CHINA FINANCE INVESTMENT HOLDINGS LIMITED
中國金控投資集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 875)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021

The board (the "Board") of directors (the "Directors") of China Finance Investment Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2021 (the "Reporting Period"), along with the unaudited comparative figures for the six months ended 30 June 2020 (the "Corresponding Period") and selected explanatory notes as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021

		Six months ended 30 June	
		2021	2020
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	3&4	**281,486**	83,025
Cost of sales and services rendered		**(254,086)**	(68,970)
Gross profit		**27,400**	14,055
Other gains	5	**2,229**	9,193
Selling and distribution expenses		**(6,609)**	(1,021)
Administrative expenses		**(24,809)**	(17,883)
Other operating expenses	6	**(16)**	–
Finance costs	7	**(3,709)**	(4,073)
Reversal of impairment loss of trade receivables		**314**	–
Reversal of impairment loss of loan receivables		**18,665**	–
Impairment loss of loan receivables		**(2,078)**	–
Profit before taxation	8	**11,387**	271
Income tax expense	9	**(2,574)**	(2,573)
Profit/(loss) for the period		**8,813**	(2,302)
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**5,963**	(7,769)
Profit/(loss) and total comprehensive income/(expenses) for the period		**14,776**	(10,071)
Profit/(loss) attributable to owners of the Company:			
Owners of the Company		**11,109**	(2,302)
Non-Controlling interest		**(2,296)**	–
		8,813	(2,302)

	Notes	Six months ended 30 June	
		2021	2020
		HK$'000	*HK$'000*
		(Unaudited)	(Unaudited)
Total comprehensive income/(expenses) attributable to:			
Owners of the Company		**17,072**	(10,071)
Non-controlling interest		**(2,296)**	–
		14,776	(10,071)
Earning/(Loss) per share (HK cents)			
Basic	10	**3.40**	(1.24)
Diluted	10	**3.40**	(1.24)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021

	Notes	**At 30 June 2021** *HK$'000* **(Unaudited)**	At 31 December 2020 *HK$'000* (Audited)
Non-current assets			
Property, plant and equipment		**38,191**	41,100
Right-of-use assets		**35,807**	29,063
Goodwill		**1,457**	1,457
Investment in an associate		**–**	–
Other non-current assets		**730**	730
		76,185	72,350
Current assets			
Inventories		**28,883**	110,700
Trade and other receivables	12	**563,565**	353,740
Loan receivables	13	**294,965**	242,401
Pledged bank deposits		**76,391**	–
Bank balances and cash		**100,593**	64,597
		1,064,397	771,438
Current liabilities			
Trade and other payables	14	**436,935**	198,865
Bonds	15	**–**	36,119
Promissory notes		**27,250**	27,250
Lease liabilities		**11,733**	9,905
Bank and other borrowings		**212,282**	192,562
Deferred income		**984**	1,041
Tax payables		**22,547**	19,800
		711,731	485,542
Net current assets		**352,666**	285,896
Total assets less current liabilities		**428,851**	358,246

	Notes	At 30 June 2021 HK$'000 (Unaudited)	At 31 December 2020 HK$'000 (Audited)
Capital and reserves			
Share capital	16	**3,655**	3,051
Reserves		**371,119**	306,318
Equity attributable to owners of the Company		**374,774**	309,369
Non-controlling interests		**(92)**	(1,004)
Total equity		**374,682**	308,365
Non-current liabilities			
Bank and other borrowing		**16,241**	16,091
Lease liabilities		**35,974**	31,399
Deferred income		**1,954**	2,391
		54,169	49,881
		428,851	358,246

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 BASIS OF PREPARATION

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

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

The unaudited condensed consolidated interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include explanations of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2020 annual consolidated financial statements. These condensed consolidated interim financial statements and notes thereon do not include all of the information required for the preparation of full set of consolidated financial statements in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") and should be read in conjunction with the 2020 annual financial statements.

The accounting policies and method of computation adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020.

2 ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 January 2021. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. A number of new or amended standards are effective from 1 January 2021 but they do not have a material effect on the Group's unaudited condensed consolidated interim financial statements.

3 SEGMENT INFORMATION

The accounting policies of the operating segments are the same as those described in the 2020 annual financial statements.

Operating segment information

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

(i) the "Agricultural and Meat Business" segment engages in cultivating and trading of agricultural and meat produce;

(ii) the "Money Lending Business" segment engages in money lending services; and

(iii) the "Securities Brokerage Business" segment engages in securities brokerage services in securities traded in Hong Kong.

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

(i) Information about profit or loss

	Agricultural and Meat Business	Money Lending Business	Securities Brokerage Business	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the six months ended 30 June 2021 (Unaudited)					
Revenue					
Point in time	264,393	11,600	5,493	–	281,486
Over time	–	–	–	–	–
Reportable segment revenue	264,393	11,600	5,493	–	281,486
Elimination of inter-segment revenue	–	–	–	–	–
Consolidated revenue	264,393	11,600	5,493	–	281,486
Profit/(Loss)					
Reportable segment (loss)/profit (adjusted (LBITDA)/EBITDA)	2,529	9,581	(1,909)	–	10,201
Depreciation	(3,394)	(4)	(7)	–	(3,405)
Right-of-use asset depreciation	(3,708)	(44)	(885)	(496)	(5,133)
Finance costs	(2,734)	(6)	(146)	(823)	(3,709)
Government grants	636	–	60	–	696
Reversal of impairment loss on trade receivables	314	–	–	–	314
Impairment loss on loan receivables	–	(2,078)	–	–	(2,078)
Interest income	119	–	–	–	119
Reversal of impairment loss on loan receivables	–	18,665	–	–	18,665
Unallocated head office and corporate income	–	–	–	645	645
Unallocated head office and corporate expenses	–	–	–	(4,928)	(4,928)
Consolidated (loss)/profit before taxation	(6,238)	26,114	(2,887)	(5,602)	11,387

	Agricultural and Meat Business *HK$'000*	Money Lending Business *HK$'000*	Securities Brokerage Business *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
For the six months ended 30 June 2020 (Unaudited)					
Revenue					
Point in time	71,915	10,337	773	–	83,025
Over time	–	–	–	–	–
Reportable segment revenue	71,915	10,337	773	–	83,025
Elimination of inter-segment revenue	–	–	–	–	–
Consolidated revenue	71,915	10,337	773	–	83,025
Profit/(Loss)					
Reportable segment (loss)/profit (adjusted (LBITDA)/EBITDA)	3,234	8,951	(3,323)	–	8,862
Depreciation	(3,229)	(12)	(6)	–	(3,247)
Right-of-use asset depreciation	(2,882)	(36)	(876)	(804)	(4,598)
Finance costs	(2,693)	(3)	(53)	(1,324)	(4,073)
Gain on deregistration of a subsidiary	994	–	–	–	994
Government grants	603	–	50	217	870
Interest income	236	2	–	–	238
Unallocated head office and corporate income	–	–	–	5,882	5,882
Unallocated head office and corporate expenses	–	–	–	(4,657)	(4,657)
Consolidated (loss)/profit before taxation	(3,737)	8,902	(4,208)	(686)	271

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

(ii) Reconciliations of reportable segment assets and liabilities

	Agricultural and Meat Business *HK$'000*	Money Lending Business *HK$'000*	Securities Brokerage Business *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
At 30 June 2021 (Unaudited)					
Assets					
Reportable segment assets	**750,211**	**295,995**	**91,641**	**–**	**1,137,847**
Goodwill	**1,457**	**–**	**–**	**–**	**1,457**
Unallocated head office and corporate assets	**–**	**–**	**–**	**1,278**	**1,278**
Consolidated total assets	**751,668**	**295,995**	**91,641**	**1,278**	**1,140,582**
Liabilities					
Reportable segment liabilities	**562,571**	**24,716**	**83,517**	**–**	**670,804**
Promissory notes	**–**	**–**	**–**	**27,250**	**27,250**
Unallocated head office and corporate liabilities	**–**	**–**	**–**	**67,846**	**67,846**
Consolidated total liabilities	**562,571**	**24,716**	**83,517**	**95,096**	**765,900**
Other segment information					
Capital expenditure*	**400**	**–**	**–**	**–**	**400**
Income tax expense	**–**	**2,574**	**–**	**–**	**2,574**

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

	Agricultural and Meat Business *HK$'000*	Money Lending Business *HK$'000*	Securities Brokerage Business *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
At 31 December 2020 (Audited)					
Assets					
Reportable segment assets	568,787	240,234	28,189	–	837,210
Goodwill	1,457	–	–	–	1,457
Unallocated head office and corporate assets	–	–	–	5,121	5,121
Consolidated total assets	570,244	240,234	28,189	5,121	843,788
Liabilities					
Reportable segment liabilities	364,582	25,583	17,178	–	407,343
Bonds	–	–	–	36,119	36,119
Promissory notes	–	–	–	27,250	27,250
Unallocated head office and corporate liabilities	–	–	–	64,711	64,711
Consolidated total liabilities	364,582	25,583	17,178	128,080	535,423
Other segment information					
Capital expenditure*	923	–	–	3,716	4,639
Income tax expense	–	4,633	–	–	4,633

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

(iii) Geographical information

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

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue		
– Hong Kong	**5,526**	881
– the People's Republic of China (the "PRC")	**275,960**	82,144
	281,486	83,025

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

	At	At
	30 June	31 December
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Non-current assets		
– Hong Kong	**3,870**	4,377
– the PRC	**72,315**	67,973
	76,185	72,350

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

(iv) Information about major customers

The Group's customer base included nil (30 June 2020: five) customers with whom transactions have exceed 10% of its revenue during the Reporting Period and the Corresponding Period is set out below:

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Customer A – Agricultural and meat produce	**N/A***	12,318
Customer B – Agricultural and meat produce	**N/A***	8,691
Customer C – Agricultural and meat produce	**N/A***	7,439
Customer D – Agricultural and meat produce	**N/A***	7,418
Customer E – Agricultural and meat produce	**N/A***	7,357

* The revenue of the corresponding customer is not disclosed as the revenue individually did not account for 10% or more of the Group's revenue for the Reporting Period.

4 REVENUE

An analysis of revenue is as follows:

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Sale of agricultural and meat produce	**264,393**	71,915
Money lending interest income	**11,600**	10,337
Securities brokerage income	**5,493**	773
	281,486	83,025

5 OTHER GAINS

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Foreign exchange gain, net	**–**	667
Government grants	**696**	870
Bank interest income	**46**	238
Other interest income	**73**	–
Gain on deregistration of a subsidiary	**–**	994
Services income	**747**	205
Gain on repayment of convertible bonds at discount	**–**	5,712
Rental income	**19**	153
Sundry income	**648**	354
	2,229	9,193

6 OTHER OPERATING EXPENSES

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Foreign exchange losses, net	**16**	–
	16	–

7 FINANCE COSTS

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest expenses on bonds	**778**	1,239
Interest expenses on bank and other borrowings	**566**	674
Interest expenses on lease liabilities	**2,365**	2,160
	3,709	4,073

8 PROFIT/LOSS BEFORE TAXATION

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

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Staff costs (including directors' emoluments)		
Salaries and allowances	**11,715**	8,078
Retirement benefit costs	**652**	287
Total staff costs	**12,367**	8,365
Cost of inventories recognised as an expense	**245,921**	68,220
Depreciation:		
– on owned assets	**3,405**	3,247
– on right of use assets	**5,133**	4,598
Reversal of impairment loss of trade receivables	**(314)**	–
Reversal of impairment loss of loan receivables	**(18,665)**	–
Impairment loss of loan receivables	**2,078**	–
Gain on deregistration of a subsidiary	**–**	(994)

9 INCOME TAX EXPENSE

The tax rate applicable to the Group's Hong Kong subsidiaries was 16.5% (30 June 2020: 16.5%) during the Reporting Period.

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

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

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

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

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
EIT in the PRC		
– Provision for the Reporting Period	**2,574**	2,573
	2,574	2,573

10 EARNING/(LOSS) PER SHARE

The calculation of basic earning/(loss) per share is based on the Group's profit/(loss) attributable to the owners of the Company of approximately HK$11,109,000 (Corresponding Period: HK$(2,302,000)) and the weighted average number of 326,450,081 (Corresponding Period: 185,864,806) ordinary shares in issue during the Reporting Period.

The computation of diluted earning/(loss) per share for the Reporting Period and the Corresponding Period does not assume the conversion of the Company's preference shares, and the exercise of the Company's share options since their assumed conversion and exercise are anti-dilutive. Therefore, the basic and diluted earning/(loss) per share are the same.

11 DIVIDEND

No dividend was paid, declared or proposed during the Reporting Period. The Directors do not recommend the payment of an interim dividend (Corresponding Period: Nil).

12 TRADE AND OTHER RECEIVABLES

	Notes	**At 30 June 2021** ***HK$'000*** **(Unaudited)**	At 31 December 2020 *HK$'000* (Audited)
Trade receivables arising from trading of agricultural and meat produce		**383,803**	339,873
Less: Impairment		**(18,182)**	(18,473)
Total trade receivables	(a)	**365,621**	321,400
Accounts receivable arising from dealing in securities – Margin clients and broker receivables	(b)	**–**	–
		–	–
Other receivables		**49,016**	9,600
Less: Impairment		**(8,202)**	(8,200)
Total other receivables		**40,814**	1,400
Deposits and prepayments		**185,380**	59,190
Less: Impairment		**(28,250)**	(28,250)
Total deposits and prepayments		**157,130**	30,940
		563,565	353,740

(a) The average credit period on sales of agricultural and meat produce is 60 days. As of 30 June 2021 and 31 December 2020, the ageing analysis of trade receivables from trading of agricultural and meat produce, based on the invoice date and net impairment losses, is as follows:

	At 30 June 2021 *HK$'000* (Unaudited)	At 31 December 2020 *HK$'000* (Audited)
0 – 60 days	**96,430**	69,726
61 – 120 days	**59,724**	62,202
Over 120 days	**209,467**	189,472
	365,621	321,400

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

	At 30 June 2021 *HK$'000* (Unaudited)	At 31 December 2020 *HK$'000* (Audited)
Less than 60 days past due	**59,724**	62,202
Over 60 days past due	**209,467**	189,472
	269,191	251,674

The movements in impairment of trade receivables are as follows:

	At 30 June 2021 *HK$'000* (Unaudited)	At 31 December 2020 *HK$'000* (Audited)
At 1 January	**18,473**	5,883
Impairment loss recognised	**–**	12,444
Reversal of impairment loss	**(314)**	–
Exchange realignment	**23**	146
	18,182	18,473

As indicated above, no trade receivables (31 December 2020: Nil) are individually impaired which have been considered not recoverable. The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected liquidation proceeds. The Group does not hold any collateral over these balances.

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

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

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

The Group strictly monitors outstanding accounts receivable in order to minimise the credit risk. The management reviews the accounts receivable regularly to ensure that the listed stocks held by the Group on clients' behalf is able to offset their debts owed to the Group.

(c) The movements in impairment on other receivables are as follows:

	At 30 June 2021 ***HK$'000*** **(Unaudited)**	At 31 December 2020 *HK$'000* (Audited)
At 1 January	**8,200**	8,145
Impairment loss recognised	**–**	47
Reversal of impairment loss	**–**	–
Exchange realignment	**2**	8
	8,202	8,200

(d) There is no movement in impairment on deposits and prepayments for the Reporting Period and the Corresponding Period.

13 LOAN RECEIVABLES

The Group's loan receivables arise from the Money Lending Business. Loan receivables bear interest at a rate of 12% (31 December 2020: 7.2% to 12%), and with credit periods mutually agreed between the contracting parties. Each customer has a credit limit. Overdue balances are reviewed regularly and handled closely by senior management.

	At 30 June 2021 *HK$'000* **(Unaudited)**	At 31 December 2020 *HK$'000* (Audited)
Carrying amount receivable based on scheduled repayment dates set out in the loan agreements		
Within one year	**294,965**	205,860
Repayment on demand clause (shown under current assets)	**–**	36,541
	294,965	242,401
Less: current portion	**(294,965)**	(242,401)
Non-current portion	**–**	–

The Group's loan receivables, arising from the Money Lending Business, which involves the provision of property mortgage loans and personal loans in Hong Kong and the PRC, are denominated in Hong Kong dollars with amount of approximately HK$18,000 (31 December 2020: HK$18,000) and in Renminbi ("RMB") with amount of approximately HK$308,555,000 (31 December 2020: HK$272,578,000), respectively.

No loan receivables (31 December 2020: Nil) are secured by collaterals provided by customers, interest-bearing and are repayable within fixed terms agreed with the customers. The maximum exposure to credit risk at each of the reporting dates is the carrying value of the loan receivables mentioned above.

A maturity profile of the loan receivables as at 30 June 2021 and 31 December 2020, based on the maturity date, net of impairment losses, is as follows:

	At 30 June 2021 HK$'000 (Unaudited)	At 31 December 2020 HK$'000 (Audited)
Within 3 months	**83,068**	63,836
3 months to 1 year	**211,897**	142,024
Over 1 year (with repayment on demand clause)	**–**	36,541
	294,965	242,401

The movements in impairment of loan receivables are as follows:

	At 30 June 2021 HK$'000 (Unaudited)	At 31 December 2020 HK$'000 (Audited)
At 1 January	**30,195**	3,253
Reversal of impairment loss	**(18,665)**	–
Impairment loss recognised	**2,078**	26,942
	13,608	30,195

14 TRADE AND OTHER PAYABLES

	Notes	At 30 June 2021 HK$'000 (Unaudited)	At 31 December 2020 HK$'000 (Audited)
Trade payables arising from trading of agricultural and meat produce	(a)	**257,869**	101,866
Accounts payable arising from dealing in securities			
– cash client		**6**	6
– clearing house		**80,913**	13,719
Accruals and other payables		**98,147**	83,274
		436,935	198,865

(a) Trade payables arising from trading of agricultural and meat produce principally comprise amounts outstanding for trade purchases and have an average credit period of 30 days. The ageing analysis of trade payables based on the invoice date at 30 June 2021 and 31 December 2020 is as follows:

	At 30 June 2021 *HK$'000* **(Unaudited)**	At 31 December 2020 *HK$'000* (Audited)
0 – 60 days	**34,305**	65,713
61 – 120 days	**16,052**	14,187
Over 120 days	**207,512**	21,966
	257,869	101,866

(b) The normal settlement terms of accounts payable to cash clients and clearing houses are two days after the trade date.

No ageing analysis is disclosed as in the opinion of the Directors, the ageing analysis does not give additional value in view of the nature of this business.

It is the Group's practice to satisfy all the requests for payments immediately within the credit period. All accounts payable are non-interest bearing.

Accounts payable to clients also include those payables placed in trust accounts with authorised institutions of approximately HK$80,919,000 (31 December 2020: HK$13,725,000).

15 BONDS

	At 30 June 2021 *HK$'000* **(Unaudited)**	At 31 December 2020 *HK$'000* (Audited)
At 1 January	**36,119**	31,340
Repayment during the year/period	**(36,906)**	–
Interest expenses	**778**	2,542
Exchange realignment	**9**	2,237
	–	36,119

Notes:

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

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

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

During the Reporting Period, all principal and interest of Bond 1 were settled.

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

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

During the Reporting Period, all principal and interest of Bond 2 were settled.

16 SHARE CAPITAL

	Notes	**At 30 June 2021** ***HK$'000*** **(Unaudited)**	At 31 December 2020 *HK$'000* (Audited)
Authorised:			
150,000,000,000 (31 December 2020: 150,000,000,000) ordinary shares of HK$0.01 each		**1,500,000**	1,500,000
10,000,000,000 (31 December 2020: 10,000,000,000) preference shares of HK$0.01 each		**100,000**	100,000
Issued and fully paid:			
362,499,407 (31 December 2020: 302,083,407) ordinary shares of HK$0.01 each		**3,625**	3,021
3,030,000 (31 December 2020: 3,030,000) preference shares of HK$0.01 each	(a)	**30**	30
Total amount		**3,655**	1,030

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

	Notes	**No. of shares**	**Amount** *HK$'000*
At 31 December 2020 and 1 January 2021 (Audited)		302,083,407	3,021
Issue of ordinary share under general mandate subscription	(b)	60,416,000	604
At 30 June 2021 (Unaudited)		362,499,407	3,625

Notes:

(a) The preference shares that are non-redeemable with par value of HK$0.01 each credited as fully paid up are issued and allotted to vendors as part of the considerations for the acquisitions occurred during the year ended 31 December 2012. According to the terms of the preference share policy, one preference share is eligible to be converted into one new ordinary share (adjusted from 3,030,000 ordinary shares to 15,150 ordinary shares as a result of capital reorganisation effective on 25 June 2018 and 15 April 2019) at any time but no earlier than one year from the date of issue.

(b) The issuance of 60,416,000 ordinary shares is disclosed in the Company's circular dated 19 March 2021 in respect of connected transaction involving subscription of new shares (the "Subscription") by Sino Richest Investment Holdings Limited (the "Subscriber"), which is wholly owned by Mr. Lin Yuhao, a non-executive Director, under general mandate granted by the shareholders on 15 June 2020. As the Subscription constituted a connected transaction, it was approved by the shareholders at the Company's general meeting held on 8 April 2021. The Subscription was completed on 19 April 2021 under which 60,416,000 ordinary shares were duly allotted and issued as fully-paid by the Company to the Subscriber at the subscription price of HK$0.80 per subscription share. Details of the above were set out in the Company's announcements dated 20 January 2021, 8 April 2021 and 19 April 2021, and the Company's circular dated 19 March 2021.

17 SUBSEQUENT EVENT

On 24 August 2021, the Group entered into the twenty-sixth supplemental deed whereby the parties have agreed to extend the date for fulfillment of the conditions precedent set out in the sales and purchase agreement dated 25 May 2017 ("Agreement") with an independent third party to dispose of the Security Brokerage Business to a date falling on the expiration of 54 months from the date of the Agreement.

Save as disclosed above, there is no material subsequent event undertaken by the Company or by the Group after 30 June 2021 and up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

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

BUSINESS REVIEW

Agricultural and Meat Business

The Group's Agricultural and Meat Business benefited from China's post-pandemic economic recovery. The Group strengthened the revenue stream and enlarged the customer base by commencing to supply food produce to supermarkets in the PRC during the Reporting Period. As a result, during the Reporting Period, the turnover of the Agricultural and Meat Business segment increased by approximately 267.7%, from approximately HK$71.9 million for Corresponding Period to approximately HK$264.4 million. Given that sales to supermarkets adopts a low-margin-high-volume strategy, the rise in turnover co-exists with the decrease in gross profit margin. During the Reporting Period, the Agricultural and Meat Business segment recorded a gross profit of approximately HK$11.5 million (30 June 2020: HK$3.7 million).

The Group has been conducting research and development of the growing of medicinal value crops i.e. Kimura et Migo* (鐵皮石斛) together with Guangdong Academy of Agricultural Sciences* (廣東省農業科學院作物研究所). The cultivation of Kimura et Migo is still under experimental stage within the Group's test plots located in Conghua* (從化) of Guangdong Province. Based on the research conducted by the Company, the normal growing cycle of Kimura et Migo requires approximately three to five years of growth to reach maturity, before it can be effectively harvested and used. Due to its rarity, the economic value of Kimura et Migo will become higher when it grows older. In order to achieve its highest economic value, the Group does not plan to crop the experimental Kimura et Migo at this stage. The Group has to first understand its growth pattern before the Group can decide to promote mass cultivation of Kimura et Migo and the agricultural experiment normally takes time. In addition, the Group needs to evaluate cultivation costs associated and harvest yield, and whether it will provide satisfactory return on investment after taking into account of market demand and competition for similar products.

* *For identification purpose only*

After years of cultivation, soil quality of the Group's farmlands in Ningxia Hui Autonomous Region has significantly deteriorated because of the previous cultivation methods and the use of chemical fertilisers, which prevented the lands from regenerating. The restoration of the soil condition could not be easily achieved by human intervention and it normally takes years for the soil condition to recover. As such, the Group has decided to expand the production base in Guangdong Province, a desirable location as the climate is comparatively moderate, which allows for year-round cultivation of agricultural produce. The Group has entered into lease agreement for the two farmlands ("Shanwei Farmlands") of approximately 67 hectares in total both located in Shanwei of Guangdong Province. Shanwei Farmlands have already been equipped with infrastructures of water and sewage system, plastic greenhouse and warehouse and other fundamental facilities such as building office and staff quarter.

Looking ahead, the Group will continue to control its costs, utilise its existing resources and collaborate with research institutes in the PRC to further strengthen the cultivation and trading of agricultural and meat produce with high potential for development, or pursue acquisitions when opportunities arise.

Money Lending Business

Following the completion of the acquisition of Shenzhen Taihengfeng Technology Company Limited* (深圳市泰恒豐科技有限公司) and its subsidiaries in November 2016, the Group expanded into the micro finance business sector in Shenzhen through the provision of personal loans and corporate loans services. On 1 March 2019, Shenzhen Internet Finance Association issued a notice for the consultation of guidelines for the exit of the internet finance industry under the category of Peer to Peer ("P2P") internet lending companies which drove P2P platforms to shrink dramatically after such regulatory and industry reform. Apparently, such crackdown on the P2P platforms means a reduction in financing channels for small and medium-sized enterprises (SMEs), which led to a restructuring of the money lending industry in the PRC. The Group has responded by narrowing its target customers to borrowers with better risk profiles.

The average interest rate charged to the borrowers raised to 12.0% during the Reporting Period, as compared to that of 11.2% in the Corresponding Period.

* *For identification purpose only*

During the Reporting Period, loan interest income and gross profit under the Money Lending Business amounted to approximately HK$11.6 million (30 June 2020: HK$10.3 million) and HK$11.6 million (30 June 2020: HK$10.3 million) respectively. Such increase in loan interest income and gross profit was attributable to the higher interest rate charged to the borrowers. Outstanding loan principal and interest receivables amounted to approximately HK$295.0 million (31 December 2020: HK$242.4 million). The average interest rate charged on the loans was 12.0% per annum for the Reporting Period. No material default event occurred as at 30 June 2021 and net reversal of impairment loss of approximately HK$16.6 million for loan receivables was recognised by the Group during the Reporting Period (30 June 2020: nil).

In the coming year, it is projected that the performance of Money Lending Business segment in both the PRC and Hong Kong will worsen due to the uncertain economic environment and policy in the PRC.

Securities Brokerage Business

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

As such, on 25 May 2017, the Group entered into a sale and purchase agreement (the "Agreement") with an independent third party, pursuant to which the Group conditionally agreed to sell the Securities Brokerage Business at the consideration of the net asset value of the Securities Brokerage Business as at the date of the Agreement plus HK$12.0 million (the "Disposal"). Subsequently. the Group entered into supplemental deeds, whereby the parties have agreed to extend the date of fulfillment of the conditions precedent as set out in the Agreement. The latest supplemental deed was entered into on 24 August 2021, which further extends the date of fulfillment on the expiration of 54 months from the date of the Agreement.

Further details of the above were set out in the announcements of the Company dated 25 May 2017, 31 May 2017, 20 October 2017, 22 February 2018, 24 April 2018, 25 May 2018, 24 July 2018, 24 September 2018, 23 November 2018, 24 December 2018, 25 February 2019, 25 March 2019, 25 April 2019, 24 May 2019, 24 June 2019, 24 July 2019, 23 August 2019, 24 September 2019, 24 October 2019, 25 November 2019, 24 December 2019, 23 January 2020, 24 February 2020, 22 May 2020, 24 August 2020, 24 November 2020, 24 February 2021 and 24 August 2021.

During the Reporting Period, the Securities Brokerage Business generated a revenue of approximately HK$5.5 million (30 June 2020: HK$0.8 million) and a net loss of approximately HK$2.9 million (30 June 2020: HK$4.2 million).

Investment in Internet Finance Business in Mainland China

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

During the Reporting Period, no revenue was recorded under such internet finance business (30 June 2020: HK$200) and the net loss was approximately HK$7,000 (30 June 2020: HK$0.3 million).

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

FINANCIAL REVIEW

During the Reporting Period, the Group's revenue amounted to approximately HK$281.5 million, representing an increase of approximately HK$198.5 million or 239.2%, from approximately HK$83.0 million, for the Corresponding Period.

Gross profit of the Group during the Reporting Period was approximately HK$27.4 million, representing an increase of approximately HK$13.3 million or 94.3%, as compared to approximately HK$14.1 million for the Corresponding Period, with the gross profit margin being 9.5% (30 June 2020: 16.9%). Please refer to the paragraph headed "Business Review" in this announcement for further details on the reasons for the increase in turnover and decrease in gross profit margin of the Group.

The Group recorded other gains in the net amount of approximately HK$2.2 million during the Reporting Period, representing a decrease of approximately HK$7.0 million or 76.1%, as compared to approximately HK$9.2 million for the Corresponding Period. Such decrease was mainly attributable to the fact that the repayment of convertible bonds at discount which was approximately HK$5.7 million was already recognised for the Corresponding Period.

* *For identification purpose only*

During the Reporting Period, selling and distribution expenses increased by approximately HK$5.6 million or 560% to approximately HK$6.6 million (30 June 2020: HK$1.0 million). Such increase was mainly attributable to the increase in staff salaries of approximately HK$2.7 million, distribution and package expenses of approximately HK$1.6 million and warehousing and testing fee of approximately HK$0.8 million as a result of commencing supplying food produce to supermarkets in the PRC.

Administrative expenses increased by approximately HK$6.9 million or 38.5% to approximately HK$24.8 million during the Reporting Period (30 June 2020: HK$17.9 million). Such increment was mainly attributable to the increase in the staff salaries of the Group of approximately HK$1.5 million, the compliance fee of approximately HK$3.7 million for the Securities Brokerage Business and the repair and maintenance fee of approximately HK$0.7 million.

Other operating expenses were approximately HK$16,000 as compared with nil in the Corresponding Period.

The net profit of the Group for the Reporting Period was approximately HK$8.8 million as compared to a net loss of approximately HK$2.3 million for the Corresponding Period. The turnaround from loss to profit in the Group's financial performance was mainly attributable to (i) an increase in gross profit during the Reporting Period due to the increase in revenue; and (ii) the reversal of impairment loss in respect of loan receivables for the year ended 31 December 2020 due to the recovery of most of the loan receivables as at 31 December 2020 during the Reporting Period.

LIQUIDITY AND FINANCIAL RESOURCES

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

As at 30 June 2021, the Group had bank balances and cash of approximately HK$100.6 million (31 December 2020: HK$64.6 million), mainly denominated in Hong Kong dollar and RMB. Such increase was mainly attributable to the increase of the Group's clients' money of approximately HK$81.3 million for the Securities Brokerage Business as compared to approximately HK$12.6 million for the year ended 31 December 2020. The Group's quick ratio (measured by total current assets less inventories, biological assets, deposits and prepayments divided by total current liabilities) was approximately 1.23 times (31 December 2020: 1.3 times).

As at 30 June 2021, the total borrowings of the Group, which comprised of promissory notes and bank and other borrowings, amounted to approximately HK$255.8 million (31 December 2020: HK$272.0 million), of which approximately HK$16.2 million (31 December 2020: HK$16.1 million) were secured by certain buildings and plant and machineries of the Group. As at 30 June 2021, borrowings of approximately HK$239.6 million (31 December 2020: HK$255.9 million) were repayable within one year. As at 30 June 2021, borrowings of approximately HK$55.4 million (31 December 2020: HK$59.0 million) and HK$200.4 million (31 December 2020: HK$213.0 million) were denominated in Hong Kong dollar and RMB. Borrowings of approximately HK$16.2 million (31 December 2020: HK$52.8 million) were charged at fixed interest rates as at 30 June 2021.

As at 30 June 2021, the Group had capital expenditure commitments of approximately HK$0.8 million (31 December 2020: HK$0.8 million) which comprised of acquisition of properties, plants and equipments. Operating lease payments represent rental payable by the Group for office premises and farmlands. Leases were negotiated for fixed terms ranging from 1 to 26 years.

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

CAPITAL STRUCTURE AND GEARING RATIO

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

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

On 20 January 2021, the Company and Sino Richest Investment Holdings Limited (the "Subscriber"), which is wholly-owned by Mr. Lin Yuhao, a non-executive Director entered into a subscription agreement (the "Subscription"), pursuant to which the Company conditionally agreed to allot and issue and the Subscriber conditionally agreed to subscribe for an aggregate of 60,416,000 ordinary shares of the Company at an issue price of HK$0.8 per share. The reason for the Subscription was to repay the outstanding unsecured bonds which due on 30 June 2021. The net proceeds from the Subscription was approximately HK$47.7 million, and it was expected that (i) approximately HK$37.5 million would be used for repayment of the indebtedness of the Group due to holders of the unsecured bonds; and (ii) approximately HK$10.2 million would be used as the general working capital of the Group. Details of the Subscription were set out in the Company's announcements dated 20 January 2021, 8 April 2021 and 19 April 2021, and the Company's circular dated 19 March 2021.

As at 30 June 2021, the detailed breakdown and description of the utilisation of the net proceeds from the subscription completed on 27 April 2020 and the Subscription were as follows:

Date of announcement	**Event**	**The unutilised net proceeds as at 31 December 2020**	**Intended use of net proceeds**	**Actual use of proceeds**
6 February 2020 (completed on 27 April 2020)	Subscription for 200,000,000 ordinary shares of the Company at an issue price of HK$0.65 per share	Approximately HK$14.5 million	Approximately HK$14.5 million for expanding the Agricultural and Meat Business	(i) Approximately HK$14.5 million was used for the lease of Shanwei Farmlands

Date of announcement	**Event**	**Net proceeds raised**	**Intended use of net proceeds**	**Actual use of proceeds**
20 January 2021 (completed on 19 April 2021)	Subscription for 60,416,000 ordinary shares of the Company at an issue price of HK$0.80 per share	Approximately HK$47.7 million	(i) Approximately HK$37.5 million for repayment to the holders of the unsecured bonds (ii) Approximately HK$10.2 million for the general working capital of the Group	(i) Approximately HK$37.5 million was used to settle the outstanding unsecured bonds (ii) Approximately HK$10.2 million was used for the general working capital of the Group

Note: Details of the subscription completed on 27 April 2020 were set out in the Company's announcements dated 6 February 2020, 27 February 2020, 19 March 2020, 20 March 2020, 8 April 2020, 15 April 2020 and 27 April 2020 and the Company's circular dated 20 March 2020.

During the Reporting Period, no ordinary shares of the Company were issued and allotted upon the exercise of share options granted by the Company.

During the Reporting Period, the Company issued and allotted a total of 60,416,000 ordinary shares of HK$0.01 each with aggregate nominal value of HK$604,160, resulting in a total number of 362,499,407 issued ordinary shares as at 30 June 2021.

As at 30 June 2021, the net debt to adjusted equity ratio was 0.29 (31 December 2020: 0.4). The Group's gearing ratio as at 30 June 2021 was 0.68 (31 December 2020: 0.88), which was measured as total debt to total shareholders' equity. The decrease of the Group's gearing ratio was mainly due to above-mentioned capital structure event.

Mr. Lin Yuhao, a non-executive Director, and Mr. Lin Yupa and Ms. Diao Jing, former Directors, had advanced unsecured interest-free loans to the Group. The balance due to Mr. Lin Yuhao, Mr. Lin Yupa and Ms. Diao Jing as at 30 June 2021 were approximately HK$204.7 million, HK$4.2 million and HK$1.5 million (31 December 2020: HK$140.2 million, HK$49.1 million and HK$1.5 million) respectively. As at 30 June 2021, the outstanding balance of unsecured promissory notes issued by the Company owed to Mr. Lin Yuhao, a non-executive Director, and Mr. Lin Yupa, a former Director, were HK$16.3 million and HK$10.9 million respectively.

SIGNIFICANT INVESTMENTS

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

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Save for the disclosure under the paragraphs headed "Business Review – Securities Brokerage Business", the Group did not have material acquisitions or disposals of subsidiaries and associated companies during the Reporting Period.

CHARGES ON GROUP'S ASSETS

As at 30 June 2021, certain buildings and plant and machinery were pledged to secure bank loan of the Group of approximately HK$16.2 million (31 December 2020: HK$16.1 million).

FOREIGN EXCHANGE EXPOSURE

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

CONTINGENT LIABILITIES

As at 30 June 2021, the Group did not have any material contingent liabilities.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2021, the Group had a total of 186 (31 December 2020: 70) full time employees in Hong Kong and the PRC. Total staff costs (including Directors' remuneration) for the Reporting Period amounted to HK$12.4 million (Corresponding Period: HK$8.4 million). The employees are remunerated with reference to each individual's qualification, experience, responsibility and performance, the performance of the Group and market practices. Apart from the basic remuneration package, staff benefits offered by the Group to its employees include contribution to discretionary bonus, the mandatory provident fund scheme in Hong Kong and the central provident fund scheme in Mainland China. The Company adopted a share option scheme on 6 June 2013 (the "Scheme"). Pursuant to the Scheme, the Board may, at its discretion, grant options to eligible employees, executive and non-executive Directors (including independent non-executive Directors) of the Group.

PROSPECTS

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

To diversify its income streams and counter balance the cyclical nature of the Group's Agricultural and Meat Business, the Company has been actively developing its trading of meat business since year 2020 and commencing supplying food produce to supermarkets in the PRC.

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

On 12 June 2020, the Group entered into an agreement with third parties for the acquisition of 100% interests of Shenzhen Cypress Jade Crossborder E-commerce Co. Ltd* (深圳市從玉跨境電商有限公司) (formerly known as Shenzhen Mckrypton Technology Company Limited* (深圳市麥氪科技有限公司) ("Cypress Jade Cross-border E-commerce")). Cypress Jade Cross-border E-commerce was established in the PRC and principally engaged in online sales in Shenzhen, the PRC. As a result of the acquisition, the Group is expected to have a prime opportunity to sell its agricultural and meat produce through this online sales platform in Shenzhen, the PRC, and thus diversify the revenue stream of the Group. Even though the newly acquired online sales platform has not been put into full operation during the Reporting Period, the Group plans to further its cooperation with other well-recognised e-commerce operators through such online sales platform and participate in online marketing campaigns to enhance the sales of the Agricultural and Meat Business segment in the near future.

During the Reporting Period, the Group has entered into lease agreement for Shanwei Farmlands which have already been in operation. Shanwei Farmlands adopt an outsourcing model, under which local farmers are engaged to cultivate agricultural produce for the Group. Plants and crops harvested from Shanwei Farmlands have been supplied by local farmers to the Group during the Reporting Period and the Group is responsible for sales through its established network of customers.

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

INTERIM DIVIDEND

No dividend was paid, declared or proposed during the Reporting Period. The Directors do not recommend the payment of an interim dividend for the Reporting Period (Corresponding Period: Nil).

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

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

* *For identification purpose only*

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. Having made specific enquiries with the Directors, all the Directors confirmed that they had complied with the required standards of the said code during the Reporting Period.

CORPORATE GOVERNANCE CODE

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

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

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

AUTHORISED REPRESENTATIVE

On 22 June 2021, Ms. Diao Jing retired as one of the authorised representatives (the "Authorised Representative") of the Company under Rule 3.05 of the Listing Rules with effect from the conclusion of the annual general meeting of the Company. As at the date of this announcement, the Company is still in the process of identifying suitable candidate to fill in the vacancy of the Authorised Representative.

EVENTS AFTER THE REPORTING DATE

Details of significant events occurring after the reporting date are set out in note 17 to the unaudited condensed consolidated interim financial statements in this announcement.

REVIEW BY AUDIT COMMITTEE

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

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

SUFFICIENCY OF PUBLIC FLOAT

Base on the information that is publicly available to the Company, and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules and at least 25% of the Company's total number of issued shares were held by the public as at the date of this announcement.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the websites of the Company (www.cfih.hk) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2021 will be despatched to the shareholders of the Company and will be available at the above websites in due course.

By order of the Board
China Finance Investment Holdings Limited
LIN Yuhao
Chairman

Hong Kong, 25 August 2021

As at the date of this announcement, the Board comprises four Directors, including one non-executive Director, Mr. Lin Yuhao; and three independent non-executive Directors, namely Mr. Li Shaohua, Ms. Zhu Rouxiang and Ms. Li Yang.

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.