DOMAINE POWER HOLDINGS LIMITED
域能控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 442)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

FINANCIAL HIGHLIGHTS

Domaine Power Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") recorded revenue of approximately HK$86.8 million for the six months ended 30 September 2022 (the "**Period**"), representing an increase of approximately 26.1% as compared with the same for the six months ended 30 September 2021.

Gross profit was approximately HK$1.8 million for the six months ended 30 September 2022, representing a decrease of approximately 51.1% as compared with the same for the six months ended 30 September 2021.

Gross profit margin decreased to approximately 2.0% for the six months ended 30 September 2022, as compared with approximately 5.2% for the six months ended 30 September 2021.

The board (the "**Board**") of directors (the "**Directors**") of the Company does not recommend the payment of an interim dividend for the six months ended 30 September 2022.

INTERIM RESULTS

The Board announces the unaudited condensed consolidated interim financial results of the Group for the six months ended 30 September 2022 together with the comparative figures for the corresponding period in 2021. The condensed consolidated interim financial statements have not been audited by the Company's independent auditors but have been reviewed by the Company's audit committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 September 2022

		Six months ended 30 September	
		2022	2021
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	*4*	**86,825**	68,845
Cost of sales		**(85,075)**	(65,265)
Gross profit		**1,750**	3,580
Other income		**506**	725
Selling expenses		**(308)**	(1,748)
Administrative expenses		**(10,091)**	(8,117)
Reversal of impairment losses on financial assets		**–**	1,194
Operating loss		**(8,143)**	(4,366)
Other gains, net	*5*	**1,061**	1,737
Other losses, net	*5*	**(7,847)**	(65,310)
Finance costs	*6*	**(48)**	(37)
Share of loss of a joint venture		**–**	(2)
Loss before tax	*7*	**(14,977)**	(67,978)
Income tax expense	*8*	**1**	–
LOSS FOR THE PERIOD		**(14,976)**	(67,978)

	Notes	Six months ended 30 September **2022** ***HK$'000*** **(unaudited)**	2021 *HK$'000* (unaudited)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods			
— Exchange differences on translation of foreign operations		**(2,874)**	359
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**(2,874)**	359
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(17,850)**	(67,619)
Loss for the year attributable to:			
Owners of the Company		**(14,976)**	(67,978)
Non-controlling interests		**–**	–
		(14,976)	(67,978)
Total comprehensive loss for the year attributable to:			
Owners of the Company		**(17,850)**	(67,619)
Non-controlling interests		**–**	–
		(17,850)	(67,619)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
— Basic and diluted	*10*	**HK$(0.09)**	HK$(0.39)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2022

	Notes	At 30 September 2022 HK$'000 (unaudited)	At 31 March 2022 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	*11*	**1,764**	2,017
Intangible assets		**724**	1,158
Right-of-use assets		**1,016**	3,241
Financial asset at fair value through profit or loss	*12*	**25,973**	34,399
Prepayments, deposits and other receivables		**135**	265
Total non-current assets		**29,612**	41,080
Current assets			
Inventories	*13*	**2,552**	2,053
Trade receivables	*14*	**–**	–
Prepayments, deposits and other receivables	*15*	**583**	679
Cash and bank balances		**82,874**	92,833
Total current assets		**86,009**	95,565
Current liabilities			
Trade and other payables and accruals	*16*	**3,840**	4,870
Lease liabilities		**453**	861
Tax payables		**529**	590
Total current liabilities		**4,822**	6,321
Non-current liabilities			
Lease liabilities		**569**	2,244
Deferred tax liabilities		**106**	106
Total non-current liabilities		**675**	2,350
Net assets		**110,124**	127,974
Equity			
Equity attributable to the equity holders of the Company			
Issued capital	*17*	**863**	863
Reserves		**109,261**	127,111
Total equity		**110,124**	127,974

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

Domaine Power Holdings Limited (the "**Company**") was incorporated as an exempted company with limited liability in the Cayman Islands on 6 June 2014. The registered office of the Company is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands.

The Shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 11 March 2015 (the "**Listing**").

During the period, the Group involved in the manufacture and sale of jewellery products, sales of precious metals and other raw jewellery materials.

In the opinion of the directors, the immediate holding company of the Company is Perfect Gain Group Limited, which was incorporated in the British Virgin Islands and is beneficially wholly owned by Dr. So Shu Fai who is also the sole director of the company.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The unaudited condensed consolidated interim financial statements for the Period have been prepared in accordance with the Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The condensed consolidated interim financial statements have not been audited by the Company's independent auditors but have been reviewed by the Company's audit committee.

The unaudited condensed consolidated interim financial statements have been prepared under the historical cost convention except for financial asset at fair value through profit or loss, which has been measured at fair values.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs", which also include HKASs and Interpretations), the significant accounting policies and basis of preparation adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those used in the Group's audited consolidated financial statements for the year ended 31 March 2022.

2.2 Changes in accounting policies and disclosures

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	*Reference to the Conceptual Framework*
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	*Interest Rate Benchmark Reform — Phase 2*
Amendment to HKFRS 16	*Covid-19-Related Rent Concessions beyond 30 June 2021*
Amendments to HKAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*
Amendments to HKAS 37	*Onerous Contracts — Cost of Fulfilling a Contract*
Annual Improvements to HKFRSs 2018–2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The nature and the impact of the revised HKFRSs are described below:

(a) Amendments to HKFRS 3 are intended to replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively from 1 April 2022. Since the amendments apply prospectively to business combinations for which the acquisition date is on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

(b) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate ("**RFR**"). The amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.

    These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

(c) Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. In April 2021, the HKICPA issued another amendment to HKFRS 16 *Covid-19-Related Rent Concessions beyond 30 June 2021* to extend the availability of the practical expedient for any reduction in lease payments that affects only payments originally due on or before 30 June 2022 (the "**2021 Amendment**"). The 2021 Amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted.

    The Group has adopted the amendment on 1 April 2021. However, the Group has not received Covid-19-related rent concessions and plans to apply the practical expedient when it becomes applicable within the allowed period of application.

Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments at 1 January 2022 retrospectively only to items of property, plant and equipment made available for use presented in the financial statements. The amendments are not expected to have any significant impact on the Group's financial statements.

(d) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendment at 1 January 2022 to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the reporting period in which it first applies the amendments. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening equity at the date of initial application without restating the comparative information. The amendments are not expected to have any significant impact on the Group's financial statements.

(e) *Annual Improvements to HKFRSs 2018–2020* sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 January 2022. The amendment is not expected to have a significant impact on the Group's financial statements.

- HKFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

2.3 Issued but not yet Effective HKFRSs

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
HKFRS 17	*Insurance Contracts*[1]
Amendments to HKFRS 17	*Insurance Contracts*[1, 4]
Amendment to HKFRS 17	*Initial Application of HKFRS 17 and HKFRS 9 — Comparative Information*[5]
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current*[1, 3]
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*[1]
Amendments to HKAS 8	*Definition of Accounting Estimates*[1]
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[1]

1 Effective for annual periods beginning on or after 1 January 2023

2 No mandatory effective date yet determined but available for adoption

3 As a consequence of the amendments to HKAS 1, Hong Kong Interpretation 5 *Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised in October 2020 to align the corresponding wording with no change in conclusion

4 As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

5 The HKICPA amends HKFRS 17 in February 2022 to permit a classification overlay for financial assets presents in comparative periods on initial application of HKFRS 17

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

Amendments to HKAS 1 *Classification of Liabilities as Current or Non-current* clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 1 *Disclosure of Accounting Policies* require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. Amendments to HKAS 1 are effective for annual periods beginning on or after 1 January 2023 and earlier application is permitted. Since the guidance provided in the amendments to HKFRS Practice Statement 2 is non-mandatory, an effective date for these amendments is not necessary. The Group is currently assessing the impact of the amendments on the Group's accounting policy disclosures.

Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 12 narrow the scope of the initial recognition exception so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset and a deferred tax liability for temporary differences arising from these transactions. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained profits or other component of equity as appropriate at that date. In addition, the amendments shall be applied prospectively to transactions other than leases and decommissioning obligations. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

The Group is primarily engaged in the manufacture and sale of jewellery products, trading of precious metals and other raw jewellery materials and luxury watches. Management has determined the operating segments based on the reports reviewed by the chief operating decision makers, who have been identified as the executive Directors of the Company. Information reported to the Group's chief operating decision makers, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated. Accordingly, the Group has identified one reportable operating segment, i.e. manufacture and sales of jewellery products, sales of precious metals and other raw jewellery materials and sales of luxury watches, and no further analysis thereof is presented.

Geographical segment

Information about the Group's revenue by geographical locations is presented based on the jurisdiction or country in which external customers are operated.

(a) Revenue from external customers

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Hong Kong	**86,825**	34,351
Americas	**–**	31,967
Europe (including Russia)	**–**	1,925
Mainland China	**–**	–
Other countries	**–**	602
	86,825	68,845

(b) Non-current assets excluding financial assets at fair value through profit or loss

Information about the Group's non-current assets, excluding financial asset at fair value through profit or loss, is presented based on the locations of the assets.

	At 30 September 2022	At 31 March 2022
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Hong Kong	**3,498**	6,392
Mainland China	**6**	24
	3,504	6,416

The Company is domiciled in the Cayman Islands while the Group operates its business in Hong Kong and Mainland China. During the Period, no revenue was generated from any customer in the Cayman Islands and no assets were located in the Cayman Islands.

4. REVENUE

Revenue represents the net amounts received and receivable arising from sales of jewellery products, sales of precious metals and other raw jewellery materials and sales of luxury watches during the Period.

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Revenue recognised at a point in time		
— Sales of jewellery products*	**10,200**	34,494
— Sales of precious metals and other raw jewellery materials	**76,625**	18,068
— Sales of luxury of watches	**–**	16,283
	86,825	68,845

* Among the sales of jewellery products, no products (2021: nil) were sold to any related party.

5. OTHER GAINS, NET AND OTHER LOSSES, NET

Other gains, net

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Gains from lease termination	**132**	–
Foreign exchange differences, net	**929**	–
	1,061	–

Other losses, net

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Fair value losses on financial assets at fair value through profit or loss	**7,634**	63,147
Losses on disposal of property, plant and equipment	**4**	–
Losses on disposal of intangible assets	**209**	–
Foreign exchange differences, net	**–**	426
	7,847	63,573

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on lease liabilities	**48**	37
	48	37

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Cost of inventories sold*	**84,988**	56,143
Depreciation	**508**	280
Write-down/(write-back) of inventories to net realisable value	**–**	(879)
Minimum lease payments under operating lease	**223**	236

* These items are included in "Cost of sales" on the face of the condensed consolidated statement of profit or loss and other comprehensive income.

8. INCOME TAX EXPENSE

The statutory income tax rates for Hong Kong and Mainland China are 16.5% and 25.0%, respectively. A subsidiary of the Group enjoyed a lower profit tax rate during the Period as further explained below. The Group had no income tax expenses in Hong Kong and Mainland China during the Period (six months ended 30 September 2021: nil).

In relation to the Departmental Interpretation and Practice Notes No. 21 (Revised) (apportionment under a 50:50 basis) of the Inland Revenue Department Hong Kong, a portion of profits from KTL Jewellery Trading Limited ("**KTL Trading**"), a wholly-owned subsidiary of the Company, is considered neither arisen in, nor derived from Hong Kong. Accordingly, that portion of KTL Trading's profit is not subject to Hong Kong Profits Tax. Further, in the opinion of the Directors that portion of KTL Trading's profit is not subject to taxation in any other jurisdiction in which KTL Trading operates during the Period.

9. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Period (six months ended 30 September 2021: nil).

10. LOSSES PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic losses per share amounts is based on the loss for the Period attributable to ordinary equity holders of the Company of approximately HK$14,976,000 (2021: losses of approximately HK$67,978,000), and the weighted average number of ordinary shares in issue of 172,600,000 (2021: 172,600,000). The Group has no potentially dilutive ordinary shares in issue during the periods ended 30 September 2022 and 2021.

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Losses		
Losses attributable to ordinary equity holders of the Company used in the basic losses per share calculation	**(14,976)**	(67,978)

	Number of shares	
	Six months ended 30 September	
	2022	2021
	(unaudited)	(unaudited)
Issued Shares		
Weighted average number of ordinary shares in issue during the period used in the basic losses per share calculation	**172,600,000**	172,600,000

11. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired items of property, plant and equipment with an aggregate cost of approximately HK$264,000 (six months ended 30 September 2021: approximately HK$32,000). During the Period, approximately HK$18,000 of property, plant and equipment were disposed by the Group (six months ended 30 September 2021: nil).

12. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

(i) Classification of financial assets at fair value through profit or loss

The Group classifies the following financial assets at FVPL:

- debt instruments that do not qualify for measurement at either amortised cost or at FVOCI;
- equity investments that are held for trading; and
- equity investments for which the entity has not elected to recognise fair value gains or losses through other comprehensive income.

Financial assets measured at FVPL include the following:

	At 30 September 2022 *HK$'000* (unaudited)	At 31 March 2022 *HK$'000* (audited)
Included in non-current assets:		
Hong Kong listed equity securities (a)	**8,126**	16,824
Life insurance policy (b)	**17,847**	17,575
	25,973	34,399

(a) The fair values of Hong Kong listed equity securities are determined based on quoted market closing prices available on the Stock Exchange or a valuation under the asset approach when the trading of listed shares is suspended at the end of the reporting period.

The movements in fair value measurement within Level 3 for the Hong Kong listed equity security without active market during the period are as follows:

	At 30 September 2022 *HK$'000* (unaudited)	At 31 March 2022 *HK$'000* (audited)
At the beginning of the year	**–**	–
Transfer from Level 1	**–**	32,287
Change in fair value	**–**	(32,287)
At the end of the period	**–**	–

The fair values of Hong Kong listed equity securities and their respective percentages to the Group's total assets are as follows:

	Fair value		**Percentage to the Group's total assets %**	
	At 30 September 2022	At 31 March 2022	**At 30 September 2022**	At 31 March 2022
	HK$'000	*HK$'000*	**%**	%
	(unaudited)	(audited)	**(unaudited)**	(audited)
Hong Kong listed equity securities				
China Auto NR	**1,592**	3,640	**1.38**	2.66
U-Ton Future*	**–**	–	**–**	–
CN Anchu Energy	**3,629**	4,049	**3.14**	2.96
Redsun	**2,905**	9,135	**2.51**	6.69
	8,126	16,824	**7.03**	12.31

* Based on the announcements of China U-Ton Future Space Industrial Group Holdings Limited (the former name is "China U-Ton Holdings Limited") ("**U-Ton Future**") dated 5 May 2021, 13 May 2021, 27 May 2021 and 29 June 2021, a petition in the matter of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32) was filed in the High Court of The Hong Kong Special Administrative Region (the "**High Court**") against U-Ton Future on 4 February 2021, upon which U-Ton Future was ordered to be wound up by the High Court on 5 May 2021 in HCCW 57/2021 and the Official Receiver was appointed as the Provisional Liquidator of U-Ton Future. Trading in the shares of U-Ton Future has been suspended since 5 May 2021 with share price of HK$0.161 per share. On 7 May 2021, the Official Receiver made an application to the High Court seeking, inter alia, an order to appoint joint and several liquidators of U-Ton Future. U-Ton Future announces that, with effect date of 25 June 2021, Mr. Ho Man Kit and Ms. Kong Sze Man Simone of Manivest Asia Limited, have been appointed as joint and several liquidators of the Company pursuant to an order dated 25 June 2021 made by the High Court. Please refer to the announcements of U-Ton Future for further details. At the date of approval of these financial statements, the Group held approximately 7.01% of the total issued share capital of U-Ton Future.

As U-Ton Future is under receivership and there is significant uncertainty about the prospect of resumption, the fair values of the shares of U-Ton Future held by the Group as at 30 September 2022 was assessed to be zero (30 September 2022: approximately HK$Nil).

For further information, please refer to (i) the announcement dated 17 July 2019 in relation to acquisitions of the shares of China Auto NR; (ii) the announcements dated 16 August and 19 August 2019 in relation to acquisitions of the shares of U-Ton Future; and (iii) the circular dated 19 September 2019 in relation to acquisitions of the shares of U-Ton Future.

(b) Under the life insurance policy (the "**Policy**"), the beneficiary and policy holder is KTL Trading and the total insured sum is approximately US$6,500,000 (equivalent to HK$50,375,000). The Group paid an upfront premium for the Policy of approximately US$2,325,000 (equivalent to HK$18,020,000) and may surrender any time by filing a written request and receive cash based on the surrender value of the Policy at the date of withdrawal, which is calculated by the insurer. In the opinion of the directors, the surrender value of the Policy provided by the insurance company is the best approximation of its fair value, which is categorised within Level 3 of the fair value hierarchy.

The movements in fair value measurement within Level 3 (life insurance policy) during the period are as follows:

	At 30 September 2022 *HK$'000* **(unaudited)**	At 30 September 2021 *HK$'000* (unaudited)
At the beginning of the period	**17,575**	17,111
Change in fair value	**272**	272
At the end of the period	**17,847**	17,383

(ii) Amounts recognised in profit or loss

During the period, the following (losses)/gains were recognised in profit or loss:

	Six months ended 30 September	
	2022 *HK$'000* **(unaudited)**	2021 *HK$'000* (unaudited)
Fair value (losses)/gains on financial assets at FVPL		
— Life insurance policy	**272**	272
— Hong Kong listed equity securities:		
China Auto NR	**(1,257)**	(3,987)
U-Ton Future	**–**	(35,896)
CN Anchu Energy	**(419)**	(23,523)
Redsun PPT	**(6,230)**	(1,750)
Dividend income	**–**	508
	(7,634)	(64,376)

13. INVENTORIES

	At 30 September 2022 HK$'000 (unaudited)	At 31 March 2022 HK$'000 (audited)
Raw materials	**2,026**	2,053
Work in progress	**–**	–
Finished goods	**526**	–
	2,552	2,053

14. TRADE RECEIVABLES

	At 30 September 2022 HK$'000 (unaudited)	At 31 March 2022 HK$'000 (audited)
Trade receivables	**–**	–
Less: Allowance for doubtful debts	**–**	–
	–	–

The Group's trading terms with its customers are mainly on credit, except for new customers. Before accepting any new customer, the Group will apply an internal credit assessment policy to assess the potential customer's credit quality and define credit limits by customer. The credit period is generally for a period of 90 to 120 days for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a treasury department to minimise the credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

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

	At 30 September 2022 HK$'000 (unaudited)	At 31 March 2022 HK$'000 (audited)
Within 1 month	**–**	–
1 to 2 months	**–**	–
2 to 3 months	**–**	–
Over 3 months	**–**	–
	–	–

15. PREPAYMENT, DEPOSIT AND OTHER RECEIVABLES

	At 30 September 2022 *HK$'000* (unaudited)	At 31 March 2022 *HK$'000* (audited)
Deposits	**221**	450
Prepayment	**371**	86
Other receivables	**126**	408
	718	944

16. TRADE AND OTHER PAYABLES AND ACCRUALS

	At 30 September 2022 *HK$'000* (unaudited)	At 31 March 2022 *HK$'000* (audited)
Trade payables	**22**	22
Other payables and accruals:		
Salaries and bonus payables	**31**	53
Other taxes payables	**2,409**	2,519
Auditor's remuneration	**882**	1,599
Others	**479**	677
	3,823	4,870

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

	At 30 September 2022 *HK$'000* (unaudited)	At 31 March 2022 *HK$'000* (audited)
Within 1 month	**–**	–
1 to 2 months	**–**	–
2 to 3 months	**–**	–
Over 3 months	**22**	22
	22	22

The trade payables are non-interest-bearing and the credit period of purchases ranges from 30 to 180 days. Other payables are non-interest-bearing and have an average term of one to three months. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

17. SHARE CAPITAL

	At 30 September 2022 HK$'000 (unaudited)	At 31 March 2022 HK$'000 (audited)
Authorised:		
2,000,000,000 ordinary shares of HK$0.005 each	**10,000**	10,000
Issued and fully paid:		
172,600,000 ordinary shares of HK$0.005 each	**863**	863

18. COMMITMENTS

At 30 September 2022, the Group had no capital commitments.

19. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the unaudited condensed consolidated interim financial statements, the Group had no related parties transactions during the six months ended 30 September 2022 (2021: Nil).

(b) Compensation of key management personnel of the Group:

	Six months ended 30 September 2022 HK$'000 (unaudited)	2021 HK$'000 (unaudited)
Short-term employee benefits	**2,575**	1,542
Pension scheme contributions	**15**	–
Total compensation paid to key management personnel	**2,590**	1,542

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amount and fair value of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amount		Fair value	
	At 30 September 2022	At 31 March 2022	**At 30 September 2022**	At 31 March 2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(audited)	**(unaudited)**	(audited)
Financial asset				
Hong Kong listed equity securities (i)	**17,847**	16,824	**17,847**	16,824
Life insurance policy (ii)	**8,126**	17,575	**8,126**	17,575
	25,973	34,399	**25,973**	34,399

(i) The fair value of Hong Kong listed equity securities is based on the quoted market closing prices available on the stock exchange at the end of the reporting period. These instruments are included in Level 1 of the fair value hierarchy.

(ii) The fair value of the Policy is estimated at the surrender value of the Policy as disclosed in Note 12 as at the end of reporting period. As there is no active market to demonstrate the fair value of FVPL, and the potential exit price in a hypothetical transfer of the life insurance policy to another market participant cannot be reliably estimated, the directors believe that the estimated fair value resulting from the surrender value is reasonable and is the most appropriate value at the end of the reporting period. This instrument is included in Level 3 of the fair value hierarchy.

Management has assessed that the fair values of cash and bank balances, trade receivables, financial assets included in other receivables, trade payables and financial liabilities included in other payables approximate to their carrying amounts largely due to the short term maturities of these instruments.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments: As at 30 September 2022, the financial assets measured at fair value are as followings:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *HK$'000* **(unaudited)**	**Significant observable inputs (Level 2)** *HK$'000* **(unaudited)**	**Significant unobservable inputs (Level 3)** *HK$'000* **(unaudited)**	**Total** *HK$'000* **(unaudited)**
At 30 September 2022				
Hong Kong listed equity securities	**8,126**	**–**	**–**	**8,126**
Life insurance policy	**–**	**–**	**17,847**	**17,847**
	8,126	**–**	**17,847**	**25,973**
At 31 March 2022				
Hong Kong listed equity securities	16,824	–	–	16,824
Life insurance policy	–	–	17,575	17,575
	16,824	–	17,575	34,399

The Group did not have any financial liabilities measured at fair value as at 30 September 2022 and 31 March 2022.

During the Period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

21. APPROVAL OF INTERIM FINANCIAL REPORT

The interim financial report was approved and authorised for issue by the Board on 30 November 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

Being an integrated fine jewellery provider and an original design manufacturer with a well-established operating history in Hong Kong, the Group is primarily engaged in designing, manufacturing and exporting fine jewelleries to jewellery wholesalers, retailers and high-net-worth customers mainly in Hong Kong, Asia (including Mainland China), the Americas and Europe. With the management expertise, the Group allocated more resources to participate in the fine artistic jewellery market and captured the market of high-net-worth customers. The Group is pleased to announce that the first set of fine artistic jewellery was successfully sold during the Period. In producing fine artistic jewellery products, we are eager to design featured products with high quality gemstones and jadeites. The management believes that providing fine artistic jewellery products is a positive element in promoting the brand of the Group. The Group will continue to input sales and marketing resources in order to craft our fine artistic jewellery brand, and utilise online marketing to promote sales.

Moreover, the Group has been offering a wide range of fine jewellery products in karat gold encompassing rings, earrings, pendants, necklaces, bracelets, bangles, cufflinks, brooches and anklets that are generally targeted at the mass to middle segment, the lowest among the three tiers of the fine jewellery market segments in terms of retail prices. Recently, according to market analysis, the management is committed to the development of the service platform. At the same time, in order to enrich the product range, the Group also provides gold products and materials and watches. The Group's customers are mainly wholesalers and retailers of jewellery products, and high-net-worth customers.

During the Period, global economic situation remained difficult, the tightening of U.S. monetary policy as well as the escalated trade conflict between Mainland China and U.S. posed considerable risks and challenges to the business environment. During the Period, the inflation of U.S. hit the highest level in four decades. The federal reserve board announced that the U.S. government will suppress the inflation by all means, including rapidly increasing the federal reserve interest rate in calendar year 2022 and 2023. The adjustment of U.S. monetary policy calmed down the market sentiment, therefore, slowed down the demand for luxury consumption. On the other hand, Sino-US trade war is not favorable to the export business in Hong Kong. Therefore, for the six month ended 30 September 2022, revenue generated from sales in the Americas market significantly decreased by 100.0% to zero as compared with the same period last year.

The social distancing policy and travel restrictions in Hong Kong also reduced the number of foreign jewellery traders participating in the international jewellery shows and exhibitions which were traditionally organised in Hong Kong. Therefore, the business opportunity to meet new partners in the industry was adversely affected. Moreover, Russia-Ukraine war (geopolitical risk) further worsened the economy in continental Europe. Uncertainty and risk associated with the sanction multiplied. The suspension of business relationship between the western corporations and Russia, and reduction of Russian export of materials for energy production to Europe increased the stagflation risk of the European market. In addition, termination of Russia participation in the SWIFT system directly distorted the international trade ability of Russian enterprises. As a result, the Group continued to cease the business in Russia for the six months ended 30 September 2022. Revenue generated from sales to European markets recorded a significant decrease of 100.0% to zero.

For the six months ended 30 September 2022, the Group's administrative expenses were approximately HK$10.1 million, which were approximately 24.3% over than that of the corresponding period of last year, at the same time, selling expenses decreased by approximately 82.4% to approximately HK$0.3 million.

Future Plans and Prospects

As disclosed in the paragraph headed "Business Overview" in this announcement, the first set of fine artistic jewellery was successfully sold during the Period. The Group is pleased to announce that the production of the second set of fine artistic jewellery was completed by the end of November 2022. It includes a full set of necklace, earrings and ring which is made of top-quality jade supplemented by GIA diamonds. The production of the third set of fine artistic jewellery is expected to be completed by the end of December 2022. It is made of "Burmese unburnt-pigeon blood-ruby"* (緬甸無燒鴿血紅寶石). The Group has been liaising with top-tier international auction houses in Hong Kong recently on the sales of the second and third sets of fine artistic jewellery.

Moreover, as one of the sale channels of fine artistic jewellery products of the Group is auction houses, the Group may explore suitable opportunity to acquire the controlling interest of an auction house which operates jewellery and stones auction house business. The source of funding for such plan is from the operating cashflow and company reserves.

* The English translation of terms or names in Chinese used in this announcement which are marked with "*" is for identification purpose only.

Besides, in view of the growing popularity of e-commerce, the Group is eager to develop its online sales channel. After conducting market research and studies and in view of the sales trend of the jewellery market in the future, it will be cost-effective for the Group to utilise the established third-party online sales platform (including but not limited to Taobao and Xiaohongshu) as its online sales channels. The Company has started the online sales channels initially in Mainland China by taking advantage of the livestream e-commerce* (直播帶貨) channel of Taobao in October 2022 and sold fashionable jewellery products. Since the target customers of these products were the general public, the prices were fixed at a level affordable to them. The Group expects to extend the online sales to the international market, including Hong Kong, Taiwan and South East Asia in 2023. The source of funding for such plan is from the operating cashflow and company reserves.

Furthermore, given that the application of augmented reality (AR) and blockchain to commercial use has become popular, the Group may explore suitable opportunities to develop a service platform making use of new technologies in order to increase its service variety and profitability. The services include but not limited to providing a one-stop virtual platform for sales of jewellery. The source of funding for such plan is from the operating cashflow and company reserves.

Looking forward, the global economy recovery is suffering in the prolonged COVID-19 pandemic, conflict on international trade sanction and geopolitical tension. The distortion in value chain of the market is no doubt an uncertainty for the world economic growth prospect. The commencement of federal reserve interest rate hike cycle and federal policy on tapering are slowing down the consumption and investment sentiment. Moreover, the business opportunity in U.S. is filled with uncertainty as the Sino-U.S. trade war continues. In Europe, the globe is looking for an end of Russia-Ukraine war. The management is cautiously evaluating the future business plan in the overseas market and the risks and opportunities associated with the latest development.

With the effective implementation of prevention and control measures and the popularisation of vaccines all over the world, customs clearance between Hong Kong and the Mainland is imminent and consumer demand will be further released, so we believe that the luxury market will continue to recover. In order to grasp the business opportunities of the recovery of the luxury market, the Group intends to continue its existing business and at the same time explore suitable new business opportunities.

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Business Strategies

The Group continues to explore opportunities where it believes would benefit the integrated services it is offering, i.e. providing a wider range of styles and designs tailored for individual markets and adjusting its production resources and capacity to better cater for delivery period of varied products, consumer preferences and festive shopping practices. The Group will also strengthen its established corporate brand name and proven design capabilities and increase resources in procuring precious gems in order to attract high-net-worth customer group. The Group will spend its sales and marketing resources on promoting its brand and products, participating in selected trade exhibitions and utilising online marketing, and allocate sufficient design and product development resources to offer a wider range of products that is favourable to consumers in different markets.

The Group believes its abilities to create new product designs and develop innovative production techniques in response to market trends and consumer preferences contribute to the success of its products. The Group has been offering customers with a diverse range of products with appealing designs and made with assorted kinds of precious metals, diamonds and gem stones with various premium specifications in a bid to cater for a broad bandwidth of market demand, including collectible grade product.

Change of Company Name

On 18 August 2022, the special resolution approving the change of the company name and dual foreign name in Chinese of the Company respectively from ''Hifood Group Holdings Co., Limited'' to ''Domaine Power Holdings Limited'' and from ''海福德集團控股有限公司'' to ''域能控股有限公司'' (the "**Change of Company Name**") was duly passed by the shareholders of the Company at the annual general meeting held on 18 August 2022.

The Certificate of Incorporation on Change of Name was issued by the Registry of Companies in the Cayman Islands on 29 August 2022 certifying the change of the company name and dual foreign name in Chinese of the Company with effect from 25 August 2022. The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Companies Registry in Hong Kong on 19 September 2022 certifying the registration of the Company's new name in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

Change of Stock Short Name

The English and Chinese stock short names of the Company for trading in the shares of the Company on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") have changed respectively from ''HIFOOD GROUP'' to ''DOMAINE POWER'' and from ''海福德集團'' to ''域能控股'' since 3 October 2022. The stock code of the Company on the Stock Exchange remains unchanged as ''442''.

Change of Company Website and Email Address

With effect from 28 September 2022, the website of the Company has been changed from ‘‘www.ktl.com.hk’’ to ‘‘www.domainepower.com’’ to reflect the Change of Company name. All announcements, notices or other documents submitted by the Company for publication on the websites of the Stock Exchange will also be published on this new website of the Company.

With effect from 28 September 2022, the contact email address of the Company has been changed from “enquiry@ktl.com.hk” to “enquiry@domainepower.com”.

Please refer to the announcement of the Company dated 28 September 2022 for further details.

Change of Headquarters and Principal Place of Business in Hong Kong

The headquarters and principal place of business of the Company in Hong Kong have been changed to Unit 2203A, 22/F., Wu Chung House, No. 213 Queen’s Road East, Wanchai, Hong Kong with effect from 22 November 2022.

Amendment of Constitutional Document

The second amended and restated memorandum and articles of association of the Company was adopted by way of a special resolution passed by the shareholders of the Company at the annual general meeting held on 18 August 2022. The second amended and restated memorandum and articles of association is available on the website of the Stock Exchange and the Company.

Financial Review

	Six months ended 30 September	
	2022	2021
	(unaudited)	(unaudited)
Revenue *(HK$’000)*	**86,825**	68,845
Gross profit *(HK$’000)*	**1,750**	3,580
Gross profit margin *(%)*	**2.0**	5.2
Loss attributable to the equity holders of the Company *(HK$’000)*	**(14,976)**	(67,978)

Revenue

The Group's revenue during the Period was approximately HK$86.8 million, representing an increase of approximately HK$18.0 million or 26.1% over the corresponding period in 2021. The increase in Group's revenue was mainly due to increase of approximately HK$52.5 million in sales in the Hong Kong market. The significant increase in the Hong Kong market was due to the increase of gold business as the Group timely adjusted strategy and reallocated the resources of the business on dealing with gold products and fine artistic jewellery products. The revenue from sales in the Americas and in Europe (including Russia) markets decreased by approximately HK$32.0 million and HK$1.9 million respectively. The revenue generated from other countries decreased by approximately HK$0.6 million.

Gross Profit and Gross Profit Margin

The Group's gross profit for the Period was approximately HK$1.8 million, representing a decrease of approximately HK$1.8 million or 51.1% over the corresponding period in 2021. Gross profit margin decreased to approximately 2.0% from approximately 5.2%, which was mainly due to the increase in sales of gold business with lower gross profit.

Selling Expenses

The Group's selling expenses decreased by approximately HK$1.4 million or 82.4%, to approximately HK$0.3 million for the Period from approximately HK$1.7 million for the six months ended 30 September 2021. The decrease was mainly due to business operation adjustment and effective cost control measures.

Administrative Expenses

The Group's administrative expenses increased by approximately HK$2.0 million or 24.3%, to approximately HK$10.1 million for the Period from approximately HK$8.1 million for the six months ended 30 September 2021. The increase was primarily due to the combined effects of the following reasons:

(i) Improved the office environment resulted in an increase of approximately HK$0.5 million in depreciation and amortization expenses;

(ii) In order to expand and operate new business, the consulting fees and professional service fees increased by approximately HK$1.4 million; and

(iii) Audit fees slightly increased by approximately HK$0.1 million.

Loss Attributable to the Equity Holders of the Company

During the Period, the Group recorded a consolidated loss (the "**Loss**") attributable to the equity holders of the Company of approximately HK$15.0 million, mainly attributable to the decrease of gross profit of approximately HK$1.8 million and the loss on changes in fair value on listed equity securities investment of approximately HK$7.9 million while compared with consolidated losses of approximately HK$68.0 million for the corresponding period of 2021, mainly attributable to the loss on changes in fair value on listed equity securities investment of approximately HK$65.2 million. The consolidated loss decrease compared with the corresponding period in 2021 was mainly attributable to an increase in the Group's revenue by approximately HK$18.0 million or 26.1% and the loss on changes in fair value on listed equity securities investment decreased by approximately HK$57.3 million or 87.9%.

Liquidity and Financial Resources

As at 30 September 2022, the Group had current assets of approximately HK$86.0 million (31 March 2022: approximately HK$95.6 million) which comprised cash and bank balances of approximately HK$82.9 million (31 March 2022: approximately HK$92.8 million). To proactively manage the liquidity and financial resources, the Group continues to expedite the collection of trade receivables from customers. As at 30 September 2022, the Group had non-current liabilities of approximately HK$0.7 million (31 March 2022: approximately HK$2.4 million), and its current liabilities amounted to approximately HK$4.8 million (31 March 2022: approximately HK$6.3 million), consisting mainly of payables arising in the normal course of operation. Accordingly, the current ratio, being the ratio of current assets to current liabilities, was approximately 17.9 as at 30 September 2022 (31 March 2022: approximately 15.1).

Gearing Ratio

The gearing ratio of the Group as at 30 September 2022 was not applicable as cash and bank balances exceeded obligations under finance lease.

Treasury Policies

The Group has adopted a prudent financial management approach towards its treasury policies and maintained a healthy liquidity position throughout the Period. The Group strives to reduce exposure to credit risk by buying credit insurance on certain customers' receivables, performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Foreign Exchange Exposure

For the Period, the Group had monetary assets and monetary liabilities denominated in foreign currencies, i.e. currency other than the functional currency of the respective Group entities, which are mainly trade receivables, other receivables, cash and bank balance, trade and other payables. Since HK$ is pegged to US$, the Group does not expect any significant movements in HK$/US$ exchange rate. We are exposed to foreign exchange risk primarily with respect to Renminbi ("**RMB**"). However, the amount of the Group's monetary assets and monetary liabilities denominated in RMB as foreign currency as at 30 September 2022 and 30 September 2021 is very small, and the foreign exchange risk from the conversion of amounts denominated in foreign currency is almost zero as at 30 September 2022 and 30 September 2021.

The Group does not engage in any derivatives activities and does not commit to any financial instruments to hedge its exposure to foreign currency risk.

Capital Structure

There was no change in the capital structure of the Group as at 30 September 2022 as compared with that as at 31 March 2022.

Capital Commitments

As at 30 September 2022, the Group had no capital commitments (31 March 2022: nil).

Interim Dividend

The Board does not recommend the payment of an interim dividend for the Period.

Information on Employees

As at 30 September 2022, the Group had 8 employees (31 March 2022: 6), including the executive Directors. Remuneration is determined with reference to market conditions and individual employees' performance, qualification and experience.

Apart from the provident fund scheme (operation in accordance with the provisions of the Mandatory Provident Fund Schemes Ordinance for Hong Kong employees) or social insurance fund (including retirement pension insurance, medical insurance, unemployment insurance, injury insurance and maternity insurance for the PRC employees), discretionary bonuses and employee share options are also awarded to employees according to the Group's performance as well as assessment of individual performance. Since the adoption of the share option scheme on 10 February 2015 and up to 30 September 2022, no options had been granted by the Company.

The Directors believe that the salaries and benefits of the Group's employees are kept at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system, which is reviewed annually.

Share Option Scheme

The Company has adopted the share option scheme on 10 February 2015 (the "**Scheme**") under which certain selected classes of participants (including, among others, Directors and full-time employees) may be granted options to subscribe for the shares. Unless otherwise cancelled or amended, the scheme will remain in force for 10 years from that date. No share option had ever been granted under the Scheme since its adoption.

Significant Investments Held

As at 30 September 2022, the Group held financial assets at fair value through profit or loss in the amounts of approximately HK$25,973,000 as non-current assets, representing approximately 22.5% of its total assets.

The financial assets at fair value through profit or loss consist of a life insurance policy in the amounts of approximately HK$17,847,000, representing approximately 15.4% of its total assets, and Hong Kong listed equity securities in the amounts of approximately HK$8,126,000, representing approximately 7.0% of its total assets.

Pursuant to paragraph 32(4A) of Appendix 16 to the Listing Rules, the particulars of the Group's significant investments in Hong Kong listed equity securities measured at fair value through profit or loss with a value of 5% or more of the Group's total assets as at 30 September 2022 and other significant investments of listed equity securities held as at 30 September 2022 are set out below:

		Place of incorporation	HK stock code	Date of acquisitions	Number of acquired shares as at 30 September 2022	Proportion of acquired shares in the total issued share capital of investee as at 30 September 2022	Cost (exclusive of transaction costs) *HK$'000*	Principal activities	Fair value: As at 30 September 2022 *HK$'000*	Fair value: Percentage to the Group's total assets *%*	For the six months ended 30 September 2022: Unrealised gain/(loss) on change in fair value *HK$'000*	For the six months ended 30 September 2022: Dividend income *HK$'000*
1)	China Automobile New Retail (Holdings) Limited (the former name is "Lisi Group (Holdings) Limited") ("**China Auto NR**")	Bermuda	0526	11 and 16 July 2019	69,202,000	Approximately 0.86%	Approximately 54,924	Provision of car trading platform related services, trading of imported cars, manufacturing and trading of household products, operation of supermarkets, wholesale of wine and electrical appliances and investments holding	Approximately 1,592	Approximately 1.38	Approximately (1,257)	–

		Place of incorporation	HK stock code	Date of acquisitions	Number of acquired shares as at 30 September 2022	Proportion of acquired shares in the total issued share capital of investee as at 30 September 2022	Cost (exclusive of transaction costs) *HK$'000*	Principal activities	Fair value: As at 30 September 2022 *HK$'000*	Fair value: Percentage to the Group's total assets *%*	For the six months ended 30 September 2022: Unrealised gain/(loss) on change in fair value *HK$'000*	For the six months ended 30 September 2022: Dividend income *HK$'000*
2)	China U-Ton Future Space Industrial Group Holdings Limited (the former name is "China U-Ton Holdings Limited") *(Note 1)*	Cayman Islands	6168	11 July and 14 August 2019	200,540,000	Approximately 7.01%	Approximately 69,658	Provision of design, deployment and maintenance of optical fibers services, the provision of other communication networks services, the provision of environmentally intelligent technical products and services and the money lending services	–	–	–	–
3)	Redsun Properties Group Limited	Cayman Islands	1996	14 August 2019	3,500,000	Approximately 0.10%	Approximately 8,470	Property development, commercial property investment and operations, and hotel operations	Approximately 2,905	Approximately 2.51	Approximately (6,230)	–
4)	China Anchu Energy Storage Group Ltd. *(formerly known as China Fordoo Holdings Limited)*	Cayman Islands	2399	11 July 2019	6,980,000	Approximately 0.32%	Approximately 14,746	Design, sourcing, manufacturing and sales of its branded menswear products	Approximately 3,629	Approximately 3.14	Approximately (419)	–
	Total						Approximately 147,798		Approximately 8,126	Approximately 7.03	Approximately (7,906)	–

Note 1

Based on the announcements of China U-Ton Future Space Industrial Group Holdings Limited (the former name is "China U-Ton Holdings Limited") ("**U-Ton Future**") dated 5 May 2021, 13 May 2021, 27 May 2021 and 29 June 2021, a petition in the matter of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32) was filed in the High Court of The Hong Kong Special Administrative Region (the "**High Court**") against U-Ton Future on 4 February 2021, upon which U-Ton Future was ordered to be wound up by the High Court on 5 May 2021 in HCCW 57/2021 and the Official Receiver was appointed as the Provisional Liquidator of U-Ton Future. Trading in the shares of U-Ton Future has been suspended since 5 May 2021 with share price of HK$0.161 per share. On 7 May 2021, the Official Receiver made an application to the High Court seeking, inter alia, an order to appoint joint and several liquidators of U-Ton Future. U-Ton Future announces that, with effect date of 25 June 2021, Mr. Ho Man Kit and Ms. Kong Sze Man Simone of Manivest Asia Limited, have been appointed as joint and several liquidators of the Company pursuant to an order dated 25 June 2021 made by the High Court. Please refer to the announcements of U-Ton Future for further details. At the date of approval of these financial statements, the Group held approximately 7.01% of the total issued share capital of U-Ton Future.

As U-Ton Future is under receivership and there is significant uncertainty about the prospect of resumption, the fair values of the shares of U-Ton Future held by the Group as at 30 September 2022 was assessed to be zero (31 March 2022: HK$Nil).

For further information, please refer to (i) the announcement dated 17 July 2019 in relation to acquisitions of the shares of China Auto NR; (ii) the announcements dated 16 August and 19 August 2019 in relation to acquisitions of the shares of U-Ton Future; and (iii) the circular dated 19 September 2019 in relation to acquisitions of the shares of U-Ton Future.

The Group will continue to be on the search for new opportunities both locally and abroad, which is expected to provide an additional boost to our future growth. Hong Kong listed equity securities are still attractive investment and can enhance the returns on investment for the Group in long term. The Board did not alter the Group's investment strategy due to short-term market volatilities.

Future Plan for Material Investments and Capital Assets

Save as disclosed in the paragraph headed "Future Plans and Prospects" in this announcement, there was no other definite plan for material investments and acquisition of material capital assets as at 30 September 2022.

Material Acquisition and Disposal of Subsidiaries and Affiliated Companies

Save as disclosed in the paragraph headed "Significant Investments Held" in this announcement, the Group did not have any material acquisition and disposal of subsidiaries and affiliated companies during the Period.

Charge of Assets

The Group did not have any charge of assets as at 30 September 2022 (31 March 2022: nil).

Contingent Liabilities

The Group had no material contingent liabilities as at 30 September 2022 (31 March 2022: nil).

CORPORATE GOVERNANCE

Corporate Governance Practices

Adapting and adhering to recognised standards of corporate governance principles and practices has always been one of the top priorities of the Company. The Board believes that good corporate governance is one of the areas that lead to the success of the Company and in balancing the interests of shareholders, customers and employees, and the Board is devoted to ongoing enhancements of the efficiency and effectiveness of such principles and practices.

The corporate governance practices adopted by the Company during the six months ended 30 September 2022 are in line with those set out in the Corporate Governance Report of the Company's Annual Report 2022. For the Period, the Company had complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transaction by Directors of the Company. Having made specific enquiries to all the Directors, the Directors confirmed that they had complied with the required standard as set out in the Model Code during the Period.

Disclosure of Directors' Information Pursuant to Rules 13.51(2) and 13.51B of the Listing Rules

During the six months ended 30 September 2022, there were certain changes in the board committees composition:

With effect from 30 June 2022:

(i) Dr. So Shu Fai, the co-chairman of the Nomination Committee and Remuneration Committee has been re-designated as chairman of the Nomination Committee and member of the Remuneration Committee;

(ii) Mr. Tom Xie, the co-chairman of the Nomination Committee has been re-designated as member of the Nomination Committee;

(iii) Mr. Chan Wai Dune has ceased to be the co-chairman and member of the Remuneration Committee and the member of the Nomination Committee; and

(iv) Mr. Yau Pak Yue, the member of the Remuneration Committee has been appointed as chairman of the Remuneration Committee.

Moreover, a new letter of appointment was entered into between the Company and each of the independent non-executive Directors, namely, Mr. Yau Pak Yue, Mr. Chung Wai Man and Mr. Ning Rui, pursuant to which, inter alia, with effect from 1 July 2022, (a) each of the independent non-executive Directors' monthly salary has been increased to HK$11,000, and (b) the term of office has been increased to two years. The rest of the terms of the new letter of appointment remains unchanged as compared to the previous letter of appointment.

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

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

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises two executive Directors, namely Dr. So Shu Fai and Mr. Tom Xie, one non-executive Director, Mr. Chan Wai Dune and three independent non-executive Directors, namely Mr. Yau Pak Yue, Mr. Chung Wai Man and Mr. Ning Rui.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") consists of three independent non-executive Directors, namely Mr. Yau Pak Yue (Chairman of the Audit Committee), Mr. Chung Wai Man and Mr. Ning Rui.

The Audit Committee has reviewed the Company's unaudited interim report (containing the unaudited condensed consolidated interim financial statements) for the Period, including the accounting principles and practices adopted by the Group, and discussed with management regarding internal control and financial reporting matters.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange at (www.hkexnews.hk) and the website of the Company at (www.domainepower.com). The interim report of the Company will be despatched to the shareholders of the Company and published on the above websites in due course.

By order of the Board
Domaine Power Holdings Limited
Dr. So Shu Fai
Chairman and Executive Director

Hong Kong, 30 November 2022

As at the date of this announcement, the executive Directors are Dr. So Shu Fai and Mr. Tom Xie; the non-executive Director is Mr. Chan Wai Dune; and the independent non-executive Directors are Mr. Yau Pak Yue, Mr. Chung Wai Man and Mr. Ning Rui.