INTERIM REPORT 2019

東銀國際
INTERNATIONAL HOLDINGS

DOYEN INTERNATIONAL HOLDINGS LIMITED

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

CONTENTS

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. Pan Chuan
Mr. Qin Hong

Independent non-executive directors

Mr. Chan Ying Kay
Mr. Leung Kin Hong
(appointed on 5 July 2019)
Dr. Zhu Wenhui (resigned on 5 July 2019)
Mr. Wang Jin Ling

Audit Committee

Mr. Chan Ying Kay,
Committee Chairman
Mr. Leung Kin Hong
(appointed on 5 July 2019)
Dr. Zhu Wenhui (resigned on 5 July 2019)
Mr. Wang Jin Ling

Remuneration Committee

Mr. Leung Kin Hong,
Committee Chairman
(appointed on 5 July 2019)
Dr. Zhu Wenhui,
Committee Chairman
(resigned on 5 July 2019)
Mr. Chan Ying Kay
Mr. Wang Jin Ling

Nomination Committee

Mr. Lo Siu Yu,
Committee Chairman
Mr. Chan Ying Kay
Mr. Leung Kin Hong
(appointed on 5 July 2019)
Dr. Zhu Wenhui (resigned on 5 July 2019)

Company Secretary

Mr. Cho Chun Wai

Authorised Representatives

Mr. Lo Siu Yu
Mr. Cho Chun Wai

Registered Office

Suite 2206, 22/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 2019, Doyen International Holdings Limited (the "Company", together with its subsidiaries, collectively the "Group") recorded revenue of approximately HK$16.5 million (six months ended 30 June 2018: revenue of approximately HK$16.8 million), representing a decrease of 1.41% as compared with that of the same period in prior year. The profit attributable to owners of the Company for the six months ended 30 June 2019 was approximately HK$23.7 million (six months ended 30 June 2018: approximately HK$13.2 million), representing an increase of 80.51%, which was primarily attributed to the loss of approximately HK$3.22 million on financial assets at fair value through profit and loss recorded during the first half of 2018, compared to a gain of approximately of HK$2.23 million on financial assets at fair value through profit and loss was recorded during the first half of 2019, and that there were no substantial exchange loss during the first of 2019, compared to an exchange loss of approximately HK$4.48 million 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 25 January 2019, the Shanghai Dongkui entered into the loan financing agreement with the Lessee (the "Lessee"), an independent third party, pursuant to which Shanghai Dongkui agreed to purchase the machinery and equipment from the Lessee at a total consideration of Renminbi ("RMB") 40 million (equivalent to approximately HK$45.5 million). At the same time, Shanghai Dongkui entered into the finance lease agreement and entered into the consultancy agreement with the Lessee, pursuant to which the machinery and equipment would be leased back to the Lessee for a term of three years. The obligation of the Lessee under the finance lease agreement is secured by the guarantee provided by the guarantor. And Shanghai Dongkui provides the consultancy service to the Lessee, the Lessee has agreed to pay a fee of RMB 1.8 million (equivalent to approximately HK$2.0 million).

* *For identification purpose only*

BUSINESS REVIEW *(continued)*

Loan Financing Business *(continued)*

Shanghai Dongkui is now providing loan financing to six hospitals, namely 桃江縣人民醫院 (for identification purpose, Taojiang County People's Hospital) with project amount of RMB40 million (equivalent to approximately HK$45.5 million); 射洪縣人民醫院 (for identification purpose, Shehong People's Hospital) with project amount of RMB35 million (equivalent to approximately HK$39.8 million); 祿豐縣人民醫院 (for identification purpose, Lufeng People's Hospital) with project amount of RMB12 million (equivalent to approximately HK$13.7 million); 泗縣人民醫院 (for identification purpose, Sixian People's Hospital) with project amount of RMB30 million (equivalent to approximately HK$34.1 million); 鳳慶縣人民醫院 (for identification purpose, The People's Hospital of Fengqing) with project amount of RMB20 million (equivalent to approximately HK$22.8 million) and 淮安市洪澤區人民醫院 (for identification purpose, Hongze Huaian District People's Hospital) with project amount of RMB30 million (equivalent to approximately HK$34.1 million). And Shanghai Dongkui agreed to grant a loan financing to 陝西太白山投資集團有限公司 (for identification purpose, Shaanxi Taibai Mountain Investment Group Company Ltd.) in the amount of RMB40 million (equivalent to approximately HK$45.5 million) for a term of three years.

The effective interest rate of Shanghai Dongkui's loan financing ranged from 11.3% to 13.9% (2018: same). Among the loan financing of the above hospitals, 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 records and each project amount and interest are collected on time. Decrease in loan financing income was mainly attributable to increasingly severe regulatory environment in the People's Republic of China ("PRC") 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 Group reduced its reliance on bank factoring and raised the overall market interest cost.

Short-term Loan Business

Shanghai Dongkui is now providing a short term loan to 大興燁揚（上海）資產管理有限公司 (for identification purpose, Daxing Ye Yang (Shanghai) Asset Management Co., Ltd.) in the amount of RMB35 million (equivalent to approximately HK$39.8 million) for a term of 12 months at the interest rate of 11% per annum.

For the six months ended 30 June 2019, the loan financing segment contributed revenue of approximately HK$9.7 million (six months ended 30 June 2018: approximately HK$9.5 million) and recorded profit after tax of approximately HK$15.7 million (six months ended 30 June 2018: approximately HK$15.9 million).

BUSINESS REVIEW *(continued)*

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 2019, the Group's property investment segment has contributed revenue of approximately HK$6.8 million (six months ended 30 June 2018: approximately HK$7.3 million), representing a decrease of approximately 6.31%. Meanwhile, the net finance income attributable to this segment rose to approximately HK$5.4 million (six months ended 30 June 2018: approximately HK$5.3 million). For the six months ended 30 June 2019, this segment has recorded a profit after tax of approximately HK$9.4 million (six months ended 30 June 2018: approximately HK$10.9 million).

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$91.0 million) to 重慶東銀控股集團有限公司 (for identification purpose, 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$91.0 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$125.2 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$170.7 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$478.0 million).

Pursuant to the terms of relevant loan agreements, the maturity date of the Loans falls on 18 January 2018. 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. Chongqing Doyen failed to repay the Loans together with the interest thereon and the relevant tax expenses as at the due date and was construed as default in repayment according to the loan agreements. Pursuant to the loan agreements, default interest shall be charged on any sum payable from the due date to the date of actual payment at 15.5% per annum.

BUSINESS REVIEW *(continued)*

Advancement of the Loans *(continued)*

In relation to the Loans advanced by the Company to Chongqing Doyen, Chongqing Doyen agrees to reimburse the Company any tax expenses on the interest income generated from the Loans advanced by the Company. In addition, Chongqing Doyen is also liable to pay in full all costs incurred by the Group in connection with any breach by Chongqing Doyen.

On the meeting held by the committee of creditors on 25 January 2019, the representatives of the creditors of Chongqing Doyen has resolved to approve the debt restructuring ("Debt Restructuring") plan and relevant Debt Restructuring agreements. Chongqing Doyen will subsequently enter into formal Debt Restructuring agreements with its creditors. The Company will closely monitor the latest development of the Debt Restructuring and will provide updates on this to its shareholders and investors in due course.

Very Substantial Acquisition and Connected Transaction and Very Substantial Disposal and Connected Transaction

On 28 December 2018, the Company, Chongqing Baoxu, Shanghai Dongkui, Chongqing Doyen and 重慶東銀碩潤石化集團有限公司 (for identification purpose, Chongqing Doyen Shuorun Petrochemical Group Ltd.) ("Shuorun Petrochemical") entered into equity interest transfer agreements (the "Equity Interest Transfer Agreement") has conditionally agreed to transfer the equity interest of 重慶東銀殼牌石化有限公司 (for identification purpose, Chongqing Doyen Shell Petrochemical Co., Ltd. ("Doyen Shell")) (the "Equity Interest") to Chongqing Baoxu and Shanghai Dongkui as settlement of the outstanding loan amount (the "Transfer"). The value of the Equity Interest to be transferred shall be equivalent to the outstanding loan amount as at the reference date, being approximately RMB477.6 million (equivalent to approximately HK$543.5 million), of which approximately 74% and 26% shall be transferred to Chongqing Baoxu and Shanghai Dongkui, respectively. The actual percentage of the registered capital in Doyen Shell which the Equity Interest would represent shall be determined based on the valuation of Doyen Shell by an independent professional valuer appointed by the Company.

Shuorun Petrochemical is under an obligation to, subject to completion (the "Completion"), repurchase the Equity Interest on or before 31 December 2019 at the repurchase price (the "Repurchase"). The Repurchase price shall be equivalent to the sum of (i) the transfer price; (ii) an amount representing a notional interest calculated at an interest rate of 15.5% per annum for the period from the reference date to the date of Completion; (iii) an amount representing a notional interest calculated at an interest rate per annum of 10.5% for the period from the next day following the date of Completion to the date of payment of the Repurchase price; and (iv) the relevant cost incurred by the Group in relation to the Repurchase, less the aggregate amount of dividend declared and distributed by Doyen Shell to Chongqing Baoxu and Shanghai Dongkui. For details, please refer to the Company's announcement dated 28 December 2018.

BUSINESS REVIEW *(continued)*

Very Substantial Acquisition and Connected Transaction and Very Substantial Disposal and Connected Transaction *(continued)*

On 15 February 2019, the Company, Chongqing Baoxu, Shanghai Dongkui, Chongqing Doyen and Shuorun Petrochemical entered into a supplemental agreement to the Equity Interest Transfer Agreement (the "Supplemental Agreement") to, among others, extend (i) the deadline of fulfillment of each of the conditions to 30 June 2019 or such later date otherwise unanimously agreed by the parties to the Equity Interest Transfer Agreement in writing and (ii) the Completion deadline to 31 August 2019 or such later date otherwise unanimously agreed by the parties to the Equity Interest Transfer Agreement.

As the parties to the Equity Interest Transfer Agreement expect that more time would be required for fulfilling all the Conditions, on 28 June 2019, the Company, Chongqing Baoxu, Shanghai Dongkui, the Chongqing Doyen and Shuorun Petrochemical entered into a second supplemental agreement (the "Second Supplemental Agreement") to, among others, extend both (i) the deadline of fulfillment of each of the conditions; and (ii) the Completion deadline to 30 September 2019 or such later date otherwise unanimously agreed by the parties to the Equity Interest Transfer Agreement. Save as the Second Supplemental Agreement disclosed above, all the material terms and conditions of the Equity Interest Transfer Agreement remain unchanged. The Company is of the view that the extension of deadline of fulfillment of the conditions would not have any material adverse impact on the business and performance of the Group.

On 2 July 2019, the Company received a notice (the "Notice") from the Chongqing Doyen which stated that Huarong has applied to the relevant PRC court such that the 51% equity interest in Doyen Shell owned by Shuorun Petrochemical ("Doyen Shell Equity Interest") be judicially preserved before litigation ("訴前財產保全") (the "Property Preservation"). Based on public information, certain Equity Interest owned by Shuorun Petrochemical has been preserved since 27 June 2019.

The Notice further stated that subsequent to the Property Preservation, one of the following scenarios will occur: (1) within 30 days from the commencement of the Property Preservation (ie. on or before 26 July 2019), Chongqing Doyen and 中國華融資產管理股份有限公司重慶市分公司 (for identification purpose, China Huarong Asset Management Co., Ltd. Chongqing City Branch, ("Huarong") reach a consensus such that Huarong applies to the PRC court to withdraw the Property Preservation; (2) Huarong files a claim or applies for arbitration to the PRC court within 30 days from the commencement of the Property Preservation (ie. on or before 26 July 2019), subsequent to which Chongqing Doyen and Huarong can still reach a consensus under which Huarong would apply to the PRC court to withdraw the Property Preservation; or (3) where the Property Preservation is not withdrawn, and no claim or arbitration is filed or applied for by Huarong within 30 days from the commencement (ie. on or before 26 July 2019), the Property Preservation shall lapse after 30 days from its commencement. As such, Chongqing Doyen is actively negotiating with Huarong in order to reach an agreement under which Huarong would apply for the withdrawal of the Property Preservation.

BUSINESS REVIEW *(continued)*

Very Substantial Acquisition and Connected Transaction and Very Substantial Disposal and Connected Transaction *(continued)*

As at the date of this report, the Company did not receive any update on the progress of the negotiation between Chongqing Doyen and Huarong. The PRC legal adviser to the Company has conducted search through the court case system of the relevant PRC court and was not aware of any claims filed by Huarong against Chongqing Doyen in that regard. However, as advised by the PRC legal adviser to the Company, there is possibility that Huarong could have filed a claim to the PRC court against Chongqing Doyen or applied for arbitration on or before 26 July 2019 but the relevant court system has not been updated to reflect such filing.

As advised by the PRC legal adviser of the Company, as (i) it generally takes 7 to 12 days for a defendant of a claim be served with the pleading documents after such claim is filed to the PRC court by the plaintiff (including a maximum of 7 days for the relevant PRC court to decide on whether all filing conditions is fulfilled and a maximum of 5 days for service of pleading documents to the defendant); and (ii) additional time would be required taking into account the potential delay in the service of pleading documents (if any) in relation to any claim filed by Huarong to the PRC court or application for arbitration, it is estimated that the latest time that Chongqing Doyen should be served on the pleading documents will be 10 August 2019.

The Company will closely monitor the latest development of the Debt Restructuring and will make further announcement(s) to update its shareholders and investors if there are any material updates in relation to the Debt Restructuring as and when appropriate.

Up to the date of this report, the Equity Interest Transfer Agreement was yet to be completed as certain conditions precedent are yet to be fulfilled. Notwithstanding the above, the Group is still under negotiation with Chongqing Doyen for the settlement of the outstanding amounts.

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.

PROSPECTS *(continued)*

Loan Financing Business

In April 2019, the state council proposed in its standing meeting that PRC will further reduce the finance costs of small and micro enterprises and increase financial support for actual economy. This policy will also foster the size and level of financing of private enterprises. As showed in the PRC's loan financing industry development report 2018 published by PRC leasing union, the total number of loan financing enterprises in the country was approximately 11,777 as of the end of December, grew 21.7% from 2017. It is believed that with the continuous advancement of "Reform of Supply Side" as well as investment and financing needs driven by the guiding policies such as "One Belt, One Road" and "Made in China 2025", loan financing will play a crucial role in industrial restructuring and upgrade and "One Belt, One Road". It is expected that the industry will face promising development opportunities in the future.

Despite the slowdown in the global economy in recent years, the economic development in PRC has still registered strong momentum. In the second half of 2019, the Group will continue to capitalize on the opportunities arising from policies such as "One Belt, One Road" and "Made in PRC 2025" to promote its loan financing business in the hospital and actively explore for opportunities relating to loan financing business in the hospital when maintaining a proper size of pledged assets. In addition, while consolidating its existing loan financing business as always, the Group will strive for better future development through innovative business models.

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

Since 2019, the retail industry in PRC has experienced a slower overall growth, both online retailers and traditional retailers as represented by department stores are facing tremendous pressure in general. In particular, traditional department stores as a whole have bottomed out after years of transformation. In the current retail market of department stores, omni-channel combination of online and offline sales has become a leading trend in the market. Digitized upgrade and consumer-oriented approach have been pushed forward to achieve precision marketing. The increase in domestic consumption level and per capita income, decrease in import tariff and issuance of e-commerce laws have further attracted consumers to visit traditional department stores again. In the context of overall recovery of the traditional retail industry, the Group expects Dong Dong Mall to continue to have a satisfactory development and growing rate of return in the future.

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 30 June 2019, the Group had a total of 30 (31 December 2018: same) 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 ("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 2019, the Group had cash and cash equivalents of approximately HK$106.5 million (31 December 2018: approximately HK$133.2 million). Management believes that the Group has sufficient cash and cash equivalents to fund its operations and future development. As at 30 June 2019, the current ratio of the Group, representing current assets divided by current liabilities, was approximately 3.2 (31 December 2018: approximately 3.0).

As of 30 June 2019, the gearing ratio of the Group was 0.16 (31 December 2018: 0.14), which 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 2019, the Group's total borrowings exceeded the bank and cash balances by approximately HK$170.7 million (31 December 2018: approximately HK$146.7 million).

Capital structure

As at 30 June 2019, the Group's current and non-current bank borrowings amounted to approximately HK$237.4 million (31 December 2018: approximately HK$234.4 million) and approximately HK$39.8 million (31 December 2018: approximately HK$45.5 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 2019 and the year ended 31 December 2018. 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 2019, the Group's bank loans of approximately HK$56.9 million (31 December 2018: approximately HK$68.3 million) were secured by the Group's investment property amounted to approximately HK$318.9 million (31 December 2018: same) 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 2019 and 31 December 2018, the Group had no capital commitment.

As at 30 June 2019, the total future minimum lease payments under non-cancellable operating leases for properties amounted to approximately HK$4.1 million (31 December 2018: approximately HK$1.4 million).

Contingent liabilities

The Group had no significant contingent liabilities as at 30 June 2019 and 31 December 2018.

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 2019 (six months ended 30 June 2018: Nil).

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 2019, 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 2019:

Name of Directors	Capacity	Interests in shares		Interests in underlying shares pursuant to share options	Total number of shares interested	Approximate percentage of the Company's issued shares
		Corporate interest	Personal interest			
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. Qin Hong	Beneficial owner	–	–	2,100,000	2,100,000	0.16%
Dr. Zhu Wenhui (resigned on 5 July 2019)	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 2019, 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.

OTHER INFORMATION *(continued)*

Change of Director's Information

In June 2019, Mr. Chan Ying Kay an independent non-executive Director, resigned as the company secretary and the chief financial officer of Zhuoxin International Holdings Limited, a company listed on GEM of the Stock Exchange.

Save as disclosed above, there was no change in the Directors' biographical details since the date of the 2018 annual report of the Company and the announcement of the Company headed "(1) Resignation of independent non-executive Director; (2) Appointment of independent non-executive Director; and (3) Change in composition of board committee" issued on 5 July 2019 which are required to be disclosed pursuant to Rules 13.51B(1) and 13.51(2) of the Listing Rules.

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 ("AGM") 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 2019 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 2019	No. of options granted during the six months ended 30 June 2019	No. of options exercised/ cancelled/ lapsed during the six months ended 30 June 2019	No. of options outstanding as at 30 June 2019	Approximate percentage of the underlying shares for the options outstanding in the issued shares of the Company
Mr. Qin Hong *(Note 1)*	2 December 2010	2 December 2010 to 1 December 2020	1.628	1.500	2,100,000	–	–	2,100,000	0.16%
Total					2,100,000	–	–	2,100,000	0.16%

Notes:

1. 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 2019, 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
Chongqing Mingna Trading Co., Ltd.	Person having a security interest in shares *(Note a)*	785,373,018	61.64%
Mr. Lin Xuegang	Interest of controlled corporation *(Note b)*	785,373,018	61.64%
Ms. Chen Aini	Interest of spouse *(Note c)*	785,373,018	61.64%
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	52.62%
	Interest of controlled corporation	90,000,000	7.06%
Jiangsu Huaxi Group Co. Ltd.	Interest of controlled corporation *(Note g)*	120,000,000	9.42%
Baoli International (Hong Kong) Trading Co., Limited	Beneficial owner *(Note g)*	120,000,000	9.42%
Mr. Xue Yuewu	Beneficial owner	108,000,000	8.48%
Mr. Gao Yi Xin	Interest of controlled corporation *(Note h)*	90,000,000	7.06%
Ms. Wang He Fen	Interest of controlled corporation *(Note h)*	90,000,000	7.06%
Mr. Huang Wu Jun	Interest of controlled corporation *(Note h)*	90,000,000	7.06%
Xinyuan International Marine Transportation Co. Ltd.	Beneficial owner *(Note h)*	90,000,000	7.06%

Notes:

a. Chongqing Mingna Trading Co., Ltd. ("Chongqing Mingna") is a company established with limited liability under the PRC. 90% and 10% of the shareholdings of Chongqing Mingna were owned by Mr. Lin Xuegang and Ms. Chen Aini respectively.

b. 90% of the shareholdings of Chongqing Mingna were owned by Mr. Lin Xuegang.

c. Ms. Chen Aini is the spouse of Mr. Lin Xuegang. 10% of the shareholdings of Chongqing Mingna were owned by Ms. Chen Aini.

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

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

Notes: (continued)

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

h. 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 2019, 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 2019.

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 ("Listing Rules") throughout the six months ended 30 June 2019, 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 AGM, 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.

Compliance with the Code on Corporate Governance Practices *(continued)*

Code Provision E.1.2 specifies that the chairman of the Board should attend the AGM. 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 AGM held on 21 May 2019, he was unable to attend the said meeting. Mr. Lo undertakes that he will try his best to attend the future AGMs 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 2019.

Audit committee

The Company has established an audit committee ("Audit Committee") comprised all three independent non-executive Directors, namely, Mr. Chan Ying Kay, Mr. Leung Kin Hong 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 2019 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 2019

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2019

	Note	**Six months ended 30 June** **2019** **HK$'000** **(unaudited)**	2018 HK$'000 (unaudited)
Revenue	*5*	**16,517**	16,753
Staff costs		**(5,602)**	(6,865)
Operating lease rentals		**(1,902)**	(1,442)
Other tax expenses		**(1,082)**	(1,046)
Depreciation		**(13)**	(240)
Other operating expenses		**(4,210)**	(4,817)
Other gains and losses	*6*	**2,223**	(7,648)
Other income	*7*	**262**	–
Profit/(Loss) from operations		**6,193**	(5,305)
Finance income	*8*	**38,211**	39,524
Finance costs	*8*	**(10,405)**	(11,237)
Finance income – net	*8*	**27,806**	28,287
Profit before tax		**33,999**	22,982
Income tax expense	*9*	**(3,917)**	(2,984)
Profit for the period	*10*	**30,082**	19,998
Attributable to:			
Owners of the Company		**23,739**	13,151
Non-controlling interests		**6,343**	6,847
		30,082	19,998
Earnings per share	*12*		
		HK cents	HK cents
Basic		**1.86**	1.03
Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2019

	Six months ended 30 June	
	2019	2018
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Profit for the period	**30,082**	19,998
Other comprehensive income, net of tax:		
Item that will be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**(1,794)**	(16,330)
Total comprehensive income for the period	**28,288**	3,668
Attributable to:		
Owners of the Company	**21,524**	7,018
Non-controlling interests	**6,764**	(3,350)
	28,288	3,668

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2019

	Note	30 June 2019 HK$'000 (unaudited)	31 December 2018 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	13	133	146
Right-of-use assets	14	4,129	–
Investment property	15	318,876	318,868
Intangible assets		7,096	7,096
Loan receivables	16	50,502	63,761
Deferred tax assets		7,653	8,146
		388,389	398,017
Current assets			
Loan receivables	16	111,151	97,535
Prepayments, deposits and other receivables		3,842	3,572
Financial assets at fair value through profit or loss		10,633	8,404
Amounts due from a related company	17	603,658	565,674
Pledged bank deposits		1,138	1,138
Bank and cash balances		106,523	133,222
		836,945	809,545
Current liabilities			
Accruals and other payables		15,092	17,437
Lease liabilities		1,545	–
Borrowings	18	237,409	234,396
Current tax liabilities		5,481	14,859
		259,527	266,692
Net current assets		577,418	542,853
Total assets less current liabilities		965,807	940,870
Non-current liabilities			
Borrowings	18	39,830	45,520
Lease liabilities		2,584	–
Deferred tax liabilities		6,784	7,029
		49,198	52,549
NET ASSETS		916,609	888,321
Capital and reserves			
Share capital	19	1,174,378	1,174,378
Deficit		(458,740)	(480,264)
Equity attributable to owners of the Company		715,638	694,114
Non-controlling interests		200,971	194,207
TOTAL EQUITY		916,609	888,321

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2019

	Attributable to owners of the Company								
	Share capital HK'000	Merger reserve HK'000	Exchange reserve HK'000	Statutory reserve HK'000	Other reserve HK'000	Retained earnings HK'000	Total HK'000	Non-controlling interests HK'000	Total equity HK'000
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
At 1 January 2019 (audited)	**1,174,378**	**(409,968)**	**(48,680)**	**12,497**	**1,396**	**(35,509)**	**694,114**	**194,207**	**888,321**
Total comprehensive income for the period	**-**	**-**	**(2,245)**	**-**	**-**	**23,739**	**21,524**	**6,764**	**28,288**
At 30 June 2019 (unaudited)	**1,174,378**	**(409,968)**	**(50,925)**	**12,497**	**1,396**	**(11,770)**	**715,638**	**200,971**	**916,609**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2019

	Six months ended 30 June	
	2019	2018
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Net cash used in operating activities	**(12,333)**	(58,401)
Net cash generated from investing activities	**41,958**	46,648
Net cash (used in)/generated from financing activities	**(54,089)**	4,575
Net decrease in cash and cash equivalents	**(24,464)**	(7,178)
Cash and cash equivalents at beginning of period	**133,222**	96,135
Effect of foreign exchange rate changes	**(2,235)**	(3,526)
Cash and cash equivalents at end of period, represented by	**106,523**	85,431
Bank and cash balances	**106,523**	85,431

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 Suite 2206, 22nd 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 (the "Directors") of the Company, as at 30 June 2019, 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 2018 that is included in these unaudited condensed financial statements for the six months ended 30 June 2019 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 2018 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 reported on those consolidated financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis with qualifying its reports; 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 2018 annual financial statements. The accounting policies (including the significant judgements made by management in applying the Group's accounting policies and the key source of estimation uncertainty) 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 2018 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 2019. 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. The Group has not early adopted any other standard interpretation or amendment that has been issued but is not yet effective.

4. Fair value measurements

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.

The following table shows the carrying amounts and fair value of financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets not measured at fair value of the carrying amount is a reasonable approximation of fair value. Further, for the current year the fair value disclosure of lease liabilities is also not required.

(a) Disclosures of level in fair value hierarchy

At 30 June 2019

Description	Fair value measurements using: Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total 2019 HK$'000
Recurring fair value measurements:				
Financial assets				
Financial assets at fair value through profit or loss				
Listed equity securities	10,633	–	–	10,633
Investment property				
Shopping mall – PRC	–	–	318,876	318,876
Total	10,633	–	318,876	329,509

4. Fair value measurements *(continued)*

(a) Disclosures of level in fair value hierarchy *(continued)*

At 31 December 2018:

Description	Fair value measurements using: 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	8,404	–	–	8,404
Investment property				
Shopping mall – PRC	–	–	318,868	318,868
Total	8,404	–	318,868	327,272

No valuation has been conducted by independent valuer for the current period. As at 30 June 2019, 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$'000**	**Total 2019 HK$'000**
At 1 January 2019	**318,868**	**318,868**
Additions	**8**	**8**
Exchange differences	**–**	**–**
Total gains or losses recognised in profit or loss (#)	**–**	**–**
At 30 June 2019	**318,876**	**318,876**
(#) Include gains or losses for assets held at end of reporting period	**–**	**–**

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	–	–

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 2019:

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 normally engages 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 15.

Level 2 fair value measurements

Description	**Fair value** **2019** **HK$'000**	2018 HK$'000
Financial assets at fair value through profit or loss – Financial products	**–**	–

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

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.

5. Segment information *(continued)*

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".

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 2019			
Revenue from external customers	**6,812**	**9,705**	**16,517**
Depreciation	**(2)**	**(12)**	**(14)**
Finance income	**7,146**	**10,132**	**17,278**
Finance costs	**(1,702)**	**–**	**(1,702)**
Income tax expense	**(964)**	**(2,073)**	**(3,037)**
Segment profit after tax (including non-controlling interest)	**9,441**	**15,659**	**25,100**
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 (including non-controlling interest)	10,914	15,935	26,849

Reconciliation of segment profit or loss:

	Six months ended 30 June	
	2019 HK$'000 (unaudited)	2018 HK$'000 (unaudited)
Revenue		
Total revenue of reportable segments	**16,517**	16,753
Profit or loss		
Total profit of reportable segments after tax	**25,100**	26,849
Unallocated amounts:		
Staff costs	**(3,965)**	(4,435)
Depreciation	**–**	(223)
Fair value gain on financial assets at fair value through profit and loss	**2,229**	(3,221)
Exchange loss – net	**(6)**	(4,477)
Finance income	**20,933**	20,676
Finance costs	**(8,703)**	(8,703)
Other corporate expenses	**(5,506)**	(6,468)
Consolidated profit after tax for the period	**30,082**	19,998

6. Other gains and losses

	Six months ended 30 June	
	2019	2018
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Disposal of subsidiary gain	**–**	50
Fair value gain/(loss) on financial assets at fair value through profit or loss	**2,229**	(3,221)
Exchange loss – net	**(6)**	(4,477)
	2,223	(7,648)

7. Other income

	Six months ended 30 June	
	2019	2018
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Dividend income from equity investments	**262**	–
	262	–

8. Finance income and costs

	Six months ended 30 June	
	2019	2018
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Finance income		
Interest income on bank deposits	**481**	1,137
Interest income on loans to a related company	**37,730**	38,387
	38,211	39,524
Finance costs		
Interest on bank loans	**(1,702)**	(2,534)
Interest on other borrowings – bonds	**(8,703)**	(8,703)
	(10,405)	(11,237)
Finance income – net	**27,806**	28,287

9. Income tax expense

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

	Six months ended 30 June	
	2019	2018
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Current tax		
PRC Enterprise Income Tax ("EIT")	**3,917**	2,984

No provision for Hong Kong Profits Tax is required since the Group has no assessable profits for the six months ended 30 June 2019 and 2018.

PRC EIT has been provided at a rate of 25% (2018: 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% (2018: 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	
	2019	2018
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Auditor's remuneration		
– Audit	**–**	–
– Others	**–**	–
Direct operating expenses of investment property that generate rental income	**1,381**	2,466

11. Dividends

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2019 and 2018.

12. Earnings per share

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

	Six months ended 30 June	
	2019	2018
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Earnings		
Earnings for the purpose of basic earnings per share (profit for the period attributable to owners of the Company)	**23,739**	13,151

	Six months ended 30 June	
	2019	2018
	'000	'000
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of 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 2019 and 2018 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 2019 and 2018 has not been presented.

13. Property, plant and equipment

No acquisition of property, plant and equipment during the six months ended 30 June 2019 and 2018.

14. Right-of-use Assets

During the six months ended 30 June 2019, the Group entered into a new lease agreement for a term of three years. The Group makes fixed payments and additional variable payments depending on the usage of the asset during the contract period. On lease commencement, the Group recognised approximately HK$4.1 million of right-of-use asset and lease liability.

15. Investment property

	30 June 2019 HK$'000 (unaudited)	31 December 2018 HK$'000 (audited)
At 1 January	**318,868**	333,600
Additions	**8**	718
Fair value gain	**–**	1,893
Exchange differences	**–**	(17,343)
Ending balance at fair value	**318,876**	318,868

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 2019, 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 2018 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.

16. Loan receivables

	30 June 2019 HK$'000 (unaudited)	31 December 2018 HK$'000 (audited)
Current assets	**111,151**	98,668
Non-current assets	**50,502**	63,761
	161,653	162,429
Less: Impairment allowances	**–**	(1,133)
	161,653	161,296

As at 30 June 2019, the Group's loans to customers comprise the following:

(a) Loans to customers of approximately HK$121.5 million (31 December 2018: HK$122.6 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 2018: same) per annum.

(b) Loans to customers of approximately HK$40.2 million (31 December 2018: HK$39.8 million) with effective interest rate of 11% (31 December 2018: same) per annum. Such loans under a corporate guarantee was unsecured and repayable within one year.

16. Loan receivables *(continued)*

As at 30 June 2019, 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 2019, no loan receivables pledged as security for the Group's bank loans (2018:Nil).

17. Amounts due from a related company

	30 June 2019 HK$'000 (unaudited)	31 December 2018 HK$'000 (audited)
Loan to a related company	**491,922**	477,960
Interest receivable	**111,736**	74,293
Reimbursement of tax and other expenses	**–**	13,421
	603,658	565,674

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.

Pursuant to a loan agreement dated 6 March 2017, the Company further advanced RMB150,000,000 to Chongqing Doyen.

The aforesaid loans totalling RMB420,000,000 (the "Loans") were interest-bearing at 10.5% per annum and due on 18 January 2018.

In relation to the Loans advanced by the Company to Chongqing Doyen, Chongqing Doyen agrees to reimburse the Company any tax expenses on the interest income generated from the Loans advanced by the Company. In addition, Chongqing Doyen is also liable to pay in full all costs incurred by the Group in connection with any breach by Chongqing Doyen.

During the period 30 June 2019, 51% of the equity interest of Doyen Shell (the "Collaterals") was charged to the Group as security for the amounts due from a related company.

Chongqing Doyen failed to repay the Loans together with the interest thereon and the relevant tax expenses as at the due date and was construed as default in repayment according to the loan agreements. Pursuant to the loan agreements, default interest is accrued on any sum payable from the due date up to the date of actual payment at a rate of 15.5% per annum.

17. Amounts due from a related company *(continued)*

On 28 December 2018, the Group, Chongqing Doyen and 重慶東銀碩潤石化集團有限公司 (for identification purpose, Chongqing Doyen Shuorun Petrochemical Group Ltd. ("Shuorun Petrochemical")), the legal owner of the Collaterals and the transferor, entered into an equity interest transfer agreement (the "Equity Interest Transfer Agreement"), pursuant to which, Shuorun Petrochemical has conditionally agreed to transfer the equity interest of Doyen Shell (the "Equity Interest"), with value equivalent to the aggregate outstanding sum of the Loans, the interest thereon and the relevant costs incurred by the Group in effecting the transactions as at the reference date, i.e. 31 October 2018, to the Group as settlement; and Shuorun Petrochemical has undertaken to, subsequent to the completion of the transfer pursuant to the terms of the Equity Interest Transfer Agreement, repurchase the Equity Interest from the Group on or before 31 December 2019 at a repurchase price. The repurchase price shall be equivalent to the sum of (a) the value of the Equity Interest to be transferred which is equivalent to the aggregate outstanding sum of the Loans, the interest thereon and the relevant costs incurred by the Group in effecting the transactions as at the reference date; (b) an amount representing a notional interest calculated at an interest rate of 15.5% per annum for the period from the reference date to the completion date; (c) an amount representing a notional interest calculated at an interest rate of 10.5% per annum for the period from the next day following the completion date to the date of payment of the repurchase price; and (d) the relevant costs incurred by the Group in relation to the repurchase, less the aggregate amount of any dividend declared and distributed by Doyen Shell to the Group.

Under the aforesaid arrangement, Shuorun Petrochemical substantially retains all the risks and rewards of ownership of the Equity Interest. As such, upon completion of the transfer of the Equity Interest, the Group will not recognise the Equity Interest and will continue to recognise the amounts due from a related company as financial assets at amortised cost.

On 15 February 2019, the Company, Chongqing Baoxu, Shanghai Dongkui, Chongqing Doyen and Shuorun Petrochemical entered into a supplemental agreement to the Equity Interest Transfer Agreement (the "Supplemental Agreement") to, among others, extend (i) the deadline of fulfillment of each of the conditions to 30 June 2019 or such later date otherwise unanimously agreed by the parties to the Equity Interest Transfer Agreement in writing and (ii) the Completion deadline to 31 August 2019 or such later date otherwise unanimously agreed by the parties to the Equity Interest Transfer Agreement.

Pursuant to a second supplemental agreement (the "Second Supplemental Agreement") dated 28 June 2019, the parties to the Equity Interest Transfer Agreement extended the deadline of fulfillment of certain conditions precedent under the Equity Interest Transfer Agreement to 30 September 2019 and the completion deadline to 30 September 2019 or such later date otherwise unanimously agreed by the parties to the Equity Interest Transfer agreement.

Up to the date of the consolidated financial statements, the Equity Interest Transfer Agreement was yet to be completed as certain conditions precedent are yet to be fulfilled. Notwithstanding the above, the Group is still under negotiation with Chongqing Doyen for the settlement of the outstanding amounts.

17. Amounts due from a related company *(continued)*

No impairment allowance on the amounts due from a related company was recorded for the period 30 June 2019 as, in the opinion of the Directors, the expected cash flows from the foreclosure of the Collaterals exceeded the aforesaid amounts.

The amounts due from a related company is denominated in RMB.

18. Borrowings

	30 June 2019 HK$'000 (unaudited)	31 December 2018 HK$'000 (audited)
Bank loans – secured (note (a))	**56,900**	68,280
Bonds – unsecured (note (b))	**220,339**	211,636
	277,239	279,916

The borrowings are repayable as follows:

	30 June 2019 HK$'000 (unaudited)	31 December 2018 HK$'000 (audited)
Within one year	**237,409**	234,396
In the second year	**22,760**	22,760
In the third to fifth years	**17,070**	22,760
	277,239	279,916
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(237,409)**	(234,396)
Amount due for settlement after 12 months	**39,830**	45,520

(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 2019, the effective interest rate is 5.4% (31 December 2018: same) per annum.

As at 30 June 2019, the Group's bank loans of approximately HK$56.9 million (31 December 2018: HK$68.3 million) were secured by the Group's investment property amounted to approximately HK$318.9 million (31 December 2018: same), its right to receive rental income and pledged bank deposits of approximately HK$1.1 million (31 December 2018: same), and were guaranteed by Chongqing Doyen.

18. 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. Loan arrangement fees amounting to approximately HK$3,665,000 have been amortised over the term 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.

Loan arrangement fees amounting to approximately HK$3,899,000 regarding the Supplemental Deed have been amortised over the Extension Period.

Pursuant to the Supplemental Deed in relation to the Bonds, an email and a written notice were issued by the Group to Haitong, the bondholder, on 17 January 2018 and 7 February 2018 respectively in respect of the extension of the maturity date of the Bonds to 18 January 2019. Haitong acknowledged receipt of the aforesaid email and written notice on 7 February 2018; accordingly, the maturity date of the Bonds has been extended to 18 January 2019.

On 7 February 2018, Haitong transferred the Bonds to Hua Sing (Cayman) Energy Holdings Limited ("Hua Sing"), whose intermediate holding company indirectly holds 9.42% equity interest of the Company and 30% equity interest of the Company's subsidiary, Chongqing Baoxu.

18. Borrowings *(continued)*

(b) Bonds – unsecured *(continued)*

Pursuant to a confirmation letter dated 7 February 2018, Hua Sing 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.

(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 of the Event of Default (except for the non-payment of interest during the Period) should occur, Hua Sing shall have the right to revoke the effect of any or all of the paragraphs (i) to (iv) above, any right exercisable by Hua Sing 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 Hua Sing to pay the Accrued Interest accordingly.

On 29 March 2018, Full Brilliant Limited ("Full Brilliant"), Mr. Lo and Ms. Chiu Kit Hung, the spouse of Mr. Lo, Sino Consult Asia Limited ("Sino Consult") and the immediate parent of the Company entered into charge over shares in the Company, pursuant to which they agreed to charge aggregate of 785,373,018 shares of the Company in favor of Hua Sing as security to the Bonds. Full Brilliant and Sino Consult are companies wholly-owned by the immediate parent of the Company. The above charge has been released on 29 May 2019.

Pursuant to a confirmation letter dated 18 January 2019 executed by the Group and Hua Sing whereby the parties amended certain terms and conditions of the Bonds based on a supplemental deed poll dated 18 January 2019 (the "Supplemental Deed Poll"), inter alia:

18. Borrowings *(continued)*

(b) Bonds – unsecured *(continued)*

The maturity date of the Bonds shall be 17 April 2019 or such later date as agreed by the bondholder(s) and the Company, which shall not be a date which falls after 17 April 2021 (the "New Maturity Date"). The Company may, by notice in writing to the bondholder(s), extend the New Maturity Date to a date no later than 3 months from the New Maturity Date (in no event should the New Maturity Date fall on a date after 17 April 2021) as last agreed by the bondholder(s) and the Company, subject to the written consent of all the bondholder(s). The extension notice shall be served by the Company at least 20 business days prior to the New Maturity Date as last agreed by the bondholder(s) and the Company.

Pursuant to another confirmation letter dated 18 January 2019, issued by Hua Sing whereby Hua Sing confirmed, among others, the following:

(i) The failure by the Company to pay interest between 7 February 2018 to the New Maturity Date, both dates inclusive (the "New Period") shall not constitute a breach of the Bond Instrument and the Supplemental Deed Poll or Event of Default.

(ii) Any interest due but remain unpaid during the New Period (the "New 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 New Period.

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

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

Pursuant to the Supplemental Deed Poll in relation to the Bonds, three notices were issued by the Group to Hua Sing on 19 March 2019 in respect of the extension of the New Maturity Date of the Bonds to 17 January 2020. Hua Sing acknowledged receipt of the aforesaid three notices and issued three written consents on 19 March 2019; accordingly, the New Maturity Date of the Bonds has been further extended to 17 January 2020.

19. Share capital

	30 June 2019 HK$'000 (unaudited)	31 December 2018 HK$'000 (audited)
Issued and fully paid:		
1,274,039,000 ordinary shares	**1,174,378**	1,174,378

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 2019 HK$'000 (unaudited)	2018 HK$'000 (unaudited)
Chongqing Doyen (note)	Interest income on Loans to a related company	**37,730**	38,387

(b) Key management personnel compensation

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

	Six months ended 30 June 2019 HK$'000 (unaudited)	2018 HK$'000 (unaudited)
Short-term benefits	**2,389**	2,764
Post-employment benefits	**27**	24
	2,416	2,788

Note:

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

21. Lease commitments

(a) The Group as lessee

As at 30 June 2019, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

	30 June 2019 HK$'000 (unaudited)	31 December 2018 HK$'000 (audited)
Within one year	**1,545**	1,377
In the second to fifth years	**2,584**	–
	4,129	1,377

Operating lease payments represent rentals payable by the Group for its office premises. Leases are negotiated for an average terms of three 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 eight years. None of the leases includes contingent rentals.

As at 30 June 2019, the Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

	30 June 2019 HK$'000 (unaudited)	31 December 2018 HK$'000 (audited)
Within one year	**6,643**	7,047

22. Event after the reporting period

Save as disclosed, there have been no events to cause material impact on the Group from 30 June 2019 to the date of this report that need to be disclosed.