
Net cash from (used in) operating activities	47,154	(70,247)
Investing activities		
Purchase of property, plant and equipment	—	(19,702)
Net cash inflows from disposal of subsidiaries	—	4
Net cash used in investing activities	—	(19,698)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the six months ended 30 June 2021

	Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Financing activities		
Interest paid	(6,298)	(8,742)
Repayment of lease liabilities	(6,369)	(3,820)
Net proceeds from issue of shares	4,785	177,493
Net proceeds from borrowings raised	27,220	73,475
Repayment of borrowings	(73,000)	(103,500)
Net cash (used in) from financing activities	(53,662)	134,906
Net (decrease) increase in cash and cash equivalents	(6,508)	44,961
Effect of foreign exchange rate changes	140	(480)
Cash and cash equivalents at 1 January	164,127	191,017
Cash and cash equivalents at 30 June		
Represented by bank balances and cash	157,759	235,498
Represented by:		
Bank balances and cash	157,759	252,236
Less: Restricted bank deposits	—	(16,738)
	157,759	235,498

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

1. GENERAL INFORMATION

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

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

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

2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the six months ended 30 June 2021 have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

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

The condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended 31 December 2020.

The condensed consolidated financial statements are unaudited, but have been reviewed by the Company’s audit committee (the “Audit Committee”). The condensed consolidated financial statements for the six months ended 30 June 2021 were approved and authorised for issue by the Board of Directors on 20 August 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the condensed consolidated financial statements for the six months ended 30 June 2021 are consistent with those adopted by the Group in its audited consolidated financial statements for the year ended 31 December 2020 except for the adoption of the new and amendments to Hong Kong Financial Reporting Standards (the “New and Amendments to HKFRSs”) (which include all HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the HKICPA that are effective for the first time for the current period’s financial statements.

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

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

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

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

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendments to HKFRS 16	Covid-19-Related Rent Concessions

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

4. REVENUE

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

	Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Interest income from banks and financial institutions	258	215
Dividend income from listed investments	—	236
	258	451

5. SEGMENT INFORMATION

For the six months ended 30 June 2021 and 2020, the Group's revenue was mainly 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		PRC and other jurisdictions		Consolidated	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Segment revenue:						
Interest income from banks and financial institutions	203	181	55	34	258	215
Dividend income from listed investments	—	236	—	—	—	236
	203	417	55	34	258	451

5. SEGMENT INFORMATION (Continued)

	Hong Kong		PRC and other jurisdictions		Consolidated	
	30 June 2021 HK\$'000 (unaudited)	31 December 2020 HK\$'000 (audited)	30 June 2021 HK\$'000 (unaudited)	31 December 2020 HK\$'000 (audited)	30 June 2021 HK\$'000 (unaudited)	31 December 2020 HK\$'000 (audited)
Non-current assets*	30,295	36,822	515,345	515,544	545,640	552,366
Total assets	631,750	803,208	644,126	625,130	1,275,876	1,428,338
Total liabilities	202,500	318,374	9	754	202,509	319,128
Other segment information:						
Additions to property, plant and equipment	—	209	—	478,492	—	478,701
Additions to right-of-use assets	—	24,100	—	—	—	24,100

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

6. FINANCE COSTS

	Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Interest expenses on:		
Interest-bearing loan notes (note 15(a))	1,087	1,086
Interest-bearing bonds (note 15(b))	8,328	12,222
Interest-bearing loans	55	386
Lease liabilities	644	551
	10,114	14,245

7. LOSS BEFORE TAX

	Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
The Group's loss before tax has been arrived at after charging (crediting) the following items:		
Directors' emoluments:		
Fees	1,710	1,790
Other emoluments	1,675	1,654
Retirement benefits scheme contributions	34	18
Staff costs:		
Basic salaries and allowances	5,639	5,990
Retirement benefits scheme contributions	231	203
Total staff costs (including directors' emoluments)	9,289	9,655
Auditor's remuneration	220	220
Depreciation of property, plant and equipment	7,160	2,353
Depreciation of right-of-use assets	5,808	3,414
Gain on early termination of lease	(48)	—
Net foreign exchange losses	—	246
Government subsidies	—	(587)
Effective interest income from rental deposits	(122)	(44)

8. TAXATION

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

	Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Deferred taxation (note 21) Credit for the period	78,885	—

9. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

10. NET ASSET VALUE PER SHARE AND LOSS PER SHARE

Net asset value per share

The net asset value per share is calculated by dividing the net assets included in the condensed consolidated statement of financial position of approximately HK\$1,073,367,000 (31 December 2020: approximately HK\$1,109,210,000) by the number of shares in issue as at 30 June 2021, being 1,333,796,000 (31 December 2020: 1,327,874,000).

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

Loss per share

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

	Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
<i>Loss:</i>		
Loss attributable to owners of the Company	(48,519)	(71,250)
	'000	'000
<i>Shares:</i>		
Weighted average number of ordinary shares for the purpose of basic loss per share calculation	1,330,786	1,275,011
Effect of dilutive potential ordinary shares:		
Share options	25,774	32,480
Weighted average number of ordinary shares for the purpose of diluted loss per share calculation	1,356,560*	1,307,491*

* No adjustment has been made to the basic loss per share amount for the six months ended 30 June 2021 and 2020 because the diluted loss per share amount is decreased when taking the outstanding share options into account, so the outstanding share options had an anti-dilutive effect on the basic loss per share amount. Accordingly, the diluted loss per share is same as the basic loss per share.

11. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Property, plant and equipment

	30 June 2021 HK\$'000 (unaudited)	31 December 2020 HK\$'000 (audited)
Carrying amounts at beginning of the period/year	517,247	6,189
Additions	—	478,701
Depreciation	(7,160)	(9,793)
Written off	—	(51)
Exchange adjustments	6,756	42,201
Carrying amounts at end of the period/year	516,843	517,247

11. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

Right-of-use assets

	Leased properties	
	30 June 2021 HK\$'000 (unaudited)	31 December 2020 HK\$'000 (audited)
Carrying amounts at beginning of the period/year	21,818	6,792
Additions	—	24,100
Depreciation	(5,808)	(9,074)
Early termination of lease	(521)	—
Exchange adjustments	7	—
Carrying amounts at end of the period/year	15,496	21,818

12. INTANGIBLE ASSETS

	30 June 2021 HK\$'000 (unaudited)	31 December 2020 HK\$'000 (audited)
Carrying amounts as at beginning of the period/year	13,301	13,301
Additions	—	—
Carrying amounts at end of the period/year	13,301	13,301

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2021 HK\$'000 (unaudited)	31 December 2020 HK\$'000 (audited)
Rental and utility deposits and prepayments	6,200	6,136
Due from brokers (note)	461	3,156
Other prepayments	177	1,399
Other deposits and receivables	671	867
	7,509	11,558
Portion classified as non-current assets	(4,473)	(4,415)
	3,036	7,143

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

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivable for which there was no recent history of default.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2021 HK\$'000 (unaudited)	31 December 2020 HK\$'000 (audited)
Equity securities listed in Hong Kong (note)	458,897	611,024
Equity securities listed in the PRC (note)	93,939	71,118
	552,836	682,142

Note: Particulars of investments in listed equity securities held by the Group as at 30 June 2021 and 31 December 2020 disclosed pursuant to Chapter 21 of the Listing Rules are as follows:

Name of investee companies	Place of incorporation	Number of shares held	Proportion of investee's capital owned	Cost HK\$'000	Market value HK\$'000	Accumulated unrealised gain/(loss) recognised HK\$'000	Dividend received/ receivable during the period HK\$'000	% of gross assets of the Group	% of net assets of the Group
At 30 June 2021 (unaudited)									
Listed equity securities in Hong Kong									
Hua Yin International Holdings Limited (formerly known as Ground International Development Limited) (note a)	Bermuda	1,050,000,000	15.52%	79,800	441,000	361,200	-	34.56%	41.09%
New Concepts Holdings Limited (note b)	Cayman Islands	27,116,000	3.54%	7,999	17,897	9,898	-	1.40%	1.67%
				87,799	458,897	371,098			
Listed equity securities in the PRC									
Tianna Bearing Group Co., Ltd. (note c)	PRC	28,000,022	2.33%	75,708	93,939	18,231	-	7.36%	8.75%
				163,507	552,836	389,329			

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

Note: Particulars of investments in listed equity securities held by the Group as at 30 June 2021 and 31 December 2020 disclosed pursuant to Chapter 21 of the Listing Rules are as follows: (Continued)

Name of investee companies	Place of incorporation	Number of shares held	Proportion of investee's capital owned	Cost HK\$'000	Market value HK\$'000	Accumulated unrealised gain (loss) recognised HK\$'000	Dividend received/receivable during the year HK\$'000	% of gross assets of the Group	% of net assets of the Group
At 31 December 2020 (audited)									
Listed equity securities in Hong Kong									
Geely Automobile Holdings Limited	Cayman Islands	400,000	Less than 0.01%	9,793	10,600	807	–	0.74%	0.96%
Hong Kong Exchanges and Clearing Limited	Hong Kong	24,800	Less than 0.01%	9,973	10,540	567	–	0.74%	0.95%
Smarterc International Holdings Limited (formerly known as Smarterc Group China Holdings Limited)	Cayman Islands	266,000,000	4.72%	52,188	11,438	(40,750)	–	0.80%	1.03%
Hua Yin International Holdings Limited (formerly known as Ground International Development Limited)	Bermuda	1,050,000,000	17.29%	79,800	526,000	445,200	–	36.76%	47.33%
Sunny Optical Technology (Group) Company Limited	Cayman Islands	64,500	Less than 0.01%	9,929	10,946	1,017	57	0.77%	0.99%
Farnova Group Holdings Limited	Bermuda	340,002,053	4.76%	17,000	42,500	25,500	–	2.98%	3.83%
				178,683	611,024	432,341			
Listed equity securities in the PRC									
Tianme Bearing Group Co., Ltd.	PRC	28,000,022	2.33%	74,725	71,116	(3,607)	–	4.98%	6.41%
				253,408	682,142	428,734			

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(Continued)

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

Notes:

- (a) Hua Yin International Holdings Limited (formerly known as Ground International Development 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.

For the year ended 31 March 2021, the audited consolidated loss attributable to owners of Hua Yin was approximately RMB515,199,000 and the basic loss per share was RMB8.94 cents. As at 31 March 2021, its audited consolidated net liabilities value attributable to owners of Hua Yin was approximately RMB13,707,000. 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 Hong Kong Stock Exchange (Stock code: 2221). New Concepts is principally engaged in construction works and environmental protection.

For the year ended 31 March 2021, the audited consolidated loss attributable to owners of New Concepts was approximately HK\$54,998,000 and the basic loss per share was HK8.47 cents. As at 31 March 2021, its audited consolidated net assets value attributable to owners of New Concepts was approximately HK\$100,477,000. No dividend was received during the period.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(Continued)

Notes: (Continued)

- (c) Tianma Bearing Group Co., Ltd. ("Tianma Bearing") was incorporated in the PRC and its shares are listed on Shenzhen Stock Exchange (Stock code: 002122). Tianma Bearing was principally engaged in: (i) bearing and machine tool business with main products including bearings, round bars, machine tools, and agricultural and pastoral products; (ii) venture capital; (iii) provision of security review service on internet content; and (iv) book publishing.

For the year ended 31 December 2020, the audited consolidated profit attributable to owners of Tianma Bearing was approximately RMB160 million and the basic earnings per share was RMB13.47 cents. At 31 December 2020, its audited consolidated net assets value attributable to equity holders of Tianma Bearing was approximately RMB1,601 million. No dividend was received during the period.

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

15. BORROWINGS

	Notes	30 June 2021 HK\$'000 (unaudited)	31 December 2020 HK\$'000 (audited)
Interest-bearing loan notes, unsecured	(a)	42,397	42,372
Interest-bearing bonds, unsecured	(b)	135,017	161,484
Interest-bearing loans, unsecured	(c)	—	16,500
		177,414	220,356
Less: Amount classified as current liabilities		(54,559)	(82,605)
Amount classified as non-current liabilities		122,855	137,751

15. BORROWINGS (Continued)

(a) Interest-bearing loan notes

The Company issued unsecured interest-bearing loan notes (the “Notes”) to independent private investors through the placing agent in an aggregate principal amount of HK\$30,000,000 with effective dates from 29 April 2015 and 30 April 2015 which are repayable on the date falling 8 years from the dates of issue of the Notes, which are 28 April 2023 and 29 April 2023, and a principal amount of HK\$12,500,000 with effective date from 9 September 2015 which is repayable on the date falling 8 years of the date of issue of the Notes, which are 8 September 2023 (the “Maturity Date”). The Company has the right at any time after the second year of the issue date of the Notes to the Maturity Date to redeem the whole or part of the outstanding Notes at the redemption amount with not less than 15 business days written notice, specifying the amount to be redeemed and the date of such redemption (the “Redemption Right”). But the noteholders have no right to require the Company to redeem the Notes before the Maturity Date.

The Notes carry interest at the fixed rate of 5% per annum payable semiannually in arrears on 31 March and 30 September in each year (“Interest Payment Date”), provided that the first Interest Payment Date fell on 31 March 2016 and the final repayment of the interest shall be on the Maturity Date.

The Redemption Right is regarded as embedded derivatives in the host contract. The Redemption Right is not recognised in the condensed consolidated financial statements since the redemption is at the discretion of the Company and the directors consider that the probability of exercise of the Redemption Right is remote. The Directors have assessed the fair values of the Redemption Right at initial recognition and at the end of the reporting period and consider that the fair values was insignificant. Accordingly, the fair values of the Redemption Right were not accounted for in the condensed consolidated financial statements as at 30 June 2021.

The Notes are measured at amortised cost, using the effective interest method. The effective interest rates of the Notes range from 5.08% p.a. to 5.15% p.a..

15. BORROWINGS (Continued)

(a) Interest-bearing loan notes (Continued)

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

	HK\$'000
At 1 January 2020	42,323
Effective interest expenses	2,174
Interest paid/payables	(2,125)
At 31 December 2020 and 1 January 2021	42,372
Effective interest expenses (note 6)	1,087
Interest paid/payables	(1,062)
At 30 June 2021	42,397

(b) Interest-bearing bonds

During the six months ended 30 June 2021, the Company has issued and repaid unsecured interest-bearing bonds with aggregate principal amounts of HK\$28,500,000 and HK\$56,500,000 (31 December 2020: HK\$105,500,000 and HK\$162,400,000) respectively. The outstanding unsecured bonds bear interests ranging from 3% p.a. to 12% p.a. (31 December 2020: 0.5% p.a. to 18% p.a.) and with maturity dates ranging from one year to eight years (31 December 2020: one year to eight years).

15. BORROWINGS (Continued)

(b) Interest-bearing bonds (Continued)

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

	HK\$'000
At 1 January 2020	217,586
Issued during the year, at fair value	96,677
Repaid during the year	(162,400)
Effective interest expenses	21,357
Interest paid/payables	(11,736)
	<hr/>
At 31 December 2020 and 1 January 2021	161,484
Issued during the period, at fair value	27,220
Repaid during the period	(56,500)
Effective interest expenses (note 6)	8,328
Interest paid/payables	(5,515)
	<hr/>
At 30 June 2021	135,017

(c) Interest-bearing loans

As at 30 June 2021, the Company had no outstanding unsecured loans.

As at 31 December 2020, the Company had outstanding unsecured loans with principal amount in aggregate of HK\$16,500,000 from independent third parties, which bear interest at 1% per month and with maturity dates from three months to nine months.

16. SHARE CAPITAL

	Number of ordinary shares of HK\$0.05 each '000	Nominal value HK\$'000
Authorised:		
At 1 January 2020, 31 December 2020 and 30 June 2021	4,000,000	200,000
Issued and fully paid:		
At 1 January 2020	1,236,722	61,836
Issue of shares by placing (Note a)	90,368	4,519
Exercise of share options (Note b)	784	39
At 31 December 2020 and 1 January 2021	1,327,874	66,394
Exercise of share options (Note c)	5,922	296
At 30 June 2021	1,333,796	66,690

Notes:

- (a) On 17 March 2020, 66,368,000 ordinary shares were issued by the Company pursuant to a placing agreement dated 9 March 2020 (amended on 10 March 2020) at a placing price of HK\$2.75 per share, giving gross proceeds of HK\$182,512,000.

On 6 October 2020, 24,000,000 ordinary shares were issued by the Company pursuant to a placing agreement dated 25 September 2020 at a placing price of HK\$2.31 per share, giving gross proceeds of HK\$55,440,000.

16. SHARE CAPITAL (Continued)

Notes: (Continued)

- (b) On 1 December 2020, 480,000 share options were exercised at the subscription price of HK\$0.808 per share, and a total of 480,000 ordinary shares were issued, giving gross proceeds of approximately HK\$388,000.

On 2 December 2020, 304,000 share options were exercised at the subscription price of HK\$0.808 per share, and a total of 304,000 ordinary shares were issued, giving gross proceeds of approximately HK\$245,000.

- (c) During the six months ended 30 June 2021, 5,922,000 share options were exercised at the subscription price of HK\$0.808 per share, and a total of 5,922,000 ordinary shares were issued, giving gross proceeds of approximately HK\$4,785,000.

17. SHARE OPTION SCHEMES

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.

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.

17. SHARE OPTION SCHEMES (Continued)

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.

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.

The 2011 Scheme remained in force commencing on 27 June 2011 and was terminated pursuant to a shareholders' resolution passed on 13 May 2021. On the same date, 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. As at 30 June 2021, no share option under the 2021 Scheme was granted.

17. SHARE OPTION SCHEMES (Continued)

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

Grantee	Date of grant	Exercise price HK\$	Exercisable period up to	At 1 January 2021	Granted during the period	Exercised during the period	Expired during the period	Lapsed during the period	Outstanding number of share options at 30 June 2021
<i>Executive Directors</i>									
Luk Hong Man, Hammond	17/6/2015	0.729	16/6/2025	776,597	-	-	-	-	776,597
	16/11/2016	0.808	15/11/2026	5,300,000	-	-	-	-	5,300,000
Zhang Xi	17/6/2015	0.729	16/6/2025	776,597	-	-	-	-	776,597
	16/11/2016	0.808	15/11/2026	5,300,000	-	-	-	-	5,300,000
<i>Non-Executive Directors</i>									
Leung Ka Fai	16/11/2016	0.808	15/11/2026	3,000,000	-	-	-	-	3,000,000
Wang Mengtao	16/11/2016	0.808	15/11/2026	3,000,000	-	-	-	-	3,000,000
Ma Xiaojun	30/8/2017	2.250	29/8/2027	1,200,000	-	-	-	-	1,200,000
<i>Independent Non-Executive Directors</i>									
Jing Siyuan	16/11/2016	0.808	15/11/2026	800,000	-	-	-	-	800,000
Zhang Aimin	16/11/2016	0.808	15/11/2026	800,000	-	-	-	-	800,000
Zhang Qiang	16/11/2016	0.808	15/11/2026	800,000	-	-	-	-	800,000
Sub-total				21,753,194	-	-	-	-	21,753,194
Employees and other participants	17/6/2015	0.729	16/6/2025	776,596	-	-	-	-	776,596
	16/11/2016	0.808	15/11/2026	9,166,000	-	(5,922,000)	-	-	3,244,000
Total				31,695,790	-	(5,922,000)	-	-	25,773,790

For the six months ended 30 June 2021, 5,922,000 share options were exercised, no share options were granted, lapsed or expired under the 2011 Scheme.

18. RELATED PARTY AND CONNECTED TRANSACTIONS

(a) Compensation of key management personnel

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

	Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Fee	1,710	1,790
Salaries, allowances and other benefits	1,675	1,654
Retirement benefits scheme contributions	34	18
	3,419	3,462

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

(b) Related party transactions

The Group had the following transaction with related party during the period.

	Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Paid to related party: Donation	300	—

18. RELATED PARTY AND CONNECTED TRANSACTIONS (Continued)

(c) Investment management fee

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

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Financial instruments measured at fair value on a recurring basis

Some of the Group’s financial assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined, as well as the 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 is observable.

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

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Financial instruments measured at fair value on a recurring basis

(Continued)

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
At 30 June 2021 (unaudited)				
Assets				
Financial assets at FVTPL (note)				
— Listed equity securities	552,836	—	—	552,836
At 31 December 2020 (audited)				
Financial assets at FVTPL (note)				
— Listed equity securities	682,142	—	—	682,142

Note:

The fair value of listed equity securities classified as Level 1 is determined by the closing price quoted in active markets.

20. CONTINGENT LIABILITIES

As at 30 June 2021, the Group did not have any material contingent liabilities (31 December 2020: Nil).

21. DEFERRED TAX ASSETS (LIABILITIES)

For the purpose of presentation in the condensed 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 2021 HK\$'000 (unaudited)	31 December 2020 HK\$'000 (audited)
Deferred tax assets	12,132	—
Deferred tax liabilities	—	(66,753)
	12,132	(66,753)

The following are the major deferred tax liabilities and assets 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 2020	—	3,238	3,238
(Charge) credit to profit or loss	(73,112)	3,121	(69,991)
At 31 December 2020 and 1 January 2021	(73,112)	6,359	(66,753)
Credit to profit or loss (note 8)	73,112	5,773	78,885
At 30 June 2021	—	12,132	12,132

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

During the period, the Group reported a loss of approximately HK\$48.5 million (six months ended 30 June 2020: HK\$71.3 million). The loss for the period decreased by HK\$22,731,000 or 31.9% as compared with corresponding period in 2020 was primarily due to (i) the net realised loss of disposals of financial assets at fair value through profit or loss (“FVTPL”) of HK\$21,928,000 (six months ended 30 June 2020: HK\$Nil); (ii) an increase of net unrealised loss on financial assets at FVTPL by HK\$40,343,000 from HK\$11,934,000 to HK\$52,277,000 and (iii) and the income tax credit of HK\$78,885,000 recognised during the six months ended 30 June 2021 (six months ended 30 June 2020: HK\$Nil).

For the period, the Group recorded a revenue of HK\$258,000 (six months ended 30 June 2020: HK\$451,000), a decrease of HK\$193,000 as compared to the corresponding period in 2020. The Group recorded a net realised loss on disposals of financial assets at FVTPL of HK\$21,928,000 (six months ended 30 June 2020: HK\$Nil). The Group recorded a net unrealised loss on financial assets at FVTPL of HK\$52,277,000 (six months ended 30 June 2020: HK\$11,934,000).

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 2021, the Group held listed securities classified under financial assets at FVTPL of HK\$552,836,000 (31 December 2020: HK\$682,142,000).

INVESTMENT PORTFOLIO

We divide our strategy into three categories, namely long-term holding investment, mid-term private equity and venture capital and short-term trading of securities and other financial instruments. The main sectors of our current investments as at 30 June 2021 were property development and management, construction works and environmental protection and investment in innovation and technology.

INVESTMENT PORTFOLIO (Continued)

Significant Investments

As at 30 June 2021, 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 Tianma Bearing Group Co., Ltd.

Details of above investments are disclosed in note 14 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 HK\$157,759,000 as at 30 June 2021 (31 December 2020: HK\$182,272,000) representing 12.4% (31 December 2020: 12.8%) of the Group's total assets. As at 30 June 2021, the Group had long-term debts which are unsecured interest-bearing loan notes and unsecured interest-bearing bonds in total amount of HK\$122,855,000 (31 December 2020: HK\$137,751,000). Apart from the long-term debts, the Group had short-term debts consisting of unsecured interest-bearing bonds of HK\$54,559,000 (31 December 2020: HK\$82,605,000 including unsecured interest-bearing loans).

As at 30 June 2021, the Group's gearing ratio, being the total debts (total borrowings) divided by total equity, was 16.5% (31 December 2020: 19.9%).

FOREIGN CURRENCY EXPOSURE

Most of the business transactions of the Group are denominated in Hong Kong dollars and Renminbi ("RMB"). The Group closely monitors the fluctuation in these currencies and take actions as appropriate. As at 30 June 2021, the Group did not engage in currency hedging. During the period, the Group had financial assets of HK\$152,998,000 (31 December 2020: HK\$134,536,000) 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. During the period, the movement in the Company's share capital is as follow:

During the six months ended 30 June 2021, 5,922,000 share options were exercised at the subscription price of HK\$0.808 per share, and a total of 5,922,000 ordinary shares were issued, giving gross proceeds of approximately HK\$4,785,000.

Following a placing in October 2020, the Company obtained gross proceeds of HK\$55,440,000. Up to 31 December 2020, the Company used HK\$39.6 million (or 71% of the gross proceeds) to invest in listed securities and HK\$10.9 million (or 20% of the gross proceeds) for the general working capital purposes. During the six months ended 30 June 2021, the Company fully utilized the balance of the gross proceeds in the amount of HK\$4.9 million for general working capital purposes.

COMMITMENTS

There were no commitment as at 30 June 2021 (31 December 2020: Nil).

CONTINGENT LIABILITIES

As at 30 June 2021, the Group did not have any material contingent liabilities (31 December 2020: Nil).

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2021, the Group had 24 employees and 8 Directors. The Group's remuneration policies are in line with prevailing market practice and are determined on the basis of the performance and experience of individual employees.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

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

INTERIM DIVIDEND

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

PROSPECT

After one and a half years of onset of the COVID-19 coronavirus pandemic, the global economy is expected for a strong recovery, which is largely on the strength in major economies such as the United States and China. However, the Biden Administration will continue its trade war with China as well as sanctions on Chinese technology companies. US-China relations are already at their lowest level in decades, and the US' confrontational approach is likely to make things worse. The recovery of the rest of the world is constrained by resurgences of COVID-19 variants, uneven vaccination, and a partial withdrawal of government economic support measures. In addition, crude oil price has more than doubled in the last 12 months and the inflation rears its head again. Under such highly challenging investment environment, the Directors will focus more on the China market and take prudent strategies to manage our portfolio.

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

As at 30 June 2021, 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 2021

Name of Director	Capacity	Notes	Number of shares	Approximate percentage of shareholding
Ma Xiaoqiu ("Ms. Ma")	Beneficial owner		10,520,000	0.79%
Ms. Ma	Interest of controlled corporation	(1)	198,030,400	14.85%

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

(ii) Long positions in underlying shares as at 30 June 2021

Name of Director	Capacity	Notes	Number of underlying shares	Approximate percentage of shareholding
Luk Hong Man, Hammond	Beneficial owner	(2)	6,076,597	0.46%
Zhang Xi	Beneficial owner	(2)	6,076,597	0.46%
Wang Mengtao	Beneficial owner	(3)	3,000,000	0.22%
Leung Ka Fai	Beneficial owner	(3)	3,000,000	0.22%
Jing Siyuan	Beneficial owner	(3)	800,000	0.06%
Zhang Aimin	Beneficial owner	(3)	800,000	0.06%
Zhang Qiang	Beneficial owner	(3)	800,000	0.06%
Ms. Ma	Beneficial owner	(4)	1,200,000	0.09%

Notes:

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

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

- (ii) Long positions in underlying shares as at 30 June 2021
(Continued)

Save as disclosed above, at 30 June 2021, 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 2021, 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	14.85%
DingYiFeng International Holding Limited (Note 1)	198,030,400	Interest of controlled corporation	14.85%
Ms. Ma	209,750,400 (Note 2)	Beneficial owner and Interest of controlled corporation	15.73%
Sui Guangyi ("Mr. Sui")	347,612,800 (Note 3)	Beneficial owner and Interest of controlled corporation	26.06%

SUBSTANTIAL SHAREHOLDER (Continued)

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; (ii) 10,520,000 shares are held by Ms. Ma; and (iii) 1,200,000 are underlying shares which Ms. Ma is entitled to subscribe for at an exercise price of HK\$2.25 per share via options granted under the Company's share option scheme with exercise period from 30 August 2017 to 29 August 2027.

Note 3: Of these shares, 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.

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

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

During the period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2021, the Company had complied with all the applicable provisions of the Corporate Governance Code (the “Code Provision”) as set out in Appendix 14 to the Listing Rules, except for the deviation set out as below.

Code Provision E.1.2 stipulates that the Chairman of the Board should attend the annual general meeting. The Chairman of the Board had not attended the annual general meeting of the Company held on 13 May 2021. The Chairman of the Board will endeavour to attend all future annual general meetings of the Company unless unexpected or special circumstances prevent her from doing so.

AUDIT COMMITTEE

The Audit Committee currently comprised solely of independent non-executive Directors, namely, Ms. Jing Siyuan (Chairman), Mr. Zhang Aimin and Mr. Zhang Qiang. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group. The unaudited interim results and unaudited condensed consolidated financial statements of the Group for the period have been reviewed by the Audit Committee and approved by the Board on 20 August 2021.

By Order of the Board

China Investment Fund Company Limited

Luk Hong Man, Hammond

Executive Director

Hong Kong, 20 August 2021

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 Ms. Ma Xiaoqi, Mr. Leung Ka Fai and Mr. Wang Mengtao; and the independent non-executive Directors are Ms. Jing Siyuan, Mr. Zhang Aimin and Mr. Zhang Qiang.