

ASIA-PAC FINANCIAL INVESTMENT COMPANY LIMITED

亞太金融投資有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8193)

2023 INTERIM REPORT



CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors of Asia-Pac Financial Investment Company Limited (the “Company” and the “Directors”, respectively) 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 report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

This report, in both English and Chinese versions, is available on the Company’s website at www.gca.com.hk.



CONTENTS

Corporate Information	3
Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Unaudited Condensed Consolidated Statement of Financial Position	8
Unaudited Condensed Consolidated Statement of Changes in Equity	10
Unaudited Condensed Consolidated Statement of Cash Flows	11
Notes to the Unaudited Condensed Consolidated Financial Statements	12
Management Discussion and Analysis	22
Other Information	30

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Ip Kwok Kwong (*Managing Director*)

Mr. Wu Di

Independent Non-executive Directors

Mr. Sek Wai Kit

Mr. So Kwok Yun

Mr. Tang Wai Kee

BOARD COMMITTEES

Audit Committee

Mr. Sek Wai Kit (*Chairman*)

Mr. So Kwok Yun

Mr. Tang Wai Kee

Remuneration Committee

Mr. So Kwok Yun (*Chairman*)

Mr. Sek Wai Kit

Mr. Tang Wai Kee

Mr. Ip Kwok Kwong

Mr. Wu Di

Nomination Committee

Mr. Tang Wai Kee (*Chairman*)

Mr. Sek Wai Kit

Mr. So Kwok Yun

Mr. Ip Kwok Kwong

Mr. Wu Di

COMPANY SECRETARY

Ms. Cheng Lucy

COMPLIANCE OFFICER

Mr. Ip Kwok Kwong

AUTHORISED REPRESENTATIVES

Ms. Cheng Lucy

Mr. Ip Kwok Kwong

PRINCIPAL BANKERS

China Citic Bank International Limited

OCBC Wing Hang Bank Limited

INDEPENDENT AUDITOR

McMillan Woods (Hong Kong) CPA Limited

Certified Public Accountants

Registered Public Interest Entity Auditor

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P. O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 304, 3rd Floor

Shui On Centre

6-8 Harbour Road

Wanchai

Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

CORPORATE WEBSITE

www.gca.com.hk

STOCK CODE

8193

The board of Directors (the "Board") presents the unaudited condensed consolidated financial statements of the Company and its subsidiaries (together, the "Group") for the three months and six months ended 30 September 2023, together with the relevant unaudited/audited comparative figures, as follows.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 30 September 2023

	Notes	Three months ended 30 September		Six months ended 30 September	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Loan interest income		1,500	1,731	2,950	3,394
Other revenue		6,338	13,660	12,252	17,945
Total revenue	4 & 5	7,838	15,391	15,202	21,339
Cost of sales		(2,689)	(7,856)	(4,842)	(10,139)
Gross profit		5,149	7,535	10,360	11,200
Other income	5	214	283	377	1,076
Fair value (loss)/gain on financial assets at fair value through profit or loss ("FVTPL")		(7,848)	32,544	(15,668)	24,398
Marketing and administrative expenses		(3,174)	(9,969)	(9,090)	(13,813)
Finance costs	6	(558)	(237)	(1,094)	(391)
(Loss)/profit before tax	7	(6,217)	30,156	(15,115)	22,470
Income tax expense	8	(180)	(246)	(348)	(480)
(Loss)/profit for the period		(6,397)	29,910	(15,463)	21,990
Other comprehensive expense for the period, net of tax					
<i>Item that may be subsequently reclassified to profit or loss:</i>					
Exchange differences on translating foreign operations		(1,035)	(1,119)	(299)	(1,251)
Total comprehensive (expense)/income for the period		(7,432)	28,791	(15,762)	20,739

	Notes	Three months ended 30 September		Six months ended 30 September	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
(Loss)/profit for the period attributable to:					
Owners of the Company		(6,751)	30,358	(15,099)	22,321
Non-controlling interests		354	(448)	(364)	(331)
		(6,397)	29,910	(15,463)	21,990
Total comprehensive (expense)/income for the period attributable to:					
Owners of the Company		(7,786)	29,239	(15,398)	21,070
Non-controlling interests		354	(448)	(364)	(331)
		(7,432)	28,791	(15,762)	20,739
(Loss)/earnings per share					
Basic and diluted (HK cents)	10	(2.90)	13.02	(6.48)	9.57

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	Notes	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	11	447	492
Right-of-use assets		–	139
Intangible assets		1,595	1,880
Goodwill		8,792	8,792
Loan receivables	13	22,821	3,278
		33,655	14,581
Current assets			
Trade receivables	12	9,280	9,290
Prepayments, deposits and other receivables		11,473	13,615
Right-of-use assets		1,166	–
Loan receivables	13	56,556	74,485
Financial assets at FVTPL		32,687	47,376
Bank and cash balances	14	3,892	2,553
Tax recoverable		–	57
		115,054	147,376
Current liabilities			
Trade payables	15	3,115	3,002
Accruals and other payables		29,248	29,009
Amount due to a director		10,029	8,864
Contract liabilities		1,471	1,073
Lease liabilities		1,177	147
Tax payables		278	79
		45,318	42,174
Net current assets		69,736	105,202

	<i>Notes</i>	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
Non-current liabilities			
Promissory notes		23,000	23,000
Other borrowings		12,878	13,508
		35,878	36,508
NET ASSETS			
		67,513	83,275
Capital and reserves			
Share capital	<i>16</i>	23,319	23,319
Reserves		41,626	57,024
Equity attributable to owners of the Company		64,945	80,343
Non-controlling interests		2,568	2,932
TOTAL EQUITY			
		67,513	83,275

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2023

	Attributable to owners of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Foreign currency translation reserve HK\$'000	Share options reserve HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000	Non-controlling interest HK\$'000	Total equity HK\$'000
At 1 April 2023 (audited)	23,319	608,005	5,359	(62)	4,291	(560,569)	80,343	2,932	83,275
Lapse of share options (unaudited)	-	-	-	-	(1,525)	1,525	-	-	-
Total comprehensive expense for the period (unaudited)	-	-	-	(299)	-	(15,099)	(15,398)	(364)	(15,762)
At 30 September 2023 (unaudited)	23,319	608,005	5,359	(361)	2,766	(574,143)	64,945	2,568	67,513
At 1 April 2022 (audited)	23,319	608,005	5,359	435	13,219	(533,742)	116,595	2,947	119,542
Recognition of share-based payments (unaudited)	-	-	-	-	2,766	-	2,766	-	2,766
Lapse of share options (unaudited)	-	-	-	-	(8,111)	8,111	-	-	-
Total comprehensive expense for the period (unaudited)	-	-	-	(1,251)	-	22,321	21,070	(331)	20,739
At 30 September 2022 (unaudited)	23,319	608,005	5,359	(816)	7,874	(503,310)	140,431	2,616	143,047

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2023

	Six months ended 30 September 2023 HK\$'000 (unaudited)	Six months ended 30 September 2022 HK\$'000 (unaudited)
Net cash generated from/used in operating activities:	1,582	(24)
Net cash generated from investing activities:	1	–
Net cash used in/from financing activities:	(340)	763
Net increase in cash and cash equivalents	1,243	739
Cash and cash equivalents at beginning of the period	2,553	4,495
Effect of foreign exchange rate changes	96	(1,383)
Cash and cash equivalents at end of the period	3,892	3,851
Analysis of cash and cash equivalents		
Bank and cash balances	3,892	3,851
	3,892	3,851

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 3 December 2010. The ordinary shares of the Company of HK\$0.1 each (the "Shares") are listed on GEM. The address of its registered office is Cricket Square, Hutchins Drive, P. O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the address of its principal place of business in Hong Kong is Room 304, 3rd Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong. The Company is an investment holding company.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2023 (the "Period") have not been audited by the independent auditor of the Company but have been reviewed by the audit committee of the Board (the "Audit Committee"). They have been approved and authorised for issue by the Board on 7 November 2023.

2. BASIS OF PREPARATION

The Group's unaudited condensed consolidated results for the Period (the "Unaudited Condensed Consolidated Results") have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and accounting principles generally accepted in Hong Kong and the applicable disclosures required by the GEM Listing Rules and the Hong Kong Companies Ordinance, Chapter 622 of the Laws of Hong Kong.

The Unaudited Condensed Consolidated Results do not include all the information and disclosures required in the annual financial statements of the Group and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2023. The Group has adopted the new standards and amendments to HKFRSs issued by the HKICPA that are effective for the current accounting period of the Group. The adoption of these new and revised HKFRSs has had no material effect on the Group's results and financial position for the current or prior periods.

The Group has not early adopted any new and revised HKFRSs that has been issued but are not yet effective.

3. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group's financial assets at FVTPL and derivative financial assets are carried at fair value as at 30 September and 31 March 2023. The following disclosures of fair value measurements use a fair value hierarchy which has three levels:

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

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

Level 3: unobservable inputs for the asset or liability

Disclosures of level in fair value hierarchy as at 30 September 2023:

Description	Fair value measurement using:			Total HK\$'000 (unaudited)
	Level 1 HK\$'000 (unaudited)	Level 2 HK\$'000 (unaudited)	Level 3 HK\$'000 (unaudited)	
Financial assets at FVTPL: – Listed securities in Hong Kong	32,687	–	–	32,687

Disclosures of level in fair value hierarchy as at 31 March 2023:

Description	Fair value measurement using:			Total HK\$'000 (audited)
	Level 1 HK\$'000 (audited)	Level 2 HK\$'000 (audited)	Level 3 HK\$'000 (audited)	
Financial assets at FVTPL: – Listed securities in Hong Kong	47,376	–	–	47,376

4. SEGMENT INFORMATION

The Group is organised into business units based on their services and has four reportable operating segments as follows:

– Asset advisory services and asset appraisal services

Provision of asset appraisal services and asset advisory services, including real estate and fixed asset appraisal, mineral property appraisal, business and intangible asset valuation, financial instrument valuation and advisory services

– Corporate services and consultancy services

Provision of company secretarial services, human resources management, accounting and tax services, corporate communication and marketing services, corporate governance, internal control, enterprise risk management services and management consultancy services

– Media advertising services

Provision of media advertising business services through in-elevator poster frames network and liquid-crystal display network inside elevators or lobbies of middle to high-end residential community

– Financial services

Provision of financial credit services such as personal loans, commercial loans to individuals and corporations

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

Segment profits or losses do not include corporate income and expenses, fair value changes on financial assets at FVTPL, equity-settled share-based payment and finance costs.

Information about reportable segments for the six months ended 30 September 2023 and 2022 are as follows:

	Asset advisory services and asset appraisal services Six months ended		Corporate services and consultancy services Six months ended		Media advertising services Six months ended		Financial services Six months ended		Total Six months ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Disaggregated by timing of revenue recognition										
Point in time	10,916	16,869	-	-	-	-	-	-	10,916	16,869
Over time	-	-	1,036	418	300	658	2,950	3,394	4,289	4,470
Revenue from external customers	10,916	16,869	1,036	418	300	658	2,950	3,394	15,202	21,339
Segment profit before finance costs and income tax credit/(expense)	2,805	(210)	(530)	(550)	(1,356)	(1,424)	1,414	2,427	2,333	243
Fair value (loss)/gain on financial assets at FVTPL									(15,668)	24,398
Finance costs									(1,094)	(391)
Unallocated corporate expenses, net									(686)	(1,780)
Profit before tax									(15,115)	22,470

Geographical information:

In presenting the geographical information, revenue is based on the locations of the customers.

	Revenue from external customers	
	30 September 2023 HK\$'000 (unaudited)	30 September 2022 HK\$'000 (unaudited)
Hong Kong	14,902	20,604
The People's Republic of China (the "PRC") except Hong Kong	300	735
	15,202	21,339

There was no revenue from customers contributing 10% or more of total revenue for the six months ended 30 September 2023 and 2022.

5. REVENUE AND OTHER INCOME

The Group's revenue and other income are as follows:

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue				
Asset advisory services and asset appraisal services income	5,823	12,985	10,916	16,869
Corporate services and consultancy services income	475	311	1,036	418
Media advertising services	40	364	300	658
Financial services	1,500	1,731	2,950	3,394
	7,838	15,391	15,202	21,339
Other income				
Bank interest income	7	1	8	1
Sub-leasing income	-	86	-	172
Government subsidy	-	25	-	29
Waiver for loan interest	-	-	-	451
Sundry income	207	171	369	423
	214	283	377	1,076

6. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Interest on other borrowings	389	83	775	83
Interest on promissory notes	150	150	300	300
Interest on lease liabilities	19	4	19	8
	558	237	1,094	391

7. LOSS/PROFIT BEFORE TAX

The Group's profit before tax is stated after (crediting)/charging the following:

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Depreciation and amortisation				
– Owned assets	145	127	289	250
– Right-of-use assets	171	165	336	329
Fair value loss/gain on financial assets at FVTPL	7,848	32,544	15,668	(24,398)
Staff costs, including Directors' remuneration and equity-settled share-based payments	3,034	6,367	6,498	8,618

8. INCOME TAX EXPENSE

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Current tax – Hong Kong Profits Tax Provision for the period	180	246	348	480
Total	180	246	348	480

Under the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of a corporation will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. For the Period, Hong Kong Profits Tax of the nominated Group company is calculated in accordance with the two-tiered profits tax rates regime. The assessable profits of other Group companies in Hong Kong will continue to be taxed at the tax rate of 16.5%.

There was no significant unprovided deferred tax for the relevant periods and at the end of each reporting period.

Enterprise Income Tax (“EIT”) in the PRC is provided at the rate of 25% (2022: 25%) applicable to the subsidiaries in the PRC on 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.

No provision for EIT is required as the Group’s PRC subsidiaries did not have assessable profit for the Period (six months ended 30 September 2022: Nil).

9. DIVIDEND

The Board does not recommend the payment of a dividend for the Period (six months ended 30 September 2022: Nil).

10. LOSS/EARNINGS PER SHARE

Basic loss/earnings per share

The calculation of basic loss per share attributable to owners of the Company is based on the profit for the three months and six months ended 30 September 2023 attributable to owners of the Company of approximately HK\$6,751,000 (2022: earnings of approximately HK\$30,358,000) and approximately HK\$15,099,000 (2022: earnings of approximately HK\$22,321,000), respectively and the weighted average number of ordinary shares of 233,182,344 (2022: 233,182,344 ordinary shares).

Diluted loss/earnings per share

Diluted loss/earnings per share for the three months and six months ended 30 September 2023 and 2022 are the same as the respective basic earnings per share as the effects of the Company’s potential ordinary shares in respect of the outstanding share options are anti-dilutive.

11. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group has not acquired property, plant and equipment (six months ended 30 September 2022: Nil) and written off property, plant and equipment (six months ended 30 September 2022: Nil).

12. TRADE RECEIVABLES

The Group's trading terms with customers are mainly on credit. The credit terms generally at 14 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables in order to minimise credit risk. Overdue balances are reviewed regularly by the senior management.

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

	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
0 to 30 days	2,426	5,661
31 to 90 days	2,576	2,023
91 to 180 days	457	129
181 to 365 days	3,446	1,125
Over 365 days	375	352
	9,280	9,290

13. LOAN RECEIVABLES

	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
Current portion	56,556	74,485
Non-current portion	22,821	3,278
	79,377	77,763

The ageing analysis of the loans receivables, based on loan advance date, is as follows:

	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
1 to 30 days	–	18,285
31 to 90 days	13,354	61,048
91 to 180 days	43,202	–
181 to 365 days	–	18,434
Over 365 days	22,821	3,634
	79,377	101,401

14. BANK AND CASH BALANCES

	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
Cash on hand	29	38
Cash at bank	3,859	4
Cash at broker	4	2,511
	3,892	2,553

15. TRADE PAYABLES

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

	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
0 to 90 days	1,436	245
91 to 180 days	443	26
181 to 365 days	245	3
Over 365 days	991	2,728
	3,115	3,002

16. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Authorised:		
As at 1 April 2022, 30 September 2022, 1 April 2023 and 30 September 2023 (HK\$0.1 each)	10,000,000	1,000,000
Issued:		
As at 1 April 2022, 30 September 2022, 1 April 2023 and 30 September 2023 (HK\$0.1 each)	233,182	23,319

17. RELATED PARTY TRANSACTIONS

The Group has not entered into any related party transaction during the six months ended 30 September 2023 and 2022.

Compensation of key management personnel

The remuneration of directors and other members of key management during the six months ended 30 September 2023 and 2022 were as follows:

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Short-term benefits	606,000	444,000	1,098,000	888,000
Post-employment benefits	–	–	–	–

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's business can be broadly categorised into four main sectors: (i) asset advisory services and asset appraisal services; (ii) corporate services and consultancy services; (iii) media advertising services; and (iv) financial services.

Asset Advisory Services and Asset Appraisal Services

Asset advisory services and asset appraisal services are the core business of the Group, which typically involves provision of independent valuation services to a number of listed groups to meet market, regulatory and fiduciary requirements, sourcing and identifying potential investment opportunities or investors, undertaking due diligence and evaluation on the underlying assets and provision of procedural and strategic business advices. Asset advisory services income is primarily success-based and project-based nature.

Corporate Services and Consultancy Services

The corporate services and consultancy services segment mainly focuses on provision of advice to corporations in areas such as corporate governance, internal control, enterprise risk management and other operational aspects as well as provision of back office administration.

Media Advertising Services

Media advertising income is generated mainly through its in-elevator poster frames network and liquid-crystal-display network inside the elevators or lift lobbies of middle to high-end residential community.

Financial Services

The financial services segment is provision of money lending services. The services mainly involves provision of financial credit services such as personal loans and commercial loans to individuals and corporations.

The Group holds a money lenders license under the Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong. The service consists of the provision of financial credit services such as personal loans and commercial loans to individuals and corporations. The Company did not set specific target for customer of any background or industry or operation history. The source of customers of the Company were mainly via the referrals from customers or advertisements or business networks of the senior management of the Company. For the Group's loan portfolio as at 30 September 2023, all the outstanding loan receivables were due from individual customers. The source of funds for the financial services business is generally funded by the internal resources of the Group.

Key Internal Controls

With regards to the Group's internal controls for financial services business, there are the following monitoring mechanisms and measures adopted by the Group:

Loan application and approval

In progress of loan applications, internal credit assessments would be performed to decide the proposed loan size and interest rate charged. The internal credit assessment included but not limited to:

- verification and background checking, such as the identity documents and statutory records (i.e. identity card, address proof, business registration certificate, latest annual return, etc.);
- obtain income or asset proof of the borrower and guarantor, such as share certificates, bank statements and security statements, etc.;
- the valuation documents of the collaterals (if any); and
- the verification of the authenticity of the information provided.

Furthermore, the Group would perform public search towards the borrower and guarantor (if any) to ensure compliance with the relevant requirements and regulations of anti-money laundering and counter-terrorist financing. For each loan application, rather than a preset minimum amount of income/revenue/profit/total asset/net asset level, the management would determine and approve the loan amount and interest rates based on the relevant financials, repayment ability and the overall quality of borrowers/guarantors and the respective collaterals, subject to business negotiations and market conditions. The loan approval will be further subject to the judgement of the management, where certain factors may also be considered in loan assessment as additional factors that would greatly affect the likelihood of the loan recoverability, such as the credit history, career profile, business or family background of the borrower/guarantor and the purpose of the borrowing.

Recovery and collection of loan receivables

Upon granting the loan, the Group would keep track of the repayment records and loan portfolio on an on-going basis and conduct recoverability review, in particular for any past due loan accounts. The Group would follow the review procedure as follows: (i) obtain and review the repayment records of every loan and interests repayment to ensure every repayment is repaid on schedule and at the appropriate amount; (ii) communicate actively with the customers for past due repayment; and (iii) conduct legal action when considered necessary. The Group would further obtain the updated financial information from the borrowers when late repayment records were noted to assess the recoverability of loan. Different procedures and effort are put onto the loan recovery, appropriate actions, such as sending legal demand letter, legal proceedings arrangement, etc., would be considered by the Group, subject to the recovery situation of the loans and negotiation with customers.

Impairment provisions

The Company adopted estimated credit loss allowances according to the requirements of HKFRS 9 issued by the HKICPA. The Group made impairment provision on loan and interest receivables primarily based on the future macroeconomic conditions and borrowers' creditworthiness (e.g. the likelihood of default by customers). Such assessment has taken regard of quantitative and qualitative historical information and also, the forward-looking analysis.

To the best of the Directors' knowledge, information and belief based on internal records, the Group does not have any agreement, arrangement, understanding or undertaking (whether formal or informal and whether express or implied) with a connected person with respect to the grant of loans to each of the respective borrower whose loan was still outstanding as at 30 September 2023.

FINANCIAL REVIEW

The Group's revenue for the Period was approximately HK\$15.2 million (six months ended 30 September 2022: HK\$21.3 million), representing a decrease of approximately 28.6% from that of the corresponding period of 2022 (the "Last Corresponding Period"). The decrease was mainly attributable to the decrease in revenue arising from the asset advisory services and asset appraisal services.

The Group's cost of sales for the Period was approximately HK\$4.8 million (six months ended 30 September 2022: HK\$10.1 million), representing a decrease of approximately 52.5% from that of the Last Corresponding Period. The decrease in cost of sales was mainly attributable to the decrease in revenue during the Period.

The Group's marketing and administrative expenses for the Period were approximately HK\$9.1 million (six months ended 30 September 2022: HK\$13.8 million), representing a decrease of approximately 34.1% from those of the Last Corresponding Period. The decrease in such expenses was due to the implementation of cost control measures during the Period.

The Group's net fair value loss on financial assets at FVTPL for the Period was approximately HK\$15.7 million (six months ended 30 September 2022: gain of approximately HK\$24.4 million). Details are set out in the section headed "Significant Investments Held".

The Group's finance costs for the Period amounted to approximately HK\$1.1 million (six months ended 30 September 2022: HK\$0.4 million), representing an increase of approximately 175% from that of the Last Corresponding Period. The increase in finance costs was mainly due to the increase in interest expenses on other borrowings during the Period.

Accordingly, the loss attributable to owners of the Company for the Period was approximately HK\$15.1 million (six months ended 30 September 2022: profit of approximately HK\$22.3 million), which was mainly attributable to net fair value loss on financial assets at FVTPL of approximately HK\$15.7 million for the Period.

REVIEW ON PROVISION OF FINANCIAL ASSISTANCE

During the Period, none of the financial assistance provided by the Group constituted "discloseable transaction" under Chapter 19 of the GEM Listing Rules, "connected transaction" under Chapter 20 of the GEM Listing Rules and "advances to entity" which requires disclosure pursuant to Chapter 17 of the GEM Listing Rules.

OUTLOOK

Looking ahead, the revenue from each of the sectors of asset advisory services and corporate consultancy services remains promising with a steady demand for professional commercial services in the Greater China. As companies in the Greater China, especially in the PRC, continue to expand in corporate size, operational complexity and geographical diversification as well as undergo restructuring, listing and mergers and acquisitions, the demand for a leading professional advisor on asset value, procedures and regulations, as well as investment matching are expected to remain high. In view of the Group's existing competitive advantages and market position in its core business segments, the Group is confident that its experienced professional teams and provision of convenient one-stop professional services will keep it well-positioned to capture the surging business opportunities.

Due to the global economy being affected by the remaining adverse effects of COVID-19 pandemic, the media advertising industry has reduced demand from freezing of marketing spend, the Group will actively adjust the business strategy in respond to the latest market changes.

The financial services segment is expected to be stable in coming year. The Group will closely monitor the credit risks and continue its effort to enhance our competitiveness within the ever changing industry and economy, so as to ensure a proper balance between return and risk.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this interim report, the Group does not have other plans for material investments and capital assets as of 30 September 2023.

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were no other material acquisitions and disposals of subsidiaries, associates or joint ventures during the Period.

SIGNIFICANT INVESTMENTS HELD

As at 30 September 2023, the Group had financial assets at FVTPL, representing equity securities listed in Hong Kong, with a total market value of approximately HK\$32.7 million (31 March 2023: HK\$47.4 million).

Details of the Group's top held-for-trading investments, in terms of fair value as at 30 September 2023, are set out as follows:

Name of securities	Investment cost HK\$'000	Number of shares held	As at 30 September 2023				For the six months ended 30 September 2023	As at 31 March 2023
			Percentage of shareholding interest	Fair value HK\$'000	Percentage to the financial assets at FVTPL	Percentage to the net assets	Unrealised gain/(loss) HK\$'000	Fair value/ carrying value HK\$'000
WLS Holdings Limited ("WLS") (Stock code: 8021) (Note 1)	18,176	267,780,000	1.86%	10,443	31.9%	15.5%	(7,055)	16,520
SEEC Media Group Limited ("SEEC Media") (Stock code: 205) (Note 2)	4,662	15,190,000	2.06%	4,101	12.5%	6.1%	(3,949)	8,051
China Investment and Finance Group Limited ("China Investment") (Stock code: 1226) (Note 3)	1,507	10,050,000	2.44%	3,719	11.4%	5.5%	(955)	4,673
Harbour Digital Asset Capital Limited ("Harbour Digital") (Stock code: 913) (Note 4)	795	4,820,000	1.71%	3,760	11.5%	5.6%	1,398	2,362
Other investments (Note 5)	41,765	81,954,525	20.25%	10,664	32.7%	15.8%	(5,107)	15,770
	66,905			32,687	100%	48.5%	(15,668)	47,376

Notes:

- WLS is principally engaged in the provision of scaffolding and fitting-out services, management contracting services, other services for construction and buildings work, money lending business and trading of securities in Hong Kong.
- SEEC Media is principally engaged in the business of advertising and sales of books and magazines and marketing related services and money lending business and securities broking in Hong Kong.
- China Investment is principally engaged in securities trading and investment holding.
- Harbour Digital is engaged in sectors such as finance, consumer goods and services, media, construction, mining, etc.
- The fair value of each of these investments represented less than 5% of the net assets of the Group as at 30 September 2023.

During the Period, the Group recorded an unrealised loss of approximately HK\$15.7 million (six months ended 30 September 2022: unrealised gain of approximately HK\$24.4 million).

The future performance of the equity securities held by the Group may be influenced by the Hong Kong stock market. In this regard, the Group will continue to maintain a diversified investment portfolio and closely monitor the performance of its investments and the market trends to adjust its investment strategies.

Save as disclosed above, there were no other significant investments held by the Group as at 30 September 2023.

CHARGE ON GROUP ASSETS

At 30 September 2023, none of the assets of the Group has been pledged to secure any loan granted to the Group (31 March 2023: Nil).

CAPITAL STRUCTURE

Details of the Company's share capital are set out in note 16 to the consolidated financial statements in this interim report.

FOREIGN CURRENCY RISK

The majority of the Group's businesses is operated in Hong Kong and is denominated in Hong Kong dollars ("HK\$"), Renminbi ("RMB") and United States dollars. The Group currently does not have a foreign currency hedging policy. The Group is of the opinion that its exposure to foreign exchange rate risk is limited. However, the management monitors closely foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2023, the Group had bank and cash balances of approximately HK\$3.9 million (31 March 2023: approximately HK\$2.6 million). The bank and cash balances were denominated in HK\$ and RMB. As at 30 September 2023, the Group had net current assets of approximately HK\$69.7 million (31 March 2023: approximately HK\$105.2 million). Current ratio (calculated based on dividing current assets by current liabilities) as at 30 September 2023 was 2.5 (31 March 2023: 3.5).

As at 30 September 2023, the Group had total borrowings (comprising borrowings and promissory notes) of approximately HK\$35.9 million (31 March 2023: approximately HK\$36.5 million) and a net gearing ratio, which is defined as net debt (total borrowings net of bank and cash balances) over total equity of 0.5 (31 March 2023: 0.4). All borrowings and promissory notes were denominated in HK\$, while the other loan repayable was charged at 12% (31 March 2023: 12%) per annum. The promissory notes were interest-bearing at 3% (31 March 2023: 3%) per annum.

TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluation of the financial conditions of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

CAPITAL COMMITMENTS

As at 30 September 2023, the Group did not have any significant capital commitments (31 March 2023: Nil).

CONTINGENT LIABILITIES

The Group had no material contingent liabilities at 30 September 2023 and 31 March 2023.

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 30 September 2023, the Group employed 19 (31 March 2023: 19) employees. Total staff costs (including Director's emoluments and equity-settled share-based payments) for the Period were approximately HK\$6.5 million (six months ended 30 September 2022: HK\$8.6 million). Employees' remuneration, promotion and salary increments are assessed based on both individual's and Company's performance and individual's professional and working experience and by reference to prevailing market practice and standards. As the share option scheme adopted on 18 May 2011 (the "Old Scheme") was expired on 17 May 2021, the Company adopted a new share option scheme on 30 September 2021 (the "New Scheme") for the grant of share options to eligible participants. The Group also provides and arranges on-the-job training for the employees. The Group regards quality staff as one of the key factors to corporate success.

EVENT AFTER THE REPORTING PERIOD

There was no significant event relevant to the business or financial performance of the Group that came to the attention of the Directors after the Period.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2023, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")), which would have: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register as referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long positions in the shares of the Company (the "Shares")

Name of Directors	Capacity/ nature of interests	Number of issued Shares held	Number of underlying Shares held	Total	Approximate percentage to the issued Shares (Note 1)
Mr. Ip Kwok Kwong ("Mr. Ip")	Interest in controlled corporation and beneficial owner/ Corporate interest and personal interest	3,108,500 (Note 2)	2,331,823 (Note 3)	5,440,323	2.33%
Mr. Wu Di ("Mr. Wu")	Beneficial owner/Personal interest	–	2,331,823 (Note 3)	2,331,823	1.0%
Mr. Sek Wai Kit ("Mr. Sek")	Beneficial owner/Personal interest	–	2,331,823 (Note 3)	2,331,823	1.0%

Notes:

1. The percentage is calculated on the basis of the total number of issued Shares as at 30 September 2023 (i.e. 233,182,344 Shares).
2. 3,108,500 Shares were held by Brilliant One Holdings Limited (“Brilliant One”) which was wholly owned by GC Holdings Limited (“GC Holdings”). GC Holdings was wholly owned by Mr. Ip, an executive Director and the Managing Director. By virtue of the SFO, Mr. Ip was deemed to have interests in all the Shares held by Brilliant One.
3. Mr. Ip and Mr. Wu, executive Directors and Mr. Sek, independent non-executive Director were granted the options under the New Scheme on 7 July 2022 at an exercise price of HK\$0.275 (adjusted) per Share with the exercisable period from 7 July 2022 to 6 July 2024 (both dates inclusive).

Save as disclosed above, as at 30 September 2023, 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 its associated corporations (within the meaning of Part XV of the SFO), which would have: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register as referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at 30 September 2023, the following corporations which or persons who (other than a Director or the chief executive of the Company) had interests or short positions in the Shares and the underlying Shares, which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO:

Long positions in the Shares

Name of shareholders	Capacity/nature of interests	Number of issued Shares held	Approximate percentage to the issued Shares ^(Note 1)
Laberie Holdings Limited ("Laberie") ^(Note 2)	Beneficial owner/Personal interest	56,000,000	24.02%
SEEC Media ^(Note 2)	Interest in a controlled corporation/Corporate interest	56,000,000	24.02%

Notes:

1. The percentage is calculated on the basis of the total number of issued Shares as at 30 September 2023 (i.e. 233,182,344 Shares).
2. Laberie was wholly owned by SEEC Media. By virtue of the SFO, SEEC Media was deemed to be interested in all the Shares held by Laberie.

Save as disclosed above, as at 30 September 2023, the Company had not been notified by any corporations which or persons who (other than a Director or the chief executive of the Company) had interests or short positions in the Shares or the underlying Shares, which were notified to the Company and the Stock Exchange pursuant of Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

To attract and retain the eligible persons, provide additional incentive to them and promote the success of the business of the Group, the Company conditionally approved and adopted the Old Scheme by a resolution in writing on 18 May 2011 whereby the Board was authorised to grant options (the “Options”) to subscribe for the Shares to the eligible participants as defined in the Old Scheme, including the Directors and employees. The Old Scheme is valid for a period of ten years commencing on the adoption date as defined in the Old Scheme, i.e. 18 May 2011.

The Old Scheme expired on 17 May 2021. Upon expiry of the Old Scheme, no further Options were granted thereunder, and the Options granted prior to and remaining outstanding at the expiry shall continue to be valid and exercisable in accordance with the terms of the Old Scheme.

The New Scheme was adopted pursuant to an ordinary resolution duly passed by the shareholders of the Company on 30 September 2021 for a period of 10 years commencing on the adoption date.


A summary of the movements of the outstanding Options under the Old Scheme and the New Scheme during the Period is as follows:

Eligible participants	Number of underlying Shares comprised in Options					Outstanding as at 30 September 2023	Exercise price per Share HK\$	Date of grant	Exercised period
	Outstanding as at 1 April 2023	Granted during the Period	Exercised during the Period	Lapsed during the Period	Cancelled during the Period				
Directors									
Mr. Ip Kwok Kwong	2,331,823	-	-	-	-	2,331,823	0.275	7.7.2022	7.7.2022-6.7.2024 (both dates inclusive)
Mr. Wu Di	2,331,823	-	-	-	-	2,331,823	0.275	7.7.2022	7.7.2022-6.7.2024 (both dates inclusive)
Mr. Sek Wai Kit	2,331,823	-	-	-	-	2,331,823	0.275	7.7.2022	7.7.2022-6.7.2024 (both dates inclusive)
Employees									
	5,829,400	-	-	(5,829,400)	-	-	0.585	10.5.2021	10.5.2021-9.5.2023 (both dates inclusive)
	16,322,765	-	-	-	-	16,322,765	0.275	7.7.2022	7.7.2022-6.7.2024 (both dates inclusive)
	29,147,634	-	-	(5,829,400)	-	23,318,234			

Note:

All Options granted were fully vested immediately on the respective dates of grant.

Save as disclosed above, no Options under the Old Scheme and the New Scheme were granted or exercised or cancelled or lapsed during the Period.



As at 1 April 2023 and 30 September 2023, the total number of Options available for grant under the Old Scheme were Nil and the New Scheme were 23,318,234.

The total number of Shares that may be issued in respect of Options granted under all schemes of the Company during the Period divided by the weighted average number of Shares in issue for the Period was Nil.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the rules set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in the securities of the Company by the Directors (the “Required Standard of Dealings”). The Company had made a specific enquiry with each of the Directors and all the Directors confirmed that they had complied with the Required Standard of Dealings during the Period.

MANAGEMENT CONTRACTS

No contracts, other than a contract of service with any Director or any person under the full-time employment of the Company, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Period.

DIRECTORS’ INTERESTS IN COMPETING BUSINESS

To the best of the Directors’ knowledge, save for SEEC Media, a substantial shareholder of the Company, is engaged in the business of advertising and sales of books and magazines and marketing related services and money lending business and securities broking in Hong Kong, none of the Directors or the substantial shareholders (as defined in the GEM Listing Rules) of the Company or their respective close associates (as defined in the GEM Listing Rules) had any interest in the business that competed or might compete or is likely to compete, either directly or indirectly, with the business of the Group during the Period.

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

The Company did not redeem any of its Shares listed on GEM nor did the Company or any of its subsidiaries purchase or sell any of such Shares during the Period.

CHANGES IN INFORMATION OF DIRECTORS

In accordance with Rule 17.50A(1) of the GEM Listing Rules, changes of the information of the Directors, subsequent to the date of the annual report of the Company for the year ended 31 March 2023, required to be disclosed, are set out below:

The monthly remuneration of each of the following independent non-executive Directors has been adjusted for the period from 1 April 2023 to 30 September 2023:

Name of Directors	Adjustment
Mr. Sek Wai Kit	HK\$12,000 to HK\$6,000
Mr. So Kwok Yun	HK\$12,000 to HK\$6,000
Mr. Tang Wai Kee	HK\$12,000 to HK\$6,000

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Corporate Governance Code as contained in Part 2 of Appendix 15 to the GEM Listing Rules (the "CG Code") during the Period save for code provision C.2.1 of the CG Code, which requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

The Company currently does not have any officer who carries the title of the chairman of the Board (the “Chairman”) or chief executive officer of the Company (the “CEO”) but instead, the roles of both the Chairman and the CEO are performed by Mr. Ip, an executive Director and the Managing Director. The Board believes that vesting the roles of both Chairman and CEO in the same person provides the Company with strong and consistent leadership, and allows for effective and efficient planning and implementation of business decisions and strategies.

In addition, as all major decisions are made in consultation with members of the Board and relevant Board committees, and there are three independent non-executive Directors offering independent perspectives, the Board is of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board. The Board will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

The Company currently has a single gender Board. The Board and the nomination committee of the Board will identify suitable candidates of a different gender with the relevant skills, experience, and knowledge of our business, with a view to appoint at least one Director of a different gender onto the Board no later than 31 December 2024 in compliance with Rule 17.104 of the GEM Listing Rules.

AUDIT COMMITTEE

The Unaudited Condensed Consolidated Results and this report have been reviewed by the Audit Committee, which was of the opinion that such results had been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

By order of the Board
Asia-Pac Financial Investment Company Limited
Ip Kwok Kwong
Executive Director and Managing Director

Hong Kong, 7 November 2023

As at the date of this report, the Board comprises Mr. Ip Kwok Kwong (Managing Director) and Mr. Wu Di as executive Directors; and Mr. Sek Wai Kit, Mr. So Kwok Yun and Mr. Tang Wai Kee as independent non-executive Directors.