東銀國際
INTERNATIONAL HOLDINGS

DOYEN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability) Stock Code: 668

Interim Report 2018

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CORPORATE INFORMATION

Board of Directors

Executive directors

Mr. Lo Siu Yu, *Chairman*
Mr. Tai Xing, *Chief Executive Officer*
Mr. Cho Chun Wai

Non-executive directors

Ms. Luo Shaoying, *Vice Chairman*
Mr. Wang Xiaobo
Mr. Qin Hong

Independent non-executive directors

Mr. Chan Ying Kay
Dr. Zhu Wenhui
Mr. Wang Jin Ling

Audit Committee

Mr. Chan Ying Kay,
Committee Chairman
Dr. Zhu Wenhui
Mr. Wang Jin Ling

Remuneration Committee

Dr. Zhu Wenhui,
Committee Chairman
Mr. Chan Ying Kay
Mr. Wang Jin Ling

Nomination Committee

Mr. Lo Siu Yu,
Committee Chairman
Mr. Chan Ying Kay
Dr. Zhu Wenhui

Company Secretary

Mr. Cho Chun Wai

Authorised Representatives

Mr. Lo Siu Yu
Mr. Cho Chun Wai

Registered Office

Suites 2009-2010, 20/F., Harbour Centre,
25 Harbour Road, Wanchai, Hong Kong
Tel: (852) 2596 0668
Fax: (852) 2511 0318
E-mail: enquiry@doyenintl.com

Share Registrar

Computershare Hong Kong Investor
Services Limited
46/F., Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong

Share Transfer Office

Computershare Hong Kong Investor
Services Limited
Shops 1712-16, 17/F., Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong.

Principal Bankers

The Hongkong and Shanghai Banking
Corporation Limited
Bank of Communications Co., Limited
China Everbright Bank

Solicitors

Mason Ching & Associates

Auditor

RSM Hong Kong
Certified Public Accountants

Stock Code

668

Website

http://www.doyenintl.com

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS

BUSINESS REVIEW

For six months ended 30 June 2018, Doyen International Holdings Limited (the "Company", together with its subsidiaries, collectively the "Group") recorded profit of approximately HK$20.0 million (six months ended 30 June 2017: profit of approximately HK$9.6 million). During the first half of 2018, the Group recorded an exchange loss of approximately HK$4.5 million, while it has recorded an exchange gain of approximately HK$8.9 million during the corresponding period last year.

Loan Financing Business

東葵融資租賃(上海)有限公司 (Dongkui Financial Leasing (Shanghai) Co., Ltd.*) ("Shanghai Dongkui"), a subsidiary of which 77.58% equity interest is owned by the Company, is mainly engaged in provision of secured loan financing, which is referred to as leaseback in China, but as almost all of the buy-back options for the pledged equipment and fixed assets will be exercised, and that the right of usage of the related assets have not been transferred, therefore, such transactions do not qualified as finance lease under the Hong Kong Accounting Standard. Shanghai Dongkui will continue to select projects with relatively reliable grading, sufficient security and controllable risks through assessment of profit, financial and credit status of enterprises. The registered capital of Shanghai Dongkui amounted to US$51.3 million (equivalent to approximately HK$400.1 million).

On 28 June 2018, Shanghai Dongkui into the sale and purchase agreement with 淮安市洪澤區人民醫院 (Hongze Huaian District People's Hospital*) ("Hongze Hospital"), a public institution legal person established in the People's Republic of China ("PRC"), an independent third party, pursuant to which the Shanghai Dongkui agreed to purchase the machinery and equipment from Hongze Hospital at a total consideration of RMB30 million (equivalent to approximately HK$35.6 million). Same date, the Shanghai Dongkui entered into the finance lease agreement and the consultancy agreement with Hongze Hospital, pursuant to which the machinery and equipment would be leased back to Hongze Hospital for a term of three years. And agreed to provide consultancy service to Hongze Hospital in relation to, inter alia, machinery and equipment financial leasing and Hongze Hospital has agreed to pay a fee of RMB1.5 million (equivalent to approximately HK$1.8 million) to the Shanghai Dongkui.

Currently, Shanghai Dongkui provides medical equipment-backed loan financing to eight hospitals, namely Hongze Hospital with project amount of RMB30 million (equivalent to approximately HK$35.6 million); 桃江縣人民醫院 (Taojiang County People's Hospital*) with project amount of RMB40 million (equivalent to approximately HK$47.4 million); 綏陽縣中醫院 (Suiyang County Chinese Medicine Hospital*) with project amount of RMB15 million (equivalent to approximately HK$17.8 million); 貴州省甕安縣人民醫院 (Guizhou Province Weng'an County People's Hospital*) with project amount of RMB10 million (equivalent to approximately HK$11.9 million); 射洪縣人民醫院 (Shehong People's Hospital*) with project amount of RMB35 million (equivalent to approximately HK$41.5 million); 祿豐縣人民醫院 (Lufeng People's Hospital*) with project amount of RMB12 million (equivalent to approximately HK$14.2 million); 泗縣人民醫院 (Sixian People's Hospital*) with project amount of RMB30 million (equivalent to approximately HK$35.6 million); and 鳳慶縣人民醫院 (The People's Hospital of Fengqing*) with project amount of RMB20 million (equivalent to approximately HK$23.7 million).

* *For identification purpose only*

BUSINESS REVIEW *(continued)*

Loan Financing Business *(continued)*

The effective interest rate of the Company's loan financing ranged from 11.9% to 13.9% (2017: same). Among the loan financing of the above hospitals, two will expire in 2018, one will expire in 2019, two will expire in 2020 and three will expire in 2021. During the year, all the customers have excellent repayment credit records and each project amount and interest are collectable on time. Decrease in loan financing income was mainly attributable to increasingly severe regulatory environment in the PRC's financial market which resulted in difficulties of the Group in securing bank factoring finance for potential loan financing project. As such, the number of completed sizeable loan financing project reduced this year. Strict regulatory policy also led to temporary insufficient liquidity so the Company reduced its reliance on bank factoring and raised the overall market interest cost.

Short-term Loan Business

On 8 June 2017, Shanghai Dongkui entered into a loan agreement with 上海興灣貿易有限公司 (Shanghai Xingwan Trade Co., Ltd.*, a company established with limited liability under the laws of the PRC), pursuant to which Shanghai Dongkui has agreed to grant a loan in the amount of RMB20 million (equivalent to approximately HK$23.7 million) for a term of 18 months at the interest rate of 11% per annum.

For the six months ended 30 June 2018, the loan financing segment contributed revenue of approximately HK$9.5 million (six months ended 30 June 2017: approximately HK$10 million) and recorded profit after tax of approximately HK$12.4 million (six months ended 30 June 2017: approximately HK$8.7 million).

Property Investment Holding

重慶寶旭商業管理有限公司 (Chongqing Baoxu Commercial Property Management Ltd.*) ("Chongqing Baoxu"), a subsidiary of which 70% equity interest is owned by the Company, is principally engaged in the investment holding of Dong Dong Mall ("Dong Dong Mall"), a shopping arcade for commercial use and located at No.2, Second Lane, Nanping East Road, Nanan District, Chongqing in the PRC with a total gross floor area of 18,043.45 square meters. Dong Dong Mall is adjacent to a main pedestrian street and a number of shopping malls, where is a hot-spot of fashion, shopping, entertainment and business for residents around south Chongqing due to its convenient public transportation.

For the six months ended 30 June 2018, the Group's property investment segment has contributed revenue of approximately HK$7.3 million (six months ended 30 June 2017: approximately HK$5.2 million), representing an increase of approximately 40.1%. Meanwhile, the net finance income attributable to this segment rose to approximately HK$5.3 million (six months ended 30 June 2017: approximately HK$2.4 million). For the six months ended 30 June 2018, this segment has recorded a profit after tax of approximately HK$7.6 million (six months ended 30 June 2017: approximately HK$3.6 million).

BUSINESS REVIEW *(continued)*

Advancement of the Loans

On 8 November 2016, the Company granted a loan ("Doyen Loan") with a principal amount of RMB80 million (equivalent to approximately HK$94.8 million) to 重慶東銀控股集團有限公司(Chongqing Doyen Holdings Group Co., Ltd.*) ("Chongqing Doyen"). On the same date, Chongqing Baoxu granted a loan ("Baoxu Loan") with a principal amount of RMB80 million (equivalent to approximately HK$94.8 million) to Chongqing Doyen.

On 11 November 2016, Shanghai Dongkui granted a loan ("Shanghai Dongkui Loan") with a principal amount of RMB110 million (equivalent to approximately HK$130.4 million) to Chongqing Doyen.

On 6 March 2017, the Company granted a loan ("Doyen 2nd Loan") with a principal amount of RMB150 million (equivalent to approximately HK$177.8 million) to Chongqing Doyen.

The aggregate amount of the Doyen Loan, the Baoxu Loan, the Shanghai Dongkui Loan and the Doyen 2nd Loan (collectively, the "Loans") granted to Chongqing Doyen amount to RMB420 million (equivalent to approximately HK$497.7 million).

Pursuant to the terms of relevant loan agreements (the "Loan Agreements"), the maturity date of the Loans falls on 18 January 2018 (or such later date as shall be agreed by Chongqing Doyen and the respective lenders prior to the maturity date). The maturity date of the Loans has not been extended and accordingly, on 18 January 2018, each of the Loans has become due and payable by Chongqing Doyen. For further details of the status of the Loans, please refer to the announcement of the Company dated 18 January 2018 and note 16 to the condensed consolidated financial statements.

During the coordination conference organised by the Chongqing government on 7 December 2017 (the "Coordination Conference"), a preliminary consensus was reached among the relevant government authorities and the major creditors of the Chongqing Doyen in relation to the Debt Restructuring ("Debt Restructuring") that (i) the principle of the debt restructuring is to secure the repayment of the principal amount of relevant loans and interests to the relevant creditors; and (ii) any unilateral enforcement or transfer of collateral (the "Collateral") (i.e. the 51% equity interest in 重慶東銀殼牌石化有限公司 (Chongqing Doyen Shell Petrochemical Co., Ltd.*) ("Doyen Shell") against the Chongqing Doyen is discouraged. The directors ("Directors") were also given to understand that the Collateral was part of the core assets in the Debt Restructuring plan, such that the release of the Collateral was one of the top priorities of the Debt Restructuring plan.

Received the Notice from Chongqing Doyen on 9 April 2018 which stated that 中國華融資產管理股份有限公司重慶市分公司(China Huarong Asset Management Co., Ltd. Chongqing City Branch*) ("Huarong") has been engaged to commence relevant preliminary due diligence and consultancy work in relation to the Debt Restructuring. The Company was also given to understand that Huarong was in the course of preparing a valuation report on, among others, Doyen Shell.

BUSINESS REVIEW *(continued)*

Advancement of the Loans *(continued)*

Received a notice from Chongqing Doyen in June 2018 ("June Notice") stating that, among others, the Debt Restructuring plan is expected to be approved before 30 September 2018 and the repayment schedule is expected to be finalised by 31 October 2018. The Company had communicated with Chongqing Doyen and Huarong in June 2018 in order to, among others, ascertain the reasons for the postponement of the timeline of the Debt Restructuring plan, and the Company was informed that the postponement was mainly because Huarong was still in the course of conducting their due diligence exercise. According to the June Notice, the due diligence exercise commenced in April 2018 and the valuation, financial and legal due diligence exercise were still in progress. Considering the reasons for the postponement of timeline of the Debt Restructuring plan, and on the basis that Chongqing Doyen and Doyen Shell will provide the information and documents required by the auditors of the Company before 30 September 2018, the Directors are of the view that the postponement of timeline of the Debt Restructuring plan will not cause any material adverse impact to the likelihood of the recovery of the Loans or the financial position of the Company. If the schedule of repayment cannot be finalised before the end of October 2018, the Group will consider enforcing the Collaterals to recover the outstanding sum of the Loans and/or to recognise an impairment loss with regards to the relevant shortfall of the outstanding amount of the Loans.

During mid-July, the senior management of the Company visited Chongqing Doyen and met the financial controllers of Chongqing Doyen in order to have a better understanding in the progress of the Debt Restructuring plan, as well as the corporate operation of Doyen Shell and the current status of Chongqing Doyen. The senior management of the Company noted that the due diligence conducted by Huarong was still in progress and the corporate operation of Doyen Shell was going well. The senior management of the Company will maintain communication with Chongqing Doyen.

With respect to the qualified opinion issued by the auditor of the Company, the audit committee of the Company (the "Audit Committee") had communicated with the auditor of the Company and had understood from the auditor whether and how their concern could be addressed. In particular, the Audit Committee understands that Doyen Shell is a valuable collateral which the Company may choose to enforce when the Loans become unrecoverable. In order for the auditor to consider whether to issue an qualified opinion in the future or not, the auditor would require the information in relation to the financial position and prospects of Doyen Shell to assess the recoverability of the Loans and for the auditor to review the decision of the Company as to, among others, whether to recognise an impairment, whether to enforce the Collateral and the amount of the impairment in case there is any shortfall after enforcing the Collateral. Please refer to the announcement of the Company dated 3 July 2018.

PROSPECTS

The Company has always been identifying suitable investment or business opportunities so as to diversify the business of the Group and broaden the Group's income sources. Meanwhile, before securing potential investment opportunities, the Company will seize any opportunity to make short-term investment with lower risks for the sake of greater returns for shareholders.

Loan Financing Business

According to *Report of Market Prospective and Investment Strategy Planning on China Financial Leasing Industry (2017-2022)*, up to the end of June 2017, the total number of enterprises engaging in finance lease was 8,218, representing a year-on-year growth of 44%. From 2009 to 2017, the finance lease market size in China increased from RMB370 billion to RMB5.33 trillion and the weighting of finance lease over fixed assets investment increased from 1.65% to 9.59%. According to the forecast, the market penetration rate of finance lease in China may reach 17%, which indicated that China's finance lease industry has a broad market prospect in future.

Looking forward, the Group will continue to develop its existing loan financing business in the hospital and medical "Big Health" segment, and will selectively enter areas and sub-industries with relatively lower risk in order to enlarge our assets scale. Provided that we can ensure the safety and abundance of our capital, the Group will further enter into the financing markets in the utilities and other low-risk sectors. At the meantime, the Group will also explore business opportunities in other sectors, such as traffic and transportation, energy, equipment manufacturing, construction, energy conservation and environmental protection and aviation. The Group will carry out an in-depth research on the sub-industries, and at the same time innovate its business mode for the better development of the Company's loan financing business in the future.

Short-term Loan Business

This year, Shanghai Dongkui will strengthen capital liquidity and effectively utilize the capital so that it will have safe and adequate capital to increase lending projects (within one-year term) should any exceptional projects arise.

Property Investment Holding

China has a huge population and rapid economic development. Under a market condition with large demand in retail and consumption, number of shopping mall grows significantly, which provides a diversified selections for consumers. However, physical retail is put to unprecedented challenges under the effects of numerous factors such as increasing operating costs, structural adjustment in consumption demand and rise of online shopping. Despite the crisis we currently face, by accelerating pace of innovation, enhancing our own market competitiveness to outperform and maintain our market position, the prospect of physical retail is still promising.

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 30 June 2018, the Group had a total of 32 (31 December 2017: 35) full-time employees. Employees' remuneration packages are determined with reference to prevailing market practices and individual performance. The Group's remuneration package includes basic salaries, sales incentives (which are only payable to certain operational staff), medical insurance plans and retirement benefit schemes. Discretionary bonus and share options may be granted to eligible employees based on the performance of the Group and individual employees.

The emoluments of the Directors are determined by the remuneration committee of the Company, having regard to the operating results of the Group, individual performance and comparable market statistics.

The Company encourages its employees to enhance their competence, and also provides training to improve working capabilities of staff members and creates opportunities for long-term growth of employees.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 June 2018, the Group had cash and cash equivalents of approximately HK$85.4 million (31 December 2017: approximately HK$96.1 million). Management believes that the Group has sufficient cash and cash equivalents to fund its operations and future development. As at 30 June 2018, the current ratio of the Group, representing current assets divided by current liabilities, was approximately 3.2 (31 December 2017: approximately 10.5).

Gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the condensed consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as "equity", as shown in the condensed consolidated statement of financial position plus net debt. As at 30 June 2018, the Group's total borrowings exceeded the bank and cash balances by approximately HK$192.3 million (31 December 2017: approximately HK$225.3 million), as a result of Dongkui business entered into three-year loans with banks as its general working capital.

Capital structure

As at 30 June 2018, the Group's current and non-current bank borrowings amounted to approximately HK$218.5 million (31 December 2017: approximately HK$52.8 million) and approximately HK$59.3 million (31 December 2017: approximately HK$268.6 million) respectively. All the bank borrowings bore interest at floating rates while the bond bore interest of fixed rate.

The Group did not use any derivatives to hedge its exposure to interest rate risks for the six months ended 30 June 2018 and the year ended 31 December 2017. The Group monitors its capital by maintaining a sufficient net cash position to satisfy its commitments and working capital requirements.

FINANCIAL REVIEW *(continued)*

Pledge of assets

As at 30 June 2018, the Group's bank loans of approximately HK$83.0 million (31 December 2017: approximately HK$96 million) were secured by the Group's investment property amounted to approximately HK$330.4 million (31 December 2017: approximately HK$333.6 million) and its right to receive rental income.

Exposure to fluctuations in exchange rates and related hedges

The Group operates in Hong Kong and the PRC with most of the transactions denominated and settled in local currencies except certain amounts due from a related company denominated in RMB other than the functional currency of the respective group entity expose the Group to foreign exchange exposure.

Currently, the Group does not use any derivative financial instruments to hedge its exposure to foreign exchange risk.

Commitments

As at 30 June 2018 and 31 December 2017, the Group had no capital commitment.

As at 30 June 2018, the total future minimum lease payments under non-cancellable operating leases for properties amounted to approximately HK$3.0 million (31 December 2017: HK$2.0 million).

Contingent liabilities

The Group had no significant contingent liabilities as at 30 June 2018 and 31 December 2017.

Interim dividend

The board (the "Board") of Directors of the Company did not recommend the payment of an interim dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: Nil).

Warrant

On 14 August 2015, an extraordinary general meeting was held to approve an issue of 20,000,000 warrant to Haitong International Finance Company Limited ("Haitong"). The exercise price of the warrant is HK$0.6975. Upon full exercise of the warrants, a maximum of 20,000,000 unlisted warrant shares will be issued, representing (i) approximately 1.570% of the Company's issued share capital of 1,274,038,550 shares; and (ii) approximately 1.546% of the Company's issued share capital as enlarged by the issue of the warrant shares. For details, please refer to the circular dated 29 July 2015.

OTHER INFORMATION

Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company and any associated corporation

As at 30 June 2018, the following Directors of the Company had interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required (a) to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them has taken or deemed to have taken under the provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered into in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") to be notified to the Company and the Stock Exchange:

Long positions of the Directors' interests in the shares and underlying shares of the Company as at 30 June 2018:

Name of Directors	Capacity	Interests in shares: Corporate interest	Interests in shares: Personal interest	Interests in underlying shares pursuant to share options	Total number of shares interested	Approximate percentage of the Company's issued shares
Mr. Lo Siu Yu ("Mr. Lo")	Interest of controlled corporation and beneficial owner	760,373,018 *(Note a)*	25,000,000 *(Note b)*	–	785,373,018	61.64%
Mr. Cho Chun Wai	Beneficial owner	–	10,000	–	10,000	0.00%
Mr. Wang Xiaobo	Beneficial owner	–	–	2,850,000	2,850,000	0.22%
Mr. Qin Hong	Beneficial owner	–	–	2,100,000	2,100,000	0.16%
Dr. Zhu Wenhui	Beneficial owner	–	10,000	–	10,000	0.00%

Notes:

a. 670,373,018 shares were held by Money Success Limited, a company wholly-owned by Wealthy In Investments Limited, which is in turn wholly-owned by Mr. Lo. 60,000,000 shares were held by Sino Consult Asia Limited and 30,000,000 shares were held by Full Brilliant Limited, both are companies wholly-owned by Money Success Limited.

b. Such interests are held jointly with Ms. Chiu Kit Hung, the spouse of Mr. Lo.

Save as disclosed above, as at 30 June 2018, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them has taken or deemed to have taken under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered into the register referred to therein; or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

Change of Director's Information

Pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on the Stock Exchange, the change of Director's information is as follow:

On 3 July 2018, Mr. Chan Ying Kay ("Mr. Chan") resigned as the Chief Financial Officer of Beautiful China Holdings Limited ("Beautiful China") (stock code 706), a company listed on the Main Board of the Stock Exchange. Mr. Chan remains as the Company Secretary of Beautiful China.

Equity-settled share option scheme

Share options were granted to eligible participants under a share option scheme approved and adopted by the shareholders of the Company at the annual general meeting held on 11 September 2008 ("Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who have contributed or will contribute to the growth and development of the Group.

Movement in the Company's outstanding share options granted under the Share Option Scheme during the six months ended 30 June 2018 is set out below:

	Date of grant	Exercisable period	Exercise price HK$	Closing price per share immediately before the date of grant HK$	No. of options outstanding as at 1 January 2018	No. of options granted during the six months ended 30 June 2018	No. of options exercised/ cancelled/ lapsed during the six months ended 30 June 2018	No. of options outstanding as at 30 June 2018	Approximate percentage of the underlying shares for the options outstanding in the issued shares of the Company
Mr. Wang Xiaobo *(Note 1)*	15 October 2010	15 October 2010 to 14 October 2020	1.638	1.610	2,850,000	–	–	2,850,000	0.22%
Mr. Qin Hong *(Note 2)*	2 December 2010	2 December 2010 to 1 December 2020	1.628	1.500	2,100,000	–	–	2,100,000	0.16%
Total					4,950,000	–	–	4,950,000	0.38%

Notes:

1. The options have a term of ten years commencing on 15 October 2010 and shall vest (if applicable) and become exercisable in three tranches in the proportion of approximately $33^1/_3$%, $33^1/_3$% and $33^1/_3$% on 15 October 2010, 15 October 2011 and 15 October 2012 respectively.
2. The options have a term of ten years commencing on 2 December 2010 and shall vest (if applicable) and become exercisable in three tranches in the proportion of approximately $33^1/_3$%, $33^1/_3$% and $33^1/_3$% on 2 December 2010, 2 December 2011 and 2 December 2012 respectively.

Substantial shareholders' interests and short positions in shares and underlying shares and debentures of the Company

As at 30 June 2018, according to the register of interests in shares of the Company and short positions of the Company required to be kept by the Company under section 336 of the SFO, the following persons or corporations, other than Directors or chief executives of the Company, having interests or short positions in the shares or underlying shares which would fall to be disclosed by the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Long positions of substantial shareholders' interests in the shares of the Company:

Name of substantial shareholder	Capacity	Number of shares interested	Approximate percentage of the Company's issued shares
Jiangsu Huaxi Group Co. Ltd	Interest of controlled corporation *(Note a)*	905,373,078	71.06%
Hua Sing (Hong Kong) Trading Investment Limited	Interest of controlled corporation *(Note b)*	785,373,018	61.64%
Hua Sing (Cayman) Energy Holdings Limited	Person having a security interest in share *(Note b)*	785,373,018	61.64%
Jiangyin Huaxi Steel Co., Ltd	Interest of controlled corporation *(Note c)*	120,000,000	9.42%
Baoli International (Hong Kong) Trading Co., Limited	Beneficial owner *(Note c)*	120,000,000	9.42%
Haitong International Finance Company Limited	Beneficial owner	20,000,000	1.57%
	Interest of controlled corporation	760,373,018	59.68%
Haitong International Holdings Limited	Interest of controlled corporation	780,373,018	61.25%
Haitong International Securities Limited	Interest of controlled corporation	780,373,018	61.25%
Haitong Securities Co., Ltd	Interest of controlled corporation	780,373,018	61.25%
Haitong International Credit Company Limited	Person having a security interest in shares	760,373,018	59.68%
Ms. Chiu Kit Hung	Interest of spouse *(Note d)*	785,373,018	61.64%
Wealthy In Investments Limited	Interest of controlled corporation *(Note e)*	760,373,018	59.68%
Money Success Limited	Beneficial owner *(Note f)*	760,373,018	59.68%
Mr. Xue Yuewu	Beneficial owner	108,000,000	8.48%
Mr. Gao Yi Xin	Interest of controlled corporation *(Note g)*	90,000,000	7.06%
Ms. Wang He Fen	Interest of controlled corporation *(Note g)*	90,000,000	7.06%
Mr. Huang Wu Jun	Interest of controlled corporation *(Note g)*	90,000,000	7.06%
Xinyuan International Marine Transportation Co. Ltd.	Beneficial owner *(Note g)*	90,000,000	7.06%

Substantial shareholders' interests and short positions in shares and underlying shares and debentures of the Company *(continued)*

Notes:

a. Jiangsu Huaxi Group Co. Ltd ("Jiangsu Huaxi Group") is a company established with limited liability under the laws of the PRC. Jiangsu Huaxi Group Co. Ltd held 75% of Jiangyin Huaxi Steel Co., Ltd, which in turn wholly-owned Baoli International (Hong Kong) Trading Co., Limited.

b. Hua Sing (Hong Kong) Trading Investment Limited is a company established with limited liability under the laws of Hong Kong Special Administrative Region and a subsidiary wholly-owned by Jiangsu Huaxi Group Co. Ltd. Hua Sing (Cayman) Energy Holdings Limited is an overseas company established in Cayman Islands and a subsidiary wholly-owned by Hua Sing (Hong Kong) Trading Investment Limited.

c. Jiangyin Huaxi Steel Co., Ltd is a company established with limited liability under the laws of the PRC and a subsidiary owned 75% by Jiangsu Huaxi Group Co. Ltd. Baoli International (Hong Kong) Trading Co., Limited is a company established with limited liability under the laws of Hong Kong Special Administrative Region and a subsidiary wholly-owned by Jiangyin Huaxi Steel Co., Ltd.

d. Ms. Chiu Kit Hung is the spouse of Mr. Lo, who is the Chairman and an executive Director of the Company.

e. Wealthy In Investments Limited is a company wholly-owned by Mr. Lo.

f. 670,373,018 shares were held by Money Success Limited, a company wholly-owned by Wealthy In Investments Limited, which is in turn wholly-owned by Mr. Lo. 60,000,000 shares were held by Sino Consult Asia Limited and 30,000,000 shares were held by Full Brilliant Limited, both are companies wholly-owned by Money Success Limited.

g. 55%, 25% and 20% of the shareholdings of Xinyuan International Marine Transportation Co. Ltd were owned by Mr. Gao Yi Xin, Ms. Wang He Fen and Mr. Huang Wu Jun respectively.

Save as disclosed above, as at 30 June 2018, the Company had not been notified by any persons or corporations (other than Directors or chief executives of the Company) who had an interest directly or indirectly and/or short position in the shares or underlying shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of SFO.

Purchase, sale or redemption of shares

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares for the six months ended 30 June 2018.

Compliance with the Code on Corporate Governance Practices

The Company acknowledges the importance of good corporate governance practices and believes that it is essential to the development of the Group and to safeguard the interests of the shareholders. The Directors are of the opinion that the Company has complied with the code provisions ("Code Provision") as set out in the Code on Corporate Governance Practices (the "CG Code") in Appendix 14 of Listing Rules throughout the six months ended 30 June 2018, save for deviations from Code Provision A.4.1 and Code Provision E.1.2 as disclosed below:

Code Provision A.4.1 stipulates that non-executive Directors should be appointed for a specific term, subject to re-election. None of the non-executive Directors of the Company is appointed for a specific term. However, in accordance with the articles of association of the company at each annual general meeting, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. The Company considered that this is no less exacting than those provided in the CG Code.

Code Provision E.1.2 specifies that the chairman of the Board should attend the annual general meeting. Mr. Lo, the chairman of the Board has been heavily involved in the business operation of the Group in the PRC. Despite his utmost intention to be present at the Company's annual general meeting held on 14 May 2018, he was unable to attend the said meeting. Mr. Lo undertakes that he will try his best to attend the future annual general meetings of the Company whenever possible.

The Company regularly reviews its corporate governance practices to ensure its compliance with the CG Code and its alignment with the latest development.

Compliance with the Model Code

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code for dealing in securities of the Company by the Directors. The Company has made specific enquiry of all Directors and all Directors have confirmed with the Company that they have complied with the required standard as set out in the Model Code during the six months ended 30 June 2018.

Audit committee

The Company has established an audit committee ("Audit Committee") comprised all three independent non-executive Directors, namely, Mr. Chan Ying Kay, Dr. Zhu Wenhui and Mr. Wang Jin Ling with written terms of reference in compliance with the Listing Rules.

The Audit Committee has reviewed the Group's condensed consolidated interim financial information for the six months ended 30 June 2018 and has also discussed the internal control, the accounting principles and practices adopted by the Group. The Audit Committee is of the opinion that such financial information has been prepared in accordance with the applicable accounting standards, the Listing Rules and the statutory requirements and that adequate disclosures have been made in the interim report.

Appreciation

On behalf of the Board, I would like to take this opportunity to thank all employees for their contributions to the Group and all the shareholders for their continuous support.

By order of the Board
DOYEN INTERNATIONAL HOLDINGS LIMITED
Lo Siu Yu
Chairman

Hong Kong, 8 August 2018

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2018

	Note	Six months ended 30 June 2018 HK$'000 (unaudited)	2017 HK$'000 (unaudited)
Revenue	5	**16,753**	15,234
Staff costs		**(6,865)**	(6,404)
Operating lease rentals		**(1,442)**	(1,262)
Other tax expenses		**(1,046)**	(1,195)
Depreciation		**(240)**	(235)
Other operating expenses		**(4,817)**	(7,786)
Other gains and losses	6	**(7,648)**	9,720
Other income	7	**–**	256
(Loss)/Profit from operations		**(5,305)**	8,328
Finance income	8	**39,524**	19,655
Finance costs	8	**(11,237)**	(16,699)
Finance income – net	8	**28,287**	2,956
Profit before tax		**22,982**	11,284
Income tax expense	9	**(2,984)**	(1,718)
Profit for the period	10	**19,998**	9,566
Attributable to:			
Owners of the Company		**13,151**	6,528
Non-controlling interests		**6,847**	3,038
		19,998	9,566
Earnings per share	12	**HK cents**	HK cents
Basic		**1.03**	0.51
Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2018

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Profit for the period	**19,998**	9,566
Other comprehensive income, net of tax:		
Item that will be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**(16,330)**	21,437
Total comprehensive income for the period	**3,668**	31,003
Attributable to:		
Owners of the Company	**7,018**	22,412
Non-controlling interests	**(3,350)**	8,591
	3,668	31,003

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2018

	Note	30 June 2018 HK$'000 (unaudited)	31 December 2017 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	*13*	**316**	559
Investment property	*14*	**330,425**	333,600
Intangible assets		**7,096**	7,096
Investment in an associate		**–**	–
Loan receivables	*15*	**74,142**	57,586
Deferred tax assets		**12,038**	10,883
		424,017	409,724
Current assets			
Loan receivables	*15*	**62,805**	108,032
Prepayments, deposits and other receivables		**4,346**	3,728
Financial assets at fair value through profit or loss		**103,538**	131,959
Amounts due from a related company	*16*	**542,300**	507,263
Pledged bank deposits		**1,185**	6,265
Bank and cash balances		**85,431**	96,135
		799,605	853,382
Current liabilities			
Accruals and other payables		**22,931**	15,011
Borrowings	*17*	**218,497**	52,794
Current tax liabilities		**6,092**	13,518
		247,520	81,323
Net current assets		**552,085**	772,059
Total assets less current liabilities		**976,102**	1,181,783
Non-current liabilities			
Borrowings	*17*	**59,250**	268,591
Deferred tax liabilities		**3,859**	3,867
		63,109	272,458
NET ASSETS		**912,993**	909,325
Capital and reserves			
Share capital	*18*	**1,174,378**	1,174,378
Deficit		**(458,687)**	(465,705)
Equity attributable to owners of the Company		**715,691**	708,673
Non-controlling interests		**197,302**	200,652
TOTAL EQUITY		**912,993**	909,325

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2018

	Attributable to owners of the Company								
	Share capital HK'000	Merger reserve HK'000	Exchange reserve HK'000	Statutory reserve HK'000	Other reserves HK'000	Retained earnings HK'000	Total HK'000	Non-controlling interests HK'000	Total equity HK'000
At 1 January 2017 (audited)	1,174,378	(409,968)	(59,779)	3,916	11,618	(77,992)	642,173	180,684	822,857
Total comprehensive income for the period	–	–	15,884	–	–	6,528	22,412	8,591	31,003
At 30 June 2017 (unaudited)	1,174,378	(409,968)	(43,895)	3,916	11,618	(71,464)	664,585	189,275	853,860
At 1 January 2018 (audited)	**1,174,378**	**(409,968)**	**(17,711)**	**7,050**	**11,618**	**(56,694)**	**708,673**	**200,652**	**909,325**
Total comprehensive income for the period	**-**	**-**	**(10,252)**	**4,119**	**-**	**13,151**	**7,018**	**(3,350)**	**3,668**
At 30 June 2018 (unaudited)	**1,174,378**	**(409,968)**	**(27,963)**	**11,169**	**11,618**	**(43,543)**	**715,691**	**197,302**	**912,993**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2018

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Net cash used in operating activities	**(58,401)**	(9,471)
Net cash generated from/(used in) investing activities	**46,648**	(60,213)
Net cash generated from/(used in) financing activities	**4,575**	(16,699)
Net decrease in cash and cash equivalents	**(7,178)**	(86,383)
Cash and cash equivalents at beginning of period	**96,135**	196,533
Effect of foreign exchange rate changes	**(3,526)**	4,852
Cash and cash equivalents at end of period, represented by	**85,431**	115,002
Bank and cash balances	**85,431**	115,002

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General information

Doyen International Holdings Limited (the "Company") was incorporated in Hong Kong with limited liability. The address of its registered office and principal place of business is Suites 2009-2010, 20th Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company together with its subsidiaries (collectively referred to as the "Group") are principally engaged in investment property holding in the People's Republic of China ("PRC"), provision of financing to customers in the PRC (the "Dongkui business") and investment holding.

In the opinion of the Directors of the Company, as at 30 June 2018, Money Success Limited, a company incorporated in the British Virgin Islands ("BVI"), is the immediate parent; Wealthy In Investments Limited, a company incorporated in the BVI, is the ultimate parent and Mr. Lo Siu Yu ("Mr. Lo") is the ultimate controlling party of the Company.

2. Basis of preparation

These condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

The financial information relating to the year ended 31 December 2017 that is included in these unaudited condensed financial statements for the six months ended 30 June 2018 as comparative information does not constitute the statutory annual consolidated financial statements of the Company for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2017 to the Registrar of Companies as required by section 622(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor has report on those consolidated financial statements. The auditor's report was modified and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

These condensed financial statements should be read in conjunction with the 2017 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2017 except as stated below.

3. Adoption of new and revised Hong Kong Financial Reporting Standards

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2018. HKFRSs comprise individual Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not have any significant effect on the condensed financial statements.

4. Fair value measurements

Except as disclosed below, the carrying amounts of the Group's financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

(a) Disclosures of level in fair value hierarchy at 30 June 2018:

Description	Fair value measurements as at 30 June 2018 Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total 2018 HK$'000
Recurring fair value measurements:				
Financial assets				
Financial assets at fair value through profit or loss				
Listed equity securities	8,738	–	–	8,738
Financial products	–	95,397	–	95,397
	8,738	95,397	–	104,135
Investment property				
Shopping mall – PRC	–	–	330,425	330,425
Total	8,738	95,397	330,425	434,560

4. Fair value measurements *(continued)*

(a) Disclosures of level in fair value hierarchy at 30 June 2018: *(continued)*

Description	Fair value measurements as at 31 December 2017 Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total 2017 HK$'000
Recurring fair value measurements:				
Financial assets				
Financial assets at fair value through profit or loss				
Listed equity securities	11,959	–	–	11,959
Financial products	–	120,000	–	120,000
	11,959	120,000	–	131,959
Investment property				
Shopping mall – PRC	–	–	333,600	333,600
Total	11,959	120,000	333,600	465,559

No valuation has been conducted by independent valuer for the current period. As at 30 June 2018, the Board considered no material changes in the fair value of the investment property during the period under review.

(b) Reconciliation of assets measured at fair value based on level 3:

Description	**Investment property HK$'000**	**Total 2018 HK$'000**
At 1 January 2018	**333,600**	**333,600**
Additions	**995**	**995**
Exchange differences	**(4,170)**	**(4,170)**
Total gains or losses recognised in profit or loss (#)	**–**	**–**
At 30 June 2018	**330,425**	**330,425**
(#) Include gains or losses for assets held at end of reporting period	**–**	**–**

Description	Financial assets at fair value through profit or loss – Unlisted PRC equity fund HK$'000	Investment property HK$'000	Total 2017 HK$'000
At 1 January 2017	41,251	309,409	350,660
Additions	–	803	803
Exchange differences	1,256	9,418	10,674
Total gains or losses recognised in profit or loss (#)	–	–	–
At 30 June 2017	42,507	319,630	362,137
(#) Include gains or losses for assets held at end of reporting period	–	–	–

The total gains or losses recognised in profit or loss are included in the line item "other gains and losses" on the face of the consolidated statement of profit or loss.

4. Fair value measurements *(continued)*

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 30 June 2018:

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

The valuation technique and inputs used in level 3 fair value measurements for the Group's investment property are disclosed in note 14.

Level 2 fair value measurements

Description	Fair value 2018 HK$'000	 2017 HK$'000
Financial assets at fair value through profit or loss – Financial products	**95,397**	120,000

The fair values of the financial products are approximate to their costs plus expected returns.

The Directors have estimated the fair value of the unlisted PRC equity fund by reference to the fund's net asset value quoted by the fund manager. As the fund is not redeemable at the reporting date, the valuation is a level 3 fair value measurement.

There were no changes in the valuation technique used.

5. Segment information

Operating segments are identified and reported in the manner consistent with internal reports of the Group that are regularly reviewed by the chief operating decision-maker (the "CODM") in order to assess performance and allocate resources. The CODM, has been defined as the executive Directors who assess the performance of the operating segments based on the profit and loss generated.

The CODM reviews the business principally from an industry perspective and has identified two reportable segments. No operating segments have been aggregated to form the following reportable segments:

Investment property holding	–	property investment and rental activities
Dongkui business	–	provision of loan financing

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different marketing strategies.

The operation of 重慶寶旭商業管理有限公司 (for identification purpose, Chongqing Baoxu Commercial Property Management Ltd. ("Chongqing Baoxu")) represents the operating and reportable segment of investment property holding.

The operation of 東葵融資租賃(上海)有限公司 (for identification purpose, Dongkui Financial Leasing (Shanghai) Co. Ltd. ("Shanghai Dongkui")) represents the operating and reportable segment of Dongkui business.

The measure used for reporting segment profit is "profit after tax".

5. Segment information *(continued)*

Information about operating segment profit or loss:

	Investment property holding HK$'000 (unaudited)	Dongkui business HK$'000 (unaudited)	Total HK$'000 (unaudited)
Six months ended 30 June 2018			
Revenue from external customers	**7,271**	**9,482**	**16,753**
Depreciation	**(5)**	**(12)**	**(17)**
Finance income	**7,609**	**11,239**	**18,848**
Finance costs	**(2,323)**	**(211)**	**(2,534)**
Income tax credit/(expense)	**1,342**	**(1,952)**	**(610)**
Segment profit after tax	**7,640**	**12,363**	**20,003**
Six months ended 30 June 2017			
Revenue from external customers	5,191	10,043	15,234
Depreciation	(3)	(8)	(11)
Finance income	5,259	5,743	11,002
Finance costs	(2,901)	(1,131)	(4,032)
Income tax credit/(expense)	1,233	(2,951)	(1,718)
Segment profit after tax	3,599	8,735	12,334

Reconciliation of segment profit or loss:

	Six months ended 30 June	
	2018 HK$'000 (unaudited)	2017 HK$'000 (unaudited)
Total profit of reportable segments after tax	**20,003**	12,334
Unallocated amounts:		
Staff costs	**(4,435)**	(4,197)
Depreciation	**(223)**	(224)
Exchange (loss)/gain – net	**(4,477)**	8,868
Finance income	**20,676**	8,653
Finance costs	**(8,703)**	(12,667)
Other corporate expenses	**(2,843)**	(3,201)
Consolidated profit after tax for the period	**19,998**	9,566

6. Other gains and losses

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Disposal of subsidiary gain	**50**	–
Fair value (loss)/gain on financial assets at fair value through profit or loss	**(3,221)**	852
Exchange (loss)/gain – net	**(4,477)**	8,868
	(7,648)	9,720

7. Other income

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Dividend income from equity investments	**–**	256
	–	256

8. Finance income and costs

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Finance income		
Interest income on bank deposits	**1,137**	1,216
Interest income on loans to a related company	**38,387**	18,439
	39,524	19,655
Finance costs		
Interest on bank loans	**(2,534)**	(4,031)
Interest on other borrowings – bonds	**(8,703)**	(12,668)
	(11,237)	(16,699)
Finance income – net	**28,287**	2,956

9. Income tax expense

Income tax has been recognised in profit or loss as follows:

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Current tax		
PRC Enterprise Income Tax ("EIT")	**2,984**	1,718

No provision for Hong Kong Profits Tax is required since the Group has no assessable profits for the six months ended 30 June 2018 and 2017.

PRC EIT has been provided at a rate of 25% (2017: same).

According to the PRC EIT law and the relevant PRC issued implementation regulation, the Group is subject to PRC withholding income tax of 7% (2017: same) on the gross interest income from a related party.

Under the PRC EIT law, dividends received by foreign investors from investment in foreign-invested enterprises in respect of their profits earned since 1 January 2008 are subject to withholding tax of 5% to 10% unless reduced by treaty. Accordingly, deferred tax has been recognised for undistributed retained profits of PRC subsidiaries at a rate of 10% to the extent that the profits will be distributed in the foreseeable future.

10. Profit for the period

The Group's profit for the period is arrived at after charging:

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Auditor's remuneration		
– Audit	**–**	–
– Others	**–**	264
Direct operating expenses of investment property that generate rental income	**2,466**	2,179

11. Dividends

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2018 and 2017.

12. Earnings per share

The calculation of basic earnings per share is based on the following:

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Earnings		
Profit attributable to owners of the Company, used in the basic earnings per share calculation	**13,151**	6,528

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares used in basic earnings per share calculation	**1,274,039**	1,274,039

The Company's outstanding share options and warrants had no dilutive effect for the six months ended 30 June 2018 and 2017 as the exercise prices of those share options and warrants were higher than the average market price for shares. Accordingly, diluted earnings per share for the six months ended 30 June 2018 and 2017 has not been presented.

13. Property, plant and equipment

No acquisition of property, plant and equipment during the six months ended 30 June 2018 (for the year ended 31 December 2017: approximately HK$337,000).

14. Investment property

	30 June 2018 HK$'000 (unaudited)	31 December 2017 HK$'000 (audited)
At 1 January	**333,600**	309,409
Additions	**995**	2,041
Fair value loss	**–**	(888)
Exchange differences	**(4,170)**	23,038
Ending balance at fair value	**330,425**	333,600

The Group's investment property represents a shopping mall in the PRC. The Group's investment property held under operating lease for rental purposes is measured using fair value model. No valuation has been conducted by independent valuer for the current period. As at 30 June 2018, the Board considered no material changes in the fair value of the investment property during the period under review. The fair value as at 31 December 2017 was based on a valuation carried out by Vigers Appraisal & Consulting Limited, an independent qualified professional valuer not connected with the Group with substantial experience in valuation of properties. The valuation was derived using the income capitalisation approach. The valuation is based on the capitalisation of the current rental income and reversionary income potential by adopting appropriate term/reversionary yields, which are derived from analysis of sales transactions and valuer's interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have made reference to recent lettings within the subject property and other comparable properties.

15. Loan receivables

	30 June 2018 HK$'000 (unaudited)	31 December 2017 HK$'000 (audited)
Current assets	**62,805**	108,032
Non-current assets	**74,142**	57,586
Loans to customers	**136,947**	165,618

As at 30 June 2018, the Group's loans to customers comprise the following:

(a) Loans to customers of approximately HK$77.6 million (31 December 2017: HK$105.6 million) were secured by the plant and equipment of the relevant customers and repayable by instalments within three to five years from the draw-down dates. The effective interest rate on such loans ranged from 11.9% to 13.9% (31 December 2017: same) per annum.

(b) Loans to customers of approximately HK$59.3 million (31 December 2017: HK$60.0 million) with effective interest rate of 11% (31 December 2017: same) per annum. Such loans under a corporate guarantee was unsecured and repayable within one year.

15. Loan receivables *(continued)*

As at 30 June 2018, the Group's loan receivables were neither past due nor impaired. These relate to a number of independent customers for whom there is no recent history of default.

As at 30 June 2018, no loan receivables pledged as security for the Group's bank loans.

16. Amounts due from a related company

	30 June 2018 HK$'000 (unaudited)	31 December 2017 HK$'000 (audited)
Loan to a related company (note (a))	**497,700**	504,000
Interest income receivable	**37,725**	–
Reimbursement for tax expenses (note (b))	**6,875**	3,263
	542,300	507,263

Amounts due from a related company is denominated in RMB.

Note:

(a) Pursuant to two loan agreements both dated 8 November 2016, the Company and Chongqing Baoxu advanced RMB80,000,000 each to Chongqing Doyen.

Pursuant to a loan agreement dated 11 November 2016, Shanghai Dongkui advanced a loan of RMB110,000,000 to Chongqing Doyen.

During the current year, the Company further advanced RMB150,000,000 to Chongqing Doyen pursuant to a loan agreement dated 6 March 2017.

The aforesaid loans totalling RMB420,000,000 (equivalent to approximately HK$504,000,000) were interest-bearing at 10.5% per annum and due on 18 January 2018.

During the current year, 51% of the equity interest of Doyen Shell (the "Collaterals") was charged to the Group as security for the aforesaid loans.

(b) In relation to the loans advanced by the Company to Chongqing Doyen, Chongqing Doyen agrees to reimburse the Company any tax expenses, denominated in RMB, on the interest income generated from the loans advanced by the Company.

On 18 January 2018, Chongqing Doyen failed to repay the principal amount and the interest for the period from 1 January 2018 to 18 January 2018 as at the due date and was construed as default in repayment according to the loan agreements. Chongqing Doyen also failed to settle the reimbursement of tax expenses up to the date of these consolidated financial statements authorised for issue. The Group is still under negotiation with Chongqing Doyen for the settlement of the outstanding balances. However, no repayment schedule has been agreed with Chongqing Doyen.

Taking into consideration the financial conditions of Chongqing Doyen and the value of the Collaterals, the directors are of the view that the Group is able to recover the outstanding balances due in full from Chongqing Doyen, and therefore no impairment has been provided for the aforesaid amounts in the year ended 31 December 2017.

17. Borrowings

	30 June 2018 HK$'000 (unaudited)	31 December 2017 HK$'000 (audited)
Bank loans – secured (note (a))	**82,950**	123,126
Bonds – unsecured (note (b))	**194,797**	198,259
	277,747	321,385

The borrowings are repayable as follows:

	30 June 2018 HK$'000 (unaudited)	31 December 2017 HK$'000 (audited)
Within one year	**218,497**	52,794
In the second year	**23,700**	220,591
In the third to fifth years	**35,550**	48,000
	277,747	321,385
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(218,497)**	(52,794)
Amount due for settlement after 12 months	**59,250**	268,591

(a) Bank loans – secured

The Group's bank loans are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. As at 30 June 2018, the effective interest rate ranging from 4.8% to 5.4% (31 December 2017: same) per annum.

As at 30 June 2018, the Group's bank loans of approximately HK$83.0 million (31 December 2017: HK$96.0 million) were secured by the Group's investment property and its right to receive rental income. As at 31 December 2017, the Group's bank loan of approximately HK$27.1 million were secured by the Group's loan receivables and pledged bank deposits, and were guaranteed by Chongqing Doyen.

17. Borrowings *(continued)*

(b) Bonds – unsecured

In January 2015, the Group issued bonds (the "Bonds") with an aggregate face value of HK$195,000,000 at par to Haitong International Finance Company Limited ("Haitong"). The Bonds are denominated in HK$, unsecured, bear interest at 9.5% per annum payable quarterly in arrears and has a maturity period of 24 months after the first issuance of the Bonds. The Bonds are guaranteed by Mr. Lo, director and ultimate controlling party of the Company. In addition, the immediate parent of the Company undertakes that until the Bonds are fully repaid, its shares in the Company deposited in a designated margin securities account will not be at any time less than 52.19% of the total issued and outstanding shares of the Company, and will not be subject to any pledge (except in relation to the margin facility arranged). If there is any default on the Bonds, Haitong will have a right to sell the said shares which the immediate parent holds in the securities account for repayment of any outstanding amounts of the Bonds.

On 20 January 2017, the Group entered into a supplemental deed (the "Supplemental Deed") with Haitong, Mr. Lo, being the guarantor, and Chongqing Doyen, being the corporate guarantor (under a corporate guarantee agreement dated 20 January 2017) whereby the parties amended certain terms and conditions of the Bonds, inter alia:

(i) The maturity date shall be extended to the date falling upon the expiry of 12 months from the expiry of 24 months after the first issuance of the Bonds (the "Maturity Date") and the Group may further extend the maturity date to a date falling upon the expiry of 24 months from the expiry of 24 months after the first issuance of the Bonds (the period of such 12 or 24 extended months as applicable, from the original Maturity Date being called the "Extension Period").

(ii) The Bonds bear interest at 9% per annum during the Extension Period.

On 7 February 2018, Haitong transferred the Bonds to a transferee (the "New Bondholder"), whose intermediate holding company indirectly holds 9.42% equity interest of the Company and 30% equity interest of the Company's subsidiary, Chongqing Baoxu. Pursuant to a confirmation letter dated 7 February 2018, the New Bondholder confirmed, among others, the following:

(i) The maturity date of the Bonds has been extended to 18 January 2019.

(ii) The failure by the Company to pay interest between 7 February 2018 to 17 January 2019, both dates inclusive (the "Period") shall not constitute a breach of the bond instrument dated 19 January 2015 (the "Bond Instrument") and the Supplemental Deed or an event of default under the Bond Instrument (the "Event of Default").

(iii) Any interest due but remain unpaid during the Period (the "Accrued Interest") shall become immediately payable by the Company on the first business day (excluding Saturday, Sunday and public holidays on which banks in Hong Kong are open for business) immediately after the Period.

17. Borrowings *(continued)*

(b) Bonds – unsecured *(continued)*

(iv) No interest shall accrue on the Accrued Interest itself and the default interest pursuant to the Bond Instrument shall not be applicable to any Accrued Interest.

(v) If any Event of Default (except for the non-payment of interest during the Period) should occur, the New Bondholder shall have the right to revoke the effect of any or all of the paragraphs (i) to (iii) above, any right exercisable by the New Bondholder pursuant to the Bond Instrument may be exercised in respect of the Accrued Interest and the Bond Instrument shall apply to the Accrued Interest from the date of any demand by the New Bondholder to pay the Accrued Interest accordingly.

18. Share capital

	30 June 2018 HK$'000 (unaudited)	31 December 2017 HK$'000 (audited)
Issued and fully paid: 1,274,039,000 ordinary shares	**1,174,378**	1,174,378

19. Disposal of subsidiaries

Pursuant to an agreement dated 12 June 2018 entered into between a wholly-owned subsidiary of the Company, Seapower Global Investments Limited ("Seapower Global") and an independent third party (the "Purchaser"), Seapower Global disposed of the 100% interest it held in a wholly-owned subsidiary of Super Dynasty Investment Limited ("Super Dynasty") for a total cash consideration of HK$50,000 resulting in a gain on disposal of subsidiaries of HK$50,000.

Super Dynasty held 29.80% equity interest in Sol Chip Limited ("Sol Chip"), an Israeli solar energy technology Company. The investment in Sol Chip was fully impaired in 2016.

20. Related party transactions

In addition to those related party transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following transactions and balances with its related parties:

(a) Transactions with related parties

Name of related party	Nature of transactions	Six months ended 30 June 2018 HK$'000 (unaudited)	2017 HK$'000 (unaudited)
Chongqing Doyen (note)	Interest income on loans to a related company	**38,387**	18,439

(b) Key management personnel compensation

The compensation paid or payable to key management personnel is as follows:

	Six months ended 30 June 2018 HK$'000 (unaudited)	2017 HK$'000 (unaudited)
Short-term benefits	**2,764**	2,597
Post-employment benefits	**24**	24
	2,788	2,621

Note:

Chongqing Doyen is considered as a related company of the Group as it is wholly owned by Mr. Lo, Director and ultimate controlling party of the Company, and his spouse.

21. Lease commitments

(a) The Group as lessee

At 30 June 2018, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

	30 June 2018 HK$'000 (unaudited)	31 December 2017 HK$'000 (audited)
Within one year	**3,015**	1,933
In the second to fifth years	**–**	–
	3,015	1,933

Operating lease payments represent rentals payable by the Group for its offices. Leases are negotiated for an average terms of four years and rentals are fixed over the lease terms and do not include contingent rentals.

(b) The Group as lessor

The Group leases out its investment property under operating leases. The leases typically run for a period of one to six years. None of the leases includes contingent rentals.

At 30 June 2018, the Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

	30 June 2018 HK$'000 (unaudited)	31 December 2017 HK$'000 (audited)
Within one year	**4,538**	6,813
In the second to fifth years	**–**	–
	4,538	6,813

22. Event after the reporting period

Save as disclosed, there have been no events to cause material impact on the Group from 30 June 2018 to the date of this report that need to be disclosed.