



DOYEN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability) Stock Code: 668



2024 INTERIM REPORT

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CORPORATE INFORMATION

Board of Directors

Executive directors

Mr. Lo Siu Yu, *Chairman*
Mr. Tai Xing, *Chief Executive Officer*
(resigned on 3 June 2024)
Mr. Cho Chun Wai

Non-executive directors

Ms. Sun Lin
Mr. Pan Chuan

Independent non-executive directors

Mr. Chan Ying Kay
Mr. Leung Kin Hong
Mr. Wang Jin Ling

Audit Committee

Mr. Chan Ying Kay,
Committee Chairman
Mr. Leung Kin Hong
Mr. Wang Jin Ling

Remuneration Committee

Mr. Leung Kin Hong,
Committee Chairman
Mr. Chan Ying Kay
Mr. Wang Jin Ling

Nomination Committee

Mr. Lo Siu Yu,
Committee Chairman
Mr. Chan Ying Kay
Mr. Leung Kin Hong

Company Secretary

Mr. Cho Chun Wai

Authorised Representatives

Mr. Lo Siu Yu
Mr. Cho Chun Wai

Registered Office

Suite 2206, 22/F., Harbour Centre,
25 Harbour Road, Wanchai, Hong Kong
Tel: (852) 2596 0668
Fax: (852) 2511 0318
E-mail: enquiry@doyenintl.com

Share Registrar

Computershare Hong Kong Investor
Services Limited
46/F., Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong

Share Transfer Office

Computershare Hong Kong Investor
Services Limited
Shops 1712-16, 17/F., Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong

Principal Bankers

The Hongkong and Shanghai Banking
Corporation Limited
Bank of Communications Co., Ltd.
Hong Kong Branch
China Everbright Bank Hong Kong Branch

Solicitors

Mason Ching & Associates
Chiu & Partners Solicitors

Auditor

Baker Tilly Hong Kong Limited

Stock Code

668

Website

<http://www.doyenintl.com>

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS

BUSINESS REVIEW

For the six months ended 30 June 2024, Doyen International Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) recorded revenue of approximately HK\$37.6 million (2023: approximately HK\$35.1 million), representing a year-on-year increase of 7.12%. The increase in total revenue was mainly due to the increase in revenue from the investment properties holding.

For the six months ended 30 June 2024, the Company recorded a profit for the period of approximately HK\$14.9 million (2023: profit of approximately HK\$10.7 million). The increase of the profit for the period was mainly due to the positive impact of foreign exchange.

The profit for the period attributable to owners of the Company for the six months ended 30 June 2024 was approximately HK\$10.7 million (2023: approximately HK\$7.0 million).

Dongkui Business

東葵融資租賃(上海)有限公司 (for identification purpose, Dongkui Financial Leasing (Shanghai) Co., Ltd. (“**Shanghai Dongkui**”)), a subsidiary in which the Company owns 77.58% equity interests, is principally engaged in the provision of secured loan financing, short-term loan business, factoring and refactoring business (collectively, the “**Dongkui Business**”).

The Group has been paying close attention to the changes in the economy and market of the People’s Republic of China (the “**PRC**”), attaching great importance to risk management. A sound risk management system has been established which can effectively identify and assess various business risks, and the Group has continuously improved internal control to enhance its overall management level. Through these measures, coupled with the timely repayment of loans by customers, the operating performance of Shanghai Dongkui was relatively stable in the first half of 2024, laying a good foundation for development in the second half of the year.

For the six months ended 30 June 2024, the Dongkui Business segment contributed a revenue of approximately HK\$27.8 million (2023: revenue of approximately HK\$27.4 million), representing an increase of approximately 1.46%. Such segment has recorded profit after tax of approximately HK\$22.0 million (2023: profit after tax of approximately HK\$20.1 million). Such increase was due to the increase in operating income from the factoring/refactoring business, and the decrease in operating expenses.

As at 30 June 2024, the Group entered into loan financing and factoring/refactoring agreements with 9 (31 December 2023: 9) borrowers.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS *(continued)*

BUSINESS REVIEW *(continued)*

Loan Financing Business

On 15 January 2024, Shanghai Dongkui entered into a loan financing agreement with 重慶隆雅特金屬材料有限公司 (for identification purpose, Chongqing Longyate Metal Material Co., Ltd. ("**Chongqing Longyate**")), pursuant to which Shanghai Dongkui purchased the machinery and equipment from Chongqing Longyate for a total consideration of Renminbi (the "**RMB**") 2 million (equivalent to approximately HK\$2.1 million), which was leased back to Chongqing Longyate for a term of 1 year in accordance with the loan financing agreement at the interest rate of 9.80% per annum.

Factoring/Refactoring Business

On 19 April 2024, 東銳商業保理(上海)有限公司 (for identification purpose, Dongrui Factoring (Shanghai) Co., Ltd. ("**Shanghai Dongrui**")), entered into a factoring agreement with 武漢合縱創展貿易有限公司 (for identification purpose, Wuhan Hezong Chuangzhan Trade Co., Ltd. ("**Wuhan Hezong**")), pursuant to which Shanghai Dongrui agreed to provide financing secured by accounts receivable of approximately RMB21.1 million (equivalent to approximately HK\$22.7 million) assigned to Wuhan Hezong from the factoring customers of Wuhan Hezong for a term of 1 year from the date of execution of the factoring agreement with the factoring principal amount of RMB19 million (equivalent to approximately HK\$20.4 million) at the interest rate of 12.00% per annum. For further details, please refer to the announcement of the Company dated 19 April 2024.

On 15 September 2023, Shanghai Dongrui entered into a factoring agreement with 上海翹眩實業有限公司 (for identification purpose, Shanghai Hongxuan Industrial Company Limited ("**Shanghai Hongxuan**")), pursuant to which Shanghai Dongrui agreed to provide financing secured by accounts receivable of approximately RMB20.0 million (equivalent to approximately HK\$21.5 million) assigned to Shanghai Hongxuan from the factoring customers of Shanghai Hongxuan for a term of 1 year from the date of execution of the factoring agreement with the factoring principal amount of RMB18 million (equivalent to approximately HK\$19.3 million) at the interest rate of 11.00% per annum. For further details, please refer to the announcement of the Company dated 15 September 2023.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS *(continued)*

BUSINESS REVIEW *(continued)*

Factoring/Refactoring Business *(continued)*

On 15 September 2023, Shanghai Dongrui entered into a factoring agreement with 重慶璞美苗木有限公司 (for identification purpose, Chongqing Pumei Miaomu Company Limited (“**Chongqing Pumei**”)), pursuant to which Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB9.9 million (equivalent to approximately HK\$10.6 million) assigned to Chongqing Pumei from the factoring customers of Chongqing Pumei for a term of 1 year from the date of execution of the factoring agreement, with the factoring principal amount of RMB9 million (equivalent to approximately HK\$9.7 million) at the interest rate of 11.00% per annum. For further details, For further details, please refer to the announcement of the Company dated 15 September 2023.

On 15 September 2023, Shanghai Dongrui entered into a factoring agreement with 重慶茂同裝飾工程有限公司 (for identification purpose, Chongqing Maotong Decoration Engineering Company Limited (“**Chongqing Maotong**”)), pursuant to which Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB9.4 million (equivalent to approximately HK\$10.1 million) assigned to Chongqing Maotong from the factoring customers of Chongqing Maotong for a term of 1 year from the date of execution of the factoring agreement, with the factoring principal amount of RMB8.5 million (equivalent to approximately HK\$9.1 million) at the interest rate of 11.00% per annum. For further details, please refer to the announcement of the Company dated 15 September 2023.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS *(continued)*

BUSINESS REVIEW *(continued)*

Factoring/Refactoring Business *(continued)*

On 15 September 2023, Shanghai Dongrui entered into a factoring agreement with 重慶柏翠苗木有限公司 (for identification purpose, Chongqing Baicui Tree Nurseries Company Limited (“**Chongqing Baicui**”)), pursuant to which Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB9.4 million (equivalent to approximately HK\$10.1 million) assigned to Chongqing Baicui from the factoring customers of Chongqing Baicui for a term of 1 year from the date of execution of the factoring agreement, with the factoring principal amount of RMB8.5 million (equivalent to approximately HK\$9.1 million) at the interest rate of 11.00% per annum. For further details, please refer to the announcement of the Company dated 15 September 2023.

On 15 September 2023, Shanghai Dongrui entered into a refactoring agreement with 深圳盛世嘉誠保理有限公司 (for identification purpose, Shenzhen Sheng Shi Jia Cheng Factoring Company Limited (“**Sheng Shi**”)), pursuant to which Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB8.6 million (equivalent to approximately HK\$9.2 million) assigned to Sheng Shi from the factoring customers of Sheng Shi for a term of 1 year from the date of execution of the refactoring agreement, with the factoring principal amount of approximately RMB7.5 million (equivalent to approximately HK\$8.1 million) at the interest rate of 9.41% per annum. For further details, please refer to the announcement of the Company dated 15 September 2023.

On 11 October 2023, Shanghai Dongrui entered into a factoring agreement with 重慶潮豐聯物資有限公司 (for identification purpose, Chongqing Chaofung United Material Supplies Limited (“**Chongqing Chaofung**”)), pursuant to which Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB58.4 million (equivalent to approximately HK\$62.7 million) assigned to Chongqing Chaofung from the factoring customers of Chongqing Chaofung for a period of 1 year from the date of signing of the factoring agreement, with the factoring principal amount of RMB53 million (equivalent to approximately HK\$56.9 million) at the interest rate of 10.00% per annum. For further details, please refer to the announcement of the Company dated 11 October 2023.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS *(continued)*

BUSINESS REVIEW *(continued)*

Factoring/Refactoring Business *(continued)*

On 17 October 2023, Shanghai Dongrui entered into a factoring agreement with Chongqing Maotong, pursuant to which Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB44.4 million (equivalent to approximately HK\$47.7 million) assigned to Chongqing Maotong from the factoring customers of Chongqing Maotong for a period of 1 year from the date of signing of the factoring agreement, with the factoring principal amount of RMB40 million (equivalent to approximately HK\$43.0 million) at the interest rate of 11.00% per annum. For further details, please refer to the announcement of the Company dated 17 October 2023.

On 27 September 2023, Shanghai Dongrui entered into a factoring agreement with Chongqing Pumei, pursuant to which Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB44.4 million (equivalent to approximately HK\$47.7 million) assigned to Chongqing Pumei from the factoring customers of Chongqing Pumei for a term of 1 year from the date of execution of the factoring agreement, with the factoring principal amount of RMB40 million (equivalent to approximately HK\$43.0 million) at the interest rate of 11.00% per annum. On 17 October 2023, Shanghai Dongrui entered into a factoring agreement with Chongqing Pumei, pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB22.2 million (equivalent to approximately HK\$23.8 million) assigned to Chongqing Pumei from the factoring customers of Chongqing Pumei for a period of 1 year from the date of signing of the factoring agreement, with the factoring principal amount of RMB20 million (equivalent to approximately HK\$21.5 million) at the interest rate of 11.00% per annum. For further details, please refer to the announcement of the Company dated 17 October 2023.

On 31 October 2023, Shanghai Dongrui entered into a refactoring agreement with Sheng Shi, pursuant to which Shanghai Dongrui agreed to provide financing secured by the accounts receivable of RMB29 million (equivalent to approximately HK\$31.1 million) assigned to Sheng Shi from the factoring customers of Sheng Shi for a term of 1 year from the date of execution of the refactoring agreement, with the factoring principal amount of approximately RMB26.5 million (equivalent to approximately HK\$28.5 million) at the interest rate of 9.41% per annum. For further details, please refer to the announcement of the Company dated 31 October 2023.

On 2 November 2023, Shanghai Dongrui entered into a refactoring agreement with 磐嶼商業保理有限公司 (for identification purpose, Pun Yu Commercial Factoring Limited (“**Pun Yu**”)), pursuant to which Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB54.2 million (equivalent to approximately HK\$58.2 million) assigned to Pun Yu from the factoring customers of Pun Yu for a term of 1 year from the date of execution of the refactoring agreement, with the factoring principal amount of approximately RMB49.6 million (equivalent to approximately HK\$53.2 million) at the interest rate of 9.41% per annum. For further details, please refer to the announcement of the Company dated 2 November 2023.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS *(continued)*

BUSINESS REVIEW *(continued)*

Factoring/Refactoring Business *(continued)*

On 6 November 2023, Shanghai Dongrui entered into a factoring agreement with Chongqing Baicui, pursuant to which Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB74.4 million (equivalent to approximately HK\$79.9 million) assigned to Chongqing Baicui from the factoring customers of Chongqing Baicui for a period of 1 year from the date of signing of the factoring agreement, with the factoring principal amount of RMB67 million (equivalent to approximately HK\$72.0 million) at the interest rate of 11.00% per annum. For further details, please refer to the announcement of the Company dated 6 November 2023.

On 28 November 2023, Shanghai Dongrui entered into a factoring agreement with Shanghai Hongxuan, pursuant to which Shanghai Dongrui agreed to provide financing being secured by accounts receivable of approximately RMB41.1 million (equivalent to approximately HK\$44.1 million) assigned to Shanghai Hongxuan from the factoring customers of Shanghai Hongxuan for a period of 1 year from the date of signing of the factoring agreement with the factoring principal amount of RMB37 million (equivalent to approximately HK\$39.7 million) at the interest rate of 11.00% per annum. For further details, please refer to the announcement of the Company dated 28 November 2023.

On 19 December 2023, Shanghai Dongrui entered into a factoring agreement with Chongqing Maotong, pursuant to which Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB22.2 million (equivalent to approximately HK\$23.8 million) assigned to Chongqing Maotong from the factoring customers of Chongqing Maotong for a term of 1 year from the date of signing the factoring agreement, with the factoring principal amount of RMB20 million (equivalent to approximately HK\$21.5 million) and an interest rate of 11.00% per annum. For further details, please refer to the announcement of the Company dated 19 December 2023.

On 22 December 2023, Shanghai Dongrui entered into a refactoring agreement with Pun Yu, pursuant to which Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB18.9 million (equivalent to approximately HK\$20.3 million) assigned to Pun Yu from the factoring customers of Pun Yu for a term of 1 year from the date of signing the refactoring agreement, with the factoring principal amount of approximately RMB17.3 million (equivalent to approximately HK\$18.6 million) and an interest rate of 9.41% per annum. For further details, please refer to the announcement of the Company dated 22 December 2023.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS *(continued)*

BUSINESS REVIEW *(continued)*

Loan receivables

As at 30 June 2024, the Group's total loan receivables amounted to approximately HK\$501.2 million (2023: approximately HK\$495.5 million). The breakdown of the loan receivables of the Group as at 30 June 2024, categorised into the two segments in the Loan Financing Segment, namely Loan Financing Business and Factoring/Refactoring Business are as follows:

	Gross carrying amount HK\$' 000 (unaudited)	Loss allowance HK\$' 000 (unaudited)	Net carrying amount HK\$' 000 (unaudited)
Loan Financing Business	2,194	(46)	2,148
Factoring/Refactoring Business	499,620	(614)	499,006
Total	501,814	(660)	501,154

Investment Properties Holding

Dong Dong Mall

重慶寶旭商業管理有限公司 (for identification purpose, Chongqing Baoxu Commercial Property Management Ltd. ("**Chongqing Baoxu**")), a subsidiary of which 70% equity interest is owned by the Company, is principally engaged in the investment holding of Dong Dong Mall ("**Dong Dong Mall**"), a shopping arcade for commercial use and located at No. 2, Second Lane, Nanping East Road, Nanan District, Chongqing in the PRC with a total gross floor area of 18,043.45 square metres. Dong Dong Mall is adjacent to a main pedestrian street and a number of shopping malls, where is a hot-spot of fashion, shopping, entertainment and business for residents around south Chongqing due to its convenient public transportation.

In the first half of 2024, the consumer market in the PRC as a whole maintained a stable growth trend, but due to the continued weakness of the real estate market and lack of optimism in the employment situation, consumer confidence remained low, and residents' spending power and willingness to spend still need to be enhanced.

During the period, Dong Dong Mall tried actively to innovate in its operational strategy, brought new experiences to consumers, promoted the release of consumer demand and drove sustainable business growth. On the other hand, in order to further bolster consumer confidence, the PRC government has introduced a series of policies to revitalize the real estate market, expand domestic demand and promote consumption. With the continuous efforts of these policies and measures, the Group is convinced that the consumption capacity, consumption environment, market growth resilience and innovation driving force of Chinese residents will be further improved in the future, creating favorable conditions for the future development of Dong Dong Mall.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS *(continued)*

BUSINESS REVIEW *(continued)*

Investment Properties Holding *(continued)*

Chengdu Office

On 25 April 2024, 三亞清石實業有限公司 (for identification purpose, Sanya Qingshi Industrial Co., Ltd. ("**Sanya Qingshi**")), a wholly-owned subsidiary of Shanghai Dongkui, entered into a contract with 成都東銀信息傳媒有限公司 (for identification purpose, Chengdu Dongyin Information Media Co., Ltd.), pursuant to which Sanya Qingshi agreed to purchase a property (i.e. Rooms no. 1 and 2 of 4th Floor, Unit 1, Building 6 of a scientific research office building of Tianfu Xingu on the Land located at No. 399 West Section of Fucheng Avenue, Chengdu, the PRC) ("**Chengdu Office**"), with the aggregate gross floor area of each of Room no. 1 and 2 being 1,437.93 sq.m. and 474.76 sq.m. respectively, at a total consideration of RMB19.0 million (equivalent to approximately HK\$20.4 million). Please refer to the announcement of the Company dated 25 April 2024.

Chengdu is the commercial center of Southwestern China, with strong resilience and vitality in economic development, and its commercial real estate market has great development potential, providing strong support for the rental demand of commercial buildings. The Chengdu Office is strategically located in the business district of Chengdu and is expected to bring considerable long-term benefits to the Group. In June 2023, Sanya Qingshi has entered into tenancy agreements with the tenants for the Chengdu Office for terms of nearly 10 years at an aggregate annual rent of approximately RMB1.6 million (equivalent to approximately HK\$1.7 million). This will bring sustainable and stable income to the Group in the future.

For the six months ended 30 June 2024, the Group's property investment segment has contributed revenue of approximately HK\$8.2 million (2023: approximately HK\$6.4 million). For the six months ended 30 June 2024, this segment has recorded a profit after tax of approximately HK\$3.7 million (2023: profit after tax of approximately HK\$3.4 million), the increase was attributable to the increase in revenue from the investment properties holding.

Sales of Flowers and Plants

Since December 2019, Chongqing Baoxu has managed its property value-added business with a focus on the sales of flowers and plants, therefore it has established a sales of flowers and plants department which is mainly responsible for the integrated management of flowers and plants procurement, sales and after-sales services and proactively develops value-added service income items of the sales of flowers and plants and explores the sales market in Chongqing of the PRC.

In the first half of 2024, the real estate market in Chongqing was still in an adjustment cycle, and there was still ample downward pressure on housing prices. As the Group's sales of flowers and plants business is closely related to the real estate market, the downturn of the property market suppressed the market demand for flowers and plants, and against this backdrop, the Group's revenue from the sales of flowers and plants was affected.

For the six months ended 30 June 2024, the Group's sales of flowers and plants segment has contributed revenue of approximately HK\$1.5 million (2023: approximately HK\$1.2 million). For the six months ended 30 June 2024, this segment has recorded a profit after tax of approximately HK\$17,000 (2023: profit after tax of approximately HK\$0.1 million), the decrease was attributable to the increase in costs of sales of flowers and plants.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS *(continued)*

BUSINESS REVIEW *(continued)*

Distressed Assets Management

In June 2023, Shanghai Dongkui, disposed the entire interest in 安信萬邦資產管理有限公司 (for identification purpose, Anxin Wanbang Asset Management Co., Ltd.) for a consideration of RMB0.1 million (equivalent to approximately HK\$0.1 million) (the “Disposal”). After the Disposal, the Group is still in the process of finding a suitable team to design and optimise a business model that suits the management practices and features of a listed company.

For the six months ended 30 June 2024, the Group’s distressed assets management segment has not contributed any revenue (2023: nil). Meanwhile, this segment did not record a profit or loss after tax for the six months ended 30 June 2024 (2023: nil).

PROSPECTS

In the first half of 2024, issues such as the sustaining complex and challenging global economic environment, geopolitical conflicts, rising trade protectionism and climate change, etc. increased the uncertainty for development, and the foundation for global economic recovery remained weak.

Looking forward to the second half of 2024, the PRC government will make timely efforts to promote macro fiscal and monetary policies, strengthen coordination and collaboration, effectively stimulate demand in targeted sectors and improve expectations, and the foundation for economic recovery is expected to be further consolidated. The Group will pay close attention to domestic and foreign economic trends, continuously assess policy risk changes, make prudent business planning, proceed with business expansion, and conduct business operation in compliance with the law to achieve long-term sustainable development. With the continuous recovery of economic momentum, the Group is expected to continue its good development trend.

Dongkui Business

In the second half of 2024, Shanghai Dongkui will continue to focus its resources on factoring/refactoring business. In terms of business operation, it adheres to the principles of specialization, standardization and marketization, strengthens the degree of refined management, and continuously improves internal management and risk control capabilities; it will strengthen customer analysis, improve customer quality, enhance the company’s operation in all directions, and provide strong support for the smooth operation of Dongkui Business.

As one of the main businesses in the field of supply chain of the PRC finance, the development of commercial factoring business is an important direction of the PRC financial reform, and is also a feasible channel for the implementation of inclusive finance, which has played an important role in serving the real economy and solving the financing difficulties and high costs for small and medium-sized enterprises. In recent years, governments at all levels in the PRC have highly emphasized the development of supply chain of the PRC finance business, including commercial factoring, and a series of policies and measures have been issued pinpointing the development direction of the industry and promote the standardization and compliance of the industry.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS *(continued)*

PROSPECTS *(continued)*

Dongkui Business *(continued)*

The Shanghai Municipal Government has implemented a number of policies to guide the loan financing industry in support of the development of the real economy. On 3 February 2024, the Shanghai Municipal People's Government issued a notice on the issuance of the "Implementation of the Overall Plan of Shanghai for Promoting High-level Institutional Opening-up in the PRC (Shanghai) Pilot Free Trade Zone to Comprehensively Align with International High-standard Economic and Trade Rules (《上海市落實〈全面對接國際高標準經貿規則推進中國(上海)自由貿易試驗區高水準制度型開放總體方案〉的實施方案》)", proposing to support commercial factoring companies to handle commercial factoring business based on real international trade background on the premise of meeting the consistency requirements of import and export and foreign exchange receipt and payment. The government will also support financial leasing companies to carry out leasing asset transfer business, explore cross-border transfer of financial leasing assets and pilot settlement in RMB under the guidance of the national financial management department.

Shanghai Dongkui has always adhered to compliance management and strictly protected the bottom line of risk management. In business operations, the Group has strengthened internal management, improved various risk management systems, enhanced employees' risk awareness and compliance awareness, and ensured the steady and sustainable development of the economy. On the basis of strict compliance with relevant laws and regulatory requirements, the Group is committed to improving the service capabilities and levels of its existing businesses and strengthening its core competitiveness. At the same time, the Group also actively explores business innovation and expands new market development space.

Investment Properties Holding

Dong Dong Mall

With the continuous introduction of more policies and measures to promote consumption by the PRC, and driven by the holiday effect, residents' travel and consumption demand have been continuously released, and the consumer market in Chongqing has made a good start. On 3 January 2024, the Chongqing Municipal Commission of Commerce (重慶市商務委) issued the "Certain Measures to Support the Development of the First Store Economy (《支持首店經濟發展若干措施》)", which introduced 15 measures to encourage the development of the "start-up of first store" economy, with focus on cultivating the "must-buy and must-have" brands and building a "diversified integration" scene, so as to comprehensively improve the internationalization of Chongqing's consumption and focus on building an international consumption resource gathering place. On 26 April 2024, the Chongqing Municipal People's Government issued a notice on the "Action Plan of Chongqing for Promoting Large-scale Equipment Renewal and Consumer Goods Trade-in (《重慶市推動大規模設備更新和消費品以舊換新行動方案》)" to accelerate the implementation of large-scale equipment renewal and consumer goods trade-in campaign, further leverage consumer demand, and release the vitality of domestic demand.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS *(continued)*

PROSPECTS *(continued)*

Investment Properties Holding *(continued)*

Dong Dong Mall *(continued)*

In addition to meeting people's shopping needs, Dong Dong Mall, a property held by the Group, also provides consumers with a full range of facility services for dining and entertainment, as well as a wide range of shops, including fashion boutiques, restaurants and lifestyle centres. Positioned as a family-oriented shopping centre serving the neighbourhood, Dong Dong Mall is designed to attract customers and merchants by focusing on children-oriented businesses through restructuring, investment, operation and promotion. Moreover, there are a number of themed plazas and event venues, where various cultural and art activities and parent-child entertainment programmes are held from time to time to provide consumers with more entertainment and cultural experiences.

In the future, Dong Dong Mall will focus its brand as a "parent-child centre", improve the service quality, innovate consumption experience, and create a more relaxed, more intimate, happier and more enjoyable parent-child leisure lifestyle atmosphere through a series of rich and all-encompassing promotional activities, so as to develop Dong Dong Mall into a landmark in Chongqing that leads the trend of parent-child consumption and brings consumers better life experience.

Chengdu Office

As the economic center of Southwestern China, Chengdu has a unique geographical advantage. In recent years, Chengdu has been committed to building a financial center and a science and technology innovation center in the western region, which has provided a source of power for attracting demand in the office market. In addition, with the advancement of the "Belt and Road" strategy, Chengdu, as an important node city, is expected to receive more policy support and investment opportunities, which will also provide strong support for the development of Chengdu's office market.

The Chengdu Office held by the Group is strategically located in the prime business district in Chengdu. In June 2023, Sanya Qingshi entered into tenancy contracts with tenants for the Chengdu Office for a term of nearly 10 years. The Group will continue to maintain good communication with its clients, so that the leasing of the Chengdu Office will become a stable and sustainable source of income for the Group.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS *(continued)*

PROSPECTS *(continued)*

Sales of Flowers and Plants

The business objective of Chongqing Baoxu is to become one of the main suppliers of landscape greening flowers and plants to small and medium-sized real estate developers in the PRC, aiming to provide quality landscape greening related flowers and supply flowers and plants to the clients at competitive prices.

In recent years, the real estate industry has entered a period of deep adjustment with continued downward pressure on the real estate market in Chongqing, as the scale of investment in the land market has shrunk significantly, the market demand for flowers and plants has not yet recovered.

In order to stimulate market activity and promote the steady and healthy development of the real estate market, the Chongqing Municipal Government has successively introduced a number of policies to optimize the regulation and control of the property market. On 24 January 2024, the Chongqing Municipal Government promulgated “Decisions by the Chongqing Municipal People’s Government on Amending ‘Interim Measures on Carrying Out the Pilot Reform of the Real Estate Tax Collection on Some Individual Housing in Chongqing’ (《重慶市關於開展對部分個人住房徵收房產稅改革試點的暫行辦法》) and ‘Implementation Rules for the Collection and Administration of Individual Housing Property Tax in Chongqing’ (《重慶市個人住房房產稅徵收管理實施細則》)”. On the same day, the Chongqing Municipal Housing and Urban-Rural Development Commission (重慶市住房城鄉建委) issued the “Notice on Further Adjusting and Optimizing Real Estate Policies and Measures (《關於進一步調整優化房地產政策措施的通知》)” to jointly promote the accelerated recovery and stable and healthy development of the real estate market from both the supply side and the demand side. On 20 May 2024, the Office of the Chongqing Municipal Leading Group for Promoting the Stable and Healthy Development of the Real Estate Market issued the “Notice on Supporting the Demand for Rigid and Improved Housing Purchases (《關於支持剛性和改善性購房需求的通知》)”, which involves six measures including housing purchase subsidies, optimizing the identification of housing units, and adjusting the re-transaction of existing housing to support the rigid demand for housing purchases and demand for improving living condition. On 14 June 2024, the Chongqing Municipal Housing and Urban-Rural Development Commission issued the “Chongqing 2024 Housing Development Plan (重慶市2024年度住房發展計劃)” to support the rigid demand for housing and demand for diversified and improved housing from the system aspects, and to actively build a new model of real estate development.

It is expected that with the continuous implementation of the real estate support policies and that the policy effects have gradually taken shape, the real estate market in Chongqing is expected to stabilize gradually, supporting the development of the Group’s sales of flowers and plants. Chongqing Baoxu will actively promote the collection of payments, adjust resources, conscientiously and steadfastly conduct investigations and researches, and wait for a better opportunity to develop business.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS *(continued)*

PROSPECTS *(continued)*

Distressed Assets Management Business

Under the impact of flattened economic growth, a period of structural adjustment and a period for digesting the stimulus policy, the scale of distressed assets continued to expand, and the market demand for distressed asset management continued to grow.

In the future, the Group will actively seek investment opportunities in the distressed asset management industry, design a business model suitable for the risk management and control mechanism and management characteristics of listed companies by forming a suitable team, establish an effective disposal process and mechanism, seek cooperation with high-quality disposal service providers, and participate in the management of distressed assets, so as to contribute to the prevention and resolution of financial risks and serving the real economy.

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 30 June 2024, the Group had a total of 29 (31 December 2023: 29) full-time employees. Employees' remuneration packages are determined with reference to prevailing market practices and individual performance. The Group's remuneration package includes basic salaries, sales incentives (which are only payable to certain operational staff), medical insurance plans and retirement benefit schemes. Discretionary bonus and share options may be granted to eligible employees based on the performance of the Group and individual employees.

The emoluments of the directors ("**Directors**") are determined by the remuneration committee of the Company, having regard to the operating results of the Group, individual performance and comparable market statistics.

The Company encourages its employees to enhance their competence, and also provides training to improve working capabilities of staff members and creates opportunities for long-term growth of employees.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group had bank and cash balances of approximately HK\$144.1 million as at 30 June 2024 (31 December 2023: approximately HK\$159.5 million). The management of the Group believes that the Group has sufficient cash and cash equivalents to fund its operations and future development. As at 30 June 2024, the current ratio of the Group, representing current assets divided by current liabilities, was approximately 10.4 (31 December 2023: approximately 11.4).

As at 30 June 2024, the Group had no gearing ratio (2023: nil), which is calculated as net debt divided by total capital. Net debt is calculated as amounts due to related companies and lease liabilities less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated statement of financial position, plus net debt. As at 30 June 2024 and 31 December 2023, the Group's gross debt had not exceeded cash and cash equivalents.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS *(continued)*

FINANCIAL REVIEW *(continued)*

Capital Structure

As at 30 June 2024, the Group had no current and non-current borrowings (31 December 2023: nil).

The Group did not use any derivatives to hedge its exposure to interest rate risks for the six months ended 30 June 2024 and the year ended 31 December 2023. The Group monitored its capital by maintaining a sufficient net cash position to satisfy its commitments and working capital requirements.

Pledge of Assets

As at 30 June 2024, the Group had no pledged asset (2023: nil).

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group operates in Hong Kong and the PRC with most of the transactions denominated and settled in local currencies.

Currently, the Group does not use any derivative financial instruments to hedge its exposure to foreign exchange risks.

Contingent Liabilities or Commitments

As at 30 June 2024 and 31 December 2023, the Group had no significant contingent liability nor did it incur any significant capital expenditure or enter into any significant commitment in respect of any capital expenditure.

Interim Dividends

The board (the “**Board**”) of Directors of the Company does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (2023: nil).

OTHER INFORMATION

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

As at 30 June 2024, the following Directors of the Company had interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required (a) to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them has taken or deemed to have taken under the provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered into in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") to be notified to the Company and the Stock Exchange:

Long positions of the Directors' interests in the shares and underlying shares of the Company as at 30 June 2024:

Name of Directors	Capacity	Interests in shares		Interests in underlying shares pursuant to share options	Total number of shares interested	Approximate percentage of the Company's issued shares
		Corporate interest	Personal interest			
Mr. Lo Siu Yu ("Mr. Lo")	Interest of controlled corporation and beneficial owner	760,373,018 (Note a)	25,000,000 (Note b)	-	785,373,018	61.64%
Mr. Cho Chun Wai	Beneficial owner	-	10,000	-	10,000	0.00%

Notes:

- 670,373,018 shares were held by Money Success Limited ("Money Success"), a company wholly-owned by Wealthy In Investments Limited ("Wealthy In"), which is in turn wholly-owned by Mr. Lo. 60,000,000 shares were held by Sino Consult Asia Limited ("Sino Consult") and 30,000,000 shares were held by Full Brilliant Limited ("Full Brilliant"), both are companies wholly-owned by Money Success.
- Such interests are held jointly with Ms. Chiu Kit Hung ("Ms. Chiu"), the spouse of Mr. Lo.

Save as disclosed above, as at 30 June 2024, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them has taken or deemed to have taken under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered into the register referred to therein; or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

OTHER INFORMATION *(continued)*

CHANGE OF DIRECTOR'S INFORMATION

On 27 March 2024, Mr. Pan Chuan, a non-executive Director of the Company, was appointed as a non-independent director of 重慶市迪馬實業股份有限公司 (for identification purpose, Dima Holdings Co., Ltd. ("**Chongqing Dima**")). On 12 April 2024, Mr. Pan was appointed as the chairman of Chongqing Dima.

Save as disclosed above, there was no change in the Directors' biographical details which are required to be disclosed pursuant to Rules 13.51B(1) and 13.51(2) of the Listing Rules since the 2023 Annual Report of the Company and the date of the announcement of the Company headed "List of Directors and their Roles and Functions" published by the Company on 3 June 2024.

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

As at 30 June 2024, according to the register of interests in shares of the Company and short positions of the Company required to be kept by the Company under section 336 of the SFO, the following persons or corporations, other than Directors or chief executives of the Company, having interests or short positions in the shares or underlying shares which would fall to be disclosed by the Company under the provisions of divisions 2 and 3 of Part XV of the SFO.

Long positions of substantial shareholders' interests in the shares of the Company:

Name of substantial shareholder	Capacity	Number of shares interested	Approximate percentage of the Company's issued shares
Galaxy Bond Holdings Limited	Person having a security interest in shares <i>(Note a)</i>	785,373,018	61.64%
Mr. Xue Yuewu	Interest of controlled corporation <i>(Note b)</i>	785,373,018	61.64%
Ms. Chiu Kit Hung	Interest of spouse <i>(Note c)</i>	785,373,018	61.64%
Wealthy In Investments Limited	Interest of controlled corporation <i>(Note d)</i>	760,373,018	59.68%
Money Success Limited	Beneficial owner <i>(Note e)</i>	670,373,018	52.62%
	Interest of controlled corporation	90,000,000	7.06%
Jiangsu Huaxi Group Co. Ltd.	Interest of controlled corporation <i>(Note f)</i>	140,000,000	10.99%
Baoli International (Hong Kong) Trading Co., Limited	Beneficial owner <i>(Note f)</i>	140,000,000	10.99%
Hong Kong Jin Hua Jun Chang Industrial Limited	Beneficial owner <i>(Note g)</i>	70,000,000	5.49%
Mr. You Tao	Interest of controlled corporation <i>(Note g)</i>	70,000,000	5.49%

OTHER INFORMATION *(continued)*

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY *(continued)*

Notes:

- a. Galaxy Bond Holdings Limited ("**Galaxy Bond**") is a company incorporated in BVI with limited liability 100% of the shareholdings of Galaxy Bond was owned by Mr. Xue Yuewu ("**Mr. Xue**").
- b. 100% of the shareholdings of Galaxy Bond was owned by Mr. Xue.
- c. Ms. Chiu is the spouse of Mr. Lo, who is the Chairman and an executive Director of the Company.
- d. Wealthy In is a company wholly-owned by Mr. Lo.
- e. 670,373,018 shares were held by Money Success, a company wholly-owned by Wealthy In, which is in turn wholly-owned by Mr. Lo. 60,000,000 shares were held by Sino Consult and 30,000,000 shares were held by Full Brilliant, both are companies wholly-owned by Money Success.
- f. Jiangsu Huaxi Group Co. Ltd. ("**Jiangsu Huaxi Group**") is a company established with limited liability under the laws of the PRC. Jiangsu Huaxi Group held 75% equity interest of Jiangyin Huaxi Steel Co., Ltd. ("**Jiangyin Huaxi Steel**"), which in turn wholly-owned Baoli International (Hong Kong) Trading Co., Limited ("**Baoli**"). Baoli is a company incorporated in Hong Kong with limited liability.
- g. Hong Kong Jin Hua Jun Chang Industrial Limited ("**Jun Chang**") is a company established in Hong Kong. 40% of the shareholdings of Jun Chang were owned by Mr. You Tao. 30% of the shareholdings of Jun Chang were owned by Ms. Sun Fangli and 30% of the shareholdings of Jun Chang were owned by Mr. You Tailong.

Save as disclosed above, as at 30 June 2024, the Company had not been notified by any persons or corporations (other than Directors and chief executives of the Company) who had an interest directly or indirectly and/or short position in the shares or underlying shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of SFO.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares for the six months ended 30 June 2024.

OTHER INFORMATION *(continued)*

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company acknowledges the importance of good corporate governance practices and believes that it is essential to enhance shareholders' value and safeguard shareholders' interests. The Directors are of the opinion that the Company has complied with the code provisions as set out in the CG Code in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2024.

The Company regularly reviews its corporate governance practices to ensure they comply with the CG Code and align with the latest developments.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted its own code of conduct regarding dealings in the securities of the Company by the Directors and the relevant employees (who are likely to be in possession of inside information relating to the Company or its securities) (the "**Guidelines for Securities Transactions by Relevant Employees**") on terms no less exacting than the Model Code as set out in Appendix 10 to the Listing Rules. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Model Code and the Guidelines for Securities Transactions by Relevant Employees for the six months ended 30 June 2024.

In addition, no incident of non-compliance of the Model Code and Guidelines for Securities Transactions by Relevant Employees by the relevant employees of the Group was noted by the Company throughout the six months ended 30 June 2024.

OTHER INFORMATION *(continued)*

AUDIT COMMITTEE

The Company has established an audit committee (“**Audit Committee**”) comprised all three independent non-executive Directors, namely, Mr. Chan Ying Kay, Mr. Leung Kin Hong and Mr. Wang Jin Ling with written terms of reference in compliance with the Listing Rules.

The Audit Committee has reviewed the Group's condensed consolidated interim financial information for the six months ended 30 June 2024 and has also discussed the internal control, the accounting principles and practices adopted by the Group. The Audit Committee is of the opinion that such financial information has been prepared in accordance with the applicable accounting standards, the Listing Rules and the statutory requirements and that adequate disclosures have been made in the interim report.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank all employees for their contributions to the Group and all the shareholders for their continuous support.

By order of the Board
DOYEN INTERNATIONAL HOLDINGS LIMITED
Lo Siu Yu
Chairman

Hong Kong, 9 August 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

		Six months ended 30 June	
	<i>Note</i>	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Revenue	5	37,550	35,073
Purchases		(1,877)	(1,747)
Staff costs		(6,175)	(5,769)
Depreciation	11	(1,158)	(967)
Other income	7	588	174
Other gains and losses	8	(1,322)	(4,295)
Other operating expenses		(7,379)	(5,576)
Finance income, net	9	1,146	889
Profit before tax		21,373	17,782
Income tax expense	10	(6,435)	(7,113)
Profit for the period	11	14,938	10,669
Profit for the period attributable to:			
Owners of the Company		10,698	6,980
Non-controlling interests		4,240	3,689
		14,938	10,669
Earnings per share	13	HK cents	HK cents
Basic and diluted		0.84	0.55

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Profit for the period	14,938	10,669
Other comprehensive expenses, net of nil tax		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(34,498)	(52,175)
Total comprehensive expenses for the period	(19,560)	(41,506)
Total comprehensive (expense)/income attributable to:		
Owners of the Company	(25,367)	(34,987)
Non-controlling interests	5,807	(6,519)
	(19,560)	(41,506)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	Note	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment		31	29
Right-of-use assets		2,632	3,507
Investment properties	14	288,713	295,702
Intangible assets		7,096	7,096
Deferred tax assets		20,272	18,138
		318,744	324,472
Current assets			
Loan receivables	15	501,154	495,465
Trade receivables	16	3,916	10,542
Prepayments, deposits and other receivables		13,198	5,567
Financial assets at fair value through profit or loss		7,072	6,977
Bank and cash balances		144,088	159,548
		669,428	678,099
Current liabilities			
Accruals and other payables		25,370	23,909
Amounts due to related companies		–	1,146
Lease liabilities		1,830	2,066
Current tax liabilities		37,247	32,169
		64,447	59,290
Net current assets		604,981	618,809
Total assets less current liabilities		923,725	943,281
Non-current liabilities			
Other payables		–	1,345
Lease liabilities		877	1,384
Deferred tax liabilities		4,539	2,683
		5,416	5,412
NET ASSETS		918,309	937,869
Capital and reserves			
Share capital	17	1,174,378	1,174,378
Reserves		(436,499)	(411,132)
Equity attributable to owners of the Company		737,879	763,246
Non-controlling interests		180,430	174,623
TOTAL EQUITY		918,309	937,869

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company						Total HK'000	Non- controlling interests HK'000	Total equity HK'000
	Share capital HK'000	Merger reserve HK'000	Exchange reserve HK'000	Statutory reserve HK'000	Other reserve HK'000	Retained earnings HK'000			
At 1 January 2023 (audited)	1,174,378	(409,968)	(50,504)	32,849	(300)	17,564	764,019	176,534	940,553
Profit for the period	-	-	-	-	-	6,980	6,980	3,689	10,669
Other comprehensive expenses for the period	-	-	(41,967)	-	-	-	(41,967)	(10,208)	(52,175)
Total comprehensive income/(expenses) for the period	-	-	(41,967)	-	-	6,980	(34,987)	(6,519)	(41,506)
At 30 June 2023 (unaudited)	1,174,378	(409,968)	(92,471)	32,849	(300)	24,544	729,032	170,015	899,047
At 1 January 2024 (audited)	1,174,378	(409,968)	(64,563)	35,164	(300)	28,535	763,246	174,623	937,869
Profit for the period	-	-	-	-	-	10,698	10,698	4,240	14,938
Other comprehensive (expenses)/income for the period	-	-	(36,065)	-	-	-	(36,065)	1,567	(34,498)
Total comprehensive (expenses)/income for the period	-	-	(36,065)	-	-	10,698	(25,367)	5,807	(19,560)
At 30 June 2024 (unaudited)	1,174,378	(409,968)	(100,628)	35,164	(300)	39,233	737,879	180,430	918,309

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Net cash used in operating activities	(472)	(28,824)
Net cash generated from/(used in) investing activities	17,771	(18,185)
Net cash (used in)/generated from financing activities	(8,679)	24,731
Net increase/(decrease) in cash and cash equivalents	8,620	(22,278)
Cash and cash equivalents at beginning of the period	159,548	147,319
Effect of foreign exchange rate changes	(24,080)	(29,993)
Cash and cash equivalents at the end of the period	144,088	95,048

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General information

Doyen International Holdings Limited (the “**Company**”) was incorporated in Hong Kong with limited liability. The address of its registered office and principal place of business is Suite 2206, 22nd Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company together with its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in investment properties holding in the People’s Republic of China (the “**PRC**”), provision of financing to customers in the PRC and Hong Kong (the “**Dongkui Business**”), investment holding, sales of flowers and plants and distressed assets management.

In the opinion of the directors (the “**Directors**”) of the Company, as at 30 June 2024, Money Success Limited, a company incorporated in the British Virgin Islands (“**BVI**”), is the immediate parent; Wealthy In Investments Limited, a company incorporated in the BVI, is the ultimate parent and Mr. Lo Siu Yu is the ultimate controlling party of the Company.

2. Basis of preparation

The condensed consolidated 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**”) as well as the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The financial information relating to the year ended 31 December 2023 that is included in these condensed financial statements as comparative information does not constitute the statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 622(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023.

These condensed consolidated financial statements are presented in HK\$ and all values are rounded to the nearest thousand (“**HK\$’000**”) except when otherwise indicated. These condensed consolidated financial statements have not been audited or reviewed by the Company’s external auditor, but has been reviewed by the Company’s audit committee.

3. Principal accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (the "HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements of the Group for the six months ended 30 June 2024 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2023.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. Fair value measurements of financial instruments

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.

(a) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

4. Fair value measurements of financial instruments *(continued)*

(a) Fair value of the Group's financial assets that are measured at fair value on a recurring basis *(continued)*

Fair value hierarchy as at 30 June 2024

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Financial assets at financial assets at fair value through profit or loss ("FVTPL")				
Listed equity securities – held for trading	7,072	–	–	7,072

Fair value hierarchy as at 31 December 2023:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Financial assets at financial assets at FVTPL				
Listed equity securities – held for trading	6,977	–	–	6,977

The fair value of financial assets at FVTPL which are traded in active markets is based on quoted market prices at the end of the reporting period.

For the six months ended 30 June 2024, there were no transfers between level 1 and level 2, or transfers into or out of level 3 (2023: Nil).

(b) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

5. Revenue

Disaggregation of revenue by major products or service lines is as follows:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sales of flowers and plants	1,527	1,243
Revenue from other sources		
Rental income from investment properties (note)	8,183	6,420
Income from provision of financing	27,840	27,410
	36,023	33,830
	37,550	35,073

Note: The rental income from investment properties is charged at fixed payment under operating lease.

6. Segment information

Operating segments are identified and reported in the manner consistent with internal reports of the Group that are regularly reviewed by the chief operating decision-maker (the "CODM") in order to assess performance and allocate resources. The CODM, has been defined as the executive Directors who assess the performance of the operating segments based on the profit and loss generated.

The CODM reviews the business principally from an industry perspective and has identified four (2023: four) reportable segments. No operating segments have been aggregated to form the following reportable segments:

Investment properties holding	–	properties investment and rental activities
Dongkui business	–	provision of loan financing
Sales of flowers and plants	–	selling of flowers, seedings and plants
Distressed assets management	–	provision of distressed assets management

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

6. Segment information *(continued)*

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments:

	Investment properties holding HK\$'000 (unaudited)	Dongkui business HK\$'000 (unaudited)	Sales of flowers and plants HK\$'000 (unaudited)	Distressed assets management HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Six months ended 30 June 2024					
Disaggregated by timing of revenue recognition					
Point in time	-	-	1,527	-	1,527
Over time	8,183	27,840	-	-	36,023
Reportable segment revenue	8,183	27,840	1,527	-	37,550
Segment profit after tax	3,662	22,001	17	-	25,680
Unallocated amounts:					
Staff costs					(4,391)
Depreciation of right-of-use assets					(866)
Fair value gain on financial assets at FVTPL					96
Exchange losses, net					(1,339)
Finance income					55
Finance costs					(96)
Other corporate expenses					(4,201)
Consolidated profit after tax					14,938
Six months ended 30 June 2023					
Disaggregated by timing of revenue recognition					
Point in time	-	-	1,243	-	1,243
Over time	6,420	27,410	-	-	33,830
Reportable segment revenue	6,420	27,410	1,243	-	35,073
Segment profit after tax	3,367	20,062	113	-	23,542
Unallocated amounts:					
Staff costs					(4,220)
Depreciation of right-of-use assets					(765)
Fair value gain on financial assets at FVTPL					(855)
Exchange losses, net					(3,440)
Finance income					83
Finance costs					(41)
Other corporate expenses					(3,635)
Consolidated profit after tax					10,669

7. Other income

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Dividends from financial assets of FVTPL	305	–
Government grants	218	174
Other	65	–
	588	174

8. Other gains and losses

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Fair value gains/(losses) on financial assets at FVTPL	95	(855)
Foreign exchange losses, net	(1,417)	(3,440)
	(1,322)	(4,295)

9. Finance income, net

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Finance income		
Interest income on bank deposits	1,271	930
Finance costs		
Interest on lease liabilities	(125)	(41)
Finance income, net	1,146	889

10. Income tax expense

Income tax has been recognised in profit or loss as follows:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax		
PRC Enterprise Income Tax ("EIT")	6,435	7,113

No provision for Hong Kong Profits Tax is made since the Group has no assessable profits for the six months ended 30 June 2024 and 2023.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the six months ended 30 June 2024 and 2023.

Under the EIT Law, dividends received by foreign investors from investment in foreign-invested enterprises in respect of their profits earned since 1 January 2008 are subject to withholding tax of 5% to 10% unless reduced by treaty. Accordingly, a provision for dividend withholding tax of approximately HK\$634,000 was charged to profit or loss for the six months ended 30 June 2024 (2023: approximately HK\$1,330,000). No deferred tax liability has been recognised for the six months ended 30 June 2024 and 2023 for undistributed profits of foreign-invested subsidiaries in the PRC, as those PRC subsidiaries have no significant undistributed profits available for distribution.

11. Profit for the period

The Group's profit for the period is stated after charging the following:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Depreciation of property, plant and equipment	5	4
Depreciation of right-of-use assets	1,153	963
Direct operating expenses of investment properties that generate rental income	1,168	1,356

12. Dividends

No dividends were paid, declared or proposed during the six months ended 30 June 2024 and 2023. The Directors of the Company have determined that no dividend will be paid in respect of the six months ended 30 June 2024 and 2023.

13. Earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the following date:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Earnings		
Earnings for the purpose of basic earnings per share (profit for the period attributable to owners of the Company)	10,698	6,980
	Six months ended 30 June	
	2024	2023
	'000	'000
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,274,039	1,274,039

The diluted earnings per share is the same as the basic earnings per share for the both six months ended 30 June 2024 and 2023 as there were no potential ordinary shares in issue for both correspondence periods.

14. Investment properties

	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
At 1 January	295,702	278,690
Additions	–	20,050
Fair value gains	–	4,781
Exchange adjustments	(6,989)	(7,819)
Ending balance at fair value	288,713	295,702

The Group's investment properties represent a shopping mall and office premises in the PRC. The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

The Group's owned investment properties are measured using fair value model. No valuation has been conducted by independent valuer for the six months period ended 30 June 2024 (the "Review Period"). The Board considered no material changes in the fair value of the investment properties during the Review Period. The fair value as at 31 December 2023 was based on valuations carried out by HG Appraisal & Consulting Limited, an independent qualified professional valuer with substantial experience in valuation of properties. The Group has a discussion with the valuer on the valuation assumptions and valuation results when the valuations are performed. The valuations were derived using the income capitalisation approach. The valuations are based on the capitalisation of the current rental income and reversionary income potential by adopting appropriate term/reversionary yields, which are derived from analysis of sales transactions and valuer's interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuations have made reference to recent lettings within the subject properties and other comparable properties.

15. Loan receivables

	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Fixed-rate loan receivables	501,814	496,141
Less: Allowances for credit losses	(660)	(676)
	501,154	495,465

As at 30 June 2024, the Group's loans to customers of approximately HK\$501,814,000 (31 December 2023: approximately HK\$496,141,000) were secured by collaterals such as equipments or trade receivables (2023: equipments or trade receivables) of the relevant customers and repayable by instalments within one year (31 December 2023: one year) from the draw-down dates. The effective interest rate on such loans ranged from 9.4% to 11.0% (2023: 9.4% to 11.0%) per annum.

16. Trade receivables

	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Trade receivables	4,537	11,178
Less: Allowance for credit losses	(621)	(636)
	3,916	10,542

Trade receivables are due within 30 days (31 December 2023: 30 days) from the day of the customer accepts and takes the control of the products. The ageing analysis of trade receivables net of allowance for credit losses presented based on invoice date is as follows:

	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Within one month	37	576
One to three months	132	257
Three to six months	484	1,642
Over six months but within one year	2,726	336
Over one year	537	7,731
	3,916	10,542

17. Share capital

	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Ordinary shares, issued and fully paid: 1,274,039,000 ordinary shares	1,174,378	1,174,378

18. Material related party transactions

In addition to those related party transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following transactions and balances with its related parties:

(a) Transactions/balances with related parties

Name of related party	Nature of transactions	Six months ended 30 June	
		2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
重慶新東原物業管理有限公司 (for identification purpose, Chongqing New Dowell Property Management Ltd.) (note)	Property management fees paid to a related company	-	82

(b) Balance with related parties

Name of related party	Nature of balances	30 June	31 December
		2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
重慶新東原物業管理有限公司 (for identification purpose, Chongqing New Dowell Property Management Ltd.) (note)	Other payables	52	283
重慶東錦商業管理有限公司 (for identification purpose, Chongqing Dongjin Business Management Co., Ltd.) (note)	Other payables	842	863

Note:

These related parties are considered as related companies of the Group as Mr. Lo and his spouse have interests in those related parties.

18. Material related party transactions *(continued)*

(c) Key management personnel remuneration

The compensation paid or payable to key management personnel is as follows:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Short-term benefits	2,798	2,324
Post-employment benefits	26	27
	2,824	2,351

19. Operating leasing arrangements

The Group as lessor

The Group leases out its investment properties under operating leases. The leases typically run for an initial period of 1 years to 9 years (31 December 2023: 1 years to 10 years). None of the leases includes contingent rentals.

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	30 June	31 December
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Within one year	3,986	3,866
In the second year	1,796	1,796
In the third year	1,796	1,839
In the fourth year	1,886	1,885
In the fifth year	1,886	1,931
After five years	8,117	9,279
	19,467	20,596