

INTERIM RESULTS

The Board (the “Board”) of Directors (the “Directors”) of Ding Yi Feng Holdings Group International Limited (formerly known as 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 2023 (the “Period”), together with comparative figures for the corresponding period in 2022.



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

	Notes	Six months ended 30 June	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue	5	221	149
Other income	6	164	401
Net realised gain on disposals of financial assets at fair value through profit or loss		128	–
Net unrealised gain (loss) on financial assets at fair value through profit or loss		140,833	(211,323)
		141,346	(210,773)
Net gain (loss) on disposals/ deregistration of subsidiaries	25	32,963	(190)
Administrative expenses		(66,641)	(51,174)
Finance costs	8	(4,280)	(10,141)
Profit (loss) before tax	9	103,388	(272,278)
Taxation	10	(6,428)	–
Profit (loss) for the period attributable to owners of the Company		96,960	(272,278)
Earnings (loss) per share	12		
– Basic (HK cents)		6.56	(20.05)
– Diluted (HK cents)		6.54	(20.05)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Profit (loss) for the period attributable to owners of the Company	96,960	(272,278)
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	(778)	-
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(27,381)	(29,283)
Other comprehensive expense for the period, net of tax	(28,159)	(29,283)
Total comprehensive income (expense) for the period attributable to owners of the Company	68,801	(301,561)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023

	Notes	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	13	443,725	467,776
Intangible assets	14	5,047	9,806
Right-of-use assets	13	27,801	16,257
Financial assets at fair value through profit or loss	17	602,885	497,279
Equity instruments at fair value through other comprehensive income	15	9,918	–
Deferred tax assets	19	6,359	6,359
Deposits and prepayments	16	5,182	4,118
		1,100,917	1,001,595
Current assets			
Prepayments, deposits and other receivables	16	3,817	7,529
Financial assets at fair value through profit or loss	17	149,257	107,309
Bank balances and cash		251,690	101,029
		404,764	215,867
Current liabilities			
Accruals and other payables		12,821	9,452
Borrowings	18	34,630	55,440
Lease liabilities		12,440	8,417
		59,891	73,309
Net current assets		344,873	142,558

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

At 30 June 2023

	Notes	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Total assets less current liabilities		1,445,790	1,144,153
Non-current liabilities			
Borrowings	18	25,536	38,532
Lease liabilities		16,373	8,929
Deferred tax liabilities	19	6,133	–
		48,042	47,461
Net assets		1,397,748	1,096,692
Capital and reserve			
Share capital	20	78,072	71,014
Reserves		1,319,676	1,025,678
Total equity		1,397,748	1,096,692
Net asset value per share	12	HK\$0.90	HK\$0.77

The condensed consolidated financial statements on pages 2 to 43 were approved and authorised for issue by the Board of Directors on 29 August 2023 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 2023

	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Fair value through other comprehensive income reserve HK\$'000	Share option reserve HK\$'000	Capital reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
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:								
Fair value loss on equity instruments at fair value through other comprehensive income	-	-	-	(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	-
Deregistration of subsidiaries	-	-	722	-	-	-	-	722
At 30 June 2023 (unaudited)	78,072	1,249,655	(16,131)	(778)	4,686	485,318	(403,074)	1,397,748
At 1 January 2022 (audited)	67,500	825,688	62,468	-	3,590	485,318	(172,302)	1,272,262
Loss for the period	-	-	-	-	-	-	(272,278)	(272,278)
Other comprehensive expense:								
Exchange differences arising on translation of foreign operations	-	-	(29,283)	-	-	-	-	(29,283)
Total comprehensive expense for the period	-	-	(29,283)	-	-	-	(272,278)	(301,561)
Issue of shares by placement	1,896	113,736	-	-	-	-	-	115,632
Share issue expenses	-	(3,469)	-	-	-	-	-	(3,469)
Exercise of share options	248	4,963	-	-	(1,315)	-	-	3,896
At 30 June 2022 (unaudited)	69,644	940,918	33,185	-	2,275	485,318	(444,580)	1,086,760

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

		Six months ended 30 June	
Notes		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Operating activities			
Profit (loss) for the period		96,960	(272,278)
Adjustments for:			
Taxation		6,428	–
Depreciation of property, plant and equipment		13 6,115	6,472
Depreciation of right-of-use assets		13 6,868	6,258
Interest income		5 (221)	(149)
Effective interest income from rental deposits		6 (161)	(130)
Interest expenses		8 4,280	10,141
Net (gain) loss on disposals/ deregistration of subsidiaries		25 (32,963)	190
Loss on property, plant and equipment written off		–	12
Impairment loss on an intangible asset		14 4,759	1,109
Net realised gain on disposals of financial assets at fair value through profit or loss (“FVTPL”)		(128)	–
Net unrealised (gain) loss on financial assets at FVTPL		(140,833)	211,323
Equity-settled share-based payments		6,265	–

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Continued)

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Operating cash flows before movements in working capital	(42,631)	(37,052)
Decrease in prepayments, deposits and other receivables	2,107	13,827
Increase in accruals and other payables	3,738	63
Proceeds from disposals of financial assets at FVTPL	8,191	–
Purchase of financial assets at FVTPL	(20,864)	(29,284)
Cash used in operations	(49,459)	(52,446)
Interest received	225	149
Net cash used in operating activities	(49,234)	(52,297)
Investing activities		
Purchase of property, plant and equipment	(2,600)	(1,054)
Net cash inflows from disposals of subsidiaries	22,910	50
Net cash from (used in) investing activities	20,310	(1,004)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Financing activities		
Interest paid	(2,605)	(5,435)
Repayment of lease liabilities	(6,945)	(5,610)
Net proceeds from issue of shares	225,268	116,059
Proceeds from borrowings raised	8,000	38,050
Repayment of borrowings	(43,000)	(55,500)
Net cash from financing activities	180,718	87,564
Net increase in cash and cash equivalents	151,794	34,263
Effect of foreign exchange rate changes	(1,133)	(2,207)
Cash and cash equivalents at 1 January	101,029	111,881
Cash and cash equivalents at 30 June	251,690	143,937



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

1. GENERAL INFORMATION

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and its shares have 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.

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 2023 were approved and authorised for issue by the Board of Directors on 29 August 2023.

2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the six months ended 30 June 2023 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 (including financial assets at FVTPL and financial assets at fair value through other comprehensive income (“FVTOCI”)) 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 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the condensed consolidated financial statements for the six months ended 30 June 2023 are consistent with those adopted by the Group in its audited consolidated financial statements for the year ended 31 December 2022 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.

Application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

In the current interim period, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2023 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 17	Insurance Contracts
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 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The application of the new and 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 condensed consolidated financial statements.

4. ESTIMATES AND JUDGEMENTS

The preparation of the condensed consolidated interim financial statements requires management to make accounting judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, those significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements of the Group for the year ended 31 December 2022.

5. REVENUE

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

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Interest income from banks and financial institutions	221	149

6. OTHER INCOME

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Government subsidies	3	269
Effective interest income from rental deposits	161	130
Sundry income	-	2
	164	401

7. SEGMENT INFORMATION

For the six months ended 30 June 2023 and 2022, the Group is principally engaged in investment in listed and unlisted securities and the Group's revenue was interest income from banks and financial institutions. 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:

	The People's Republic of China ("PRC") and other jurisdictions					
	Hong Kong		Six months ended 30 June		Consolidated	
	Six months ended 30 June 2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	Six months ended 30 June 2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	Six months ended 30 June 2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Segment revenue:						
Interest income from banks and financial institutions	192	81	29	68	221	149

	PRC and other jurisdictions					
	Hong Kong		jurisdictions		Consolidated	
	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Non-current assets*	638,170	509,620	451,206	481,498	1,089,376	991,118
Total assets	907,542	604,567	598,139	612,895	1,505,681	1,217,462
Total liabilities	83,419	103,026	24,514	17,744	107,933	120,770
Other segment information:						
Additions to property, plant and equipment	2,600	-	-	1,054	2,600	1,054
Additions to right-of-use assets	18,883	-	-	21,049	18,883	21,049

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

8. FINANCE COSTS

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Interest expenses on:		
Interest-bearing loan notes (note 18(a))	152	1,342
Interest-bearing bonds (note 18(b))	3,365	8,069
Lease liabilities	763	730
	4,280	10,141

9. PROFIT (LOSS) BEFORE TAX

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
The Group's profit (loss) before tax has been arrived at after charging (crediting) the following items:		
Directors' emoluments:		
Fees	1,730	1,710
Other emoluments	2,241	2,113
Retirement benefits scheme contributions	38	35
Staff costs:		
Basic salaries and allowances	8,478	8,678
Retirement benefits scheme contributions	226	229
Total staff costs (including directors' emoluments)	12,713	12,765
Auditor's remuneration	235	220
Depreciation of property, plant and equipment	6,115	6,472
Depreciation of right-of-use assets	6,868	6,258
Net foreign exchange losses	430	550
Government subsidies	(3)	(269)
Short-term lease payments	287	41
Effective interest income from rental deposits	(161)	(130)
Impairment loss on an intangible asset	4,759	1,109

10. 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	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Deferred taxation (note 19) Charge for the period	6,428	–

11. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

12. NET ASSET VALUE PER SHARE AND EARNINGS (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\$1,397,748,000 (31 December 2022: approximately HK\$1,096,692,000) by the number of shares in issue as at 30 June 2023, being approximately 1,561,434,000 (31 December 2022: approximately 1,420,290,000) shares.

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

(Continued)

Earnings (loss) per share

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

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
<i>Earnings (loss):</i>		
Profit (loss) attributable to owners of the Company	96,960	(272,278)
	30 June 2023 '000	30 June 2022 '000
<i>Shares:</i>		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share calculation	1,478,633	1,357,718
Effect of dilutive potential ordinary shares – share options	4,000	4,600
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share calculation	1,482,633	1,362,318*

- * No adjustment has been made to the basic loss per share for the six months ended 30 June 2022 because the resulted loss per share was 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 was same as the basic loss per share.

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

Property, plant and equipment

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Carrying amount at beginning of the period/year	467,776	519,703
Additions	2,600	1,054
Depreciation	(6,115)	(12,551)
Written off	–	(11)
Exchange adjustments	(20,536)	(40,419)
Carrying amount at end of the period/year	443,725	467,776

Regarding the properties located in the PRC with a carrying amount of approximately HK\$440,465,000, a wholly owned subsidiary of the Company had granted rights to use over these properties free of charge for a period of three years up to 29 September 2025 to certain former subsidiaries. At 30 June 2023, the Group owned only 18% equity interests in these former subsidiaries and were recognised as financial assets at FVTOCI. The Group has rights to terminate the rights with three-month notification.

Right-of-use assets

	Leased properties	
	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Carrying amount at beginning of the period/year	16,257	10,408
Additions	18,883	21,049
Depreciation	(6,868)	(13,541)
Exchange adjustments	(471)	(1,659)
Carrying amount at end of the period/year	27,801	16,257

14. INTANGIBLE ASSETS

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Carrying amount at beginning of the period/year	9,806	11,155
Additions	-	-
Impairment	(4,759)	(1,109)
Disposal of subsidiaries	-	(240)
Carrying amount at end of the period/ year	5,047	9,806

15. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Unlisted equity securities (Note)	9,918	-

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

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

Note: Unlisted equity securities, at fair value

Name of investee companies	Place of incorporation	Proportion of investee's capital owned	Cost	Fair 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 2023 (unaudited)								
Sunshine Forever Limited	Republic of Seychelles	18%	3,215	2,981	(234)	-	0.20%	0.21%
Bravo Fortune Limited	Republic of Seychelles	18%	4,580	4,247	(333)	-	0.28%	0.30%
Energy Vitality Limited	Republic of Seychelles	18%	2,901	2,690	(211)	-	0.18%	0.19%
			<u>10,696</u>	<u>9,918</u>	<u>(778)</u>			

The above unlisted equity investments represent the Group's equity interests in private entities established in the Republic of Seychelles which are engaged in investment holding. The Directors of the Company have elected to designate these investments in equity instruments at FVTOCI as they believe 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.

16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Rental and utility deposits	6,638	7,321
Due from brokers (note)	327	48
Prepayment for leasehold improvements	–	2,296
Other prepayments	921	1,330
Other deposits and receivables	1,113	652
	8,999	11,647
Analysed for reporting purposes as:		
Current assets	3,817	7,529
Non-current assets*	5,182	4,118
	8,999	11,647

* Non-current assets include rental and utility deposits of approximately HK\$5,182,000 (31 December 2022: HK\$1,822,000) and prepayment for leasehold improvements of HK\$Nil (31 December 2022: HK\$2,296,000).

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 receivables included in the above balances have no recent history of default.

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Equity securities listed in Hong Kong (note)	622,760	505,341
Equity securities listed in the PRC (note)	129,382	99,247
	752,142	604,588
Analysed for reporting purposes as:		
Current assets	149,257	107,309
Non-current assets	602,885	497,279
	752,142	604,588

17. 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 2023 and 31 December 2022 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	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 2023 (unaudited)									
Listed equity securities in Hong Kong									
Tencent Holdings Limited (note a)	Cayman Islands	33,000	Less than 0.01%	10,946	10,943	(3)	-	0.73%	0.78%
Hua Yin International Holdings Limited (note b)	Bermuda	1,042,000,000	14.46%	79,192	521,000	441,808	-	34.60%	37.27%
New Concepts Holdings Limited (note c)	Cayman Islands	156,740,000	10.36%	42,998	78,370	35,372	-	5.20%	5.61%
Jiading International Group Holdings Limited (note d)	Bermuda	28,125,000	1.84%	3,938	3,515	(423)	-	0.23%	0.25%
Alibaba Group Holding Limited (note e)	Cayman Islands	110,000	Less than 0.01%	8,980	8,932	(48)	-	0.59%	0.64%
				146,054	622,760	476,706			
Listed equity securities in the PRC									
Caihong Display Devices Co., Ltd. (note f)	PRC	100,000	Less than 0.01%	867	514	(373)	-	0.03%	0.04%
HuiZhou Intelligence Technology Group Co., Ltd. (formerly known as Tianma Bearing Group Co., Ltd.) (note g)	PRC	28,000,000	1.41%	68,019	128,868	60,849	-	8.56%	9.22%
				68,906	129,382	60,476			
				214,960	752,142	537,182			

17. 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 2023 and 31 December 2022 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 2022 (audited)									
Listed equity securities in Hong Kong									
Hong Kong Exchanges and Clearing Limited	Hong Kong	8,800	Less than 0.01%	2,993	2,967	(26)	-	0.24%	0.27%
Tencent Holdings Limited	Cayman Islands	8,800	Less than 0.01%	2,956	2,939	(17)	-	0.24%	0.27%
Hua Yin International Holdings Limited	Bermuda	1,042,000,000	14.46%	79,192	422,010	342,818	-	34.66%	38.48%
New Concepts Holdings Limited	Cayman Islands	156,740,000	11.46%	42,998	72,100	29,102	-	5.92%	6.57%
Jiading International Group Holdings Limited	Bermuda	18,750,000	1.84%	3,000	3,169	169	-	0.26%	0.29%
Alibaba Group Holding Limited	Cayman Islands	25,000	Less than 0.01%	2,135	2,156	21	-	0.18%	0.20%
				133,274	505,341	372,067			
Listed equity securities in the PRC									
Caihong Display Devices Co., Ltd.	PRC	100,000	Less than 0.01%	928	468	(460)	-	0.04%	0.04%
HuiZhou Intelligence Technology Group Co., Ltd. (formerly known as Tianma Bearing Group Co., Ltd.)	PRC	28,000,000	1.41%	71,188	98,779	27,591	-	8.11%	9.01%
				72,116	99,247	27,131			
				205,390	604,588	399,198			

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(Continued)

Notes: (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:

- (a) Tencent Holdings Limited (“Tencent”) 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: 700). Tencent was principally engaged in provision of value-added services, online advertising services and financial technology and business services.

For the year ended 31 December 2022, the audited consolidated profit attributable to equity holders of Tencent was approximately RMB188,243 million and the basic earnings per share was RMB19.757. As at 31 December 2022, its audited consolidated net assets value attributable to equity holders of Tencent was approximately RMB721,391 million. No dividend was received during the period.

- (b) 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.

For the year ended 31 March 2023, the audited consolidated profit attributable to owners of Hua Yin was approximately RMB366,009,000 and the basic earnings per share was RMB5.17 cents. As at 31 March 2023, its audited consolidated net assets attributable to owners of Hua Yin was approximately RMB397,612,000. No dividend was received during the period.

- (c) 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 2023, the audited consolidated loss attributable to owners of New Concepts was approximately HK\$20,797,000 and the basic loss per share was HK1.60 cents. As at 31 March 2023, its audited consolidated net assets value attributable to owners of New Concepts was approximately HK\$359,377,000. No dividend was received during the period.

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(Continued)

Notes: (Continued)

- (d) 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, sales of batteries and sales of new energy electric vehicles.

For the year ended 31 March 2023, the audited consolidated loss attributable to owners of Jiading was approximately HK\$67,214,000 and the basic loss per share was HK5.86 cents. As at 31 March 2023, its audited consolidated net assets value attributable to owners of Jiading was approximately HK\$78,857,000. No dividend was received during the period.

- (e) Alibaba Group Holding Limited (“Alibaba”) 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: 9988). Alibaba was principally engaged in China and international retail and wholesale business, local consumer service, which included “To-Home” and “To-Destination” businesses, Cainiao Network’s logistics services, cloud service, digital media and entertainment services and innovation initiatives and others.

For the year ended 31 March 2023, the audited consolidated net income attributable to ordinary shareholders of Alibaba was approximately RMB72,509 million and the basic earnings per share was RMB3.46. As at 31 March 2023, its audited consolidated net assets value attributable to the shareholders of Alibaba was approximately RMB989,657 million. No dividend was received during the period.

- (f) 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 2022, the audited consolidated loss attributable to owners of Caihong was approximately RMB2,662 million and the basic loss per share was RMB0.74. As at 31 December 2022, its audited consolidated net assets value attributable to owners of Caihong was approximately RMB19,624 million. No dividend was received during the period.

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(Continued)

Notes: (Continued)

- (g) HuiZhou Intelligence Technology Group Co., Ltd. (formerly known as Tianma Bearing 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 2022, the audited consolidated profit attributable to owners of HuiZhou was approximately RMB85 million and the basic earnings per share was RMB4.32 cents. As at 31 December 2022, its audited consolidated net assets value attributable to owners of HuiZhou was approximately RMB2,108 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.

18. BORROWINGS

	Notes	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Interest-bearing loan notes, unsecured	(a)	12,496	32,481
Interest-bearing bonds, unsecured	(b)	47,670	61,491
		60,166	93,972
Analysed for reporting purposes as:			
Current liabilities		34,630	55,440
Non-current liabilities		25,536	38,532
		60,166	93,972

18. BORROWINGS (Continued)

Notes:

(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 from 29 April 2015 to 30 April 2015 which are repayable on dates 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 issued on 9 September 2015 which is repayable on a date falling 8 years from the date of issue of the Notes, which is 8 September 2023. 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 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 2023.

At 30 June 2023, the outstanding note with principal amount of HK\$12,500,000 are measured at amortised cost, using the effective interest method with effective interest rate at 5.08% p.a. (31 December 2022: the outstanding Notes with aggregate principal amounts of HK\$32,500,000 and effective interest rates ranging from 5.08% p.a. to 5.15% p.a.).

18. BORROWINGS (Continued)

Notes: (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 2022	32,442
Effective interest expenses	2,174
Interest paid/payables	(2,135)
At 31 December 2022 and 1 January 2023	32,481
Repaid during the period	(20,000)
Effective interest expenses (note 8)	152
Interest paid/payables	(137)
At 30 June 2023	12,496

(b) Interest-bearing bonds

During the six months ended 30 June 2023, the Company has issued and repaid unsecured interest-bearing bonds with aggregate principal amounts of HK\$8,000,000 and HK\$23,000,000 (31 December 2022: HK\$57,000,000 and HK\$131,000,000) respectively. The outstanding unsecured bonds bear interests ranging from 2.8% p.a. to 12% p.a. (31 December 2022: 2.8% p.a. to 12% p.a.) and will mature in three months to three years (31 December 2022: one month to four years).

18. BORROWINGS (Continued)

Notes: (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 2022	135,649
Issued during the year	52,340
Repaid during the year	(131,300)
Effective interest expenses	13,039
Interest paid/payables	(8,237)
	<hr/>
At 31 December 2022 and 1 January 2023	61,491
Issued during the period	8,000
Repaid during the period	(23,000)
Effective interest expenses (note 8)	3,365
Interest paid/payables	(2,186)
	<hr/>
At 30 June 2023	47,670

19. DEFERRED TAX ASSETS (LIABILITIES)

The following is the analysis of the deferred tax balances for financial reporting purposes:

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Deferred tax assets	6,359	6,359
Deferred tax liabilities	(6,133)	–
	226	6,359

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 2022, 31 December 2022 and 1 January 2023	–	6,359	6,359
Charge to profit or loss (note 10)	(8,119)	1,691	(6,428)
Exchange adjustments	373	(78)	295
At 30 June 2023	(7,746)	7,972	226

20. SHARE CAPITAL

	Number of ordinary shares of HK\$0.05 each '000	Nominal value HK\$'000
Authorised:		
At 1 January 2022, 31 December 2022 and 30 June 2023	4,000,000	200,000
Issued and fully paid:		
At 1 January 2022	1,350,005	67,500
Issue of shares by placement (Note a)	64,720	3,236
Exercise of share options (Note b)	5,565	278
At 31 December 2022 and 1 January 2023	1,420,290	71,014
Issue of shares by placement (Note c)	140,344	7,018
Exercise of share options (Note d)	800	40
At 30 June 2023	1,561,434	78,072

20. SHARE CAPITAL (Continued)

Notes:

- (a) On 2 June 2022, 37,912,000 ordinary shares were issued by the Company pursuant to a placing agreement dated 16 May 2022 at a placing price of HK\$3.05 per share, giving gross proceeds of approximately HK\$115,632,000.

On 14 October 2022, 26,808,000 ordinary shares were issued by the Company pursuant to a placing agreement dated 21 September 2022 at a placing price of HK\$3.5 per share, giving gross proceeds of HK\$93,828,000.

- (b) During the year ended 31 December 2022, 1,465,193 share options and 4,100,000 share options were exercised at the subscription price of HK\$0.729 per share and HK\$0.808 per share respectively, and a total of 5,565,193 ordinary shares were issued, giving gross proceeds in a total of approximately HK\$4,381,000.
- (c) 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.
- (d) During the six months ended 30 June 2023, 800,000 share options were exercised at the subscription price of HK\$0.808 per share, and a total of 800,000 ordinary shares were issued, giving gross proceeds in a total of approximately HK\$647,000.



21. 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.

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.

21. SHARE OPTION SCHEMES (Continued)

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 2023, the company granted 3,000,000 share options with an exercise price of HK\$3.39 under the 2021 Scheme.

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

Grantee	Date of grant	Exercise price HK\$	Exercisable period up to	At 1 January 2023	Granted during the period	Exercised during the period	Expired during the period	Lapsed during the period	Outstanding at 30 June 2023
<i>Executive Directors</i>									
Luk Hong Man, Hammond	20/1/2023	3.39	25/1/2033	-	500,000	-	-	-	500,000
Zhang Xi	20/1/2023	3.39	25/1/2033	-	500,000	-	-	-	500,000
<i>Non-executive Directors</i>									
Leung Ka Fai	15/11/2016	0.808	15/11/2026	1,500,000	-	-	-	-	1,500,000
	20/1/2023	3.39	25/1/2033	-	350,000	-	-	-	350,000
Wang Mengtao	20/1/2023	3.39	25/1/2033	-	350,000	-	-	-	350,000
Ma Xiaohu	29/8/2017	2.25	29/8/2027	1,200,000	-	-	-	(1,200,000)	-
	20/1/2023	3.39	25/1/2033	-	1,000,000	-	-	(1,000,000)	-
<i>Independent Non-executive Directors</i>									
Jing Siyuan	15/11/2016	0.808	15/11/2026	800,000	-	(800,000)	-	-	-
Sub-total				3,500,000	2,700,000	(800,000)	-	(2,200,000)	3,200,000
<i>Employees and other participants</i>									
	15/11/2016	0.808	15/11/2026	500,000	-	-	-	-	500,000
	20/1/2023	3.39	25/1/2033	-	300,000	-	-	-	300,000
Total				4,000,000	3,000,000	(800,000)	-	(2,200,000)	4,000,000

The share option is vested immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

For the six months ended 30 June 2023, 800,000 share options were exercised, no share options were granted, 1,200,000 share options were lapsed and no share options were expired under the 2011 Scheme; and 3,000,000 share options were granted, 1,000,000 share options were lapsed and no share options were exercised or expired under the 2021 Scheme.

21. SHARE OPTION SCHEMES (Continued)

The fair value of the total options granted during the period measured on 20 January 2023 and determined using Binomial Option Pricing Model was approximately HK\$6,265,000. The significant inputs into the model were share price of HK\$3.39 at the grant date, an exercise price shown above, an expected volatility of 117.23%, 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.

22. RELATED PARTY AND CONNECTED TRANSACTIONS

Saved as disclosed in elsewhere in the condensed consolidated financial statements, the Group had the certain related party and connected transactions during the six months ended 30 June 2023.

(a) Compensation of key management personnel

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

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Fee	1,730	1,710
Salaries, allowances and other benefits	2,241	2,113
Retirement benefits scheme contributions	38	35
	4,009	3,858

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

22. RELATED PARTY AND CONNECTED TRANSACTIONS (Continued)

(b) Investment management fee

On 4 July 2021, 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 2023. 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 2021, 2022 and 2023. 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.

23. 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 markets 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).

23. 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 2023 (unaudited)				
Financial assets at FVTPL				
(note a)				
- Listed equity securities	752,142	-	-	752,142
Equity instruments at FVTOCI				
- Unlisted equity securities				
(note b)				
	-	-	9,918	9,918
At 31 December 2022 (audited)				
Financial assets at FVTPL (note a)				
- Listed equity securities	604,588	-	-	604,588

Notes:

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

24. CONTINGENT LIABILITIES

As at 30 June 2023, the Group did not have any material contingent liabilities (31 December 2022: Nil).

25. NET GAIN (LOSS) ON DISPOSALS/DEREGISTRATION OF SUBSIDIARIES

Disposals of subsidiaries

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 aggregate considerations of HK\$22,900,000. The disposals were completed in January 2023.

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

	HK\$'000 (unaudited)
Intangible assets (note)	53,987
Other payables	(58)
	<hr/>
Net assets disposed of	53,929
Release of capital reserve	(53,987)
	<hr/>
	(58)
Fair value of retained interests in subsidiaries disposed of (note 15)	(10,696)
Total consideration	(22,900)
	<hr/>
Gain on disposal	(33,654)

Note: The intangible assets represent the rights to use over the properties located in the PRC which were owned by a wholly owned subsidiary of the Company free of charge (the “Rights”) for a period of three years up to 29 September 2025. The Rights were initially recognised as intangible assets at fair value with reference to the valuation reports provided by the independent valuer. The fair values were determined taking into account of the discounted cash flows over three years. The amounts were recognised and resulted in an increase in capital reserves in subsidiaries’ accounts.

25. NET GAIN (LOSS) ON DISPOSALS/DEREGISTRATION 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	—
	<hr/> 22,900 <hr/>

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 an aggregate consideration of HK\$10,000, resulting in a gain on disposal of approximately HK\$31,000.

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

	HK\$'000 (unaudited)
Other receivable	8
Other payables	(28)
	<hr/>
Net assets disposed of	(20)
Release of exchange reserve	(1)
Total consideration	(10)
	<hr/>
Gain on disposal	(31)

25. NET GAIN (LOSS) ON DISPOSALS/DEREGISTRATION 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	—
	<hr/>
	10
	<hr/>

During the six months ended 30 June 2022, the Group disposed of its entire equity interests in 5 subsidiaries to an independent third party for an aggregate consideration of HK\$50,000, resulting in a loss on disposal of HK\$190,000.

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

	HK\$'000 (unaudited)
Intangible asset	<hr/> 240
Net assets disposed of	240
Total consideration	<hr/> (50)
Loss on disposal	<hr/> 190

25. NET GAIN (LOSS) ON DISPOSALS/DEREGISTRATION 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	50
Cash and cash equivalents disposed of	—
	<hr/>
	50
	<hr/>

Deregistration of subsidiaries

During the six months ended 30 June 2023, the Group deregistered two subsidiaries which were incorporated in the PRC, resulting in a loss on deregistration of approximately HK\$722,000.

During the six months ended 30 June 2022, no subsidiaries were deregistered by the Group.

26. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of office premises as follows:

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Within one year	660	56

27. CAPITAL COMMITMENTS

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 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	15,470	16,191



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

During the period, the Group reported a profit of approximately HK\$97.0 million (six months ended 30 June 2022: a loss of approximately HK\$272.3 million). The turnaround of the result with a gain for the six months ended 30 June 2023 as compared to a loss for the same period in 2022 was primarily due to net unrealised gain on financial assets at fair value through profit or loss (“FVTPL”) of approximately HK\$140,833,000 (six months ended 30 June 2022: net unrealised loss on financial assets at FVTPL of approximately HK\$211,323,000) which was mainly attributable to the fair value gains on listed securities investment.

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 2023, the Group held listed securities classified under financial assets at FVTPL of approximately HK\$752,142,000 (31 December 2022: HK\$604,588,000).

Investment in unlisted securities

As at 30 June 2023, the Group held unlisted securities classified under equity instruments at fair value through other comprehensive income of approximately HK\$9,918,000 (31 December 2022: Nil). The Group’s investment portfolio in unlisted securities consists of Sunshine Forever Limited of approximately HK\$2,981,000 (31 December 2022: Nil); Bravo Fortune Limited of approximately HK\$4,247,000 (31 December 2022: Nil) and Energy Vitality Limited of approximately HK\$2,690,000 (31 December 2022: Nil).

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 2023 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 2023, 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, New Concepts Holdings Limited and HuiZhou Intelligence Technology Group Co., Ltd. (formerly known as Tianma Bearing Group Co., Ltd.).

Details of above investments are disclosed in note 17 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\$251,690,000 as at 30 June 2023 (31 December 2022: approximately HK\$101,029,000) representing 16.7% (31 December 2022: 8.3%) of the Group's total assets. As at 30 June 2023, the Group had long-term borrowings of unsecured interest-bearing bonds of approximately HK\$25,536,000 (31 December 2022: approximately HK\$38,532,000). Apart from the long-term borrowings, the Group had short-term borrowings which are unsecured interest-bearing loan notes and unsecured interest-bearing bonds in an aggregate amount of approximately HK\$34,630,000 (31 December 2022: approximately HK\$55,440,000).

As at 30 June 2023, the Group's gearing ratio, being the total debts (total borrowings) divided by total equity, was 4.3% (31 December 2022: 8.6%).



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 2023, the Group did not engage in currency hedging. During the period, the Group had major financial assets of HK\$149,150,000 (31 December 2022: HK\$131,995,000) 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, the movements in the Company’s share capital are as follow:

During the six months ended 30 June 2023, 800,000 share options were exercised at the subscription price of HK\$0.808 per share, and a total of 800,000 ordinary shares were issued, giving gross proceeds of HK\$646,400.

Following a placing which completed on 14 October 2022, the Company obtained gross proceeds of HK\$93,828,000. Up to 31 December 2022, the Group used HK\$40.1 million (or 42.8% of the gross proceeds) to invest in listed securities and HK\$39.2 million (or 41.8% of the gross proceeds) for the general working capital purposes. During the six months ended 30 June 2023, the Group fully utilized the balance of the gross proceeds in the amount of HK\$14.5 million for general working capital purposes.

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 HK\$231,567,600. Up to 30 June 2023, the Group used (a) HK\$20.0 million (or 8.6% of the gross proceeds) to invest in listed securities (namely, listed equity securities in Tencent Holdings Limited (HK\$11 million) and Alibaba Group Holding Limited (HK\$9 million); and (b) HK\$56.7 million (or 24.5% of the gross proceeds) for general working capital purposes.

CAPITAL COMMITMENTS

As at 30 June 2023, the Group had capital commitments in respect of property, plant and equipment which are contracted for but not provided for of approximately HK\$15,470,000 (31 December 2022: HK\$16,191,000).

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 30 June 2023, there was no charges on the Group's assets and the Group did not have any material contingent liabilities (31 December 2022: Nil).

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2023, the Group had 26 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

Apart from disclosed in note 25, 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

Chances of a robust global economic recovery in 2023 remain weak due to a number of risks and uncertainties, such as the lingering effects of the COVID-19 pandemic, stubborn inflation, and heightened interest rates. Moreover, geopolitical tensions among major nuclear powers have escalated dramatically, which could have a serious impact on the world economy. The war in Ukraine has been lasting for well over one year and a peaceful resolution is still not foreseeable in the near future. NATO is planning to open its first liaison office in Japan to facilitate talks with security partners such as South Korea, Australia and New Zealand, with geopolitical challenges from China and Russia in mind. While a military conflict in the region does not appear likely in the near term, the tense relationship between China and the U.S. and its allies will be the main risk for Asia in the years ahead. Under such highly uncertain investment 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 2023, 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 2023

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	2,600,000	0.17%
Leung Ka Fai ("Mr. Leung")	Beneficial owner	1,500,000	0.10%
Jing Siyuan	Beneficial owner	800,000	0.05%

(ii) Long positions in underlying shares as at 30 June 2023

Name of Director	Capacity	Notes	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%
Mr. Leung	Beneficial owner	(2)	1,850,000	0.12%



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 2023 (Continued)

Notes:

- (1) These share options are at an exercise price of HK\$3.39 per share of the Company with exercise period from 26 January 2023 to 25 January 2033.
- (2) 1,500,000 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. 350,000 share options are at an exercise price of HK\$3.39 per share of the Company with exercise period from 26 January 2023 to 25 January 2033.

Save as disclosed above, at 30 June 2023, 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 2023, 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, 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 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 2023, 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 A.2.1

In accordance with Code Provision A.2.1, it stipulates that the roles of the chairman and the chief executive are 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. The Board has not appointed individual to the post of chairman. The Board is in the process of identifying suitable candidate to fill in the vacancy for chairman in compliance with the requirement of the Code Provision A.2.1. Further announcement will be made by the Company with regard to the new appointment of chairman of the Company in due course.

CORPORATE GOVERNANCE PRACTICES (Continued)

Code Provision E.1.2

In accordance with Code Provision E.1.2, it stipulates that the chairman of the Board should attend the annual general meeting (“AGM”). No chairman of the Board had attended the AGM of the Company held on 27 June 2023 as the Board is in the process of identifying suitable candidate to fill in the vacancy for 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 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 29 August 2023.

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

Hong Kong, 29 August 2023

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, 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.