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CHINA INTERNET INVESTMENT FINANCE HOLDINGS LIMITED

中國互聯網投資金融集團有限公司

(Continued into Bermuda with limited liability)

(Stock Code: 810)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

RESULTS

The Board of Directors (the “Board”) of China Internet Investment Finance Holdings Limited (“the Company”) announced the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2022, with comparative figures for the corresponding periods in 2021. These condensed consolidated interim financial statements have not been audited, but have been reviewed by RSM Hong Kong, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants and, the Audit Committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022

		Six months ended 30 June	
		2022	2021
	<i>NOTE</i>	HK\$’000	HK\$’000
		(Unaudited)	(Unaudited)
Gross proceeds from operations	4	9,428	118,943
Revenue			
Dividend income from financial assets at fair value through profit or loss (“FVTPL”)		348	242
Interest income from debt instrument at fair value through other comprehensive income (“FVTOCI”)		–	13
Total revenue		348	255

		Six months ended 30 June	
		2022	2021
	<i>NOTE</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Net (losses)/gains on financial assets at FVTPL		(8,069)	3,871
Other income	5	208	1
Other gains and losses	6	40	(15)
Administrative expenses		(8,279)	(11,296)
Other operating expenses		(700)	(693)
Share of results of an associate		–	(22)
		(16,800)	(8,154)
Loss from operations		(16,452)	(7,899)
Finance costs		(19)	(26)
Loss before tax		(16,471)	(7,925)
Income tax expense	8	–	–
Loss for the period attributable to owners of the Company	7	(16,471)	(7,925)
Loss per share attributable to owners of the Company	10		
– Basic (HK cents)		(11.65)	(7.04)
– Diluted (HK cents)		(11.65)	(7.04)

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

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss for the period	<u>(16,471)</u>	<u>(7,925)</u>
Other comprehensive income/(loss):		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences arising on translating foreign operations	5	(7)
Fair value gain on debt instrument at FVTOCI	–	1
Release of FVTOCI reserve upon disposal of debt instrument	<u>–</u>	<u>25</u>
Other comprehensive income for the period, net of tax	<u>5</u>	<u>19</u>
Total comprehensive loss for the period attributable to owners of the Company	<u>(16,466)</u>	<u>(7,906)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	<i>NOTE</i>	As at 30 June 2022 HK\$'000 (Unaudited)	As at 31 December 2021 HK\$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		9,102	9,434
Financial assets at FVTPL	11	17,618	24,208
		26,720	33,642
Current assets			
Financial assets at FVTPL	11	29,696	18,631
Other receivables, prepayments and deposits		1,160	1,921
Bank and cash balances		16,282	35,273
		47,138	55,825
TOTAL ASSETS		73,858	89,467
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	12	1,414	1,414
Reserves		65,649	82,115
Total equity		67,063	83,529
LIABILITIES			
Current liabilities			
Other payables and accruals		5,403	4,287
Secured bank loan		1,392	1,651
Total liabilities		6,795	5,938
TOTAL EQUITY AND LIABILITIES		73,858	89,467
Net current assets		40,343	49,887
Net assets		67,063	83,529
Net asset value per share (HK\$)	13	0.47	0.59

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

1. BASIS OF PREPARATION

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

These condensed financial statements should be read in conjunction with the 2021 annual financial statements. The accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2021.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The accounting policies applied in these condensed financial statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 December 2021. In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2022 but they do not have a material effect on the Group’s financial statements.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

3. SEGMENT INFORMATION

The Group’s principal activity is investment in equity and debt instruments. For the purpose of resources allocation and assessment of performance, the management regularly reviews and manages the Group’s investments on a portfolio basis. Information is regularly provided to the management and mainly includes fair value of respective investees and the related investment income. Therefore, no segment information is presented other than entity-wide disclosures.

The Group’s revenue is generated from operations in Hong Kong. The Group’s non-current assets (excluding financial assets at FVTPL) are located in Hong Kong.

4. GROSS PROCEEDS FROM OPERATIONS

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Gross proceeds from disposal of financial assets at FVTPL	9,080	118,688
Dividend income from financial assets at FVTPL	348	242
Interest income from debt instrument at FVTOCI	–	13
	<u>9,428</u>	<u>118,943</u>

5. OTHER INCOME

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Bank interest income	–	1
Government grants received (<i>Note</i>)	208	–
	<u>208</u>	<u>1</u>

Note: During the six months ended 30 June 2022, the Group recognised government grants of approximately HK\$208,000 related to 2022 Employment Support Scheme provided by the Hong Kong Special Administrative Region Government.

6. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Derecognition of debt instrument at FVTOCI	–	(25)
Exchange gain	40	10
	<u>40</u>	<u>(15)</u>

7. LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Six months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
The Group's loss for the period attributable to owners of the Company is stated after charging the following:		
Depreciation	338	422
Donation	45	45
Staff costs:		
Employee benefits expense:		
Directors' emoluments	1,380	1,613
Salaries, allowances and other benefits	4,877	5,697
Mandatory provident fund contributions	100	154
	<u>6,357</u>	<u>7,464</u>
Custody service fees (<i>Note</i>)	39	43
Investment management fees (<i>Note</i>)	270	235

Note: They were de minimis continuing connected transactions of the Company under Rule 14A.73(1) of the Listing Rules.

8. INCOME TAX EXPENSE

No provision for income tax expense has been made in the unaudited condensed consolidated interim financial statements as there is no estimated assessable profit for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

9. DIVIDEND

No dividend was paid, declared or proposed during the six months ended 30 June 2022 (six months ended 30 June 2021: Nil), nor has any dividend been proposed since the end of the reporting period.

10. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic loss per share

The calculation of the basic loss per share is based on the loss for the period attributable to owners of the Company of approximately HK\$16,471,000 (six months ended 30 June 2021: HK\$7,925,000) and the weighted average number of ordinary shares of 141,423,187 (six months ended 30 June 2021: 112,561,313) during the period.

Diluted loss per share

For the six months ended 30 June 2022, the effect of Company's share options would be anti-dilutive. Diluted loss per share was the same as the basic loss per share.

For the six months ended 30 June 2021, there were no dilutive potential ordinary shares for the Company's outstanding share options. Diluted loss per share was the same as the basic loss per share.

11. FINANCIAL ASSETS AT FVTPL

	As at 30 June 2022	As at 31 December 2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Equity securities listed in Hong Kong, at fair value	<u>47,314</u>	<u>42,839</u>
Analysed for reporting purposes, as:		
Current assets	29,696	18,631
Non-current assets	<u>17,618</u>	<u>24,208</u>
	<u>47,314</u>	<u>42,839</u>

Fair values of equity securities listed in Hong Kong are primarily based on quoted market prices.

12. SHARE CAPITAL

	Number of ordinary shares of HK\$0.10 each '000	Number of ordinary shares of HK\$1 each '000	Number of ordinary shares of HK\$0.01 each '000	Par value HK\$'000
Authorised:				
As at 1 January 2021	2,000,000	–	–	200,000
Share consolidation (<i>Note (1a)</i>)	(2,000,000)	200,000	–	–
Capital reduction (<i>Note (1b)</i>)	–	(200,000)	200,000	(198,000)
Capital increase (<i>Note (1c)</i>)	–	–	19,800,000	198,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 31 December 2021, 1 January 2022 and 30 June 2022	<u> </u> –	<u> </u> –	<u> </u> 20,000,000	<u> </u> 200,000
Issued and fully paid:				
At 1 January 2021	942,822	–	–	94,282
Share consolidation (<i>Note (1a)</i>)	(942,822)	94,282	–	–
Capital reduction (<i>Note (1b)</i>)	–	(94,282)	94,282	(93,339)
Issuance of shares upon Rights Issue (<i>Note 2</i>)	–	–	47,141	471
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 31 December 2021, 1 January 2022 and 30 June 2022	<u> </u> –	<u> </u> –	<u> </u> 141,423	<u> </u> 1,414

Note:

- Pursuant to a special resolution passed on 15 March 2021, a capital reorganisation was approved with effect from 17 March 2021. Details of the Capital reorganisation are set out in the Company's circular dated 18 February 2021 and the Company's announcement dated 15 March 2021. It comprised the following changes to the capital structure:

(a) Share consolidation

Every ten issued and unissued shares of par value of HK\$0.10 each in the share capital of the Company were consolidated into one share of par value of HK\$1.00 each.

(b) Capital reduction

The par value of all the then issued and unissued share capital was reduced from HK\$1.00 each to HK\$0.01 each by cancelling the paid-up capital of the Company to the extent of HK\$0.99 on each of all the then consolidated shares. The issued and fully paid capital was thus reduced by approximately HK\$93,339,000 represented by the multiplication of approximately 94,282,000 shares and HK\$0.99.

(c) **Authorised capital increase**

The authorised share capital of the Company was then increased from HK\$2,000,000 divided into 200,000,000 shares of par value of HK\$0.01 each to HK\$200,000,000 divided into 20,000,000,000 shares of par value of HK\$0.01 each.

2. During the year ended 31 December 2021, the Company implemented the rights issue on the basis of one rights share for every two existing shares at the subscription price of HK\$0.2 per rights share (the “Rights Issue”). The Company received net proceeds of approximately HK\$8,196,000 from the Rights Issue and 47,141,062 rights shares were issued.

13. NET ASSET VALUE PER SHARE

The calculation of the net asset value per share at the end of the reporting period is based on the Group’s net assets of approximately HK\$67,063,000 (31 December 2021: HK\$83,529,000) and the number of ordinary shares of 141,423,187 of HK\$0.01 each in issue at 30 June 2022 (31 December 2021: 141,423,187 ordinary shares).

CHAIRMAN’S STATEMENT

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the period ended 30 June 2022 (1H 2021: Nil).

KEY PERFORMANCE INDICATOR

Net asset value is used as the key performance indicator and amounted to about HK\$67.1 million as at 30 June 2022 (31 December 2021: HK\$83.5 million). The drop was mainly caused by the operating loss suffered for the period of about HK\$16.5 million. The net asset value per share was HK\$0.47 (31 December 2021: HK\$0.59).

INVESTMENT PORTFOLIO REVIEW

As at 30 June 2022, the Group’s portfolio financial assets at fair value through profit or loss were listed equities and amounted to about HK\$47.3 million (31 December 2021: about HK\$42.8 million).

The current and the non-current portion of the listed equities portfolio were in the amount of about HK\$29.7 million and HK\$17.6 million (31 December 2021: HK\$18.6 million and HK\$24.2 million) respectively.

PARTICULARS OF MAJOR INVESTMENTS HELD BY THE GROUP

Particulars of ten major investments held by the Group as at 30 June 2022, in terms of carrying value of the respective investments, are set out as follows.

Name of investment	Interest held %	Net asset attributable to the Group HK\$'000	Invested amount HK\$'000	Carrying amount HK\$'000	Fair value (losses)/gain HK\$'000	Dividend received HK\$'000	Percentage of investment attributable to the Group's total assets %
Financial assets at FVTPL							
Listed equity investments							
China Oriented International Holdings Limited	10.5	25,232	12,700	9,870	(2,830)	–	13.36
AdTiger Corporation Limited	0.89	1,834	4,695	6,097	1,402	–	8.25
Miji International Holdings Limited	2.97	4,317	18,040	6,008	(12,032)	–	8.13
Grown Up Group Investment Holdings Limited	2.28	5,222	4,928	4,905	(23)	–	6.64
Tencent Holdings Limited	0.0001	1,060	7,550	3,544	(4,006)	150	4.80
Shuang Yun Holdings Limited	1.61	5,134	3,472	3,397	(75)	–	4.60
JD.com, Inc.	0.0003	947	3,321	2,648	(673)	52	3.59
China Bright Culture Group	0.32	4,357	2,519	2,168	(351)	–	2.93
Hong Kong Exchanges and Clearing Limited	0.0004	197	1,940	1,930	(10)	21	2.61
China Mobile Limited	0.0001	1,976	1,580	1,470	(110)	73	1.99
			60,745	42,037	(18,708)	296	
			60,745	42,037	(18,708)	296	

Further details of each of the above investments are to be provided in the interim report.

REVIEW OF OPERATIONS

Year 2022 is a challenging year for the global financial markets. Firstly, Russia began military invasion on Ukraine on February 24. The Russia-Ukraine conflict caused turbulence in the global capital and commodities markets and there saw a spike in prices of oil, metal, wheat and other commodities. Furthermore, there were worries that sanctions on Russia and supply-chain disruptions might affect the global economic outlook. Secondly, U.S. has raised its interest rate consecutively since March 2022, to combat its rising inflation. In July, the Bureau of Labor Statistics reported that the U.S. consumer price index for June 2022 increased to an unprecedented level of 9.1%. The COVID-19 pandemic and its Omicron variant also continued to negatively impact the economic environment of the PRC and Hong Kong.

According to the Research Paper No. 71: Half-yearly Review of the Global and Local Securities Markets issued by the Securities and Futures Commission in July 2022, during the first half of 2022, global stock markets were volatile amid uncertainties about interest rate hikes and balance sheet reductions by major central banks. Geopolitical tensions in Ukraine and sanctions on Russia also undermined market performance. In addition, a stronger US dollar weighed on Asian currencies and capital flows to stock markets in the region.

Major indices in the US recorded the largest half-yearly declines since 2008, with the Dow, Nasdaq and S&P down 15.3%, 29.5% and 20.6% respectively. Persistent inflationary pressures prompted major central banks to pursue more aggressive monetary tightening. There were worries about a slowdown in global economic growth amid profit warnings by corporates. In the Mainland, the Shanghai Composite Index and the Shenzhen Stock Exchange Composite Index dropped by 6.6% and 12.1% respectively.

The Hong Kong market fell amid the global market correction, with the Hang Seng Index (“HSI”), Hang Seng Chinese Enterprise Index (“HSCEI”) and the Hang Seng TECH Index (“HSTI”) dropping 6.6%, 6.9% and 14.1% respectively. Geopolitical tensions between Russia and Ukraine further weighed on market sentiment. Despite of its relatively small exposure to Russia, the Hong Kong market was affected by increased volatility in major overseas markets and investors’ risk aversion grew.

The supportive fiscal and monetary policies to boost the economy could have mitigating effects thereon. For instance, the People’s Bank of China announced a 25-basis-point cut to banks’ reserve requirement ratio in April 2022, releasing long-term liquidity. The move would help banks support industries and firms affected by surging COVID-19 cases.

Gross proceeds from operations

The gross proceeds from the disposal of investments and investment income decreased to about HK\$9.4 million (1H 2021: about HK\$118.9 million). The decrease was mainly attributable to the fewer short-term trading activities in listed equities. During the period, the stock market was volatile, particularly in March 2022, when the HSI and the HSCEI hit their six- and thirteen-year lows, respectively, and the HSTI fell to a record low at one point.

Rate-sensitive technology stocks were adversely affected by the heightening worries about accelerating interest rate hikes in the US. Given the substantial market shares and heavy weighting of technology stocks in major benchmark indices, their share price declines dragged on the Hong Kong market. Thus, we reduced short-term trading activities on technology stocks amid such volatile market situation and worked closely with our Investment Manager to formulate investment strategies as appropriate.

Revenue

The Group's revenue for the period amounted to about HK\$348,000 (1H 2021 : HK\$255,000) and wholly represented dividend income from listed securities. The increase in such dividend income of about HK\$106,000 (1H 2021: HK\$242,000) on a year-on-year basis was partly attributable to the higher payout by certain investee companies. For example, Tencent Holdings Limited made a special interim dividend by way of distribution in specie of Class A ordinary shares of JD.com. Such distribution of shares of JD.com was recognised as dividend income using the fair value upon entitlement.

The revenue in last corresponding period also included interest income from investment in listed bond of HK\$13,000.

Loss from operations

For the six months ended 30 June 2022, the loss from operations increased to about HK\$16.5 million (1H 2021: HK\$7.9 million). The significant increase in operating loss was mainly attributable to the net fair value loss on listed equity investments of about HK\$8.1 million (1H 2021: net fair value gain of about HK\$3.9 million). Notwithstanding, administrative expenses and other operating expenses for the current period were reduced by HK\$3.0 million on a year-on-year basis.

Net (losses)/gains on financial assets at fair value through profit or loss

During the period ended 30 June 2022, the HSI and HSTI dropped 6.6% and 14.1% respectively. The performance of our listed securities portfolio in constituent stocks of HSI and HSTI was in line with such market movements. We suffered a net fair value loss of about HK\$0.1 million and HK\$1.5 million of our investments in constituent stocks of HSI and HSTI respectively. We also suffered from net fair value loss of our investments in other Main Board stocks of about HK\$6.1 million. Of which, majority of the amounts were attributable to the underperformance of the share prices of certain investee companies. Their underperformance was mainly caused by the dramatic deterioration in sales revenue or the forced sales of certain shareholding of substantial shareholder of the investee company, resulting in abrupt price decline.

Other income

During the period, the Group recognised government grants of about HK\$0.2 million from the 2022 Employment Support Scheme under the Anti-epidemic Fund provided by the Hong Kong Government. The Scheme provided wage subsidies to employers for the period from May to July 2022, mainly to retain their current employees. Other income in prior period mainly represented the bank interest income.

Other gains and losses

Other gains mainly represented the exchange gain arising on the translation of assets denominated in US dollars. Other net losses in prior period represented a derecognition of a debt instrument which was partly offset by the net exchange gain arising on the translation of USD-denominated assets.

Administrative expenses and other operating expenses

Administrative expenses and other operating expenses of about HK\$9.0 million (1H 2021 : HK\$12.0 million) mainly comprised employment benefits expense of about HK\$6.4 million (1H 2021: HK\$7.5 million). The decrease in employment benefits expense was partly caused by the reduction of headcounts and cost control measures. Moreover, after the disposal of yacht and motor vehicle in previous financial year, the related expenses for the current period were reduced accordingly. Other operating expenses mainly comprised the investment management fees to the Investment Manager of about HK\$270,000 (1H 2021: HK\$235,000).

PROSPECTS

Two years into the pandemic, and businesses entering the year 2022 are having to face ongoing uncertainties and risks. Although the global economy saw a rebound in 2021, supported by the advancement of vaccination campaigns and stimulus spending, the pandemic's effects still linger and are having a long-lasting impact on economies, consumers and global supply chains. There emerged new challenges in 2022, which included Omicron pandemic risk and inflation risk.

Regarding currency risk caused by the strong USD, EUR is part of the worst-performing G-10 currency this year, with a negative performance of close to 8.5% against USD. Russia/Ukraine conflict, higher inflation and negative yields have been the main negative drivers. RMB has depreciated around 6% against the US dollar since mid-April, which should help earnings for A-shares companies that have revenues from international businesses. China's retail sales, investment and unemployment rate in April 2022 were all weaker than what market expected on the back of the impacts from the Omicron outbreaks and related containment measures. The currency risk may warrant attention when investing in Chinese concepts stocks.

Moreover, starting from July 2022, China's housing market continues to reel. The latest challenge is the refusal of a small group of homebuyers in recent weeks to make mortgage payments for unfinished homes. This could hurt sentiment among homebuyers more broadly, and it could also add financial stress in the wider construction sector, with some suppliers of affected developers also at risk of stopping debt payments. Given the importance of the sector for the wider financial system, the risks have been evident and significant.

The PRC property market and regulatory actions in China for the platform companies together with the above risk factors have adversely affected the investor sentiment. In view of the high market uncertainties, diversification by investing in different sectors should be able to reduce overall risks to a certain extent because government policies, changes in interest rates, inflation etc., should affect different sectors differently. In our portfolio construction, we will be minded to make equity investments in diverse sectors. In particular, we would take heed to the possible risks in relation to investments on PRC property developers, PRC banks and PRC insurance companies because of the recent concerns on the PRC housing market. Together with our Investment Manager, we will also monitor the portfolio rebalancing cautiously and emphasise the importance of risk management measures to limit losses due to possible sudden movements in the current unfavorable market environment.

Looking ahead, monetary policies may continue to affect global market performance as major central banks attempt to strike a balance between taming inflationary pressures and supporting the fragile economic recovery. Geopolitical tensions in Ukraine and sanctions on Russia will also weigh on investor sentiment. In addition, the continuous impact of the COVID-19 pandemic and the development of Sino-US relations after the recent visit of U.S. House Speaker Pelosi to Taiwan have also affected the market outlook negatively. We will continue to invest in a proactive but prudent way with due regards to the risk-adjusted returns and the importance of diversification. Different means to strengthen financial position of the Group will also be considered as appropriate.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial resources and liquidity

As at 30 June 2022, the bank and cash balances amounted to approximately HK\$16.3 million (31 December 2021: HK\$35.3 million) and the net current assets amounted to approximately HK\$40.3 million (31 December 2021: HK\$49.9 million). The decrease in bank and cash balances for the current period was about HK\$19 million, as compared to the year end balance of 2021, and was mainly applied to finance the operations and additions in investment in listed equities. As at 30 June 2022, the Group had no capital commitment (31 December 2021: Nil).

Gearing ratio

As at 30 June 2022, the Group maintained a low level of gearing ratio of about 2.1%, using total borrowings divided by total equity (31 December 2021: 2.0%).

Property, plant and equipment

As at 30 June 2022, property, plant and equipment amounted to approximately HK\$9.1 million (31 December 2021: HK\$9.4 million) and the capital expenditure was approximately HK\$6,000 (1H 2021: Nil).

Material acquisition and disposal

During the period, there were no significant acquisitions or disposals of principal subsidiaries.

Capital structure

As at 30 June 2022, the Company's total number of issued shares remained to be 141,423,187 at par value of HK\$0.01 each.

Share Option Scheme

In the current period, 118,086 share options lapsed and no share options were granted, exercised and cancelled. There were 767,552 shares options outstanding as at 30 June 2022.

Exposure to foreign exchange

The investment portfolio comprised listed equities in Hong Kong stock market, and other funds were usually maintained in the banks. Majority of them were denominated in Hong Kong dollars. The Board considered that the Group had no significant exposure to foreign exchange fluctuation as at the balance sheet date.

Pledge of the Group's assets

As at 30 June 2022, the office premises amounted to about HK\$9.1 million (31 December 2021: HK\$9.3 million) and was pledged for an instalment loan.

Human resources

As at 30 June 2022, the number of employees of the Company was 16 (31 December 2021: 21). The remuneration packages for the employees and the directors are in line with the prevailing market practice and are determined on the basis of performance and experience.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining and implementing a high standard of corporate governance and recognises that good governance can help the business to deliver its strategies, generate shareholder value and meet its obligations towards shareholder and other stakeholders. The Company has established a governance structure, and embeds governance and principles in the business to ensure accountability, fairness, integrity and transparency.

The Board adheres to corporate governance practices by adopting and complying with the established rules, codes, guidelines under the Corporate Governance Code (the "CG Code") set out in Appendix 14 to the Listing Rules. The Company has followed the CG Code and formulated its own policies and procedures regarding the corporate governance practices. During the period ended 30 June 2022, the Company complied with all of the provisions under the CG Code except for the following:

Code A.4.1

All the Non-executive Directors were not appointed for a specific term, however, their appointments are subject to retirement by rotation at the annual general meeting as specified in the Bye-Laws of the Company.

Code A.7.1

The code provision A.7.1 requires an agenda and accompanying board papers should be sent, in full, to all directors for regular board meetings and as far as practicable in all other cases. These papers should be sent in a timely manner and at least 3 days before the intended date of a board or board committee meeting (or other agreed period).

Due to the practical reasons, an agenda and accompanying board papers have not been sent, in full, in 3 days in advance to certain meetings of the Board or Board Committee. Save for the disclosure for certain inside information which demanded timely publication of announcements, the Company Secretary has used its best endeavour to send the agenda and accompanying board paper, in full to the Board or Board Committee at least 3 days in advance to the extent practicable.

AUDIT COMMITTEE

The Audit Committee currently consists of three independent non-executive Directors, namely, Mr. Tam Yuk Sang, Sammy, Dr. Ng Chi Yeung, Simon and Ms. Florence Ng. Mr. Tam Yuk Sang, Sammy is the Chairman of the Audit Committee.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Company and discussed financial reporting matters, including a review of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2022, which has also been reviewed by the Company's auditor, RSM Hong Kong, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

REMUNERATION COMMITTEE

The Remuneration Committee currently consists of three Independent Non-executive Directors, namely Mr. Tam Yuk Sang, Sammy, Dr. Ng Chi Yeung, Simon and Ms. Florence Ng. Mr. Tam Yuk Sang, Sammy is the Chairman of the Remuneration Committee.

NOMINATION COMMITTEE

The Nomination Committee currently consists of one Executive Director, namely, Mr. Lee Kwok Leung and three Independent Non-executive Directors, namely, Dr. Ng Chi Yeung, Simon, Mr. Tam Yuk Sang, Sammy and Ms. Florence Ng. Dr. Ng Chi Yeung, Simon is the Chairman of the Nomination Committee.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions (the "Model Code"). Having made specific enquiry of all directors of the Company, the directors of the Company have confirmed that they have fully complied with the required standard as set out in the Model Code throughout the period ended 30 June 2022.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

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

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (<http://www.hkex.com.hk>) and the Company (<http://www.irasia.com/listco/hk/cii810>). The Company's Interim Report for the six months ended 30 June 2022 will be dispatched to the shareholders of the Company and published on the above websites in due course.

APPRECIATION

On behalf of the Company, I would express my heartfelt gratitude towards all of the directors, management and staff members for their support and contribution to the Group.

On behalf of the Board
China Internet Investment Finance Holdings Limited
Lam Man Chan
Chairman

Date: Hong Kong, 26 August 2022

As at the date of this announcement, the executive director of the Company is Mr. Lee Kwok Leung; the non-executive director of the Company is Dr. Lam Man Chan and the independent non-executive directors of the Company are Dr. Ng Chi Yeung, Simon, Mr. Tam Yuk Sang, Sammy and Ms. Florence Ng.