



Jiu Rong Holdings Limited **久融控股有限公司**

(Incorporated in the Cayman Islands with limited liability)
(Stock Code : 2358)

2022
INTERIM REPORT

CONTENTS

2	Corporate Information
3	Condensed Consolidated Statement of Comprehensive Income
4	Condensed Consolidated Statement of Financial Position
6	Condensed Consolidated Statement of Changes in Equity
7	Condensed Consolidated Statement of Cash Flows
8	Notes to the Condensed Consolidated Financial Statements
21	Management Discussion and Analysis
24	Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares
25	Directors' Interests and Short Positions in Shares, Underlying Shares and Debenture

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Siu Chi Ming

Mr. Yin Jianwen

(resigned on 10 September 2022)

Mr. Zhao Jianhua

(appointed on 10 September 2022)

Independent Non-executive Directors

Mr. Chen Zheng

Mr. Wang Ning

Mr. Yuan Qian Fei

AUDIT COMMITTEE

Mr. Yuan Qian Fei (*Chairman*)

Mr. Chen Zheng

Mr. Wang Ning

NOMINATION COMMITTEE

Mr. Chen Zheng (*Chairman*)

Mr. Wang Ning

Mr. Yuan Qian Fei

REMUNERATION COMMITTEE

Mr. Wang Ning (*Chairman*)

Mr. Yuan Qian Fei

Mr. Chen Zheng

Mr. Siu Chi Ming

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

Flat 8, 49th Floor

Office Tower, Convention Plaza

1 Harbour Road

Wanchai

Hong Kong

COMPANY SECRETARY

Mr. Siu Chi Ming

AUTHORISED REPRESENTATIVES

(for the purposes of the listing rules)

Mr. Siu Chi Ming

Mr. Yin Jianwen

(resigned on 10 September 2022)

Mr. Zhao Jianhua

(appointed on 10 September 2022)

AUTHORISED REPRESENTATIVES

(to accept service of process and notices under Part XI of the Hong Kong Companies Ordinance)

Mr. Siu Chi Ming

Mr. Yin Jianwen

(resigned on 10 September 2022)

Mr. Zhao Jianhua

(appointed on 10 September 2022)

AUDITOR

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

23/F, Tower 2,

Enterprise Square Five,

38 Wang Chiu Road,

Kowloon Bay,

Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited

Suite 3204, Unit 2A

Block 3, Building D, P.O. Box 1586

Gardenia Court, Camana Bay

Grand Cayman KY1-1110

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited

Rooms 1712–16, 17th Floor

Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

PRINCIPAL BANKERS

China Everbright Bank Company Limited

STOCK CODE

The Stock Exchange of Hong Kong Limited: 2358

WEBSITE

<http://www.irasia.com/listco/hk/2358>

<http://www.jiurongkg.com>

The board of directors (the "Directors") (the "Board") of Jiu Rong Holdings Limited (the "Company") are pleased to present unaudited results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2022 (the "Period") together with the comparative figures for the corresponding period of 2021.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	Notes	Unaudited Six months ended 30 June	
		2022 HK\$'000	2021 HK\$'000
Revenue	4	399,990	1,000,906
Cost of sales		(334,775)	(901,003)
Gross profit		65,215	99,903
Other income and gains	5	10,592	9,211
Selling and distribution costs		(14,164)	(13,232)
Administrative expenses		(25,394)	(21,716)
Other operating expenses		317	(38)
Fair value loss on investments at fair value through profit or loss		(27,839)	(15,112)
Gain on disposal of investments at fair value through profit or loss		1,403	739
Finance costs	6	(31,040)	(29,142)
Share of profit/(loss) of an associate		293	(4,773)
Profit/(Loss) before income tax	7	(20,617)	25,840
Income tax expense	8	(3,165)	(8,335)
Profit/(Loss) after income tax for the period		(23,782)	17,505
Other comprehensive loss for the period, net of tax:			
Items that will not be reclassified to profit or loss:			
Fair value changes of equity investments at fair value through other comprehensive income		(4,258)	(2,645)
Items that may be reclassified to profit or loss:			
Share of an associate's exchange difference on translating foreign operation		(3,496)	2,247
Exchange differences on translation of foreign operations		(6,489)	3,440
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX		(9,985)	5,687
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		(38,025)	20,547
(Loss)/Earnings per share (HK\$ cents)	9		
– Basic and diluted		(0.43)	0.32

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Notes	Unaudited As at 30 June 2022 HK\$'000	Audited As at 31 December 2021 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	586,966	612,607
Investment properties		832,749	848,937
Right-of-use assets		3,952	4,941
Investment in an associate		178,549	181,711
Deferred tax assets		81	119
Equity investments at fair value through other comprehensive income		34,952	39,838
		1,637,249	1,688,153
CURRENT ASSETS			
Inventories		28,663	36,212
Properties held for sale		86,146	87,332
Trade and notes receivables	12	824,913	731,621
Prepayments, deposits and other receivables		148,010	164,367
Investments at fair value through profit or loss	3	168,019	137,702
Cash and cash equivalents		149,262	135,168
		1,405,013	1,292,402
CURRENT LIABILITIES			
Trade and notes payables	13	1,400,098	1,221,021
Other payables and accruals		161,051	55,593
Lease liabilities		1,966	1,913
Contract liabilities		27,612	193,697
Bank and other loans	14	130,799	345,094
Deferred government grant		10,675	11,030
Tax payable		2,925	10,832
		1,735,126	1,839,180
NET CURRENT LIABILITIES		(330,113)	(546,778)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,307,136	1,141,375

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Notes	Unaudited As at 30 June 2022 HK\$'000	Audited As at 31 December 2021 HK\$'000
NON-CURRENT LIABILITIES			
Lease liabilities		2,973	4,062
Deferred government grant		55,001	61,404
Deferred tax liabilities		92,088	92,324
Bank and other loans	14	595,170	383,656
		745,232	541,446
NET ASSETS			
		561,904	599,929
EQUITY			
Equity attributable to owners of the Company			
Issued capital	15	547,200	547,200
Reserves	17	14,704	52,729
TOTAL EQUITY			
		561,904	599,929

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Unaudited									
	Attributable to owners of the Company									
	Issued capital	Share premium account*	Contributed surplus*	Statutory surplus reserve*	Foreign currency translation reserve*	Equity investment revaluation reserve*	Share-based payment reserve*	Accumulated losses*	Total equity	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
For the six months ended 30 June 2022										
(unaudited)										
At 1 January 2022	547,200	179,968	4,990	13,597	15,891	(2,394)	27,359	(186,682)	599,929	
Transfer to statutory surplus reserve	-	-	-	4,777	-	-	-	(4,777)	-	
Total comprehensive loss for the period	-	-	-	-	(9,985)	(4,258)	-	(23,782)	(38,025)	
At 30 June 2022	547,200	179,968	4,990	18,374	5,906	(6,652)	27,359	(215,241)	561,904	
For the six months ended 30 June 2021										
(unaudited)										
At 1 January 2021	547,200	179,968	4,990	9,656	1,530	(9,298)	27,359	(199,032)	562,373	
Transfer to statutory surplus reserve	-	-	-	3,855	-	-	-	(3,855)	-	
Total comprehensive income for the period	-	-	-	-	5,687	(2,645)	-	17,505	20,547	
At 30 June 2021	547,200	179,968	4,990	13,511	7,217	(11,943)	27,359	(185,382)	582,920	

* These reserve accounts comprise the consolidated reserves in the consolidated statement of financial position.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Unaudited	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Net cash inflow/(outflow) from operating activities	27,214	(271,706)
Net cash inflow/(outflow) from investing activities	(10,339)	(32,391)
Net cash inflow/(outflow) from financing activities	(2,781)	181,721
Net increase/(decrease) in cash and cash equivalents	14,094	(122,376)
Cash and cash equivalents at beginning of the period	135,168	350,626
Cash and cash equivalents at end of the period	149,262	228,250



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022

1. BASIS OF PREPARATION

These unaudited condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. ACCOUNTING POLICIES

The accounting policies used in the preparation of the unaudited interim condensed consolidated financial information are consistent with those followed in the preparation of the Group’s financial information for the year ended 31 December 2021 except for the application of the new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA, which have become effective in the current period.

The Group has not yet adopted any new and amendments to HKFRSs that have been issued but are not yet effective. The Group is in the process of assessing the impact of the adoption of such new and amendments to HKFRSs on the Group’s results and financial position.

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 following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

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

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

Level 3 inputs: unobservable inputs for the asset or liability.

The Group’s policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022

3. FAIR VALUE MEASUREMENTS (continued)

(a) Disclosures of level in fair value hierarchy at 30 June 2022:

Description	Fair value measurements using:			Total 2022 HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
Recurring fair value measurements:				
Investment properties	–	832,749	–	832,749
Investments at fair value through profit or loss				
Listed securities outside Hong Kong	154,619	–	–	154,619
Listed securities inside Hong Kong	13,400	–	–	13,400
Equity investments at fair value through other comprehensive income				
Listed securities outside Hong Kong	23,807	–	–	23,807
Total recurring fair value measurements	191,826	832,749	–	1,024,575

(b) Disclosures of level in fair value hierarchy at 31 December 2021:

Description	Fair value measurements using:			Total 2021 HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
Recurring fair value measurements:				
Investment properties	–	848,937	–	848,937
Investments at fair value through profit or loss				
Listed securities outside Hong Kong	124,702	–	–	124,702
Listed securities in Hong Kong	13,000	–	–	13,000
Equity investments at fair value through other comprehensive income				
Listed securities outside Hong Kong	28,476	–	–	28,476
Total recurring fair value measurements	166,178	848,937	–	1,015,115

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022

4. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Board. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

Reportable segments

The Group has five reportable segments during the Period (30 June 2021: five segments). The following summary describes the operations in the Group's reportable segments:

(i) *Digital Video Business*

The Group through its wholly owned subsidiary, Soyea Jiu Rong Technology Co., Ltd.* (数源久融技术有限公司) ("Soyea Jiu Rong") carries out the research and development, manufacturing and sales of digital television ("TV"), high definition liquid crystal display TV and set-top box as well as provision of application of solutions regarding integration of telecommunication, TV and internet in the digital audio visual industry.

(ii) *New Energy Vehicles Business*

The Group through its wholly owned subsidiary, Jiu Rong New Energy Science and Technology Limited* (久融新能源科技有限公司) ("Jiu Rong New Energy") carries out the construction, application and management of new energy vehicles and related products, charging facilities and intelligent management systems.

(iii) *Cloud Ecological Big Data Business*

The Group through its wholly owned subsidiary, Hangzhou Yunqi Cloud Data Limited* (杭州云栖云数据有限公司) ("Yunqi Cloud Data") carries out the application and management of cloud ecological big data.

(iv) *Properties Development*

The Group through its wholly owned subsidiary, Hangzhou Lu Yun Property Limited* (杭州绿云置业有限公司) carries out the properties development of big data industrial park in Hangzhou. It is expected that the park will establish a "Cloud Ecological System" to build a new generation of information technology (such as AR/VR, face recognition, digital maps, etc.) and communication technology, such as Internet of Things, big data, cloud computing, (such as 5G, LTE-V, NB-IOT, etc.) throughout the cloud industry park in all aspects, to create the country's first all-intelligent perception, interoperability cloud ecological park. The Group completed the acquisition of 46% equity interests of Heilongjiang Xin Luzhou Real Estate Development Limited* (黑龙江新绿洲房地产开发有限公司) ("Xin Luzhou") in 2018, Xin Luzhou will be an associate of the Company to principally engage in the development of industrial park, commercial and residential properties in Limin Avenue, Limin Development Zone, Harbin, the PRC.

* For identification purpose only

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022

4. SEGMENT INFORMATION (continued)

(v) Properties Investments

The Group through its wholly owned subsidiary, Hangzhou Lu Yun Property Limited* (杭州绿云置业有限公司) to conduct the properties investment for rental income from the big data industrial park in Hangzhou.

The revenue and gain generated by each of the Group's operating segments and segment assets are summarised as follows:

Six months ended 30 June 2022

	Digital Video Business HK\$'000 (Unaudited)	New Energy Vehicles Business HK\$'000 (Unaudited)	Cloud Ecological Big Data Business HK\$'000 (Unaudited)	Properties Development HK\$'000 (Unaudited)	Properties Investments HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Reporting segment revenue from external customers	259,180	108,538	9,447	-	22,825	399,990

Reporting segment profit/(loss) before income tax	(5,612)	19,046	2,317	-	(5,937)	9,814
---	---------	--------	-------	---	---------	-------

Reporting segment assets	1,014,784	733,218	279,297	93,087	821,120	2,941,506
--------------------------	-----------	---------	---------	--------	---------	-----------

Six months ended 30 June 2021

	Digital Video Business HK\$'000 (Unaudited)	New Energy Vehicles Business HK\$'000 (Unaudited)	Cloud Ecological Big Data Business HK\$'000 (Unaudited)	Properties Development HK\$'000 (Unaudited)	Properties Investments HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Reporting segment revenue from external customers	732,025	186,218	17,528	-	65,135	1,000,906

Reporting segment profit/(loss) before income tax	(728)	34,727	5,031	-	2,324	41,354
---	-------	--------	-------	---	-------	--------

Reporting segment assets	1,176,280	763,867	290,013	139,194	779,122	3,148,476
--------------------------	-----------	---------	---------	---------	---------	-----------

* For identification purpose only

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022

4. SEGMENT INFORMATION (continued)

The Group's segment profit/(loss) reconciles to the Group's profit before income tax as presented in its Interim Financial Statements as follows:

	Unaudited	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Profit		
Total reporting segment profit before income tax	9,814	41,354
Unallocated corporate income/(expenses)	(30,431)	(15,514)
Unallocated finance costs	-	-
Consolidated (loss)/profit before income tax	(20,617)	25,480

Disaggregation of revenue from contracts with customers:

Segments	Six months ended 30 June 2022					Total HK\$'000 (Unaudited)
	Digital Video Business HK\$'000 (Unaudited)	New Energy Vehicles Business HK\$'000 (Unaudited)	Cloud Ecological Big Data Business HK\$'000 (Unaudited)	Properties Development HK\$'000 (Unaudited)	Properties Investments HK\$'000 (Unaudited)	
Geographical markets						
HK	44,327	-	-	-	-	44,327
PRC	214,853	108,538	9,447	-	22,825	355,663
Total	259,180	108,538	9,447	-	22,825	399,990
Major products and services						
Sale of digital video products	259,180	-	-	-	-	259,180
Provision of New Energy Vehicles charging services income	-	108,538	-	-	-	108,538
Provision of big data services income	-	-	9,447	-	-	9,447
Rental and services income	-	-	-	-	22,825	22,825
Total	259,180	108,538	9,447	-	22,825	399,990
Timing of revenue recognition						
At a point in time	259,180	108,538	9,447	-	22,825	399,990
Over time	-	-	-	-	-	-
Total	259,180	108,538	9,447	-	22,825	399,990

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022

4. SEGMENT INFORMATION (continued)

Segments	Six months ended 30 June 2021						Total HK\$'000 (Unaudited)
	Digital Video Business HK\$'000 (Unaudited)	New Energy Vehicles Business HK\$'000 (Unaudited)	Cloud Ecological Big Data Business HK\$'000 (Unaudited)	Properties Development HK\$'000 (Unaudited)	Properties Investments HK\$'000 (Unaudited)		
Geographical markets							
HK	307,761	-	-	-	-	-	307,761
PRC	424,264	186,218	17,528	-	65,135	-	693,145
Total	732,025	186,218	17,528	-	65,135	-	1,000,906
Major products and services							
Sale of digital video products	732,025	-	-	-	-	-	732,025
Provision of New Energy Vehicles charging services income	-	186,218	-	-	-	-	186,218
Provision of big data services income	-	-	17,528	-	-	-	17,528
Rental and services income	-	-	-	-	65,135	-	65,135
Total	732,025	186,218	17,528	-	65,135	-	1,000,906
Timing of revenue recognition							
At a point in time	732,025	186,218	17,528	-	65,135	-	1,000,906
Over time	-	-	-	-	-	-	-
Total	732,025	186,218	17,528	-	65,135	-	1,000,906

5. OTHER INCOME AND GAINS

An analysis of the Group's other income and gains is as follows:

	Unaudited Six months ended 30 June	
	2022 HK\$'000	2021 HK\$'000
Bank interest income	1,948	2,420
Dividend income	1,543	-
Government grant	5,206	4,963
Loan interest income	648	1,774
Net foreign exchange difference	-	53
Others	1,247	1
Total	10,592	9,211

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022

6. FINANCE COSTS

	Unaudited	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Interest expenses on borrowings:		
– Interest expenses on bank loans	23,812	27,099
– Interest on notes payable and loans from third parties	6,910	1,612
– Interest on lease liabilities	318	431
	31,040	29,142

7. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(Loss) before income tax is arrived at after charging:

	Unaudited	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	27,331	27,274
Depreciation of right-of-use assets	894	753
Employee benefit expenses (including directors' remuneration):		
Wages and salaries	30,316	24,500
Pension scheme contributions	36	20
	30,352	24,520
Foreign exchange profit/(loss), net	–	53

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022

8. INCOME TAX EXPENSE

No provision of Hong Kong Profit Tax has been provided in the Interim Financial Statements as the Group incurred losses for the Period in Hong Kong.

The rate of corporate income tax of the People's Republic of China ("PRC") is calculated at a standard rate of 15% and 25% (30 June 2021: 15% and 25%) on the estimated assessable profits arising from its operation in the PRC.

The amount of income tax expenses includes in profit or loss represents:

	Unaudited	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Current tax for the Period – PRC	3,165	8,335
Deferred tax	–	–
	3,165	8,335

9. LOSS/EARNINGS PER SHARE

The calculation of basic loss per share for the Period is based on the loss for the Period attributable to owners of the Company of approximately HK\$23,782,000 (30 June 2021: profit approximately HK\$17,505,000) and the weighted average number of 5,472,000,000 (30 June 2021: 5,472,000,000) ordinary shares in issue during the Period.

The diluted earnings per share for both the six months ended 30 June 2022 and 2021 are the same as the respective basic loss/earnings per share as the impact of potential ordinary shares have an anti-dilutive effect on the basic loss/earnings per share for these periods.

10. DIVIDEND

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2022 (30 June 2021: HK\$Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022

11. PROPERTY, PLANT AND EQUIPMENT

During the Period, approximately HK\$14,370,000 (30 June 2021: approximately HK\$58,664,000) was spent on of plant and equipment which was mainly spent on the establishment of electric vehicles charging facilities. There was no disposal of property, plant and equipment during the Period (30 June 2021: no disposal).

12. TRADE AND NOTES RECEIVABLES

	Unaudited As at 30 June 2022 HK\$'000	Audited As at 31 December 2021 HK\$'000
Trade receivables	541,299	477,215
Note receivables	283,614	254,406
	824,913	731,621

The Group's trading terms with its customers are mainly on credit, except for the new customers, where payment in advance is normally required. The credit period generally ranges from 0 to 360 days (2021: 0 to 360 days). Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables (net of impairment loss) as of the end of reporting period, based on the invoice dates, is as follows:

	Unaudited As at 30 June 2022 HK\$'000	Audited As at 31 December 2021 HK\$'000
Within 90 days	146,197	168,347
91 days to 180 days	1,379	43,436
181 days to 1 year	189,147	69,616
Over 1 year	204,576	195,816
	541,299	477,215

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022

13. TRADE AND NOTES PAYABLES

	Unaudited As at 30 June 2022 HK\$'000	Audited As at 31 December 2021 HK\$'000
Trade payables	400,254	358,469
Notes payables	999,844	862,552
	1,400,098	1,221,021

An ageing analysis of the trade payables as at the end of reporting period, based on the invoice date, is as follows:

	Unaudited As at 30 June 2022 HK\$'000	Audited As at 31 December 2021 HK\$'000
Outstanding balances with ages:		
Within 180 days	324,639	288,545
181 days to 1 year	7,410	3,741
1 to 2 years	67,092	15,147
Over 2 years	1,113	51,036
	400,254	358,469

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022

14. BANK AND OTHER LOANS

	Notes	Unaudited As at 30 June 2022 HK\$'000	Audited As at 31 December 2021 HK\$'000
Bank loans	(i)	722,077	700,558
Other loans	(ii)	3,892	28,192
		725,969	728,750

Notes:

- (i) Bank loans bear interest at variable rates by reference to the People's Bank of China's lending rate, ranging from 4.15% to 6.00% per annum (31 December 2021: from 4.15% to 6.00% per annum).
- (ii) The other loans are unsecured.

15. SHARE CAPITAL

	Unaudited As at 30 June 2022 HK\$'000	Audited As at 31 December 2021 HK\$'000
Authorised:		
10,000,000,000 ordinary shares of HK\$0.1 each	1,000,000	1,000,000
Issued and fully paid:		
5,472,000,000 ordinary shares of HK\$0.1 each	547,200	547,200

Share options

Details of the Company's share option schemes and the share options issued under the schemes are included in note 16 to the Interim Financial Statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022

16. SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at an annual general meeting of the Company held on 29 May 2014, the Company approved and adopted a share option scheme (the "Scheme").

The purpose of the Scheme is to provide incentives and/or rewards to any director, consultant, advisor person including full-time or part-time employee of the Company and its subsidiaries, at the sole discretion of the board, for their contribution to, and their continuing efforts to promote the interests of the Company. The schemes became effective on 30 May 2014 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The Scheme

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than five years from the date of the offer of the share options or the expiry date of the Scheme, whichever is earlier.

The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

During the Period and up to the date of approval of these Interim Financial Statements, no share options have been granted under the Scheme.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022

17. RESERVES

The Group's contributed surplus represents the difference between the nominal value of the shares of the subsidiaries acquired pursuant to the group reorganisation, over the nominal value of the Company's shares issued in exchange therefore.

In accordance with the relevant regulation in the PRC, the subsidiaries operating in the PRC are required to transfer 10% of their profits after tax, as determined under the accounting regulations in the PRC, to the statutory surplus reserve, until the balance of the fund reaches 50% of their respective registered capital. The statutory surplus reserve and the expansion reserve are non-distributable, and are subject to certain restrictions set out in the relevant regulations in PRC. These reserves can be used either to offset against accumulated losses or be capitalized as paid-up capital. However, such balance of the statutory surplus reserve must be maintained at a minimum of 25% of paid-up capital after the above mentioned usages.

18. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Group does not have any contingent liability in the Period under review (31 December 2021: Nil). The Group had capital commitment of approximately HK\$123,487,000 as at 30 June 2022 (31 December 2021: approximately HK\$178,677,000).

19. RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the Interim Financial Statements, the Group had the following material transactions with related parties during the six months ended 30 June 2022:

- (a) During the Period, total compensation paid to the Directors of the Company was approximately HK\$780,000 (30 June 2021: approximately HK\$780,000).

The Group has not made any impairment in respect of related party receivable nor has any guarantee been given or received during the current or prior period regarding related party transactions.

20. APPROVAL OF INTERIM FINANCIAL STATEMENTS

This Interim Financial Statements were approved and authorised for issue by the Board of Directors on 31 August 2022.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Overall Financial Results

For the six months ended 30 June 2022, the Group achieved approximately HK\$399,990,000 in turnover, representing a decrease of approximately 60% from that of approximately HK\$1,000,906,000 during the same period of last year which was mainly due to the decrease in trading of electronic applicants and related parts. Gross profit was approximately HK\$65,215,000 comparing to the gross profit of approximately HK\$99,903,000 during the corresponding period of last year. The overall gross profit ratio increased from approximately 10% to approximately 16%. Loss for the period attributable to owners of the Company was approximately HK\$23,782,000 (profit for the corresponding period of last year: approximately HK\$17,505,000). The decrease in profit was mainly due to the unrealised fair value loss of financial assets of approximately HK\$27,839,000. Basic loss per share was approximately HK0.43 cents (profit for the corresponding period of last year: approximately HK0.32 cents). As at 30 June 2022, the balance of cash and cash equivalents was approximately HK\$149,262,000 (31 December 2021: approximately HK\$135,168,000).

Turnover

For the Period under review, the Group recorded a turnover of approximately HK\$399,990,000 which is contributed by the Digital Video Business, the New Energy Vehicles Business, the Cloud Ecological Big Data Business and Properties Investments.

During the Period, the Group's business has five segments (30 June 2021: five segments). Details of the segment information are set out in note 4 of the Interim Financial Statements.

Gross Profit Margin

During the Period under review, the gross margin increased from approximately 10% to approximately 16%.

Financial Position and Liquidity

As at 30 June 2022, the gearing ratio was 1.3 (31 December 2021: 1.3), which was measured on the basis of the Group's net debt divided by the capital plus net debt. The Group had net current liabilities as at 30 June 2022 and 31 December 2021.

For the period under review, the Group generated approximately HK\$27,214,000 (31 December 2021: approximately HK\$58,397,000) of cash from its operations. As at 30 June 2022, the Group had cash and cash equivalents of approximately HK\$149,262,000 (31 December 2021: approximately HK\$135,168,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Capital Structure and Foreign Exchange Risk

During the period under review, the Capital structure of the Group remained unchanged.

The Group's monetary assets, loans and transactions are principally denominated in Renminbi ("RMB") and HK\$ (30 June 2021: RMB, HK\$). The Group is exposed to foreign exchange risk arising from the exposure of US\$ against RMB and HK\$. Considering that the HK\$ is pegged to the US\$, the Group believes its exposure to exchange risk will be confined to RMB against US\$. During the Period, the Group does not intend to hedge its exposure to foreign exchange fluctuations, but will constantly monitor the economic situation and its foreign exchange risk position, and will consider appropriate hedging measures in future as may be necessary and feasible.

Employees Benefit and Expenses

As at 30 June 2022, the total number of employees of the Group was 482 (31 December 2021: 394). The total amount of employee wages and salaries incurred during the Period was approximately HK\$30,316,000 (31 December 2021: approximately HK\$60,365,000). The Group determines employees' remuneration by the work responsibilities, job performance and professional experience. The Group also provides employees on-job training from time to time to upgrade the knowledge, skills and overall caliber of its employees.

INTERIM DIVIDENDS

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2022 (30 June 2021: HK\$Nil).

BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged in (1) manufacturing and sales of digital television ("TV"), high definition liquid crystal display TV and set-top box as well as provision of application of solutions regarding integration of telecommunication, TV and internet in the digital video industry ("Digital Video Business"); (2) the construction, application and management of new energy vehicles and related products, charging facilities and intelligent management systems ("New Energy Vehicles Business"); (3) the application and management of cloud ecological big data industry ("Cloud Ecological Big Data Business"); (4) properties development of big data industrial park commercial and residential properties ("Properties Development"); and (5) properties investment for rental income from the big data industrial park ("Properties Investments").



MANAGEMENT DISCUSSION AND ANALYSIS

Due to the unfavourable economic conditions as a result of the COVID-19 continues in the first half of 2022, the Group has recorded turnover from: (1) the Digital Video Business of approximately HK\$259,180,000 for the six months ended 30 June 2022 (six months ended 30 June 2021: HK\$732,025,000), representing a decrease of approximately 64.60% as compared with last year's corresponding period; (2) the New Energy Vehicles Business of approximately HK\$108,538,000 for the six months ended 30 June 2022 (six months ended 30 June 2021: HK\$186,218,000), representing a decrease of approximately 41.71% as compared with last year's corresponding period; (3) the Cloud Ecological Big Data Business of approximately HK\$9,447,000 for the six months ended 30 June 2022 (six months ended 30 June 2021: HK\$17,528,000), representing a decrease of 46.10% as compared with last year's corresponding period; and (4) the properties investments of approximately HK\$22,825,000 for the six months ended 30 June 2022 (six months ended 30 June 2021: HK\$65,135,000), representing a decrease of approximately 64.96% as compared with last year's corresponding period.

As at 30 June 2022, the Group was operating: (1) 89 electric vehicles charging stations in Hangzhou with 3,082 alternating current chargers of 40KW/H and 3,027 direct current chargers of 60KW/H in operation; (2) 2 electric vehicles charging stations in Wuhan with 56 alternating current chargers of 7KW/H and 16 direct current chargers of 60KW/H in operation; and (3) 12 electric vehicles charging stations in Nanjing with 26 alternating current chargers of 40KW/H and 183 direct current chargers of 60KW/H in operation. The Board is of the view that the PRC Government has emphasized on the use of new energy vehicles to reduce carbon emissions and the increase in support to the establishment of the new energy vehicles charging piles and its related operations and hence the New Energy Vehicles Business is with substantial growth potential. The Group will continue to invest in the New Energy Vehicles Business and further establish electric vehicles charging stations in Hangzhou and other provinces in the PRC to capture the electric vehicles charging market shares with the aim to be one of the largest new energy vehicles charging facilities operators in the PRC.

The Directors will continue to (1) closely evaluate the performance of the above mentioned businesses; (2) invest in the New Energy Vehicles Business, the Cloud Ecological Big Data Business and the properties development of big data industrial park; (3) actively explore new businesses or investments; (4) consider fund raising opportunities which can strengthen the financial position; and (5) focus on product quality and cost control and strictly control capital expenditure in order to continuously maintain the Group's competitiveness of the Group in order to enhance the value of the Group which will be in the interests of the Company and shareholders as a whole.



SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2022, so far as the Directors are aware, the following persons have interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO"), or who is, directly or indirectly interested in 5% or more in the issued share capital of the Company, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of substantial shareholder	Type of interests	Number of Shares	Percentage of interests
Alpha Century Assets Limited (Note 1)	Beneficial owner	600,000,000(L)	10.96%
Ms. Wong Sin Fung (Note 1)	Interest of controlled corporation	600,000,000(L)	10.96%
SOYEA Technology Co., Limited	Beneficial owner	546,466,000(L)	9.99%

Notes:

1. The interest in 600,000,000 shares is deemed corporate interest through Alpha Century Assets Limited.
2. The letter "L" denotes a long position and "S" denotes a short position.

Save as disclosed above, so far as the Directors are aware, no person was interested in or had a short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of SFO as at 30 June 2022.



DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURE

As at 30 June 2022, none of the Directors and Chief Executive had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Division 7 and 8 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2022.

DIRECTORS' COMPLIANCE WITH MODEL CODE

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standards of the Model Code throughout the six months ended 30 June 2022.

COMPLIANCE ON CORPORATE GOVERNANCE PRACTICES

For the Period, the Company complied with all the code provisions in the Corporate Governance Code. The Board will review the current structure from time to time. When at the appropriate time and if candidate with suitable leadership, knowledge, skills and experience can be identified within or outside the Group, the Company may make necessary arrangements.



DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURE

AUDIT COMMITTEE

The Audit Committee has reviewed with the management of the Company the accounting principals and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the Interim Financial Statements for the six months ended 30 June 2022 with the Directors.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement and interim report of the Group for the six months ended 30 June 2022 are available for viewing on the website of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") at www.hkex.com.hk and on the website of the Company at www.irasia.com/listco/hk/2358.

BOARD OF DIRECTORS

As at the date of this report, the Executive Directors are Mr. Siu Chi Ming and Mr. Yin Jianwen, the Independent Non-executive Directors are Mr. Wang Ning, Mr. Chen Zheng and Mr. Yuan Qian Fei.

On Behalf of the Board
Jiu Rong Holdings Limited
Siu Chi Ming
Executive Director

Hong Kong, 31 August 2022

