



中国金控 CFIH

China Finance Investment Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code : 875)

INTERIM REPORT
2020



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive directors

Ms. DIAO Jing
Mr. LIN Yupa

Non-executive director

Mr. LIN Yuhao (*Chairman*)

Independent non-executive directors

Mr. LI Shaohua
Ms. ZHU Rouxiang
Ms. LI Yang

AUDIT COMMITTEE

Ms. LI Yang (*Committee Chairlady*)
Mr. LI Shaohua
Ms. ZHU Rouxiang

REMUNERATION COMMITTEE

Ms. ZHU Rouxiang (*Committee Chairlady*)
Ms. DIAO Jing
Mr. LI Shaohua
Ms. LI Yang

NOMINATION COMMITTEE

Ms. ZHU Rouxiang (*Committee Chairlady*)
Mr. LIN Yuhao
Mr. LI Shaohua
Ms. LI Yang

CORPORATE GOVERNANCE COMMITTEE

Ms. LI Yang (*Committee Chairlady*)
Mr. LI Shaohua
Ms. ZHU Rouxiang

AUTHORISED REPRESENTATIVES

Ms. DIAO Jing
Mr. LIN Yuhao

COMPANY SECRETARY

Mr. AU YEUNG Ming Yin, Gordon

REGISTERED OFFICE

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Ocean Centre
Harbour City
5 Canton Road
Tsim Sha Tsui
Kowloon, Hong Kong

AUDITOR

McMillan Woods (Hong Kong) CPA Limited

LEGAL ADVISOR

Dennis Fong & Co. in association with Links
Law Offices (as to Hong Kong laws)

PRINCIPAL SHARE REGISTRAR

Ocorian Services (Bermuda) Limited
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

SHARE LISTING

The Stock Exchange of Hong Kong Limited
Stock Code: 875

CORPORATE WEBSITE

<http://www.cfi.hk>

INVESTOR RELATIONS

Email: ir@cfih.hk

Shareholders may send their requests to receive copies of the interim report by notice in writing to the head office of the Company or by sending an email to ir@cfih.hk.



MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “Board”) of directors (the “Directors”) of China Finance Investment Holdings Limited (the “Company”), is pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2020 (the “Reporting Period”), along with the unaudited comparative figures for the six months ended 30 June 2019.

The Group is principally engaged in (i) growing and trading of agricultural and meat produce (“Agricultural and Meat Business”); (ii) provision of money lending services (“Money Lending Business”); and (iii) securities trading and brokerage services (“Securities Brokerage Business”) during the Reporting Period.

BUSINESS REVIEW

Agricultural and Meat Business

Due to the outbreak of Coronavirus Disease 2019 (the “COVID-19 outbreak”), the Group’s Agricultural and Meat Business was adversely affected. As a result, during the Reporting Period, the turnover of the Agricultural and Meat Business segment decreased by approximately 57.1%, from approximately HK\$167.8 million for the six months ended 30 June 2019 (the “Corresponding Period”) to approximately HK\$71.9 million, thus preventing the Group from operating as usual during the Reporting Period. Nevertheless, there was a rise in gross profit margin mainly attributable to sales of products with higher profit margin. During the Reporting Period, the Agricultural and Meat Business segment recorded a gross profit of approximately HK\$3.7 million (30 June 2019: gross loss HK\$6.1 million).

In the second quarter of 2018, the management decided to focus on new agricultural products with high potential for development. On 9 July 2018, the Group signed a framework cooperation agreement with Guangdong Academy of Agricultural Sciences* (廣東省農業科學院作物研究所) (the “Framework Cooperation Agreement”). Pursuant to the Framework Cooperation Agreement, the Company will collaborate with Guangdong Academy of Agricultural Sciences* (廣東省農業科學院作物研究所) to conduct research and development for the growing of medicinal value crops such as *Dendrobium officinale* Kimura et Migo* (鐵皮石斛). The Group has cemented the growing of *Dendrobium officinale* Kimura et Migo* (鐵皮石斛) which is expected to be cropped within coming months from the date of this report.

After years of cultivation, soil quality has been in serious decline because of the previous cultivation methods and the use of chemical fertilisers, which prevent land from regenerating. Therefore, the Company has been planning to expand the production base in Guangdong, a desirable location as the climate is comparatively moderate and which allows for year-round cultivation of agricultural produces. However, the implementation of such plan of expansion was delayed by the COVID-19 outbreak. The Group will implement the expansion plan once the COVID-19 pandemic is abated.

Looking ahead, the Group will continue to control its costs, utilise its existing resources and collaborate with research institutes in Mainland China to further strengthen the cultivation and trading of agricultural and meat products with high potential for development, or pursue acquisitions when opportunities arise. Our management will keep actively monitoring the performance of the Group and constantly assessing how the COVID-19 outbreak is and will continue to impact the Group, and will respond by implementing adaptive strategies in a timely manner.

* For identification purposes only

Money Lending Business

Following the completion of the acquisition of Shenzhen Taihengfeng Technology Company Limited and its subsidiaries (the “Taihengfeng Group”) in November 2016, the Group expanded into the micro finance business sector in Shenzhen through the provision of personal loans and corporate loans services. On 1 March 2019, Shenzhen Internet Finance Association issued a notice for the consultation of guidelines for the exit of the internet finance industry under the category of Peer to Peer (“P2P”) internet lending companies which drove P2P platforms to shrink dramatically after such regulatory and industry reform. Apparently, such crackdown on the P2P platforms means a reduction in financing channels for small and medium-sized enterprises (SMEs), which led to a restructuring of the money lending industry in the People’s Republic of China (the “PRC”). The Group has responded by narrowing its target customers to borrowers with better risk profiles. The Company has thus been able to lower its interest rates with a view to establish long-term business relationships with customers since 2018.

As a result, average interest rate charged to the borrowers declined to 11.2% during the Reporting Period, as compared to that of 12.5% in 2019.

During the Reporting Period, loan interest income and gross profit under the Money Lending Business amounted to approximately HK\$10.3 million (30 June 2019: HK\$14.9 million) and HK\$10.3 million (30 June 2019: 14.9 million) respectively. Such decrease in loan interest income and gross profit was attributable to the tightening of policy in the PRC and deterioration of economic environment. Outstanding loan principal and interest receivables amounted to approximately HK\$236.4 million (31 December 2019: HK\$222.0 million). The average interest rate charged on the loans was 11.2% per annum for the Reporting Period. No material default event occurred as at 30 June 2020 and no provision of impairment loss for loan receivables was considered by the Group during the Reporting Period (31 December 2019: Nil).

Securities Brokerage Business

In 2017, having considered that there being no clear potential for material improvement on the performance of the Securities Brokerage Business under the operation scale, the Group believed that the disposal of the Securities Brokerage Business represented a good opportunity for the Group to improve its overall returns and provide greater value to the shareholders of the Company by focusing its resources on other business segments.



As such, on 25 May 2017, the Group entered into a sale and purchase agreement (the "Agreement") with an independent third party, pursuant to which the Group has conditionally agreed to sell the Securities Brokerage Business at the consideration of the net asset value of the Securities Brokerage Business as at the date of the Agreement plus HK\$12 million. Subsequently, the Group entered into supplemental deeds, whereby the parties have agreed to extend the date of fulfillment of the conditions precedent as set out in the Agreement. The latest supplemental deed was entered into on 24 August 2020, which further extends the date of fulfillment on the expiration of 42 months from the date of the Agreement.

Further details of the above were set out in the announcements of the Company dated 25 May 2017, 31 May 2017, 20 October 2017, 22 February 2018, 24 April 2018, 25 May 2018, 24 July 2018, 24 September 2018, 23 November 2018, 24 December 2018, 25 February 2019, 25 March 2019, 25 April 2019, 24 May 2019, 24 June 2019, 24 July 2019, 23 August 2019, 24 September 2019, 24 October 2019, 25 November 2019, 24 December 2019, 23 January 2020, 24 February 2020, 22 May 2020 and 24 August 2020.

During the Reporting Period, the Securities Brokerage Business generated a revenue of approximately HK\$0.77 million (30 June 2019: HK\$0.68 million) and a net loss of approximately HK\$4.2 million (30 June 2019: HK\$4.4 million). As at 30 June 2020, the Company is expected to record a gain on disposal in the amount of approximately HK\$8.6 million.

Investment in Internet Finance Business in Mainland China

The Group owns 25% of equity interest in Shenzhen Qianhai Jinlin Technology Services Company Limited (formerly Known as Shenzhen Qianhai Gelin Internet Financial Services Company Limited)* (深圳市前海錦林科技服務有限公司) ("GLQH"), which is engaged in internet finance business in Mainland China.

During the Reporting Period, the revenue recorded under such internet finance business amounted to approximately HK\$200 (30 June 2019: HK\$0.1 million) and the net loss was approximately HK\$0.3 million (30 June 2019: HK\$1.9 million).

It is evident that the Group's internet finance business was impacted by the relevant online lending regulations in the PRC (which became effective on 18 December 2018) and has since become trivial.

* For identification purposes only

FINANCIAL REVIEW

During the Reporting Period, the Group's revenue amounted to approximately HK\$83.0 million, representing a decrease of approximately HK\$100.3 million or 54.7%, from approximately HK\$183.3 million, for the Corresponding Period.

Gross profit of the Group during the Reporting Period was approximately HK\$14.1 million, representing an increase of approximately HK\$5.4 million or 62.1%, as compared to approximately HK\$8.7 million for the Corresponding Period, with the gross profit margin being 16.9% (30 June 2019: 4.8%). Please refer to the paragraph headed "Business Review" in this report for further details on the reasons of the decrease in turnover and increase in gross profit of the Group.

The Group recorded other gains in the net amount of approximately HK\$9.2 million during the Reporting Period, representing an increase of approximately HK\$6.7 million or 271.7%, as compared to approximately HK\$2.5 million for the Corresponding Period. Such increase was mainly attributable to (i) the repayment of the outstanding convertible bonds at discount which was approximately HK\$5.7 million, and (ii) foreign exchange loss of approximately HK\$2.1 million for the Corresponding Period turning into foreign exchange gain of approximately HK\$0.7 million during the Reporting Period.

During the Reporting Period, selling and distribution expenses decreased by approximately HK\$0.1 million or 10.3% to approximately HK\$1.0 million (30 June 2019: HK\$1.1 million). Such decrease was mainly attributable to the reduction in electricity and water usage in relation to the growing and trading of agricultural and meat produce as a result of the change in strategies adopted by the Group for the Agricultural and Meat Business, as well as the COVID-19 induced temporary suspension of operations.

Administrative expenses increased by approximately HK\$0.9 million or 5.1% to approximately HK\$17.9 million during the Reporting Period (30 June 2019: HK\$17.0 million). Such increment was mainly attributable to the increase in bank charges.

No other operating expenses was recorded during the Reporting Period as compared with approximately HK\$2.2 million in the Corresponding Period. Such significant decrease in other operating expenses was mainly attributable to the depreciation of Renminbi during the Reporting Period, resulting in an exchange gain during the Reporting Period as compared to the Corresponding Period.

The net loss of the Group for the Reporting Period was approximately HK\$2.3 million as compared to a net loss of approximately HK\$20.9 million for the Corresponding Period. Such decrease in loss for the Reporting Period was mainly due to sales of products with higher profit margin, repayment of outstanding debt at discount, less interest expenses on debts and foreign exchange loss in the Corresponding Period turning into foreign exchange gain during the Reporting Period as explained above.

LIQUIDITY AND FINANCIAL RESOURCES

Apart from such equity fund raising from the Company as detailed in the paragraph headed “Capital Structure and Gearing Ratio” below, the Group mainly finances its business operations with internally generated cash flows and general banking facilities.

As at 30 June 2020, the Group had bank balances and cash of approximately HK\$56.6 million (31 December 2019: HK\$37.3 million) and mainly denominated in HK\$ and RMB. Such increase was mainly attributable to the Group’s equity fund raising activity and collection of certain trade receivables during the Reporting Period. The Group’s quick ratio (measured by total current assets less inventories, biological assets, deposits and prepayments divided by total current liabilities) was approximately 1.4 times (31 December 2019: 1.3 times).

As at 30 June 2020, the total borrowings of the Group, which comprised of bonds, promissory notes, bank and other borrowings, amounted to approximately HK\$176.1 million (31 December 2019: HK\$251.9 million), of which, approximately HK\$14.8 million (31 December 2019: HK\$15.8 million) were secured by certain buildings, plant and machineries and motor vehicles of the Group. As at 30 June 2020, borrowings of approximately HK\$144.9 million (31 December 2019: HK\$245.2 million) were repayable within one year. As at 30 June 2020, borrowings of approximately HK\$65.9 million (31 December 2019: HK\$75.0 million) and HK\$110.2 million (31 December 2019: HK\$176.9 million) were denominated in HK\$ and RMB. Borrowings of approximately HK\$46.8 million (31 December 2019: HK\$87.1 million) were charged at fixed interest rates as at 30 June 2020.

As at 30 June 2020, the Group had capital expenditure commitments of approximately HK\$0.8 million (31 December 2019: HK\$0.8 million) which comprised of acquisition of properties, plants and equipments. Operating lease payments represent rental payable by the Group for office premises and farmlands. Leases were negotiated for fixed terms ranging from 1 to 26 years.

The Group will continue its adoption of a positive yet prudent approach in managing its financial resources. Shall other opportunities arise, thus prompting the need for additional funding, the management believes that the Group is well-positioned to obtain financing on favourable terms.

CAPITAL STRUCTURE AND GEARING RATIO

The Group assumes management of its capital so as to ensure that it will continue as a going concern whilst maximising the return to shareholders through the optimisation of its debt and equity balance. The Group's overall strategy remains unchanged from the prior year.

The Group reviews the capital structure on a regular basis. As part of such review, the Group monitors capital on the basis of net debt to adjusted equity ratio, the ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as "adjusted equity", as shown in the consolidated statement of financial position, plus net debt. The Group considers the cost of capital and the risks associated with issued share capital. To maintain or adjust the capital structure, the Group may adjust the ratio through dividend payments, issuing new shares, raising new debt financing or selling assets to reduce existing debts.

On 17 January 2020, the Company, Sino Richest Investment Holdings Limited (the "Subscriber"), wholly-owned by Mr. Lin Yuhao, a non-executive Director, and Mr. Lin Yuhao entered into the subscription agreement (as amended and supplemented by the supplemental agreement) (the "Subscription"), pursuant to which the Company has conditionally agreed to allot and issue and the Subscriber has conditionally agreed to subscribe for 200,000,000 ordinary shares of the Company at an issue price of HK\$0.65 per share. The net proceeds from the Subscription was approximately HK\$128.0 million, and it was expected that (i) as to approximately HK\$40.9 million be used for repayment of outstanding convertible bonds issued by the Company on 7 February 2018; (ii) as to approximately HK\$56.0 million be used for repayment of the indebtedness of the Group due to Mr. Lin Yuhao, a non-executive Director; (iii) as to approximately HK\$20.0 million for expanding the existing Agricultural and Meat Business of the Group; and (iv) as to approximately HK\$11.1 million be used as the general working capital of the Group. The reason for the Subscription was to repay significant amount of outstanding indebtedness of the Group, the Directors considered it essential to recapitalise the Company and restore its financial health so as to allow the Group to embark on new opportunities which may create more value to the shareholders of the Company. The Subscription was completed on 27 April 2020. Details of the Subscription were set out in the Company's announcements dated 6 February 2020, 27 February 2020, 19 March 2020, 20 March 2020, 8 April 2020, 15 April 2020 and 27 April 2020 and the Company's circular dated 20 March 2020.



As at 30 June 2020, the net proceeds from the Subscription during the Reporting Period had been utilised as follows:

Date of announcement	Event	Net proceeds raised	Intended use of net proceeds	Actual use of proceeds
6 February 2020 (completed on 27 April 2020)	Subscription for 200,000,000 ordinary shares of the Company at an issue price of HK\$0.65 per share	Approximately HK\$128,000,000	(i) Repayment of approximately HK\$40.9 million outstanding convertible bonds issued on 7 February 2018 (ii) Approximately HK\$56.0 million for repayment of the indebtedness due to Mr. Lin Yuhao (iii) Approximately HK\$20.0 million for expanding the Agricultural and Meat Business (iv) Approximately HK\$11.1 million as general working capital of the Group	(i) Approximately HK\$35.0 million was used to settle the outstanding convertible bonds (ii) Approximately HK\$56.0 million was used to settle the indebtedness due to Mr. Lin Yuhao (iii) Approximately HK\$5.5 million was used for payment of annual rental for the existing farmlands, the remaining balance of approximately HK\$14.5 million will be used for expanding the agricultural and meat business as intended within the next 12 months from the date of this report (<i>note</i>) (iv) Approximately HK\$17.0 million was used as working capital of the Group

Note: Breakdowns of the remaining net proceeds will be applied as follows: i) approximately HK\$2.5 million, being the expected annual rental for the proposed leasing of approximately 300 to 450 hectares of farmlands in the Guangdong province in the PRC for farming of agricultural products (the “New Farmlands”); ii) approximately HK\$3.0 million for preparing and tilling the soil for agricultural use, constructing infrastructure of the water and sewage system, payments for electricity supply and other fundamental facilities and road maintenance and improvement in respect of the New Farmlands; iii) approximately HK\$2.0 million for the hiring of a new team (covering accounting, cashier, head of plant base, foreman, warehouse manager, procurement and quality control) and setup of building offices and staff quarters for the New Farmlands; iv) approximately HK\$1.8 million for payment of annual rental for the existing farmlands; and v) approximately HK\$5.2 million for the prepayment of outsourcing fees payable to the local farmers for the New Farmlands.

MANAGEMENT DISCUSSION AND ANALYSIS

During the six months ended 30 June 2020, the Company issued and allotted a total of 2,060,569 ordinary shares of HK\$0.01 each upon the exercise of a total of 2,060,569 share options granted by the Company.

In light of the above, during the Reporting Period, the Company issued and allotted a total of 202,060,569 ordinary shares of HK\$0.01 each with aggregate nominal value of HK\$2,020,605, resulting in a total number of 302,083,407 issued ordinary shares as at 30 June 2020.

As at 30 June 2020, the net debt to adjusted equity ratio was 0.37 (31 December 2019: 0.54). The Group's gearing ratio as at 30 June 2020 was 0.57 (31 December 2019: 1.37), which was measured as total debt to total shareholders' equity. The decrease of the Group's gearing ratio was mainly due to above-mentioned capital structure event.

Mr. Lin Yuhao, a non-executive Director, and Mr. Lin Yupa and Ms. Diao Jing, the executive Directors, had advanced an unsecured interest-free loan to the Group, the balance due to Mr. Lin Yuhao, Mr. Lin Yupa and Ms. Diao Jing as at 30 June 2020 were approximately HK\$44.2 million, HK\$53.8 million and HK\$2.8 million (31 December 2019: HK\$82.6 million, HK\$37.7 million and HK\$2.6 million) respectively. As at 30 June 2020, the outstanding balance of unsecured promissory notes issued by the Company owed to Mr. Lin Yuhao, a non-executive Director, and Mr. Lin Yupa, an executive Director, were HK\$16.3 million and HK\$10.9 million respectively. Details regarding such promissory notes are disclosed in note 21 to the consolidated financial statements.

SIGNIFICANT INVESTMENTS

During the Reporting Period, the Group did not have any significant investments.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Save for the disclosure under the paragraphs headed "BUSINESS REVIEW — Securities Brokerage Business", the Group did not have material acquisitions or disposals of subsidiaries and associated companies during the six months ended 30 June 2020.

CHARGES ON GROUP'S ASSETS

As at 30 June 2020, certain buildings, plant and machinery and motor vehicles were pledged to secure bank loan and finance lease of the Group of approximately HK\$14.8 million (31 December 2019: HK\$15.1 million).

FOREIGN EXCHANGE EXPOSURE

The Group mainly earns revenue and incurs costs in Hong Kong dollars and Renminbi. The management is aware of the possible exchange rate exposure due to the continuing fluctuation of Renminbi and will closely monitor its impact on the performance of the Group to determine if any hedging policy is necessary.

CONTINGENT LIABILITIES

As at 30 June 2020, the Group did not have any material contingent liabilities.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2020, the Group had a total of 71 (31 December 2019: 71) full time employees in Hong Kong and Mainland China. Total staff costs (including directors' remuneration) for the Reporting Period amounted to HK\$8.4 million (six months ended 30 June 2019: HK\$8.9 million). The employees are remunerated with reference to each individual's qualification, experience, responsibility and performance, the performance of the Group and market practices. Apart from the basic remuneration package, staff benefits offered by the Group to its employees include contribution to discretionary bonus, the mandatory provident fund scheme in Hong Kong and the central provident fund scheme in Mainland China. The Company has adopted a share option scheme on 6 June 2013 (the "Scheme"). Pursuant to the Scheme, the Board may, at its discretion, grant options to eligible employees, executive and non-executive Directors (including independent non-executive Directors) of the Group.

PROSPECTS

The Group will seek suitable investment opportunities from time to time to develop its existing business portfolio and engage in new lines of business with growth potential. The Group will pursue diversification in its business and income streams by exploring opportunities with exciting prospects which could complement or create potential synergies to its existing core operations.

To diversify its income streams and counter balance the cyclical nature of the Group's Agricultural and Meat Business, the Company has been actively developing its business blueprint in the realm of financial business since 2015.

In order to expand the Agricultural and Meat Business, in late 2018, the Group started consolidating agricultural products from various labourhood farms and agricultural companies which it would then process, package and sell to its customers. In 2019, the Group also entered into long term co-operation agreements with certain agricultural companies in other provinces in Mainland China for the broadening of its agricultural bases and the sourcing/subcontracting of the agricultural produce of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company has been planning to expand the production base in Guangdong, a desirable location as the climate is comparatively moderate and which allows for year-round cultivation of agricultural produces. However, such plan of expansion was delayed by the COVID-19 outbreak. The Group will implement the expansion plan as intended once the COVID-19 pandemic is abated.

The Group projects the performance of its Money Lending Business segment both in the PRC and Hong Kong to worsen in the second half of 2020 due to the uncertain economic environment and policy in the PRC. The Group may consider obtaining bank loans or other financing opportunities by utilising prudent credit control procedures and strategies so as to strike a balance between business growth and risk management.

2018 marks the beginning of the US-China trade war. It is expected that the trade war and the political tension between US and China will continue and which may impact the economy of China and the business of the Group as well. Meanwhile, the Board acknowledges and expects that the COVID-19 outbreak in Hong Kong, PRC and across the globe has and will continue to have an inevitable adverse impact on the Group during the Reporting Period, and the impact will continue and may last through the coming year. However, our management will keep actively monitoring the performance of the Group and assessing how the COVID-19 outbreak has and will continue to impact the Group, and respond by implementing adaptive strategies in a timely manner.

Apart from the aforesaid investments, the Group will also consider other potential profitable businesses which could boost profitability in the future, including but not limited to, the financial and agricultural and meat sector in Mainland China and Hong Kong.

INTERIM DIVIDEND

No dividend was paid, declared or proposed during the Reporting Period. The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2020 (six months ended 30 June 2019: Nil).



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2020

	Notes	Six months ended 30 June	
		2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited) (Re-presented)
Revenue	3&4	83,025	183,331
Cost of sales and services rendered		(68,970)	(174,586)
Gross profit		14,055	8,745
Other gains	5	9,193	2,473
Selling and distribution expenses		(1,021)	(1,138)
Administrative expenses		(17,883)	(17,020)
Other operating expenses	6	–	(2,190)
Finance costs	7	(4,073)	(10,497)
Profit/(Loss) before taxation	8	271	(19,627)
Income tax expense	9	(2,573)	(1,268)
Loss for the period		(2,302)	(20,895)
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(7,769)	(2,916)
Loss and total comprehensive income for the period		(10,071)	(23,811)
Total comprehensive loss attributable to:			
Owners of the Company		(10,071)	(23,809)
Non-controlling interest		–	(2)
		(10,071)	(23,811)
Loss per share (HK cents)			
Basic	11	(1.24)	(31.23)
Diluted	11	(1.24)	(31.23)



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2020

	Notes	At 30 June 2020 HK\$'000 (Unaudited)	At 31 December 2019 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	13	40,783	44,651
Goodwill	14	271	–
Right-of-use assets		28,124	33,149
Other non-current assets		730	730
Investment in an associate	15	–	–
		69,908	78,530
Current assets			
Inventories		64,456	12,265
Trade and other receivables	16	278,682	288,596
Loan receivables	17	236,399	222,001
Bank balances and cash		56,621	37,267
		636,158	560,129
Current liabilities			
Trade and other payables	18	164,505	139,484
Convertible bonds	19	–	40,712
Bonds	20	31,973	31,340
Bank and other borrowings	22	102,047	145,837
Lease liabilities		8,381	9,916
Promissory notes	21	27,250	27,250
Deferred income		971	1,033
Tax payables		16,164	13,982
		351,291	409,554
Net current assets		284,867	150,575
Total assets less current liabilities		354,775	229,105



**CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**

At 30 June 2020

	<i>Notes</i>	At 30 June 2020 HK\$'000 (Unaudited)	At 31 December 2019 HK\$'000 (Audited)
Capital and reserves			
Share capital	23	3,051	1,030
Reserves		302,292	182,027
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Equity attributable to owners of the Company		305,343	183,057
Non-controlling interests		568	568
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Total equity		305,911	183,625
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Non-current liabilities			
Bank and other borrowing	22	14,798	6,705
Lease liabilities		31,388	35,557
Deferred income		2,678	3,218
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		48,864	45,480
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		354,775	229,105
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The notes on pages 18 to 47 form part of this interim financial statements.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

Notes	Attributable to equity shareholders									
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Convertible bonds equity reserve HK\$'000	Foreign currency translation reserve HK\$'000	Share options reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interest HK\$'000	Total equity HK\$'000
At 31 December 2018 (Audited)	12,354	806,341	64,086	1,427	8,147	135,169	(845,199)	182,325	-	182,325
Impact on initial application of HKFRS 16	-	-	-	-	-	-	(14,705)	(14,705)	-	(14,705)
1 January 2019, as restated	12,354	806,341	64,086	1,427	8,147	135,169	(859,904)	167,620	-	167,620
Loss and total comprehensive income for the period	-	-	-	-	(2,916)	-	(20,893)	(23,809)	(2)	(23,811)
Issue of convertible bonds	-	-	-	3,393	-	-	-	3,393	-	3,393
Issue of ordinary shares from conversion of convertible bonds	329	59,260	-	(3,393)	-	-	-	56,196	-	56,196
Reduction of share capital	(11,707)	-	11,707	-	-	-	-	-	-	-
Setting off accumulated loss	-	-	(11,707)	-	-	-	11,707	-	-	-
Lapse of share options	-	-	-	-	-	(1,394)	1,394	-	-	-
Incorporation of a subsidiary	-	-	-	-	-	-	-	-	571	571
Change in equity for the period	(11,378)	59,260	-	-	(2,916)	(1,394)	(7,792)	35,780	569	36,349
At 30 June 2019 (Unaudited)	976	865,601	64,086	1,427	5,231	133,775	(867,696)	203,400	569	203,969
At 1 January 2020 (Audited)	1,030	875,829	65,190	1,427	10,470	120,075	(890,964)	183,057	568	183,625
Loss and other comprehensive income for the period	-	-	-	-	(7,769)	-	(2,302)	(10,071)	-	(10,071)
Redemption of convertible bonds	-	-	-	(1,427)	-	-	1,427	-	-	-
Lapse of share options	-	-	-	-	-	(610)	610	-	-	-
Issue of share under specific mandate subscription	23	2,000	128,000	-	-	-	-	130,000	-	130,000
Issue of share under share option scheme	21	3,810	-	-	-	(1,474)	-	2,357	-	2,357
Change in equity for the period	2,021	131,810	-	(1,427)	(7,769)	(2,084)	(265)	122,286	-	122,286
At 30 June 2020 (Unaudited)	3,051	1,007,639	65,190	-	2,701	117,991	(891,229)	305,343	568	305,911



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2020

	Six months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Net cash used in operating activities	(33,456)	(26,368)
Net cash used in investing activities	(168)	(2,515)
Net cash generated from financing activities	57,993	26,693
Net decrease in cash and cash equivalents	24,369	(2,190)
Cash and cash equivalents at the beginning of the period	37,267	12,410
Effect of foreign exchange rate changes	(5,015)	(3,757)
Cash and cash equivalents at the end of the period	56,621	6,463
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	56,621	6,463



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information has been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The preparation of an unaudited condensed consolidated interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The unaudited condensed consolidated interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include explanations of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2019 annual consolidated financial statements. These condensed consolidated interim financial statements and notes thereon do not include all of the information required for the preparation of full set of consolidated financial statements in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) and should be read in conjunction with the 2019 annual financial statements.

The accounting policies and method of computation adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2019.



2 ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 January 2020. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. A number of new or amended standards are effective from 1 January 2020 but they do not have a material effect on the Group's unaudited condensed consolidated interim financial statements.

3 SEGMENT INFORMATION

The accounting policies of the operating segments are the same as those described in the 2019 annual financial statements.

Operating segment information

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (i) the "Agricultural and Meat Business" segment engages in cultivating and trading of agricultural and meat produce;
- (ii) the "Money Lending Business" segment engages in money lending services; and
- (iii) the "Securities Brokerage Business" segment engages in securities brokerage services in securities traded in Hong Kong.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of the segments' performance for the period is set out below:



**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
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3 SEGMENT INFORMATION (CONTINUED)

Operating segment information (CONTINUED)

(i) Information about profit or loss

	Agricultural and meat business HK\$'000	Money lending business HK\$'000	Securities brokerage business HK\$'000	Unallocated HK\$'000	Total HK\$'000
For the six months ended 30 June 2020 (Unaudited)					
Revenue					
Point in time	71,915	10,337	773	–	83,025
Over time	–	–	–	–	–
Reportable segment revenue	71,915	10,337	773	–	83,025
Elimination of inter-segment revenue	–	–	–	–	–
Consolidated revenue	71,915	10,337	773	–	83,025
Loss					
Reportable segment (loss)/profit (adjusted (LBITDA)/EBITDA)	3,234	8,951	(3,223)	–	8,862
Depreciation	(3,229)	(12)	(6)	–	(3,247)
Right-of-use asset depreciation	(2,882)	(36)	(876)	(804)	(4,598)
Finance costs	(2,693)	(3)	(53)	(1,324)	(4,073)
Gain on deregistration of a subsidiary	994	–	–	–	994
Government grants	603	–	50	217	870
Interest income	236	2	–	–	238
Unallocated head office and corporate income	–	–	–	5,882	5,882
Unallocated head office and corporate expenses	–	–	–	(4,657)	(4,657)
Consolidated (loss)/profit before taxation	(3,737)	8,902	(4,208)	(686)	271



3 SEGMENT INFORMATION (CONTINUED)

Operating segment information (CONTINUED)

(i) Information about profit or loss (Continued)

	Agricultural and meat business HK\$'000	Money lending business HK\$'000	Securities brokerage business HK\$'000	Unallocated HK\$'000	Total HK\$'000
For the six months ended 30 June 2019 (unaudited) (re-presented)					
Revenue					
Point in time	167,781	14,871	679	-	183,331
Over time	-	-	-	-	-
Reportable segment revenue	167,781	14,871	679	-	183,331
Elimination of inter-segment revenue	-	-	-	-	-
Consolidated revenue	167,781	14,871	679	-	183,331
Loss					
Reportable segment (loss)/profit (adjusted (LBITDA)/EBITDA)	(7,713)	12,593	(4,265)	-	615
Depreciation	(3,234)	(52)	-	(347)	(3,633)
Finance costs	(4,689)	-	(143)	(5,665)	(10,497)
Gain on disposal of a subsidiary	-	-	-	-	-
Government grants	782	-	-	-	782
Interest income	6	3	-	11	20
Reversal of impairment on other receivables	673	-	-	-	673
Unallocated head office and corporate income	-	-	-	1	1
Unallocated head office and corporate expenses	-	-	-	(7,588)	(7,588)
Consolidated (loss)/profit before taxation	(14,175)	12,544	(4,408)	(13,588)	(19,627)

The measure used for reporting segment (loss)/profit is “adjusted (LBITDA)/EBITDA” i.e. “adjusted (loss)/earnings before interest, taxes, depreciation and amortisation, loss allowance on property, plant and equipment, inventories”, where “interest” excludes interest income from the Money Lending Business. To arrive at adjusted (LBITDA)/EBITDA, the Group’s loss is further adjusted for items not specifically attributed to individual segments, such as share of profit/(loss) of associates, directors’ and auditors’ remuneration and other head office or corporate administration costs.



**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
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3 SEGMENT INFORMATION (CONTINUED)

Operating segment information (CONTINUED)

(ii) Reconciliations of reportable segment assets and liabilities

	Agricultural and meat business HK\$'000	Money lending business HK\$'000	Securities brokerage business HK\$'000	Unallocated HK\$'000	Total HK\$'000
At 30 June 2020 (Unaudited)					
Assets					
Reportable segment assets	440,218	237,091	25,620	–	702,929
Goodwill	271	–	–	–	271
Unallocated head office and corporate assets	–	–	–	2,866	2,866
Consolidated total assets	440,489	237,091	25,620	2,866	706,066
Liabilities					
Reportable segment liabilities	236,863	18,172	15,115	–	270,150
Bonds	–	–	–	31,973	31,973
Promissory notes	–	–	–	27,250	27,250
Unallocated head office and corporate liabilities	–	–	–	70,782	70,782
Consolidated total liabilities	236,863	18,172	15,115	130,005	400,155
Other segment information					
Capital expenditure*	515	–	–	–	515
Income tax expense	–	2,573	–	–	2,573

* Capital expenditure consists of expenditure for additions to property, plant and equipment.



3 SEGMENT INFORMATION (CONTINUED)

Operating segment information (CONTINUED)

(ii) Reconciliations of reportable segment assets and liabilities (Continued)

	Agricultural and meat business HK\$'000	Money lending business HK\$'000	Securities brokerage business HK\$'000	Unallocated HK\$'000	Total HK\$'000
At 31 December 2019 (Audited) (re-presented)					
Assets					
Reportable segment assets	393,215	222,348	19,701	-	635,264
Goodwill	-	-	-	-	-
Unallocated head office and corporate assets	-	-	-	3,395	3,395
Consolidated total assets	393,215	222,348	19,701	3,395	638,659
Liabilities					
Reportable segment liabilities	274,212	28,745	12,489	-	315,446
Convertible bonds	-	-	-	40,712	40,712
Bonds	-	-	-	31,340	31,340
Promissory notes	-	-	-	27,250	27,250
Unallocated head office and corporate liabilities	-	-	-	40,286	40,286
Consolidated total liabilities	274,212	28,745	12,489	139,588	455,034
Other segment information					
Capital expenditure*	5,370	-	-	-	5,370
Income tax expense	-	4,219	-	-	4,219

* Capital expenditure consists of expenditure for additions to property, plant and equipment.

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
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3 SEGMENT INFORMATION (CONTINUED)

Operating segment information (CONTINUED)

(iii) Geographical information

Information about the Group's revenue from external customers is presented based on the geographical location as follows:

	Six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
		(Re-presented)
Revenue		
– Hong Kong	881	2,731
– Mainland China	82,144	180,600
	83,025	183,331

Non-current assets of the Group are presented based on the geographical location as follows:

	At 30 June	At 31 December
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Non-current assets		
– Hong Kong	2,569	4,114
– Mainland China	67,339	74,416
	69,908	78,530

Non-current assets of the Group include property, plant and equipment, goodwill, investment in an associate and other non-current assets.



**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
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4 REVENUE

An analysis of revenue is as follows:

	Six months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited) (Re-presented)
Sale of agricultural and meat produce	71,915	167,781
Money lending interest income	10,337	14,871
Securities brokerage income	773	679
	83,025	183,331

5 OTHER GAINS

	Six months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited) (Re-presented)
Foreign exchange gain, net	667	–
Government grants	870	782
Bank interest income	238	9
Other interest income	–	11
Gain on deregistration of a subsidiary	994	–
Services income	205	–
Gain on repayment of convertible bonds at discount	5,712	–
Rental income	153	127
Reversal of impairment of other receivables	–	673
Sundry income	354	871
	9,193	2,473



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION

6 OTHER OPERATING EXPENSES

	Six months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited) (Re-presented)
Foreign exchange losses, net	–	2,131
Others	–	59
	–	2,190

7 FINANCE COSTS

	Six months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited) (Re-presented)
Interest expenses on bonds	1,239	1,867
Interest expenses on convertible bonds	–	3,793
Interest expenses on bank and other borrowings	674	2,211
Interest expenses on lease liabilities	2,160	2,626
	4,073	10,497



**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
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8 PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited) (Re-presented)
Staff costs (including directors' emoluments)		
Salaries and allowances	8,078	8,345
Retirement benefit costs	287	544
Discretionary bonus	–	23
Total staff costs	8,365	8,912
Cost of inventories recognised as an expense	68,220	165,538
Depreciation:		
– on owned assets	3,247	3,633
– on right of use assets	4,598	5,067
Reversal of impairment losses of trade and other receivables	–	(673)
Gain on deregistration of a subsidiary	(994)	–

9 INCOME TAX EXPENSE

The tax rate applicable to the Group's Hong Kong subsidiaries was 16.5% (30 June 2019: 16.5%) during the six months ended 30 June 2020.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") introducing the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Pursuant to the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

No provision for Hong Kong Profits tax has been provided as the subsidiaries in Hong Kong did not have any assessable profit arising in Hong Kong during the Reporting Period (30 June 2019: Nil).

Enterprise Income Tax ("EIT") in the PRC is provided at the rates applicable to the subsidiaries in the PRC of the income for statutory reporting purpose, adjusted for income and expense items which are not assessable or deductible for income tax purposes based on existing PRC income tax regulations, practices and interpretations thereof.

According to the PRC tax law and its interpretation rules (the "PRC tax law"), enterprises that engage in qualifying agricultural business are eligible for full EIT exemption or half reduction of EIT on profits derived from such business. The Group's PRC subsidiaries engaging in qualifying agricultural business, which includes growing, processing and selling of vegetables, are thus entitled to the full exemption of EIT.

	Six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
EIT in the PRC		
– Provision for the period	2,573	1,268
	2,573	1,268



10 DISCONTINUED OPERATIONS

On 25 May 2017, the Group entered into a sale and purchase agreement (the "Agreement") with Ace Jumbo Ventures Limited ("Ace Jumbo"), an independent third party, pursuant to which the Company has conditionally agreed to sell 100% of the issued share capital of Golden Rich Securities Limited, a wholly owned subsidiary of the Company, at the consideration of net asset value of Golden Rich Securities Limited as at the date of the Agreement plus HK\$12,000,000. Accordingly, all assets and liabilities attributable to Golden Rich Securities Limited and its subsidiary (the "Disposal Group") have been classified as a disposal group held for sale and are presented separately in the unaudited condensed consolidated statement of financial position as at 30 June 2019 respectively. The Disposal Group has been presented as discontinued operations in the unaudited condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2019.

Since 20 October 2017, the Company has entered into several supplemental deeds with Ace Jumbo to extend the completion date of the Agreement to 24 November 2020.

Notwithstanding having several supplemental deeds entered into with Ace Jumbo to extend the long stop date of the Agreement to 24 November 2020, the Directors of the Company are of the opinion that the completion of the Agreement is not highly probable, thus the Disposal Group have been re-classified as continuing operations during the year ended 31 December 2019.

11 LOSS PER SHARE

The calculation of basic loss per share is based on the Group's loss attributable to the owners of the Company of approximately HK\$2,302,000 (six months ended 30 June 2019: HK\$20,893,000) and the weighted average number of 185,864,806 (six months ended 30 June 2019: 66,897,883) ordinary shares in issue during the Reporting Period.

The computation of diluted loss per share for the six months ended 30 June 2020 and 2019 does not assume the conversion of the Company's preference shares and convertible bonds, and the exercise of the Company's share options since their assumed conversion and exercise are anti-dilutive. Therefore, the basic and diluted loss per share are the same.

12 DIVIDEND

No dividend was paid, declared or proposed during the Reporting Period. The Directors do not recommend the payment of an interim dividend (six months ended 30 June 2019: Nil).

13 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2020, additions to the Group's property, plant and equipment include items of leasehold improvement, bearer plants and office equipment with a cost of approximately HK\$515,000 (31 December 2019: HK\$5,370,000). No item was disposed during the six months ended 30 June 2020 (31 December 2019: Nil).

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14 GOODWILL

On 7 June 2020, the Company through its wholly-owned subsidiary, Shenzhen Cypress Jade Food Trading Company Limited* (深圳市從玉食品貿易有限公司), entered into an agreement with its associate, GLQH for the acquisition of 100% interests of Shenzhen Kang Pin Hui Technology Company Limited* (深圳康品會科技有限公司) with no consideration. The acquisition of Shenzhen Kang Pin Hui Technology Company Limited* (深圳康品會科技有限公司) was completed on 7 June 2020. The fair values of identifiable liabilities of the acquired company as at the completion date of the aforementioned acquisition were as follows:

	HK\$'000 (Unaudited)
Net Liability acquired	(13)
Goodwill on acquisition	13
	-
Consideration	-

On 12 June 2020, the Company through its wholly-owned subsidiary, Shenzhen Kang Pin Hui Technology Company Limited* (深圳康品會科技有限公司), entered into an agreement with third parties for the acquisition of 100% interests of Shenzhen Maike Technology Company Limited* (深圳市麥氦科技有限公司). The consideration was satisfied by cash of approximately HK\$237,000. Shenzhen Maike Technology Company Limited* (深圳市麥氦科技有限公司) was established in the PRC and principally engaged in online sale business in Shenzhen. The acquisition of Shenzhen Maike Technology Company Limited* (深圳市麥氦科技有限公司) was completed on 19 June 2020. As a result of the acquisition, the Group is expected to be provided with a prime opportunity to enter into the online sale business in Shenzhen, PRC, and thus diversify the revenue stream of the Group. The fair values of identifiable liabilities of Shenzhen Maike Technology Company Limited* (深圳市麥氦科技有限公司) as at the completion date of the aforementioned acquisition were as follows:

	HK\$'000 (Unaudited)
Net Liability acquired	(21)
Goodwill on acquisition	258
	237
Consideration: Cash	237
Net cash outflow arising on acquisition: Cash and cash equivalents outflow	237

* For identification purposes only

15 INVESTMENT IN AN ASSOCIATE

	At 30 June 2020 HK\$'000 (Unaudited)	At 31 December 2019 HK\$'000 (Audited)
At 1 January	–	–
Share of post-acquisition profit or loss and other comprehensive income	–	–
	–	–

Investment in an associate represents investment in unlisted equity securities, details of the Group's associate at the end of Reporting Period are as follows:

Name	Place of establishment	Registered/ paid up capital	Percentage of ownership interest	Principal activities and place of operation
Shenzhen Qianhai Jinlin Technology Services Company Limited (formerly known as Shenzhen Qianhai Gelin Internet Financial Services Company Limited)* (深圳市前海錦林科技服務有限公司)	Mainland China	RMB100,000,000/ RMB100,000,000	Direct 25% (31 December 2019: 25%)	Internet financing service/PRC

The associate is accounted for using the equity method in the unaudited condensed consolidated interim financial statements.

There are no contingent liabilities relating to the Group's interest in the associate.

* For identification purposes only



**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
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15 INVESTMENT IN AN ASSOCIATE (CONTINUED)

Summarised financial information of the material associate, adjusted for any differences in accounting policies, and reconciled to the carrying amount in the unaudited condensed consolidated interim financial statements is disclosed below:

	At 30 June 2020 HK\$'000 (Unaudited)	At 31 December 2019 HK\$'000 (Audited)
Non-current assets	237	334
Current assets	29,373	30,121
Total assets	29,610	30,455
Current liabilities	(1,597)	(1,645)
Net assets	28,013	28,810
	Six months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Revenue	–	60
Loss for the period	(282)	(1,940)
Other comprehensive income for the period — Exchange differences on translating foreign operation	(288)	1
Loss and total comprehensive income for the period	(570)	(1,939)
The Group's share of total comprehensive income of an associate	–	–

During the six months ended 30 June 2020, the Group has not recognised loss for the period amounting to approximately HK\$142,000 (six months ended 30 June 2019: HK\$485,000) for the associate. The accumulated losses not recognised were approximately HK\$142,000 (six months ended 30 June 2019: HK\$485,000).



16 TRADE AND OTHER RECEIVABLES

<i>Notes</i>	At 30 June 2020 HK\$'000 (Unaudited)	At 31 December 2019 HK\$'000 (Audited)
Trade receivables arising from trading of agricultural and meat produce	222,815	285,065
Less: Impairment	(5,840)	(5,883)
Total trade receivables	216,975	279,182
Account receivable arising from dealing in securities — Margin clients and broker receivable	548	1,850
	548	1,850
Other receivables	9,217	9,202
Less: Impairment	(8,142)	(8,145)
Total other receivables	1,075	1,057
Deposits and prepayments	88,334	34,757
Less: Impairment	(28,250)	(28,250)
Total deposits and prepayments	60,084	6,507
	278,682	288,596



**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
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16 TRADE AND OTHER RECEIVABLES (CONTINUED)

- (a) The average credit period on sales of agricultural and meat produce is 60 days. As of the end of the Reporting Period and 31 December 2019, the ageing analysis of trade receivables from trading of agricultural and meat produce, based on the invoice date and net impairment losses, is as follows:

	At 30 June 2020 HK\$'000 (Unaudited)	At 31 December 2019 HK\$'000 (Audited)
0 – 60 days	19,740	35,362
61 – 120 days	11,615	16,737
Over 120 days	185,620	227,083
	216,975	279,182

The ageing analysis of the past due trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	At 30 June 2020 HK\$'000 (Unaudited)	At 31 December 2019 HK\$'000 (Audited)
Less than 60 days past due	11,615	16,737
Over 60 days past due	185,620	227,083
	197,235	243,820

The movements in impairment of trade receivables are as follows:

	At 30 June 2020 HK\$'000 (Unaudited)	At 31 December 2019 HK\$'000 (Audited)
At 1 January	5,883	1,284
Impairment loss recognised	–	4,964
Reversal of impairment loss	–	(342)
Exchange realignment	(43)	(23)
	5,840	5,883



16 TRADE AND OTHER RECEIVABLES (CONTINUED)

As included in the above, no trade receivables (31 December 2019: Nil) are individually impaired which have been considered not recoverable. The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected liquidation proceeds. The Group does not hold any collateral over these balances.

- (b) The normal settlement terms of accounts receivable from cash clients and clearing houses are within two days after the respective trade dates.

Accounts receivable from cash clients arising from the Securities Brokerage Business are repayable on demand subsequent to the respective settlement dates. No ageing analysis is disclosed as ageing analysis does not give additional value in view of the nature of these accounts receivable.

Margin clients are required to pledge securities collateral to the Group in order to obtain credit facilities for securities trading. The amount of credit facilities granted to them is determined by the discounted value as accepted by the Group.

There are trading limits in place for all clients. The Group strictly monitors outstanding accounts receivable in order to minimise the credit risk. The management reviews the accounts receivable regularly to ensure that the listed stocks held by the Group on clients' behalf are capable of offsetting their debts owed to the Group.

17 LOAN RECEIVABLES

The Group's loan receivables arose from the Money Lending Business. Loan receivables bear interest at rates ranging from 7.2% to 12% (31 December 2019: 7.2% to 48%), and with credit periods, mutually agreed between the contracting parties. Each customer has a credit limit. Overdue balances are reviewed regularly and handled closely by senior management.

	At 30 June 2020 HK\$'000 (Unaudited)	At 31 December 2019 HK\$'000 (Audited)
Carrying amount receivable based on scheduled repayment dates set out in the loan agreements		
Within one year	236,399	165,454
Repayment on demand clause (shown under current assets)	–	56,547
	236,399	222,001
Less: current portion	(236,399)	(222,001)
Non-current portion	–	–



**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
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17 LOAN RECEIVABLES (CONTINUED)

The Group's loan receivables, arising from the Money Lending Business, which involves the providing of property mortgage loans and personal loans in Hong Kong and in the PRC, are denominated in Hong Kong dollars with amount of approximately HK\$18,000 (31 December 2019: HK\$1,178,000) and in Renminbi ("RMB") with amount of approximately HK\$239,634,000 (31 December 2019: HK\$224,076,000), respectively.

Except for loan receivables of approximately HK\$239,652,000 before impairment (31 December 2019: HK\$224,094,000) as at 30 June 2020, which are unsecured, interest-bearing and are repayable with fixed terms agreed with customers, all loan receivables are secured by collaterals provided by customers, interest-bearing and are repayable within fixed terms agreed with the customers. The maximum exposure to credit risk at each of the reporting dates is the carrying value of the loan receivables mentioned above.

A maturity profile of the loan receivables as at the end of the Reporting Period and 31 December 2019, based on the maturity date, net of loss allowance, is as follows:

	At 30 June 2020 HK\$'000 (Unaudited)	At 31 December 2019 HK\$'000 (Audited)
Within 3 months	53,310	38,007
3 months to 1 year	183,089	127,447
Over 1 year (with repayment on demand clause)	–	56,547
	236,399	222,001

The movements in impairment of loan receivables are as follows:

	At 30 June 2020 HK\$'000 (Unaudited)	At 31 December 2019 HK\$'000 (Audited)
At 1 January	3,253	35,518
Reversal of impairment loss	–	(32,265)
	3,253	3,253



18 TRADE AND OTHER PAYABLES

<i>Notes</i>	At 30 June 2020 HK\$'000 (Unaudited)	At 31 December 2019 HK\$'000 (Audited)
Trade payables arising from trading of agricultural and meat produce	36,179	81,358
Account payable arising from dealing in securities		
— cash client	6	6
— clearing house	13,968	10,567
Accruals and other payables	114,352	47,553
	164,505	139,484

- (a) Trade payables arising from trading of agricultural and meat produce principally comprise amounts outstanding for trade purchases and have an average credit period of 30 days. The aged analysis of trade payables based on the invoice date at the end of the Reporting Period and 31 December 2019 is as follows:

	At 30 June 2020 HK\$'000 (Unaudited)	At 31 December 2019 HK\$'000 (Audited)
0 – 60 days	29,966	16,858
61 – 120 days	543	16,154
Over 120 days	5,670	48,346
	36,179	81,358

19 CONVERTIBLE BONDS

Convertible bonds issued on 7 February 2018 (the “CB”)

On 7 February 2018, the Company issued the CB with aggregate principal amount of HK\$40,000,000 with conversion price of HK\$0.40 (adjusted from HK\$0.04 to HK\$0.40 per share as a result of the capital reorganisation effective on 25 June 2018) per share to an independent third party.



19 CONVERTIBLE BONDS (CONTINUED)

Convertible bonds issued on 7 February 2018 (“CB”) (Continued)

The CB are denominated in Hong Kong dollars and carry an interest rate of 5% per annum. The holder of the CB is entitled to convert the CB into 1,000,000,000 ordinary shares (adjusted from 1,000,000,000 ordinary shares to 100,000,000 ordinary shares as a result of the capital reorganisation effective on 25 June 2018) of the Company (the “Conversion Shares”) at initial conversion price of HK\$0.04 at any time from the date of issue to 7 February 2019. The Conversion Shares shall rank pari passu in all respects with all other existing shares outstanding at the date of the conversion.

The CB contain two components, liability component and equity component. At initial recognition, the fair value of liability of approximately HK\$38,505,000 was recognised with the residual value of approximately HK\$1,427,000, representing equity component, presented in equity heading “convertible bonds equity reserve”.

Transaction costs relating to the liability component of approximately HK\$68,000 are included in the carrying amount of the liability portion.

The effective interest rate of the liability component is 8.89% per annum.

The CB matured on 7 February 2019 and no conversion rights had been exercised. During the six months ended 30 June 2020, the Company repaid HK\$35,000,000 to the holder of the CB. The outstanding principal and the interest accrued as at 30 June 2020 in a total sum of approximately HK\$5,712,000 was waived by the holder of the CB and credited to profit or loss as gain on repayment of convertible bonds at discount.

Movements of the liability component of convertible bonds are set out below:

	CB HK\$'000
Liability component at 1 January 2019 (Audited)	41,577
Liability component at date of issue	41,577
Repayment	(3,000)
Interest charged	2,135
Liability component at 31 December 2019 and 1 January 2020 (Audited)	40,712
Repayment	(35,000)
Gain on repayment of convertible bonds at discount	(5,712)
Liability component at 30 June 2020 (Unaudited)	–



20 BONDS

	At 30 June 2020 HK\$'000 (Unaudited)	At 31 December 2019 HK\$'000 (Audited)
At 1 January	31,340	40,975
Repayment during the year/period	–	(12,293)
Interest expenses	1,239	3,470
Exchange realignment	(606)	(812)
	31,973	31,340

Notes:

- (a) On 4 May 2017, the Company issued an unsecured bond ("Bond 1") with principal value of RMB13,548,000 (approximately HK\$15,538,000) to an independent third party ("Subscriber 1"). The Bond 1 bears interest at 10% per annum and is repayable on 31 December 2017.

On 31 December 2017, principal value of RMB4,500,000 (approximately HK\$5,161,000) has been repaid to Subscriber 1.

During the six months ended 30 June 2020, the Company entered into extension agreement with Subscriber 1, to extend the maturity date of Bond 1 from 30 June 2020 to 30 June 2021.

During the six months period ended 30 June 2020, no principal and interest was paid to the Subscriber 1.

- (b) On 5 May 2017, the Company issued an unsecured bond ("Bond 2") with principal value of RMB13,552,000 (approximately HK\$15,543,000) to an independent third party ("Subscriber 2"). The Bond 2 bears interest at 10% per annum and is repayable on 31 December 2017.

During the six months ended 30 June 2020, the Company entered into extension agreement with Subscriber 2, to extend the maturity date of Bond 2 from 30 June 2020 to 30 June 2021.

During the six months period ended 30 June 2020, no principal and interest has been repaid to Subscriber 2.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

21 PROMISSORY NOTES

On 24 September 2015, the Company issued unsecured promissory notes with principal value of HK\$100,000,000 to the Directors of the Company, namely Mr. Lin Yuhao (HK\$99,990,000) ("PN1") and Mr. Lin Yupa (HK\$10,000) ("PN2") (appointed on 18 April 2019). The PN1 and PN2 bear interest at 3% per annum and matured on 23 September 2018. The fair value of the PN1 and PN2 at the date of issuance was approximately HK\$73,599,000.

On 31 March 2016, the Company early redeemed the PN1 with the principal amount of HK\$75,000,000 by way of issuing 719,696,958 ordinary shares of the Company at the subscription price of HK\$0.099 per share and all interest accrued were agreed to be waived. The fair value of the relevant ordinary shares was approximately HK\$88,522,000 and the amortised cost of the PN1 was approximately HK\$59,080,000. As such, loss on early redemption of PN1 of approximately HK\$29,442,000 was recognised during the year ended 31 December 2016. Subsequently, Mr. Lin Yuhao transferred HK\$10,000,000 principal amount of PN1 to Mr. Lin Yupa ("PN3") (PN1, PN2 and PN3 are, collectively, "PN")

The Company entered into several extension agreements with Mr. Lin Yuhao, to extend the maturity date of PN1 from 23 September 2018 to 31 July 2021, free of interest during the extension period.

The Company entered into several extension agreements with Mr. Lin Yupa to extend the maturity date of PN2 from 23 September 2018 to 31 July 2020.

The PN is subsequently measured at amortised cost, using effective interest rate of 14%. As at 30 June 2020, the carrying amount of the PN was approximately HK\$27,250,000 (31 December 2019: HK\$27,250,000).

As at 30 June 2020, PN payable to Mr. Lin Yuhao and Mr. Lin Yupa were HK\$16,339,100 and HK\$10,910,900 respectively.

The movements of PN are as follows:

	At 30 June 2020 HK\$'000 (Unaudited)	At 31 December 2019 HK\$'000 (Audited)
At 1 January	27,250	27,250
Imputed interest charged	-	-
	27,250	27,250



22 BANK AND OTHER BORROWINGS

	<i>Notes</i>	At 30 June 2020 HK\$'000 (Unaudited)	At 31 December 2019 HK\$'000 (Audited)
Bank loans	(a)	14,798	15,086
Other loans	(b)	102,047	137,456
		116,845	152,542
Secured		14,798	15,086
Unsecured		102,047	137,456
Carrying amount		116,845	152,542
Repayable:			
Within one year		102,047	145,837
In the second to fifth years		14,798	6,705

Notes:

- (a) The bank loans amounted to approximately HK\$14,798,000 (31 December 2019: HK\$15,086,000) are secured by the Group's leasehold land and buildings. The bank loans bear interest at 9% (31 December 2019: 9%-12%) per annum and repayable in the second to fifth years.
- (b) As at 30 June 2020, other loans of approximately HK44,241,000, (31 December 2019: HK\$82,646,000) HK\$2,845,000 (31 December 2019: HK\$2,620,000) and HK\$53,779,000 (31 December 2019: HK\$37,686,000) were provided by the Directors of the Company, namely Mr. Lin Yuhao, Ms. Diao Jing and Mr. Lin Yupa respectively. The balance of such other loans are unsecured, interest free and repayable on demand.



**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION**

22 BANK AND OTHER BORROWINGS (CONTINUED)

Movements of the bank and other borrowings are as follows:

	At 30 June 2020 HK\$'000 (Unaudited)	At 31 December 2019 HK\$'000 (Audited)
At 1 January	152,542	79,822
Additions	34,554	194,907
Interest expenses	674	2,917
Repayment	(67,985)	(123,623)
Exchange realignment	(2,940)	(1,481)
	116,845	152,542

23 SHARE CAPITAL

Notes	At 30 June 2020 HK\$'000 (Unaudited)	At 31 December 2019 HK\$'000 (Audited)
Authorised:		
150,000,000,000 (31 December 2019: 150,000,000,000) ordinary shares of HK\$0.01 each	1,500,000	1,500,000
10,000,000,000 (31 December 2019: 10,000,000,000) preference shares of HK\$0.01 each	100,000	100,000
Issued and fully paid:		
302,083,407 (31 December 2019: 100,022,838) ordinary shares of HK\$0.01 each	3,021	1,000
3,030,000 (31 December 2019: 3,030,000) preference shares of HK\$0.01 each (a)	30	30
Total amount	3,051	1,030



**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION**

23 SHARE CAPITAL (CONTINUED)

A summary of the transactions during the Reporting Period with reference to the movements in the Company's issued ordinary share capital is as follows:

	<i>Notes</i>	No. of shares	Amount HK\$'000
At 31 December 2019 and 1 January 2020 (Audited)		100,022,838	1,000
Issue of ordinary share under specific mandate subscription	(b)	200,000,000	2,000
Issue of ordinary share under share option scheme	(c)	2,060,569	21
At 30 June 2020 (Unaudited)		302,083,407	3,021

Notes:

- (a) The preference shares are non-redeemable with par value of HK\$0.01 each credited as fully paid up are issued and allotted to vendors as part of the considerations for the acquisitions occurred during the year ended 31 December 2012. According to the terms of the preference share policy, one preference share is eligible to convert into one new ordinary share (adjusted from 3,030,000 ordinary shares to 15,150 ordinary shares as a result of capital reorganisation effective on 25 June 2018 and 15 April 2019) at any time but no earlier than one year from the date of issue.
- (b) Save as disclosed in the Company's circular dated 20 March 2020 in respect of proposed issuance of subscription shares to Sino Richest Investment Holdings Limited (the "Subscriber"), which is wholly owned by Mr. Lin Yuhao, a non-executive Director, (the "Subscription") under specific mandate which was approved by the shareholders of the Company in a special general meeting (the "SGM") of the Company on 15 April 2020. The Subscription has taken place and completed on 27 April 2020 under which 200,000,000 ordinary shares were duly allotted and issued as fully-paid by the Company to the Subscriber at the subscription price of HK\$0.65 per each subscription share under the specific mandate obtained at the SGM. Details of the above were set out in the Company's announcements dated 6 February 2020, 27 February 2020, 19 March 2020, 20 March 2020, 8 April 2020, 15 April 2020 and 27 April 2020, and the Company's circular dated 20 March 2020.
- (c) On 16 March 2020, 2,060,569 ordinary shares were issued by the Company upon exercise of 2,060,569 share options at an exercise price of HK\$1.144 each.



24 SHARE-BASED PAYMENT TRANSACTIONS

A share option scheme (the “Scheme”) was adopted pursuant to a resolution passed at the annual general meeting of the Company held on 6 June 2013 (the “Adoption Date”) for the primary purpose of providing incentives or rewards to selected participants. Under the Scheme, the Company may grant options to any participant of certain defined categories. Saved as determined by the Directors and provided in the offer of the grant of the relevant option, there is no performance target requirement which must be achieved before the option can be exercised but the participant must remain in the defined categories upon exercise.

The total number of shares in respect of which options may be granted under the Scheme must not exceed 10% of the shares of the Company in issue as at the Adoption Date. The total number of shares issued and to be issued upon exercise of the options granted to a participant in any 12-month period must not exceed 1% of the shares of the Company in issue. Any further grant of options in excess of the individual limit must be subject to shareholders’ approval.

The option price is determined by the Board in its absolute discretion which, in any event, shall be at least the higher of (a) the closing price of the shares on the offer date; (b) the average closing price of the shares for the five business days immediately preceding the offer date; and (c) the nominal amount of each share for the time being.

Details of specific categories of options are as follows:

Date of grant	Exercise period	Exercise price HK\$	<i>Notes</i>
3/7/2015	3/7/2015–2/7/2025	99	(a)
10/9/2015	10/9/2015–9/9/2025	69.8	(b)
22/7/2016	22/7/2016–21/7/2026	39.6	(c)
20/9/2017	20/9/2017–19/9/2027	7.8	(d)
9/7/2018	9/7/2018–8/7/2028	1.804	(e)
24/7/2019	24/7/2019–23/7/2029	1.144	

Notes:

As a result of the capital reorganisation effective on 25 April 2019 (“Capital Reorganisation”), adjustments were made to the number of ordinary shares to be allotted and issued upon exercise of the subscription rights attaching to all these share options granted under the Scheme by the decrease of:

- (a) 51,729,550 ordinary shares to 2,586,477 ordinary shares and the exercise prices of the options were adjusted from HK\$4.95 per ordinary share to HK\$99 per ordinary share;
- (b) 51,500 ordinary shares to 2,575 ordinary shares and the exercise prices of the options were adjusted from HK\$3.49 per ordinary share to HK\$69.8 per ordinary share;



24 SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Notes: (Continued)

- (c) 68,815,976 ordinary shares to 3,440,798 ordinary shares and the exercise prices of the options were adjusted from HK\$1.98 per ordinary share to HK\$39.6 per ordinary share;
- (d) 96,090,156 ordinary shares to 4,804,507 ordinary shares and the exercise prices of the options were adjusted from HK\$0.39 per ordinary share to HK\$7.8 per ordinary share;
- (e) 112,178,756 ordinary shares to 5,608,937 ordinary shares and the exercise prices of the options were adjusted from HK\$0.0902 per ordinary share to HK\$1.804 per ordinary share.

The fair value of share options is determined at the date of grant using Binominal Option Pricing Model by an independent valuer and the following assumptions were used to calculate the fair value of share options:

	24 July 2019	9 July 2018	20 September 2017	22 July 2016	10 September 2015	3 July 2015
Fair value at measurement date	HK\$6,758,820	HK\$3,946,770	HK\$24,609,958	HK\$72,732,958	HK\$87,497	HK\$135,904,419
Share closing price at grant date (before Capital Reorganisation)	HK\$1.070	HK\$0.089	HK\$0.039	HK\$0.198	HK\$0.325	HK\$0.465
Exercise price (before Capital Reorganisation)	HK\$1.144	HK\$0.092	HK\$0.039	HK\$0.198	HK\$0.349	HK\$0.495
Expected volatility (expressed as weighted average volatility used in the modeling under the Binominal Option Pricing Model)	108%	71%	62%	59%	65%	65%
Option life (expressed as weighted average life used in the modeling under the Binominal Option Pricing Model)	10 years	10 years	10 years	10 years	10 years	10 years
Expected dividends	0%	0%	0%	0%	0%	0%
Risk-free interest rate (based on exchange fund notes)	1.5%	2.1%	1.5%	1.01%	1.53%	1.87%

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.



**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION**

24 SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

The table below discloses movement of the Company's share options held by the Group's Directors, employees and consultants:

Name of category/ participant	Number of share options			At 30 June 2020 (Unaudited)	Date of grant	Exercise period	Exercise price (restated) HK\$
	At 1 January 2020 (Audited)	Exercised during the period	Lapsed during the period				
Directors							
In aggregate	2,835,648	(945,216)	-	1,890,432	24/7/2019	24/7/2019 – 23/7/2029	1.144
In aggregate	79,932	-	-	79,932	9/7/2018	9/7/2018 – 8/7/2028	1.804
In aggregate	905,400	-	-	905,400	20/9/2017	20/9/2017 – 19/9/2027	7.8
In aggregate	34,400	-	-	34,400	22/7/2016	22/7/2016 – 21/7/2026	39.6
	3,855,380	(945,216)	-	2,910,164			
Employees							
In aggregate	112,574	-	(5,002)	107,572	3/7/2015	3/7/2015 – 2/7/2025	99
In aggregate	2,575	-	-	2,575	10/9/2015	10/9/2015 – 9/9/2025	69.8
In aggregate	640,499	-	(17,501)	622,998	22/7/2016	22/7/2016 – 21/7/2026	39.6
In aggregate	213,500	-	-	213,500	20/9/2017	20/9/2017 – 19/9/2027	7.8
In aggregate	1,115,353	(1,115,353)	-	-	24/7/2019	24/7/2019 – 23/7/2029	1.144
	2,084,501	(1,115,353)	(22,503)	946,645			
Consultants							
In aggregate	1,778,647	-	-	1,778,647	3/7/2015	3/7/2015 – 2/7/2025	99
	1,778,647	-	-	1,778,647			
Total	7,718,528	(2,060,569)	(22,503)	5,635,456			

The options outstanding as at 30 June 2020 had an exercise price ranging from HK\$1.144 to HK\$99 (31 December 2019: from HK\$1.144 to HK\$99 (restated)) and a weighted average remaining contractual life of 6.98 years (31 December 2019: 8.03 years).

No share options was cancelled during the Reporting Period, at the end of the Reporting Period, the Company has 5,635,456 (31 December 2019: 7,718,528) share options outstanding. The exercise in full of the outstanding share options would, under the present capital structure of Company, result in the issue of 5,635,456 additional ordinary shares of the Company and an additional share capital of approximately HK\$56,000.

25 CAPITAL COMMITMENTS OUTSTANDING NOT PROVIDED FOR IN THE INTERIM FINANCIAL STATEMENTS

At the end of the Reporting Period, the Group had the following capital commitments for acquisition of property, plant and equipment:

	At 30 June 2020 HK\$'000 (Unaudited)	At 31 December 2019 HK\$'000 (Audited)
Capital expenditure contracted for but not provided for	773	788

26 MATERIAL RELATED PARTY TRANSACTIONS

The remuneration of key management personnel (only the Directors) of the Group during the Report Period was as follow:

	At 30 June 2020 HK\$'000 (Unaudited)	At 30 June 2019 HK\$'000 (Unaudited)
Salaries and other short-term employee benefits	1,897	2,273
Contribution to defined contribution retirement scheme plans	39	53
Discretionary bonus	–	–
	1,936	2,326

27 SUBSEQUENT EVENT

On 24 August 2020, the Group entered into a twenty-third supplemental deed whereby the parties have agreed to extend the date for fulfillment of the conditions precedent set out in the sales and purchase agreement dated 25 May 2017 ("Agreement") with an independent third party to dispose of the Security Brokerage Business for a further 3 months to a date falling on the expiration of 42 months from the date of the Agreement.

Save as disclosed above, there is no material subsequent event undertaken by the Company or by the Group after 30 June 2020 and up to the date of this report.



OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2020, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") were as follows:

Long positions in the shares and underlying shares of the Company:

Name of directors	Capacity	Nature of interest	Number of shares/ underlying shares held after Capital Reorganisation	Percentage of shareholding in class
Diao Jing	Beneficial owner	Ordinary shares	79,932	0.03%
Lin Yuhao	Interest of controlled corporation	Ordinary shares (Note 1)	204,315,087	67.64%
	Beneficial owner	Share Options (Note 2)	1,539,948	0.51%
Lin Yupa	Beneficial owner	Share Options (Note 2)	1,370,216	0.45%

Notes:

- 204,315,087 shares were held by Sino Richest Investment Holdings Limited, a company incorporated in British Virgin Islands with limited liability, which is wholly and beneficially owned by Mr. Lin Yuhao, a non-executive Director and chairman of the Board. Accordingly, Mr. Lin Yuhao is deemed to be interested in the shares of the Company held by Sino Richest Investment Holdings Limited.
- These represented the interests in underlying shares in respect of share options granted by the Company, details of which are disclosed in the section headed "SHARE OPTION SCHEME" below.

Save as disclosed above, as at 30 June 2020, none of the Directors and chief executive of the Company or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) recorded in the register required to be notified to the Company and the Stock Exchange pursuant to the Model Code.



SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2020, the Company had been notified of the following substantial shareholders' interests and short position (other than the Directors or chief executive of the Company), being 5% or more of the Company's shares and underlying shares and thus are required to be recorded in the register of interests in shares and short positions as maintained pursuant to Section 336 of the SFO.

Name of shareholder	Capacity	Nature of interest	Number of shares held	Percentage of shareholding in class
Sino Richest Investment Holdings Limited (Note 1)	Beneficial owner	Ordinary shares	204,315,087 (L)	67.64%

(L) — Long Position
(S) — Short Position

Notes:

1. Sino Richest Investment Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, is wholly owned by Mr. Lin Yuhao. Accordingly, Mr. Lin Yuhao is deemed to be interested in the Shares held by Sino Richest Investment Holdings Limited under the SFO.

CHANGE IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B (1) of the Listing Rules, there is and has not been any change in the information of Directors of the Company during the Reporting Period and up to the date of this report.

OTHER INFORMATION

SHARE OPTION SCHEME

On 6 June 2013, the Company adopted a share option scheme (the “Scheme”) under which the Board may, at its discretion, grant options to eligible participants under the Scheme. On 25 April 2013, listing approval was granted by the Stock Exchange in respect of the Scheme.

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 15 June 2020, the share option mandate limit was refreshed. Pursuant to which, the Company was authorised to grant share options to subscribe for up to a maximum number of 30,208,340 ordinary shares.

Movements of the share options, which were granted under the Scheme, during the six months ended 30 June 2020 are set out below:

Name of category/ participant	Number of share options				Outstanding as at 30 June 2020 (Unaudited)	Date of grant	Exercise period	Adjusted exercise price HK\$
	Outstanding as at 1 January 2020 (Audited)	Granted during the Reporting Period	Exercised during the Reporting Period	Lapsed during the Reporting Period				
Directors								
Lin Yuhao	945,216	-	-	-	945,216	24/7/2019	24/7/2019 – 23/7/2029	1.144
	79,932	-	-	-	79,932	9/7/2018	9/7/2018 – 8/7/2028	1.804 (Note 2)
	480,400	-	-	-	480,400	20/9/2017	20/9/2017 – 19/9/2027	7.8 (Note 2)
	34,400	-	-	-	34,400	22/7/2016	22/7/2016 – 21/7/2026	39.6 (Note 2)
Diao Jing	945,216	-	(945,216)	-	-	24/7/2019	24/7/2019 – 23/7/2029	1.144
Lin Yupa	945,216	-	-	-	945,216	24/7/2019	24/7/2019 – 23/7/2029	1.144
	425,000	-	-	-	425,000	20/9/2017	20/9/2017 – 19/9/2027	7.8 (Note 2)
	3,855,380	-	(945,216)	-	2,910,164			
Employees								
In aggregate	112,574	-	-	(5,002)	107,572	3/7/2015	3/7/2015 – 2/7/2025	99 (Note 2)
In aggregate	2,575	-	-	-	2,575	10/9/2015	10/9/2015 – 9/9/2025	69.8 (Note 2)
In aggregate	640,499	-	-	(17,501)	622,998	22/7/2016	22/7/2016 – 21/7/2026	39.6 (Note 2)
In aggregate	213,500	-	-	-	213,500	20/9/2017	20/9/2017 – 19/9/2027	7.8 (Note 2)
In aggregate	1,115,353	-	(1,115,353)	-	-	24/7/2019	24/7/2019 – 23/7/2029	1.144
	2,084,501	-	(1,115,353)	(22,503)	946,645			



Name of category/ participant	Number of share options				Outstanding as at 30 June 2020 (Unaudited)	Date of grant	Exercise period	Adjusted exercise price HK\$
	Outstanding as at 1 January 2020 (Audited)	Granted during the Reporting Period	Exercised during the Reporting Period	Lapsed during the Reporting Period				
Consultants								
In aggregate	1,778,647	-	-	-	1,778,647	3/7/2015	3/7/2015 – 2/7/2025	99.000 (Note 2)
	1,778,647	-	-	-	1,778,647			
	7,718,528	-	(2,060,569) (Note 1)	(22,503)	5,635,456			

Note 1: The weighted average closing price of the shares immediately before the date on which the options were exercised were HK\$1.05.

Note 2: The number of share options and the exercise price have been adjusted accordingly, pursuant to the capital reorganisation of the Company on 25 June 2018 and 25 April 2019.

The Scheme was introduced by the Company for the purpose of providing incentives and rewards to eligible participants who have contributed to the success of the Group's operations. Further details of the Scheme are disclosed in note 24 to the unaudited condensed consolidated interim financial statements and under the section "Share-Based Payment Transactions".

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

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the Model Code. Having made specific enquiries with the Directors of the Company, all the Directors confirmed that they had complied with the required standards of the said code during the Reporting Period.

OTHER INFORMATION

CORPORATE GOVERNANCE CODE

The Company's corporate governance practices are based on the principles and the code provisions (the "Code Provisions") as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules. During the Reporting Period, the Company has complied with the Code Provisions and mandatory disclosure requirements as set out in the CG Code.

The office of the chief executive officer of the Company has been vacant since 21 September 2018. The executive Directors continue to oversee the day-to-day management of the business and operations of the Group until the appointment of a new chief executive officer. The above arrangement did meet the requirement of the Code Provision A.2.1 of the CG Code that the roles and responsibilities of chairman and chief executive officer should be divided.

The Company periodically reviews its corporate governance practices to ensure that the requirements of the CG Code are met at all times during the Reporting Period.

EVENTS AFTER THE REPORTING DATE

Details of significant events occurring after the reporting date are set out in note 27 to the financial statements in this report.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2020. The Audit Committee is of the opinion that such financial information complies with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made.

As at the date of this report, the Audit Committee comprises all independent non-executive Directors, namely Ms. LI Yang (Committee Chairlady), Mr. LI Shaohua and Ms. ZHU Rouxiang.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express gratitude to our employees for their contribution and dedication to the Group, and our shareholders, customers and business partners for their continuous support.

On behalf of the Board
China Finance Investment Holdings Limited
Lin Yuhao
Chairman

Hong Kong, 26 August 2020

