



Dafeng Port Heshun Technology Company Limited

大豐港和順科技股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8310)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021

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This announcement, for which the directors (the "**Directors**") of Dafeng Port Heshun Technology Company Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there is no other matter the omission of which would make any statement herein or this announcement misleading.

FINANCIAL SUMMARY

The Group's total revenue for the six months ended 30 June 2021 (the "**Period**") was approximately HK\$501.8 million, representing a decrease of approximately 60.2% as compared with the total revenue generated from continuing operations of approximately HK\$1,262.0 million for the corresponding period in 2020.

Loss before taxation for the Period was approximately HK\$27.2 million, representing an increase of approximately 11.9% as compared with the loss before taxation generated from continuing operations of approximately HK\$24.3 million for the corresponding period in 2020.

Loss attributable to the equity holders of the Company for the Period was approximately HK\$28.6 million, representing an increase of approximately 8.3% as compared with the loss attributable to the equity holders of the Company generated from continuing operations of approximately HK\$26.4 million for the corresponding period in 2020.

Loss per share for the Period was approximately HK2.22 cents (the corresponding period in 2020: the loss per share generated from continuing operations was approximately HK2.05 cents).

The board of Directors of the Company (the “**Board**”) presents the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the three months and six months ended 30 June 2021 (the “**Interim Financial Statements**”) together with the comparative figures for the corresponding periods in 2020 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2021

		Unaudited Three months ended 30 June 2021		Unaudited Six months ended 30 June 2021	
	Note	HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Continuing operations					
Revenue	4	244,587	970,040	501,808	1,262,043
Cost of revenue		(243,219)	(963,828)	(497,587)	(1,254,365)
Gross profit		1,368	6,212	4,221	7,678
Other income	5	283	9,435	501	13,650
Administrative expenses		(10,949)	(13,405)	(19,391)	(18,719)
Finance costs	6	(5,149)	(14,915)	(12,511)	(26,976)
Reversal of impairment loss on trade receivables		–	39	–	39
Loss before taxation from continuing operations	6	(14,447)	(12,634)	(27,180)	(24,328)
Taxation	7	(46)	(241)	(46)	(241)
Loss for the period from continuing operations		(14,493)	(12,875)	(27,226)	(24,569)
Discontinued operations					
Loss for the period from discontinued operations		–	(7,588)	–	(15,957)
Loss for the period		(14,493)	(20,463)	(27,226)	(40,526)
Other comprehensive income/(loss):					
Item that may be reclassified to profit or loss in subsequent periods:					
Exchange difference arising from translation of foreign operations		2,562	(7,454)	4,872	(5,512)
Total comprehensive loss for the period		(11,931)	(27,917)	(22,354)	(46,038)

		Unaudited Three months ended 30 June 2021 HK\$'000	2020 HK\$'000	Unaudited Six months ended 30 June 2021 HK\$'000	2020 HK\$'000
Note					
Loss attributable to equity holders of the Company:					
	— from continuing operations	(14,172)	(11,257)	(28,557)	(26,439)
	— from discontinued operations	–	(7,588)	–	(15,957)
		(14,172)	(18,845)	(28,557)	(42,396)
Profit (Loss) attributable to non-controlling interests:					
	— from continuing operations	(321)	(1,618)	1,331	1,870
		(321)	(1,618)	1,331	1,870
		(14,493)	(20,463)	(27,226)	(40,526)
Total comprehensive income (loss) attributable to:					
	— Equity holders of the Company	(12,115)	(29,187)	(23,930)	(46,475)
	— Non-controlling interests	184	1,270	1,576	437
		(11,931)	(27,917)	(22,354)	(46,038)
Loss per share attributable to equity holders of the Company					
Basic and diluted (HK cents)	9				
	— from continuing operations	(1.10)	(0.87)	(2.22)	(2.05)
	— from discontinued operations	–	(0.59)	–	(1.24)
		(1.10)	(1.46)	(2.22)	(3.29)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

		Unaudited As at 30 June 2021 HK\$'000	Audited As at 31 December 2020 HK\$'000
	Note		
Non-current assets			
Property, plant and equipment	10	143,789	118,714
Goodwill		1,296	1,296
Right-of-use assets		42,253	42,398
Prepayments in relation to property, plant and equipment		5,424	5,369
		192,762	167,777
Current assets			
Inventories		14,587	9,629
Trade and other receivables	11	150,314	231,050
Pledged bank deposits	12(a)	36,021	218,565
Bank balances and cash	12	31,051	16,107
		231,973	475,351

		Unaudited As at 30 June 2021 HK\$'000	Audited As at 31 December 2020 HK\$'000
	Note		
Current liabilities			
Trade and other payables	13	155,563	393,025
Current portion of bank and other borrowings	14	62,605	402,334
		218,168	795,359
Net current assets/(liabilities)		13,805	(320,008)
Total assets less current liabilities		206,567	(152,231)
Non-current liabilities			
Amount due to an associate	13(b)	36,463	35,883
Loan from a connected company	13(a)	136,462	135,075
Non-current portion of bank and other borrowings	14	436,973	57,804
Deferred tax liabilities		1,567	1,551
		611,465	230,313
NET LIABILITIES		(404,898)	(382,544)
Capital and reserves			
Share capital	15	12,880	12,880
Reserves		(442,297)	(418,367)
Total equity attributable to equity holders of the company		(429,417)	(405,487)
Non-controlling interests		24,519	22,943
TOTAL DEFICITS		(404,898)	(382,544)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Attributable to equity holders of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Exchange reserve HK\$'000	Statutory reserve HK\$'000	Other reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2020 (audited)	12,880	201,419	(7,337)	(27,250)	833	(9,151)	(1,138,906)	(967,512)	16,605	(950,907)
Loss for the period	-	-	-	-	-	-	(42,396)	(42,396)	1,870	(40,526)
Exchange difference arising from translation of foreign operations	-	-	-	(4,079)	-	-	-	(4,079)	(1,433)	(5,512)
Total comprehensive loss for the period	-	-	-	(4,079)	-	-	(42,396)	(46,475)	437	(46,038)
At 30 June 2020 (unaudited)	12,880	201,419	(7,337)	(31,329)	833	(9,151)	(1,181,302)	(1,013,987)	17,042	(996,945)

	Attributable to equity holders of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Exchange reserve HK\$'000	Statutory reserve HK\$'000	Other reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total deficits HK\$'000
At 1 January 2021 (audited)	12,880	201,419	(7,337)	(28,857)	1,582	(9,151)	(576,023)	(405,487)	22,943	(382,544)
(Loss)/Profit for the period	-	-	-	-	-	-	(28,557)	(28,557)	1,331	(27,226)
Exchange difference arising from translation of foreign operations	-	-	-	4,627	-	-	-	4,627	245	4,872
Total comprehensive (loss)/income for the period	-	-	-	4,627	-	-	(28,557)	(23,930)	1,576	(22,354)
At 30 June 2021 (unaudited)	12,880	201,419	(7,337)	(24,230)	1,582	(9,151)	(604,580)	(429,417)	24,519	(404,898)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

		Unaudited Six months ended 30 June 2021	2020
	Note	HK\$'000	HK\$'000
Cash generated from (used in) operations		(174,744)	224,660
Interest paid		(15,816)	(16,181)
Tax paid		(145)	(484)
Net cash (used in) from operating activities		(190,705)	207,995
INVESTING ACTIVITIES			
Interest received		99	9,448
Decrease (Increase) in pledged bank deposits		184,834	(169,352)
Purchase of property, plant and equipment		–	(7,862)
Proceed on disposal of financial assets at FVPL		–	3,301
Net cash from (used in) investing activities		184,933	(164,465)
FINANCING ACTIVITIES			
Repayment of lease liabilities		(314)	(402)
Repayment of bank borrowings		–	(33,012)
Repayment of loan from a third party		–	(11,751)
Repayment of unlisted secured bonds		(387,850)	–
Net proceeds from placing of listed credit enhanced guaranteed bonds		408,755	–
Net cash from (used in) financing activities		20,591	(45,165)
Net (decrease) increase in cash and cash equivalents		14,819	(1,635)
Cash and cash equivalents at beginning of the period		16,107	35,296
Effect on exchange rate changes		125	(414)
Cash and cash equivalents at end of the period, representing by bank balances and cash	12	31,051	33,247

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2021

1. CORPORATION INFORMATION

The Company was incorporated in the Cayman Islands on 13 September 2011 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

2. BASIS OF PREPARATION

The Interim Financial Statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**"), which collective term includes all applicable individual HKFRS, Hong Kong Accounting Standards ("**HKAS**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance (Cap 622 of the Laws of Hong Kong). The Interim Financial Statements also complies with the applicable disclosure requirements under the GEM Listing Rules.

The Interim Financial Statements have been prepared on a basis consistent with the accounting policies adopted in the Group's audited financial statements for the year ended 31 December 2020.

Adoption of new/revised HKFRS

The adoption of the new/revised HKFRS that are relevant to the Group and effective from the current period, did not have any significant effect on the results and financial position of the Group for the current and prior accounting periods.

The Group has not early adopted any new/revised HKFRS that have been issued but are not yet effective for the current period. The Directors have already commenced an assessment of the impact of these new and revised HKFRS but are not yet in a position to reasonably estimate whether these new and revised HKFRS would have a significant impact on the Group's results of operations and financial position.

3. SEGMENT INFORMATION

The executive directors of the Company are identified collectively as the chief operating decision maker. An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Company's executive directors in order to allocate resources and assess performance of the segment.

For management purposes, the Group is currently organized into the following operating segments:

Operating segments	Principal activities
— Trading business	— Trading of electronic products, petrochemical products, medical treatment and food disinfection products etc
— Petrochemical products storage business	— Provision of supply chain management services
	— Provision of storage services for petrochemical products

For the purposes of assessing segment performance and allocating resources between segments, the Company's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segments assets include all assets except for interests in associates and corporate assets which are managed on a group basis. All liabilities are allocated to reportable segment liabilities other than unallocated head office and corporate liabilities which are managed on a group basis and certain other payables and accrued charges.

Revenues and expenses are allocated to the reporting segments with reference to the sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments. The measure used for reporting segment results is profit/loss before taxation without allocation of share of results of other unallocated corporate expenses and income.

For the purpose of assessing the performance of the operating segments and allocation of resources between segments, the Group's results are further adjusted for items not specifically attributed to individual segments and other head office or corporate administration costs.

Inter-segment sales transactions are charged at prevailing market prices.

Operating segment information is presented below:

For the six months ended 30 June 2021

		Petrochemical Products		
	Trading business	Storage business	Inter-Segment elimination	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue				
(from external customers)	486,943	14,865	–	501,808
— Inter-segment revenue	–	–	–	–
Total revenue	486,943	14,865	–	501,808
Results				
Segment result	(908)	(3,489)	–	(4,397)
Other unallocated corporate income				450
Other unallocated corporate expenses				(23,233)
Loss before taxation				(27,180)
Taxation				(46)
Loss for the period				(27,226)

For the six months ended 30 June 2020

	Continuing operations		Discontinued operations		
			Integrated logistics handling and the relevant supporting services	Inter-Segment elimination	Total
	Trading business	Petrochemical Products Storage business			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue					
(from external customers)	1,256,548	5,495	3,257	–	1,265,300
— Inter-segment revenue	–	–	–	–	–
Total revenue	1,256,548	5,495	3,257	–	1,265,300
Results					
Segment result	8,565	(10,747)	(15,957)	–	(18,139)
Other unallocated corporate income					1,531
Other unallocated corporate expenses					(23,677)
Loss before taxation					(40,285)
Taxation					(241)
Loss for the period					(40,526)

As at 30 June 2021

	Trading business HK\$'000	Petrochemical Products Storage business HK\$'000	Total HK\$'000
ASSETS			
Segment assets	112,750	234,269	347,019
Unallocated corporate assets	–	–	77,716
Consolidated assets			424,735
LIABILITIES			
Segment liabilities	(294,560)	(109,840)	(404,400)
Unallocated corporate liabilities	–	–	(425,233)
Consolidated total liabilities			(829,633)

As at 31 December 2020

	Continuing operations		Discontinued operations	
	Petrochemical		Integrated	
	Trading	Products	logistics	
	business	Storage	handling	
	business	business	services	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
ASSETS				
Segment assets	446,434	161,770	–	608,204
Unallocated corporate assets	–	–	–	34,924
Consolidated assets				643,128
LIABILITIES				
Segment liabilities	(539,695)	(82,278)	–	(621,973)
Unallocated corporate liabilities	–	–	–	(403,699)
Consolidated total liabilities				(1,025,672)

Geographical segment

The Group operates and derives revenue in two principal geographical areas: Hong Kong and the People's Republic of China (the "**PRC**"). The following table sets out the revenue derived from geographical areas which are based on the geographical location of the customers:

	Unaudited 30 June 2021 HK\$'000	Unaudited 30 June 2020 HK\$'000
Revenue from external customers		
— continuing operations:		
Hong Kong	353,030	1,207,432
The PRC	139,920	54,053
Others (Note)	8,858	558
	501,808	1,262,043
— discontinued operations:		
The PRC	—	3,257
	501,808	1,265,300

Note:

The locations of others include Europe, the United States of America ("**U.S.A.**"), Asia (other than Hong Kong and the PRC), South Africa and others.

4. REVENUE

Revenue, which represents income from provision of trading business, and petrochemical products storage business is analysed by category as follows:

	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Continuing operations				
Income from trading business	236,626	966,294	486,943	1,256,548
Income from provision of petrochemical products storage business	7,961	3,746	14,865	5,495
	244,587	970,040	501,808	1,262,043

5. OTHER INCOME

	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Continuing operations				
Bank interest income	910	9,389	2,713	9,444
Exchange gain/(loss)	(664)	(82)	(2,265)	2,370
Sundry income	37	128	53	1,836
	283	9,435	501	13,650

6. LOSS BEFORE TAXATION

	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
This is stated after charging:				
Finance costs				
Interest on bank loans, overdrafts and other borrowings and lease liabilities	5,149	14,915	12,511	26,976
	5,149	14,915	12,511	26,976
Other items				
Cost of inventories	235,525	958,619	484,323	1,245,162
Depreciation of property, plant and equipment	3,094	208	5,756	450
Depreciation of right-of-use assets	403	213	746	430
Staff costs				
Salaries, allowance and the other short-term employee benefits including directors' emoluments	4,173	4,228	8,168	7,760
Contributions to defined contribution plans	647	177	1,338	420
	4,820	4,405	9,506	8,180

7. TAXATION

Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the profits tax rate for the first HK\$2 million of estimated assessable profits of the Company will be lowered to 8.25% while the estimated assessable profits above HK\$2 million will continue to be subject to the rate of 16.5% for corporations. Neither the Company nor its subsidiaries in Hong Kong have obtained taxable profits and no income tax has been accrued.

The PRC Enterprise Income Tax ("EIT") is calculated at the prevailing tax rate at 25% (2020: 25%) on taxable income determined in accordance with the relevant laws and regulations in the PRC.

Pursuant to the rules and regulations of the British Virgin Islands (the "BVI") and the Cayman Islands, the Group is not subject to any taxation under those jurisdictions.

	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Continuing operations				
Current tax				
PRC EIT —				
Under-provision in prior period	46	241	46	241
Total income tax	46	241	46	241
Total income tax recognized in profit or loss	46	241	46	241

8. DIVIDEND

The Board did not recommend the payment of any interim dividend for the Period (2020: Nil).

9. LOSS PER SHARE

Basic loss per share for the three months and six months ended 30 June 2021 and 2020 are calculated by dividing the loss attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue.

	Unaudited Three months ended 30 June 2021		Unaudited Six months ended 30 June 2021	
		2020		2020
Loss attributable to equity holders of the Company (HK\$'000)				
— Continuing operations	(14,172)	(11,257)	(28,557)	(26,439)
— Discontinued operations	—	(7,588)	—	(15,957)
Weighted average number of ordinary shares in issue	1,288,000,000	1,288,000,000	1,288,000,000	1,288,000,000
Basic loss per share (HK cents)				
— Continuing operations	(1.10)	(0.87)	(2.22)	(2.05)
— Discontinued operations	—	(0.59)	—	(1.24)
	(1.10)	(1.46)	(2.22)	(3.29)

Basic and diluted loss per share are the same as the Company did not have any dilutive potential ordinary shares during the six months ended 30 June 2021 and 2020.

10. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired items of property, plant and equipment (the "PPE") with a cost of approximately HK\$0.6 million (the corresponding period in 2020: approximately HK\$8.7 million). The Group did not dispose any PPE during the period (the corresponding period in 2020: The Group did not dispose any PPE).

11. TRADE AND OTHER RECEIVABLES

		Unaudited 30 June 2021 HK\$'000	Audited 31 December 2020 HK\$'000
	Note		
Trade receivables			
— Third parties		41,603	32,846
— Less: Loss allowance		(3,514)	(3,514)
		38,089	29,332
Other receivables			
Deposits, prepayments and other debtors		59,518	57,959
Advanced payment to suppliers		41,799	81,401
Value added tax refundable		10,896	57,345
Interest receivable		—	5,001
Due from a connected company	11(a)	12	12
		112,225	201,718
		150,314	231,050

The ageing analysis of trade receivables, based on the invoice date, is as follows:

	Unaudited 30 June 2021 HK\$'000	Audited 31 December 2020 HK\$'000
Outstanding balances which aged:		
90 days or below	33,230	25,673
91–180 days	1,764	3,659
181–365 days	3,095	–
More than 365 days	3,514	3,514
	41,603	32,846

The Group allows a credit period up to 90 days to its trade debtors.

The information about the exposure to credit risk for trade receivable as at 30 June 2021 is summarized below:

	Unaudited 30 June 2021 HK\$'000	Audited 31 December 2020 HK\$'000
Non-credit impaired		
Neither past due nor impaired	33,230	25,673
Within 90 days past due	1,764	3,659
91–180 days past due	3,095	–
181–365 days past due	–	–
More than 365 days past due	–	–
Past due but not impaired	4,859	3,659
	38,089	29,332
Credit impaired		
181–365 days past due	–	–
More than 365 days past due	3,514	3,514
	3,514	3,514
	41,603	32,846

Included in the Group's trade receivables balance are debtors with carrying amounts of approximately HK\$4.9 million as at 30 June 2021 (31 December 2020: approximately HK\$3.7 million) which are past due at the end of the period but which the Group has not impaired as there have not been any significant changes in credit quality and the Directors believe that amounts are fully receivable. The management has reviewed the subsequent status and repayment history of these customers and no provision for doubtful debt is considered necessary. The Group does not hold any collateral over these balances.

Receivables that were neither past due nor impaired as at 30 June 2021 and 31 December 2020 relate to a wide range of customers for whom there was no history of default.

11(a) Due from a connected company

	Unaudited 30 June 2021 HK\$'000	Audited 31 December 2020 HK\$'000
大豐海港港口有限責任公司 Dafeng Port Harbour Limited Liability Company* (" Dafeng Harbour ")	12	12
	12	12

The amounts due are unsecured, interest-free and have no fixed term of repayment.

12. CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS

	Unaudited 30 June 2021 HK\$'000	Audited 31 December 2020 HK\$'000
Bank balances and cash	31,051	16,107

Cash at bank earns interest at floating rates based on daily bank deposit rates.

12(a) Pledged bank deposits

At 30 June 2021 and 31 December 2020, pledged bank deposits of the Group mainly represent bank deposits pledged to a bank against the general banking facilities as mentioned in note 17 to the Interim Financial Statements. The pledged bank deposits are pledged for the bills payables issued by a bank as mentioned in note 13 to the Interim Financial Statements. The interest rates of the pledged bank deposits ranged 3.4% per annum (31 December 2020: 3.1% to 3.6% per annum) and will be matured in August 2021 (31 December 2020: from March 2021 to August 2021).

13. TRADE AND OTHER PAYABLES

		Unaudited 30 June 2021 HK\$'000	Audited 31 December 2020 HK\$'000
	Note		
Trade and bills payables			
Trade payables		28,887	37,752
Bills payables		37,228	226,077
		66,115	263,829
Other payables			
Accrued charges and other creditors		66,930	62,260
Contract liabilities		3,562	50,440
Salaries and bonus payable		1,198	410
Amount due to a director		320	200
Amounts due to connected companies	13(a)	17,438	15,886
		89,448	129,196
		155,563	393,025

The ageing analysis of trade and bills payables, based on invoice date, is as follows:

	Unaudited 30 June 2021 HK\$'000	Audited 31 December 2020 HK\$'000
90 days or below	28,515	26,464
91–180 days	37,600	5,956
181–365 days	–	226,077
More than 365 days	–	5,332
	66,115	263,829

13(a) Due to connected companies

		Unaudited 30 June 2021 HK\$'000	Audited 31 December 2020 HK\$'000
	Note		
Current portion			
江蘇大豐海港控股集團有限公司 (Jiangsu Dafeng Harbour Holdings Limited*) (" Jiangsu Dafeng ")	(i)	2,297	3,812
江蘇華海投資有限公司 (Jiangsu Huahai Investment Limited*) (" Jiangsu Huahai ")	(ii)	15,141	12,074
		17,438	15,886
Non-current portion			
Jiangsu Huahai	(iii)	136,462	135,075
		153,900	150,961

- (i) Jiangsu Dafeng has equity interests in 大豐港海外投資控股有限公司 (Dafeng Port Overseas Investment Holdings Limited*) ("**Dafeng Port Overseas**") as to 40%. The amount due represents the interest payable in respect of the principal portion of the loan agreement signed between 鹽城大豐和順國際貿易有限公司 (Yancheng Dafeng Heshun International Trading Company Limited*) ("**Heshun Trading**") and Jiangsu Dafeng as disclosed in note 14.
- (ii) Jiangsu Huahai has 10% equity interests in Dafeng Port Overseas. The amount due represents the interest payable in respect of the principal portion as disclosed in note 13(a)(iii). The amount is unsecured, repayable on demand and interest-free.
- (iii) The amount due represents the principal portion in relation to the consideration on acquisition of 江蘇海融大豐港油品化工碼頭有限公司 (Jiangsu Hairong Dafeng Port Petrochemical Product Terminal Company Limited*) ("**Jiangsu Hairong**"), which is an associate of the Group, in 2018. As at 30 June 2021, the amount of RMB113,652,000 (equivalent to HK\$136,462,000) was unsecured, bore interest at a rate of 4.35% per annum and repayable in November 2022.

13(b) Amount due to an associate

The amount due is unsecured, interest-free and repayable on 31 December 2023.

14. BANK AND OTHER BORROWINGS

	Unaudited 30 June 2021 HK\$'000	Audited 31 December 2020 HK\$'000
Interest-bearing		
Bank loans	35,973	35,608
Loans from a connected company	62,302	22,196
Lease liabilities	303	542
Unlisted secured bonds	–	401,792
Listed credit enhanced guaranteed bonds	401,000	–
Total bank and other borrowings	499,578	460,138
Current portion		
— Loans from a connected company	62,302	–
— Lease liabilities	303	542
— Unlisted secured bonds	–	401,792
	62,605	402,334
Non-current portion		
— Bank loans	35,973	35,608
— Loan from a connected company	–	22,196
— Listed credit enhanced guaranteed bonds	401,000	–
	436,973	57,804
Total bank and other borrowings	499,578	460,138
Analysed as follows:		
Secured	–	–
Secured and guaranteed	–	401,792
Unsecured	62,605	22,738
Unsecured but guaranteed	436,973	35,608
	499,578	460,138

15. SHARE CAPITAL

	Number of shares	Nominal value HK\$'000	Number of shares	Nominal value HK\$'000
Ordinary shares of HK\$0.01 each				
Authorised				
At 1 January 2020, 31 December 2020, 1 January 2021 (audited) and 30 June 2021 (unaudited)	10,000,000,000	100,000	10,000,000,000	100,000
Issued and fully paid:				
At 1 January 2020, 31 December 2020, 1 January 2021 (audited) and 30 June 2021 (unaudited)	1,288,000,000	12,880	1,288,000,000	12,880

16. RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2021, the Group had the following transactions with related parties:

(a) Related party transactions

	Unaudited 30 June 2021 HK\$'000	Unaudited 30 June 2020 HK\$'000
Interest expenses paid to:		
Jiangsu Dafeng	961	6,782
Jiangsu Huahai	2,944	3,129

(b) Key management personnel remuneration

The remuneration of Directors, who are also identified as key management personnel of the Group, during the period is as follows:

	Unaudited		Unaudited	
	Three months ended		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Salaries, allowance and the other short-term employee benefits	173	648	413	1,012
Contribution to defined contribution plans	–	7	–	20
	173	655	413	1,032

17. PLEDGE OF ASSETS/BANKING AND OTHER FACILITIES

The details of pledge of assets and the banking and other facilities granted to the Group are summarized as follows:

	Unaudited	Audited
	30 June	31 December
	2021	2020
	HK\$'000	HK\$'000
Total banking and other facilities granted to the Group	276,161	273,355
Total utilised banking and other facilities	73,201	261,685

18. COMMITMENTS

Capital expenditure commitments

	Unaudited	Audited
	30 June	31 December
	2021	2020
	HK\$'000	HK\$'000
Contracted but not provided net of deposit paid for construction of property, plant and equipment — petrochemical storage facilities	242,380	209,495

19. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements were approved and authorised for issue by the Board on 12 August 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

MACRO SITUATION REVIEW

During the Period, the risk of global economic slowdown is still escalating by the global outbreak of COVID-19. The uncertainty and lethality of the global pandemic virus will continue to jeopardize the confidence in all industries worldwide, and the current economic climate remains challenging. With the increased threat of a recession, the Company will continue to closely monitor the global economic situation and do its best to minimize its impact on the Group and maintain stable operations during this downturn.

BUSINESS REVIEW

For the Period, the Group was principally engaged in trading business, and the provision of petrochemical products storage business.

1. Trading Business

The Group is engaged in the trading and import and export businesses of electronic products, petrochemical products and various other products. During the Period, the Group's trading business recorded revenue of approximately HK\$486.9 million (the corresponding period in 2020: approximately HK\$1,256.5 million). The decrease in revenue in this segment was mainly attributable to the reasons: the Group expanded the trade business to cover medical, food disinfection and other related new products during the outbreak of COVID-19 last year, and ceased these trade business this year.

2. Petrochemical Products Storage Business

The Group is engaged in petrochemical products storage business through 江蘇中南滙石化倉儲有限公司 (Jiangsu Zhongnanhui Petrochemical Storage Company Limited*) ("**Zhongnanhui**"). During the Period, the Group's petrochemical products storage business recorded revenue increased by approximately 170.9% to approximately HK\$14.9 million (the corresponding period in 2020: approximately HK\$5.5 million). The increased in revenue was mainly attributable to the increase in capacity of petrochemical storage tanks and the increase in petrochemical products storage business volume.

FINANCIAL REVIEW

The Group's revenue decreased by approximately 60.2% to approximately HK\$501.8 million for the Period (the corresponding period in 2020: approximately HK\$1,262.0 million from continuing operations). The reasons of the decrease in revenue, please refer to the above paragraph headed "Business Review" for details.

The Group's cost of revenue decreased by approximately 60.3% to approximately HK\$497.6 million for the Period (the corresponding period in 2020: approximately HK\$1,254.4 million from continuing operations). The decrease in cost was mainly driven by the effect of decrease in revenue of the Group's trading business.

With the combined effects of revenue and cost of sales, the Group recorded a gross profit margin of approximately 0.8% for the Period (the corresponding period in 2020: gross profit margin of approximately 0.6%).

The Group's finance costs amounted to approximately HK\$12.5 million for the Period (the corresponding period in 2020: approximately HK\$27.0 million from continuing operations). The finance costs mainly consist of the interests on bank loans, unlisted secured bonds, listed credit enhanced guaranteed bonds and amount due to connected companies. The decrease in finance costs was mainly attributable to (i) the consideration of the disposal of 60% equity interest in Jiangsu Hairong on 27 August 2020 partly offset the balance of the consideration and interest on consideration occurred from acquisition of 100% equity interest in Jiangsu Hairong on 21 December 2018 and partly offset the amounts due to connected companies; (ii) the repayment of the US\$50 million three-year unlisted bond which carried a coupon rate of 7.5% per annum in March 2021 and the issuance of US\$55 million three-year credit enhanced guaranteed bonds with a coupon rate of 2.4% per annum on 24 March 2021.

For the Period, the Group recorded the loss for the Period of approximately HK\$27.2 million (the corresponding period in 2020: approximately HK\$24.6 million from continuing operations). The loss attributable to the equity holders of the Company was approximately HK\$28.6 million (the corresponding period in 2020: approximately HK\$26.4 million from continuing operations) and the loss per share was 2.22 HK cents (the corresponding period in 2020: 2.05 HK cents from continuing operations).

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2021, the Group had net current assets of approximately HK\$13.8 million (31 December 2020: net current liabilities of approximately HK\$320.0 million) including amounts due to connected companies of approximately HK\$17.4 million (31 December 2020: approximately HK\$15.9 million).

The Group's equity capital, bank and other borrowings have been applied to fund its working capital and other operational needs. The Group's current ratio as at 30 June 2021 was approximately 1.06 (31 December 2020: approximately 0.60).

The Group's gearing ratio (defined as the ratio of total interest-bearing borrowings to total equity) was approximately negative 123.4% for the Period (31 December 2020: approximately negative 120.3%).

CAPITAL STRUCTURE

As at 30 June 2021, the Group's total deficit attributable to equity holders of the Company amounted to approximately HK\$429.4 million (31 December 2020: approximately HK\$405.5 million). The capital of the Company mainly comprised only the ordinary share. There was no movement in the issued share capital of the Company during the Period.

DIVIDEND

The Board did not recommend the payment of any interim dividend in respect of the Period (2020: Nil).

PLEDGE OF ASSETS

The Group used bank facilities and other borrowings to finance the expansion of its business. Secured borrowings are secured by the Group's pledged bank deposits of approximately HK\$36.0 million as at 30 June 2021 (31 December 2020: approximately HK\$218.6 million).

SECURITIES PLEDGED OR CHARGED BY CONTROLLING SHAREHOLDERS

On 29 March 2018, the Group issued 3-year unlisted secured bonds in the principal amount of US\$50 million with a coupon rate of 7.5% per annum, which is guaranteed by Jiangsu Dafeng and charged by Dafeng Port Overseas. Dafeng Port Overseas entered into a deed of account charge with the security trustee on 29 March 2018, pursuant to which Dafeng Port Overseas assigned and agreed to assign absolutely all of Dafeng Port Overseas' right, title and interest from time to time in and to each secured account, which had 740,040,000 Shares of approximately 57.46% of the total issued Shares as at 30 June 2021 and at the date of this announcement.

ISSUE US\$55 MILLION OF CREDIT ENHANCED GUARANTEED BONDS INTENDED FOR PURCHASE BY PROFESSIONAL INVESTORS ONLY AND LISTED ON THE HONG KONG STOCK EXCHANGE

On 17 March 2021, the Company, as issuer, Jiangsu Dafeng, as guarantor, and Tensant Securities Limited, Haitong International Securities Company Limited, BOSC International Company Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, CEB International Capital Corporation Limited, China Everbright Securities (HK) Limited, Huarong International Securities Limited and China Industrial Securities International Brokerage Limited (together, the **"Placing Agents"**), entered into a placing agreement pursuant to which the Company agreed to appoint the Placing Agents as placing agents for the purpose of procuring, and to use its best efforts, the subscription of the bonds of up to an aggregate principal amount of US\$55,000,000 (the **"Placing"**).

The Placing was completed on 24 March 2021. Pursuant to the results of a book building exercise, the bonds in the principal amount of US\$55 million has been placed to bondholders at a coupon rate of 2.4% per annum, and terms of 3 years.

The net proceeds from this Placing, after deducting commissions to be charged by the Placing Agents and other estimated expenses payable in connection with this offering, was approximately US\$52.7 million. The net proceeds has been used in repayment of the principal of US\$50 million and interest of approximately US\$1.9 million of unlisted secured bonds due on 28 March 2021, and the balance of approximately US\$0.8 million has been used to satisfying the Group's normal working capital requirement.

For further details, please refer to the announcements of the Company dated 24 March 2021 in relation to the Placing.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS

Save for the 40% equity interest in Jiangsu Hairong held by us, during the Period, the Group had made no significant investment, no material acquisition and disposal of subsidiaries and associates.

OUTLOOKS

Although the COVID-19 vaccination campaigns have been carried out throughout the world, the pathogen of the COVID-19 continues to mutate and the global epidemic shows no signs of decline, which brings uncertainties to the economy. The Company will reasonably streamline its operations and focus on developing our core business.

Meanwhile, the Company will seize the opportunity of integrated development of 江蘇鹽城港控股集團有限公司 (Jiangsu Yancheng Port Holding Group Co., Ltd*) ("**Jiangsu Yancheng**"), rationally reorganize and optimize the Group's existing resources and prudently identify investment opportunities.

FOREIGN CURRENCY EXPOSURE

The income and expenditure of the Group are mainly carried in Hong Kong dollars, Renminbi and US dollars. Exposures to foreign currency risk arise from certain of the Group's trade and other receivables, trade and other payables, listed credit enhanced bonds and cash and bank balances denominated in Renminbi and US dollars. The Group mainly adopts measures such as adjusting the time of foreign exchange receipt and payment, matching the balance of foreign exchange receipts and payments, and signing foreign exchange lock agreements with banks to control foreign exchange risks. The Group does not use derivative financial instruments to hedge its foreign currency risk. The management team of the Group reviews the foreign currency exposures regularly and does not expect significant exposure to foreign currency risk.

EMPLOYEES AND EMOLUMENT POLICY

As at 30 June 2021, the Group employed a total of 122 employees (31 December 2020: 123 employees) based in Hong Kong and the Mainland China. During the Period, the total staff costs, including Directors' emoluments, amounted to approximately HK\$9.5 million (the corresponding period in 2020: approximately HK\$8.2 million).

The Group reviews the emoluments of its directors and staff based on their respective qualification, experience, performance and the market rates so as to maintain the remunerations of its directors and staff at a competitive level.

CAPITAL COMMITMENT

As at 30 June 2021 for continuing operations, the Group had capital expenditure commitments contracted but not provided, net of deposit paid of approximately HK\$242.4 million (31 December 2020: HK\$209.5 million). The capital commitment was mainly related to the construction of property, plant and equipment.

CONTINGENT LIABILITIES

As at 30 June 2021, the Group had no material contingent liabilities (31 December 2020: Nil).

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2021, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("**SFO**")) which were required 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 they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

SHARE OPTION SCHEME, CONVERTIBLE SECURITIES, WARRANTS OR SIMILAR RIGHTS

The Company operates a share option scheme (the "**Scheme**") for the purpose of providing incentives, recognising and acknowledging the contributions that eligible persons had made or may make to the Group. The Scheme was adopted pursuant to the written resolutions of the sole shareholder of the Company passed on 3 August 2013. The expiry date of the Scheme is 2 August 2023. Since the Scheme came into effect after the Company was listed on GEM of the Stock Exchange, no share options have been granted, exercised or cancelled by the Company under the Scheme during the Period and there were no outstanding share options under the Scheme as at 30 June 2021 and as at the date of this announcement.

Up to 30 June 2021, the Company and its subsidiaries have not issued or granted any convertible securities, warrants or other similar rights.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2021, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executives of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholders	Capacity/Nature of interests	Number of shares held (Note 1)	% of the Company's issued share capital (Approximate)
Dafeng Port Overseas (Note 3)	Beneficial owner and have provided an interest in the shares as security to a person other than a qualified lender	740,040,000 (L)/S) ^(Note 2)	57.46%
Jiangsu Dafeng (Note 4)	Interest of controlled corporation	740,040,000 (L)/S) ^(Note 2)	57.46%
Jiangsu Yancheng (Note 4)	Interest of controlled corporation	740,040,000 (L)/S) ^(Note 2)	57.46%
鹽城市人民政府 (the People's Government of Yangcheng City*) ("PGYC") (Note 4)	Interest of controlled corporation	740,040,000 (L)/S) ^(Note 2)	57.46%
Mr. Jiang Wen (Note 5)	Beneficial owner, interest of controlled corporation and interest of spouse	75,350,000 (L)	5.85%
Ms. Li Qiu Hua (Note 6)	Beneficial owner and interest of spouse	75,350,000 (L)	5.85%

Notes:

1. The letter "L" denotes a long position in the interest in the issued share capital of the Company and the letter "S" denotes a short position in the interest in the issued share capital of the Company.
2. Dafeng Port Overseas entered into an account charge with the security trustee on 29 March 2018, pursuant to which Dafeng Port Overseas assigned and agreed to assign absolutely all of Dafeng Port Overseas' rights, titles and interests from time to time in and to each secured account, which had 740,040,000 Shares of approximately 57.46% of the total issued Shares as 30 June 2021.
3. Dafeng Port Overseas, a company incorporated in Hong Kong with limited liability, and is owned as to 40% by Jiangsu Dafeng, which in turn is wholly owned by Jiangsu Yancheng, 40.2% of which is owned by PGYC.
4. Jiangsu Dafeng and Jiangsu Yancheng and PGYC are deemed to be interested in the shares of the Company held by Dafeng Port Overseas under the SFO.
5. Mr. Jiang Wen, the director, the general manager and the legal representative of 前海明天供應鏈（深圳）有限公司 (Qianhai Mingtian Supply Chain (Shenzhen) Company Limited*) ("**Qianhai Mingtian**") which is an indirect subsidiary of the Company, directly and beneficially owns 51,230,000 Shares. Ms. Li Qiu Hua, the spouse of Mr. Jiang Wen, directly and beneficially owns 10,520,000 Shares. Jing Ji (Holding) Co., Limited, a company wholly-owned by Mr. Jiang Wen, directly and beneficially owns 13,600,000 Shares. As such, under the SFO, Mr. Jiang Wen is deemed, or taken to be, interested in 73,350,000 Shares.
6. Ms. Li Qiu Hua directly and beneficially owns 10,520,000 Shares. As Mr. Jiang Wen's spouse, she is, under the SFO, deemed to be, or taken to be, interested in the same number of Shares in which Mr. Jiang Wen is interested.

Save as disclosed above, as at 30 June 2021, the Directors were not aware of any other persons or entities (other than the Directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

Save for the placing of US\$55 million of credit enhanced guaranteed bonds completed on 24 March 2021, during the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPETING INTERESTS

As 鹽城大豐碧港貿易有限公司 (Yancheng Dafeng Bi Port Trading Limited*) ("**Dafeng Bi Port**") has ceased its business, Jiangsu Dafeng, a controlling shareholder of the Company, has a direct wholly-owned subsidiary, namely 江蘇鹽城港供應鏈科技集團有限公司 (Jiangsu Yancheng Port Supply Chain Technology Group Co., Ltd*) ("**Yancheng Port Supply Chain**"), has an indirect wholly-owned subsidiary, namely 鹽城市港城商業管理有限公司 (Yancheng City Gangcheng Commercial Management Co., Ltd.) ("**Yancheng Commercial**"), and has a direct non wholly-owned subsidiary, namely 江蘇悅達港口物流發展有限公司 (Jiangsu Yueda Harbour Logistics Development Company Limited*) ("**Yueda Logistics**") which are engaged in trading of various goods including coals, metal ores, non-metallic ores, non-ferrous metal, chemical products, non-metal construction materials, scrap steel and wood. Whereas the Company has also developed the business of trading of electronic products, petrochemical products and various other products through Heshun Trading, an indirect wholly-owned subsidiary of the Company, and its subsidiaries, and Qianhai Mingtian and its subsidiary. Accordingly, the businesses of Jiangsu Dafeng and its subsidiaries (the "**Jiangsu Dafeng Group**") may be construed as businesses which compete with or are likely to compete with one of the core principal activities of the Group. The Board considered that the businesses of the Jiangsu Dafeng Group do not pose material competitive threat to the Group because the Group and Jiangsu Dafeng Group have different focuses on the type of products offered which target at different customers in the market.

Other than Mr. Tao Ying who is the director of Jiangsu Dafeng, Yancheng Port Supply Chain, Yueda Logistics and the Company, there is no overlap in the directorships among the Company, Jiangsu Dafeng, Yancheng Port Supply Chain, Yancheng Commercial and Yueda Logistics. The Directors consider that the Board can operate independently from Jiangsu Dafeng, because (i) pursuant to the articles of association of the Company, a Director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which such Director or any of his associates has a material interest nor shall he be counted in the quorum present at the meeting; and (ii) the Directors are fully aware of their fiduciary duties owing to the shareholders of the respective companies and their duty to avoid conflicts to the shareholders of the respective companies and their duty to avoid conflicts of interests in carrying out their respective duties as directors of the relevant companies.

Save as disclosed above, as at 30 June 2021, none of the Directors, controlling shareholders of the Company or their respective close associates had any interests in a business, which competes or is likely to compete either directly or indirectly with the business of the Group which would be required to be disclosed under Rule 11.04 of the GEM Listing Rules.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries to all the Directors, the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors for the Period.

CORPORATE GOVERNANCE CODE

The Company is committed to maintain a high standard of corporate governance. In the opinion of the Directors, the Company has complied with all the code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 15 to the GEM Listing Rules during the Period. The Company will continue to review its corporate governance practices in order to enhance its corporate governance standard, comply with regulatory requirements and meet the growing expectations of shareholders and investors.

AUDIT COMMITTEE

An audit committee of the Company (the “**Audit Committee**”) has been established on 3 August 2013 with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules and code provision C.3.3. The members of the Audit Committee comprise Mr. Lau Hon Kee (Chairman), Dr. Bian Zhaoxiang and Mr. Zhang Fangmao, all of whom are independent non-executive Directors. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment and removal of the external auditor, review the financial statements and related materials and provide advice in respect of the financial reporting process and oversee the internal control procedures and the risk management system of the Group.

The Interim Financial Statements have not been audited by the Company’s auditor, but have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the Interim Financial Statements complied with the applicable accounting standards, the GEM Listing Rules and legal requirements, and that adequate disclosures have been made.

APPRECIATION

On behalf of the Directors, I would like to extend our gratitude and sincere appreciation to all management and staff members for their diligence and dedication, the continuing support of our business partners, customers and the shareholders.

By order of the Board
Dafeng Port Heshun Technology Company Limited
Tao Ying
Chairman

Hong Kong, 12 August 2021

As at the date of this announcement, the Board comprises the following members:

<i>Executive Directors</i>	<i>Non-executive Directors</i>	<i>Independent Non-executive Directors</i>
Mr. Tao Ying (<i>Chairman</i>) Ms. Leng Panpan	Mr. Ji Longtao Mr. Yang Yue Xia Mr. Miao Zhibin	Dr. Bian Zhaoxiang Mr. Lau Hon Kee Mr. Yu Xugang Mr. Zhang Fangmao

* *For identification purpose only*

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company's website at www.dfport.com.hk.