



**Dafeng Port Heshun Technology
Company Limited**

大豐港和順科技股份有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8310

2023

**INTERIM
REPORT**



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This report, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

DEFINITIONS

Term	Definition
Audit Committee	The audit committee of the Company
Board	The board of the Directors
Company	Dafeng Port Heshun Technology Company Limited
CG Code	The Corporate Governance Code contained in Appendix 15 of The GEM Listing Rules
Dafeng Port Development Group	江蘇鹽城港大豐港開發集團有限公司 (Jiangsu Yancheng Port Dafeng Port Development Group Co., Ltd.*), formerly known as 江蘇大豐海港控股集團有限公司 (Jiangsu Dafeng Harbour Holdings Limited*)
Dafeng Port Overseas	Dafeng Port Overseas Investment Holdings Limited
Director(s)	The directors of the Company
GEM Listing Rules	The Rules Governing the Listing of Securities on GEM of the Stock Exchange
Group	The Company and its subsidiaries
Hong Kong	The Hong Kong Special Administrative Region of the PRC
HK\$/HKD	Hong Kong dollars
Jiangsu Hairong	江蘇鹽城港海融石化碼頭有限公司 (Jiangsu Yancheng Port Hairong Petrochemical Terminal Co. Ltd*), formerly known as 江蘇海融大豐港油品化工碼頭有限公司 (Jiangsu Hairong Dafeng Port Petrochemical Product Terminal Company Limited*)
Jiangsu Huahai	江蘇華海投資有限公司 (Jiangsu Huahai Investment Limited*)
Jiangsu Yancheng	江蘇鹽城港控股集團有限公司 (Jiangsu Yancheng Port Holding Group Co., Ltd.*)

DEFINITIONS

Nomination Committee	The nomination committee of the Company
Period	1 January 2023 to 30 June 2023
Port Storage Petrochemical	江蘇鹽城港港儲石化有限公司 (Jiangsu Yancheng Port Port Storage Petrochemical Co., Ltd.*), formerly known as 江蘇中南滙石化倉儲有限公司 (Jiangsu Zhongnanhui Petrochemical Storage Company Limited*)
PRC/Mainland China	The People's Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this report
RMB	Renminbi Yuan
SFO	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
Share(s)	Ordinary shares of the Company
Smart Port	江蘇鹽城港智慧港口有限公司 (Jiangsu Yancheng Port Smart Port Co., Ltd*), formerly known as 大豐海港港口有限責任公司 (Dafeng Port Harbour Limited Liability Company*)
Stock Exchange	The Stock Exchange of Hong Kong Limited
US\$/US dollars	United States dollars

*Note:

For the purpose of this report and unless otherwise specified, the English translation of the name of the companies incorporated in the PRC are used for identification purpose only.

FINANCIAL SUMMARY

The Group's total revenue for the Period was approximately HK\$419.6 million, representing an increase of approximately 52.64% as compared with the total revenue of approximately HK\$274.9 million for the corresponding period in 2022.

Loss before taxation for the Period was approximately HK\$34.0 million, representing a decrease of approximately 10.76% as compared with the loss before taxation of approximately HK\$38.1 million for the corresponding period in 2022.

Loss attributable to the equity holders of the Company for the Period was approximately HK\$34.2 million, representing a decrease of approximately 12.31% as compared with the loss attributable to the equity holders of the Company of approximately HK\$39.0 million for the corresponding period in 2022.

Loss per share for the Period was approximately HK2.66 cents (the corresponding period in 2022: approximately HK3.03 cents).

The Board presents the unaudited condensed consolidated financial results of the Group for the three months and six months ended 30 June 2023 (the “**Interim Financial Statements**”) together with the comparative figures for the corresponding periods in 2022 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2023

	Note	Unaudited Three months ended 30 June 2023		Unaudited Six months ended 30 June 2022	
		HK\$'000	2022 HK\$'000	HK\$'000	2022 HK\$'000
Revenue	4	416,780	221,284	419,628	274,860
Cost of revenue		(415,187)	(216,450)	(419,265)	(273,491)
Gross profit		1,593	4,834	363	1,369
Other (loss)/income	5	1,721	(4,081)	(193)	(5,418)
Administrative expenses		(9,495)	(10,829)	(20,482)	(23,308)
Finance costs	6	(6,828)	(5,398)	(13,652)	(10,785)
Loss before taxation	6	(13,009)	(15,474)	(33,964)	(38,142)
Taxation	7	(9)	(78)	(9)	(78)
Loss for the period		(13,018)	(15,552)	(33,973)	(38,220)
Other comprehensive income/(loss):					
Item that may be reclassified to profit or loss in subsequent periods:					
Exchange difference arising from translation of foreign operations		1,937	(2,200)	1,355	(479)
Total comprehensive loss for the period		(11,081)	(17,752)	(32,618)	(38,699)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2023

	Note	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
		2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
(Loss)/Profit attributable to:					
Equity holders of the Company		(14,058)	(17,130)	(34,226)	(38,992)
Non-controlling interest		1,040	1,578	253	772
		(13,018)	(15,552)	(33,973)	(38,220)
Total comprehensive loss attributable to:					
Equity holders of the Company		(10,802)	(17,476)	(31,149)	(38,440)
Non-controlling interests		(279)	(276)	(1,469)	(259)
		(11,081)	(17,752)	(32,618)	(38,699)
Loss per share attributable to equity holders of the Company					
Basic and diluted (HK cents)	9	(1.09)	(1.33)	(2.66)	(3.03)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		Unaudited As at 30 June 2023 HK\$'000	Audited As at 31 December 2022 HK\$'000
	Note		
Non-current assets			
Property, plant and equipment	10	107,842	122,678
Goodwill		340	340
Right-of-use assets		36,937	38,873
Prepayments in relation to property, plant and equipment		5,981	4,993
		151,100	166,884
Current assets			
Inventories		6,542	977
Trade and other receivables	11	327,059	573,585
Bank balances and cash		28,567	17,863
		362,168	592,425

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		Unaudited As at 30 June 2023 HK\$'000	Audited As at 31 December 2022 HK\$'000
	Note		
Current liabilities			
Trade and other payables	12	355,525	592,240
Current portion of bank and other borrowings	13	413,840	606
Amount due to an associate		32,642	34,179
		802,007	627,025
Net current liabilities		(439,839)	(34,600)
Total assets less current liabilities		(288,739)	132,284
Non-current liabilities			
Amount due to a connected company	12(a)	14,543	7,900
Non-current portion of bank and other borrowings	13	230,840	624,700
Deferred tax liabilities		1,411	1,477
		246,794	634,077
NET LIABILITIES		(535,533)	(501,793)
Capital and reserves			
Share capital	14	12,880	12,880
Reserves		(567,519)	(536,370)
Total equity attributable to equity holders of the Company		(554,639)	(523,490)
Non-controlling interests		19,106	21,697
TOTAL DEFICITS		(535,533)	(501,793)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Attributable to equity holders of the Company								Non-controlling interests	Total deficits
	Share capital	Share premium	Capital reserve	Exchange reserve	Statutory reserve	Other reserve	Accumulated losses	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2022 (audited)	12,880	201,419	(7,337)	(16,882)	1,720	(9,151)	(649,633)	(466,984)	26,637	(440,347)
(Loss)/Profit for the period	-	-	-	-	-	-	(38,992)	(38,992)	772	(38,220)
Exchange difference arising from translation of foreign operations	-	-	-	552	-	-	-	552	(1,031)	(479)
Total comprehensive (loss)/ income for the period	-	-	-	552	-	-	(38,992)	(38,440)	(259)	(38,699)
At 30 June 2022 (unaudited)	12,880	201,419	(7,337)	(16,330)	1,720	(9,151)	(688,625)	(505,424)	26,378	(479,046)

	Attributable to equity holders of the Company								Non-controlling interests	Total deficits
	Share capital	Share premium	Capital reserve	Exchange reserve	Statutory reserve	Other reserve	Accumulated losses	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2023 (audited)	12,880	201,419	(7,337)	(11,422)	1,720	(9,151)	(711,599)	(523,490)	21,697	(501,793)
(Loss)/Profit for the period	-	-	-	-	-	-	(34,226)	(34,226)	253	(33,973)
Exchange difference arising from translation of foreign operations	-	-	-	3,077	-	-	-	3,077	(1,722)	1,355
Total comprehensive (loss)/ income for the period	-	-	-	3,077	-	-	(34,226)	(31,149)	(1,469)	(32,618)
Capital withdrawal by minority shareholders for the period	-	-	-	-	-	-	-	-	(1,122)	(1,122)
At 30 June 2023 (unaudited)	12,880	201,419	(7,337)	(8,345)	1,720	(9,151)	(745,825)	(554,639)	19,106	(535,533)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Unaudited Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Cash generated from (used in) operations	(10,441)	18,949
Interest paid	(1,189)	(1,274)
Tax paid	(9)	(78)
Net cash from (used in) operating activities	(11,639)	17,597
INVESTING ACTIVITIES		
Interest received	48	–
Purchase of property, plant and equipment	(6,464)	(58)
Net cash (used in) from investing activities	(6,416)	(58)
FINANCING ACTIVITIES		
Repayment of lease liabilities	(265)	(265)
New Loan from a connected company	29,522	2,890
Net cash from financing activities	29,257	2,625
Net increase in cash and cash equivalents	11,202	20,164
Cash and cash equivalents at beginning of the period	17,863	25,493
Effect on exchange rate changes	(498)	(1,231)
Cash and cash equivalents at end of the period, representing by bank balances and cash	28,567	44,426

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

1. CORPORATION INFORMATION

The Company was incorporated in the Cayman Islands on 13 September 2011 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

2. BASIS OF PREPARATION

The Interim Financial Statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “**Interim financial reporting**” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as with the applicable disclosure requirements under the GEM Listing Rules.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), the accounting policies and methods of computation used in the Interim Financial Statements are the same as those presented in the Group’s audited annual financial statements for the year ended 31 December 2022.

Adoption of new/revised HKFRSs

The adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current period, did not have any significant effect on the results and financial position of the Group for the current and prior accounting periods.

The Group has not early adopted any new/revised HKFRSs that have been issued but are not yet effective for the current period. The Directors have already commenced an assessment of the impact of these new and revised HKFRSs but are not yet in a position to reasonably estimate whether these new and revised HKFRSs would have a significant impact on the Group’s results of operations and financial position.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

3. SEGMENT INFORMATION

The executive directors of the Company are identified collectively as the chief operating decision maker. An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Company's executive directors in order to allocate resources and assess performance of the segment.

For management purposes, the Group is currently organised into the following operating segments:

Operating segments	Principal activities
— Trading business	— Trading of soybean products, electronic products and medical treatment products etc — Provision of supply chain management services
— Petrochemical products storage business	— Provision of storage services for petrochemical products

For the purposes of assessing segment performance and allocating resources between segments, the Company's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segments assets include all assets except for interests in associates and corporate assets which are managed on a group basis. All liabilities are allocated to reportable segment liabilities other than unallocated head office and corporate liabilities which are managed on a group basis and certain other payables and accrued charges.

Revenues and expenses are allocated to the reporting segments with reference to the sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments. The measure used for reporting segment results is profit/loss before taxation without allocation of share of results of other unallocated corporate expenses and income.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

For the purpose of assessing the performance of the operating segments and allocation of resources between segments, the Group's results are further adjusted for items not specifically attributed to individual segments and other head office or corporate administration costs.

Inter-segment sales transactions are charged at prevailing market prices.

Operating segment information is presented below:

For the six months ended 30 June 2023

	Petrochemical products			Total HK\$'000
	Trading business HK\$'000	storage business HK\$'000	Inter-segment elimination HK\$'000	
Revenue (from external customers)	411,972	7,656	-	419,628
— Inter-segment revenue	-	-	-	-
Total revenue	411,972	7,656	-	419,628
Results				
Segment result	(14,005)	(6,625)	-	(20,630)
Other unallocated corporate loss				(2,951)
Other unallocated corporate expenses				(10,383)
Loss before taxation				(33,964)
Taxation				(9)
Loss for the period				(33,973)

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

For the six months ended 30 June 2022

	Trading business HK\$'000	Petrochemical products storage business HK\$'000	Inter-segment elimination HK\$'000	Total HK\$'000
Revenue (from external customers)	269,571	5,289	–	274,860
— Inter-segment revenue	–	2,855	(2,855)	–
Total revenue	269,571	8,144	(2,855)	274,860
Results				
Segment result	(12,601)	(10,410)	–	(23,011)
Other unallocated corporate loss				(4,375)
Other unallocated corporate expenses				(10,756)
Loss before taxation				(38,142)
Taxation				(78)
Loss for the period				(38,220)

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

As at 30 June 2023

	Petrochemical products		Total HK\$'000
	Trading business HK\$'000	storage business HK\$'000	
ASSETS			
Segment assets	315,257	186,651	501,908
Unallocated corporate assets	-	-	11,360
Consolidated total assets			513,268
LIABILITIES			
Segment liabilities	(502,223)	(123,187)	(625,410)
Unallocated corporate liabilities	-	-	(423,391)
Consolidated total liabilities			(1,048,801)

As at 31 December 2022

	Petrochemical products		Total HK\$'000
	Trading business HK\$'000	storage business HK\$'000	
ASSETS			
Segment assets	554,685	169,214	723,899
Unallocated corporate assets	-	-	35,410
Consolidated total assets			759,309
LIABILITIES			
Segment liabilities	(735,098)	(117,269)	(852,367)
Unallocated corporate liabilities	-	-	(408,735)
Consolidated total liabilities			(1,261,102)

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

Geographical segment

The Group operates and derives revenue in two principal geographical areas: Hong Kong and the PRC. The following table sets out the revenue derived from geographical areas which are based on the geographical location of the customers:

	Unaudited 30 June 2023 HK\$'000	Unaudited 30 June 2022 HK\$'000
Revenue from external customers		
Hong Kong	6,125	63,753
The PRC	413,503	173,355
Others (Note)	-	37,752
	419,628	274,860

Note:

The locations of others include Europe, the United States of America, Asia (other than Hong Kong and the PRC), South Africa and others.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

4. REVENUE

Revenue, which represents income from trading business and petrochemical products storage business, is analysed by category as follows:

	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Income from trading business	411,836	219,352	411,972	269,571
Income from provision of petrochemical products storage business	4,944	1,932	7,656	5,289
	416,780	221,284	419,628	274,860

5. OTHER (LOSS)/INCOME

	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Bank interest income	37	16	48	37
Exchange gain/(loss)	1,657	(4,184)	(268)	(5,592)
Sundry income	27	–	27	50
Subsidy income	–	87	–	87
	1,721	(4,081)	(193)	(5,418)

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

6. LOSS BEFORE TAXATION

	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
This is stated after charging:				
Finance costs				
Interest on bank loans, overdrafts and other borrowings and lease liabilities	6,828	5,398	13,652	10,785
	6,828	5,398	13,652	10,785
Other items				
Cost of inventories	411,816	213,311	412,235	263,357
Depreciation of property, plant and equipment	3,119	3,082	6,162	6,298
Depreciation of right-of-use assets	114	256	231	523
Staff costs				
Salaries, allowance and the other short-term employee benefits including directors' emoluments	2,658	3,152	6,197	7,562
Contribution to defined contribution plans	626	634	1,276	1,413
	3,284	2,952	7,473	8,141

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

7. TAXATION

Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the profits tax rate for the first HK\$2 million of estimated assessable profits of the qualifying group entity is lowered to 8.25% while the estimated assessable profits above HK\$2 million will continue to be subject to the rate of 16.5% for corporations. Neither the Company nor its subsidiaries in Hong Kong have obtained taxable profits and no income tax has been accrued.

The PRC Enterprise Income Tax (“EIT”) is calculated at the prevailing tax rate at 25% (2022: 25%) on taxable income determined in accordance with the relevant laws and regulations in the PRC.

Pursuant to the rules and regulations of the British Virgin Islands and the Cayman Islands, the Group is not subject to any taxation under those jurisdictions.

	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax				
PRC EIT —				
Under-provision in prior period	9	78	9	78
Total income tax	9	78	9	78
Total income tax recognised in profit or loss	9	78	9	78

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

8. DIVIDEND

The Board did not recommend the payment of any interim dividend for the Period (2022: Nil).

9. LOSS PER SHARE

Basic loss per share for the three months and six months ended 30 June 2023 and 2022 are calculated by dividing the loss attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue.

	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	2023	2022	2023	2022
Loss attributable to equity holders of the Company (HK\$'000)	(14,058)	(17,130)	(34,226)	(38,992)
Weighted average number of ordinary shares in issue	1,288,000,000	1,288,000,000	1,288,000,000	1,288,000,000
Basic loss per share (HK cents)	(1.09)	(1.33)	(2.66)	(3.03)

Basic and diluted loss per share are the same as the Company did not have any dilutive potential ordinary shares during the six months ended 30 June 2023 and 2022.

10. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired items of property, plant and equipment (the "PPE") with a cost of approximately HK\$850,000 (the corresponding period in 2022: approximately HK\$0.1 million). The Group did not dispose any PPE during the Period and the corresponding period in 2022.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

11. TRADE AND OTHER RECEIVABLES

	Unaudited 30 June 2023 HK\$'000	Audited 31 December 2022 HK\$'000
	Note	
Trade receivables		
— Third parties	285,855	419,580
— Less: Loss allowance	(3,514)	(3,514)
	282,341	416,066
Other receivables		
Deposits, prepayments and other debtors	40,851	41,525
Advanced payment to suppliers	—	108,160
Value added tax refundable	3,856	7,599
Interest receivable	—	224
Amount due from a connected company	11(a) 11	11
	44,718	157,519
	327,059	573,585

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

The ageing analysis of trade receivables, based on the invoice date, is as follows:

	Unaudited 30 June 2023 HK\$'000	Audited 31 December 2022 HK\$'000
Non-credit impaired		
Within 90 days	254,824	406,910
91–180 days	1,131	5,771
181–365 days	10,081	–
More than 365 days	16,305	3,385
	282,341	416,066
Credit impaired		
More than 365 days	3,514	3,514
	3,514	3,514
	285,855	419,580

The Group allows a credit period of up to 90 days to its trade debtors.

The information about the exposure to credit risk for trade receivable as at 30 June 2023 is summarised below:

	Unaudited 30 June 2023 HK\$'000	Audited 31 December 2022 HK\$'000
Non-credit impaired		
Not past due	254,824	406,910
Within 90 days past due	1,131	–
91–180 days past due	10,081	5,771
181–365 days past due	12,893	–
Over 365 days past due	3,412	3,385
	282,341	416,066
Credit impaired		
Over 365 days past due	3,514	3,514
	3,514	3,514
	285,855	419,580

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

Included in the Group's trade receivables balance are debtors with carrying amounts of approximately HK\$27.517 million as at 30 June 2023 (31 December 2022: approximately HK\$9.156 million) which are past due at the end of the Period but which the Group has not impaired as there have not been any significant changes in credit quality and the Directors believe that amounts are fully receivable. The management has reviewed the subsequent status and repayment history of these customers and no provision for doubtful debt is considered necessary. The Group does not hold any collateral over these balances.

Receivables that were neither past due nor impaired as at 30 June 2023 and 31 December 2022 relate to a wide range of customers for whom there was no history of default.

11(a) Amount due from a connected company

	Unaudited 30 June 2023 HK\$'000	Audited 31 December 2022 HK\$'000
Smart Port	11	11
	11	11

The amounts due are unsecured, interest-free and have no fixed term of repayment.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

12. TRADE AND OTHER PAYABLES

	Unaudited 30 June 2023 HK\$'000	Audited 31 December 2022 HK\$'000
	Note	
Trade payables		
Trade payables	262,213	415,047
Other payables		
Accrued charges and other creditors	24,803	63,246
Construction costs payable	20,753	22,398
Contract liabilities	10,090	52,361
Salaries and bonus payable	763	935
Amount due to a director	780	660
Amount due to connected companies	36,123 12(a)	37,593
	93,312	177,193
	355,525	592,240

The ageing analysis of trade and bills payables, based on invoice date, is as follows:

	Unaudited 30 June 2023 HK\$'000	Audited 31 December 2022 HK\$'000
90 days or below	219,475	407,905
91–180 days	356	–
181–365 days	41,799	–
More than 365 days	583	7,142
	262,213	415,047

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

12(a) Amount due to connected companies

		Unaudited 30 June 2023 HK\$'000	Audited 31 December 2022 HK\$'000
	Note		
Current portion			
Dafeng Port Development Group	(i)	36,123	37,593
		36,123	37,593
Non-current portion			
Dafeng Port Development Group	(ii)	14,543	7,900
		50,666	45,493

- (i) Dafeng Port Development Group has 40% equity interest in Dafeng Port Overseas. The amount is unsecured, repayable on demand and interest-free.
- (ii) The amount represents the interest payable on loans from Dafeng Port Development Group. The amount is unsecured and interest-free. With reference to relevant loan agreements, the interest payables of RMB4,984,000 (equivalent to HK\$5,387,000), RMB6,659,000 (equivalent to HK\$7,198,000), RMB1,213,000 (equivalent to HK\$1,312,000), RMB120,000 (equivalent to HK\$129,000) and RMB478,000 (equivalent to HK\$517,000) are repayable on 31 October 2024, 8 September 2025, 17 January 2024, 27 July 2027 and 12 January 2026, respectively.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

13. BANK AND OTHER BORROWINGS

	Unaudited 30 June 2023 HK\$'000	Audited 31 December 2022 HK\$'000
Interest-bearing		
Bank loans	32,279	33,821
Loans from a connected company	198,127	184,818
Lease liabilities	1,032	1,045
Listed credit enhanced guaranteed bonds	413,242	405,622
Total bank and other borrowings	644,680	625,306
Current portion		
— Lease liabilities	598	606
— Listed credit enhanced guaranteed bonds	413,242	—
	413,840	606
Non-current portion		
— Bank loans	32,279	33,821
— Loans from a connected company	198,127	184,818
— Lease Liabilities	434	439
— Listed credit enhanced guaranteed bonds	—	405,622
	230,840	624,700
Total bank and other borrowings	644,680	625,306
Analysed as follows:		
Secured and guaranteed	14,484	15,165
Unsecured	184,675	170,698
Unsecured but guaranteed	445,521	439,443
	644,680	625,306

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

14. SHARE CAPITAL

	30 June 2023		31 December 2022	
	Number of shares	Nominal value HK\$'000	Number of shares	Nominal value HK\$'000

Ordinary shares of HK\$0.01 each

Authorised

At 1 January 2022, 31 December 2022,
1 January 2023 (audited) and
30 June 2023 (unaudited)

10,000,000,000	100,000	10,000,000,000	100,000
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Issued and fully paid:

At 1 January 2022, 31 December 2022,
1 January 2023 (audited) and
30 June 2023 (unaudited)

1,288,000,000	12,880	1,288,000,000	12,880
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15. RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2023, the Group had the following transactions with related parties:

(a) Related party transactions

	Unaudited 30 June 2023 HK\$'000	Unaudited 30 June 2022 HK\$'000
Interest expenses paid/ payable to:		
Dafeng Port Development Group	7,290	1,394
Jiangsu Huahai	–	2,954

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

(b) Key management personnel remuneration

The remuneration of Directors, who are also identified as key management personnel of the Group, during the Period is as follows:

	Unaudited		Unaudited	
	Three months ended		Six months ended	
	30 June		30 June	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Salaries, allowance and the other short-term employee benefits	345	435	700	910
Contribution to defined contribution plans	6	6	12	14
	351	441	712	924

16. PLEDGE OF ASSETS/BANKING AND OTHER FACILITIES

As at 30 June 2023 and 31 December 2022, the Group did not have any assets pledged as securities. The banking and other facilities granted to and utilised by the Group are summarised as follows:

	Unaudited	Audited
	30 June	31 December
	2023	2022
	HK\$'000	HK\$'000
Total banking and other facilities granted to the Group	32,430	33,957
Total utilised banking and other facilities	32,279	33,821

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

17. COMMITMENTS

Capital expenditure commitments

	Unaudited	Audited
	30 June	31 December
	2023	2022
	HK\$'000	HK\$'000
Contracted but not provided net of deposit paid for construction of property, plant and equipment	200,969	201,750

18. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements were approved and authorised for issue by the Board on 10 August 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

MACRO SITUATION REVIEW

During the Period, the impact of COVID-19 pandemic on the global economy further weakened, but the deadlock of the Russia-Ukraine war, geopolitical uncertainty, the Federal Reserve's interest rate hikes and global trade friction continued to bring uncertainties to the global economic recovery. The Company will continue to closely monitor the global economic situation, keep an eye on and stay vigilant against the global development and its impact, make every effort to minimise the impact on the Group, and maintain stable operations during the downturn.

BUSINESS REVIEW

For the Period, the Group was principally engaged in trading business, and the provision of petrochemical products storage business.

1. Trading Business

The Group is engaged in the trading and import and export businesses of soybean products, electronic products and medical treatment products. During the Period, the Group's trading business recorded revenue of approximately HK\$412.0 million (the corresponding period in 2022: approximately HK\$269.6 million). The increase in revenue in this segment was mainly due to the expansion of the Company's trading business as a result of the gradual reduction of impact from the Omicron variant.

2. Petrochemical Products Storage Business

The Group is engaged in petrochemical products storage business through Port Storage Petrochemical. Revenue generated from the Group's petrochemical products storage business increased by approximately 43.4% to approximately HK\$7.6 million (the corresponding period in 2022: approximately HK\$5.3 million). The increase in revenue was mainly due to the increase in business volume and revenue brought by 3 new customers and the gradual reduction of impact from the Omicron variant.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group's revenue increased by approximately 52.64% to approximately HK\$419.6 million for the Period (the corresponding period in 2022: approximately HK\$274.9 million). For reasons of the increase in revenue, please refer to the paragraph headed "Business Review" above for details.

The Group's cost of revenue increased by approximately 53.31% to approximately HK\$419.3 million for the Period (the corresponding period in 2022: approximately HK\$273.5 million). The increase in cost was mainly driven by the effect of increase in revenue of the Group's trading business.

With the combined effects of revenue and cost of sales, the Group recorded a gross profit margin of approximately 0.09% for the Period (the corresponding period in 2022 gross profit margin of approximately 0.5%). The decrease in gross profit margin was mainly due to a decrease in gross profit of approximately 73.72% to approximately HK\$360,000 during the Period (the corresponding period in 2022 HK\$1,370,000). During the Period, the global economic environment was complex and trade barriers were rising. In order to prevent customer groups from defaulting, the Company terminated the trading of some products which were with higher operational risks, leading to the decrease of gross profit of the Group's trading business.

The Group's finance costs amounted to approximately HK\$13.7 million for the Period (the corresponding period in 2022: approximately HK\$10.8 million). The finance costs mainly consist of the interests on bank loans, listed credit enhanced guaranteed bonds and amount due to connected companies. The increase in finance costs was mainly attributable to an increase in borrowings of approximately HK\$21.6 million from Dafeng Port Development Group.

For the Period, the Group recorded loss for the Period of approximately HK\$34.0 million (the corresponding period in 2022: approximately HK\$38.2 million). The loss attributable to the equity holders of the Company was approximately HK\$34.2 million (the corresponding period in 2022: approximately HK\$39.0 million) and the loss per share was HK2.66 cents (the corresponding period in 2022: HK3.03 cents).

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2023, the Group had net current liabilities of approximately HK\$439.8 million (31 December 2022: approximately HK\$34.6 million) including amounts due to connected companies of approximately HK\$36.1 million (31 December 2022: approximately HK\$37.6 million).

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's equity capital, bank and other borrowings have been applied to fund its working capital and other operational needs. The Group's current ratio as at 30 June 2023 was approximately 0.45 (31 December 2022: approximately 0.94).

The Group's gearing ratio (defined as the ratio of total interest-bearing borrowings to total equity) was approximately negative 120.4% for the Period (31 December 2022: approximately negative 124.6%).

CAPITAL STRUCTURE

As at 30 June 2023, the Group's total deficit attributable to equity holders of the Company amounted to approximately HK\$554.6 million (31 December 2022: approximately HK\$523.5 million). The capital of the Company comprised of issued share capital. There was no movement in the issued share capital of the Company during the Period.

DIVIDEND

The Board did not recommend the payment of any interim dividend for the Period (2022: Nil).

PLEDGE OF ASSETS

The Group used bank facilities and other borrowings to finance the expansion of its business. As at 30 June 2023, the Group did not have any assets pledged as securities (31 December 2022: Nil).

ISSUANCE OF US\$55 MILLION OF CREDIT ENHANCED GUARANTEED BONDS INTENDED FOR PURCHASE BY PROFESSIONAL INVESTORS ONLY AND LISTED ON THE HONG KONG STOCK EXCHANGE

On 17 March 2021, the Company, as issuer, Dafeng Port Development Group, as guarantor, and Tensant Securities Limited, Haitong International Securities Company Limited, BOSC International Company Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, CEB International Capital Corporation Limited, China Everbright Securities (HK) Limited, Huarong International Securities Limited and China Industrial Securities International Brokerage Limited (together, the "**Placing Agents**"), entered into a placing agreement pursuant to which the Company agreed to appoint the Placing Agents as placing agents to use its best efforts to procure, the subscription of the bonds of up to an aggregate principal amount of US\$55 million (the "**Placing**").

The Placing was completed on 24 March 2021. Pursuant to the results of a book building exercise, the bonds in the principal amount of US\$55 million has been placed to bondholders at a coupon rate of 2.4% per annum with a term of 3 years.

MANAGEMENT DISCUSSION AND ANALYSIS

The net proceeds from this Placing, after deducting commissions to be charged by the Placing Agents and other estimated expenses payable in connection with this offering, was approximately US\$52.7 million. The net proceeds has been used in repayment of the principal of US\$50 million and interest of approximately US\$1.9 million of unlisted secured bonds due on 28 March 2021, and the balance of approximately US\$0.8 million has been used to satisfy the Group's normal working capital requirement.

For further details, please refer to the announcements of the Company dated 24 March 2021 in relation to the Placing.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS

As at 30 June 2023, the Group was interested in the registered capital of approximately RMB100 million of Jiangsu Hairong, a company providing integrated logistics handling services in the PRC market, representing approximately 40% of its total registered capital.

Jiangsu Hairong is a private company and there is no quoted market price available for investment. The carrying amount of the investment was nil as at 30 June 2023 (31 December 2022: Nil). The Group has not recognised further losses as the Group's share of losses of Jiangsu Hairong exceeds the carrying amount of its interest in Jiangsu Hairong. The unrecognised share of loss of Jiangsu Hairong for the Period and cumulative up to the end of the Period amounted to approximately HK\$2.6 million (for the period from 1 January 2022 to 31 December 2022: approximately HK\$7.7 million) and HK\$27.2 million (31 December 2022: approximately HK\$24.6 million), respectively.

Save as disclosed in this report, there was no significant investments, material acquisitions or disposal of subsidiaries and associated companies by the Company during the Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS AND EXPECTED SOURCES OF FUNDING

The Group had no future plans for material investments or capital assets as at 30 June 2023. The Group will continue to monitor the industry closely and review its business expansion plans regularly, so as to take necessary measures in the Group's best interests.

OUTLOOKS

The Group expects that China's economy will gradually recover from the pandemic. Looking ahead, the Company will operate the existing businesses of the Group in a prudent manner and actively seize the opportunities from the integrated development of Yancheng, Jiangsu Province. The Group will rationally reorganise and optimise the resources of the Company, simplify and restructure resources and prudently identify investment opportunities.

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN CURRENCY EXPOSURE

The income and expenditure of the Group are mainly carried in Hong Kong dollars, Renminbi and US dollars. Exposures to foreign currency risk arise from certain of the Group's trade and other receivables, trade and other payables, listed credit enhanced bonds and cash and bank balances denominated in Renminbi and US dollars. The Group mainly adopts measures such as adjusting the time of foreign exchange receipt and payment, matching the balance of foreign exchange receipts and payments, and signing foreign exchange lock agreements with banks to control foreign exchange risks. The Group does not use derivative financial instruments to hedge its foreign currency risk. The management team of the Group reviews the foreign currency exposures regularly and does not expect significant exposure to foreign currency risk.

EMPLOYEES AND EMOLUMENT POLICY

As at 30 June 2023, the Group had a total of 94 employees (31 December 2022: 95 employees) based in Hong Kong and the PRC. During the Period, the total staff costs, including Directors' emoluments, amounted to approximately HK\$7.5 million (the corresponding period in 2022: approximately HK\$8.1 million).

The Group reviews the emoluments of its directors and staff based on their respective qualification, experience, performance and the market rates so as to maintain the remunerations of its directors and staff at a competitive level.

CAPITAL COMMITMENT

As at 30 June 2023, the Group had capital expenditure commitments contracted but not provided, net of deposit paid of approximately HK\$200.97 million (31 December 2022: approximately HK\$201.75 million). The capital commitment was mainly related to the construction of property, plant and equipment.

CONTINGENT LIABILITIES

As at 30 June 2023, the Group had no material contingent liabilities (31 December 2022: Nil).

EVENT AFTER THE PERIOD

Save as disclosed herein, the Group does not have any important events after the Period and up to the date of this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 30 June 2023, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance) which were required 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 they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

SHARE OPTION SCHEME, CONVERTIBLE SECURITIES, WARRANTS OR SIMILAR RIGHTS

The Company operates a share option scheme (the “**Scheme**”) for the purpose of providing incentives, recognising and acknowledging the contributions that eligible persons had made or may make to the Group. The Scheme was adopted pursuant to the written resolutions of the sole shareholder of the Company passed on 3 August 2013. The Scheme expired on 2 August 2023. Since the Scheme came into effect after the Company was listed on GEM of the Stock Exchange, no share options have been granted, exercised or cancelled by the Company under the Scheme during the Period and there were no outstanding share options under the Scheme as at 30 June 2023 and as at the date of this report.

Up to 30 June 2023, the Group has not issued or granted any convertible securities, warrants or other similar rights.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 30 June 2023, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executives of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholders	Capacity/Nature of interests	Number of shares held (Note 1)	% of the Company's issued share capital (Approximate)
Dafeng Port Overseas (Note 2)	Beneficial owner	740,040,000 (L)	57.46%
Dafeng Port Development Group (Note 3)	Interest of controlled corporation	740,040,000 (L)	57.46%
Jiangsu Yancheng (Note 3)	Interest of controlled corporation	740,040,000 (L)	57.46%
鹽城市人民政府 (the People's Government of Yancheng City*) ("PGYC") (Note 3)	Interest of controlled corporation	740,040,000 (L)	57.46%
Mr. Jiang Wen (Note 4)	Beneficial owner, interest of controlled corporation and interest of spouse	75,470,000 (L)	5.86%
Ms. Li Qiu Hua (Note 5)	Beneficial owner and interest of spouse	75,470,000 (L)	5.86%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

1. The letter “L” denotes a long position in the interest in the issued share capital of the Company.
2. Dafeng Port Overseas, a company incorporated in Hong Kong with limited liability, is owned as to 40% by Dafeng Port Development Group, which in turn is wholly owned by Jiangsu Yancheng, which in turn is owned as to 40.2% by PGYC.
3. Dafeng Port Development Group and Jiangsu Yancheng and PGYC are deemed to be interested in the shares of the Company held by Dafeng Port Overseas under the SFO.
4. Mr. Jiang Wen, the director, the general manager and the legal representative of 前海明天供應鏈（深圳）有限公司 (Qianhai Mingtian Supply Chain (Shenzhen) Company Limited*) which is an indirect subsidiary of the Company, directly and beneficially owns 51,350,000 Shares. Ms. Li Qiu Hua, the spouse of Mr. Jiang Wen, directly and beneficially owns 10,520,000 Shares. Jing Ji (Holding) Co., Limited, a company wholly-owned by Mr. Jiang Wen, directly and beneficially owns 13,600,000 Shares. As such, under the SFO, Mr. Jiang Wen is deemed or taken to be interested in 75,470,000 Shares. Mr. Jiang Wen ceased to be a substantial shareholder of the Company on 18 July 2023.
5. Ms. Li Qiu Hua directly and beneficially owns 10,520,000 Shares. As Mr. Jiang Wen’s spouse, she is, under the SFO deemed or taken to be interested in the same number of Shares in which Mr. Jiang Wen is interested. Ms. Li Qiu Hua ceased to be a substantial shareholder of the Company on 18 July 2023.

Save as disclosed above, as at 30 June 2023, the Directors were not aware of any other persons or entities (other than the Directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

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

COMPETING INTERESTS

Dafeng Port Development Group, the controlling shareholder of the Company, has a direct wholly-owned subsidiary, namely Jiangsu Yancheng Port Supply Chain Technology Group Co., Ltd.* ("**Yancheng Port Supply Chain**") (江蘇鹽城港供應鏈科技集團有限公司), and has a direct non-wholly-owned subsidiary, namely Jiangsu Yueda Harbour Logistics Development Company Limited* ("**Yueda Logistics**") (江蘇悅達港口物流發展有限公司), which are engaged in the trading of various goods, including coals, metal ores, non-metallic ores, non-ferrous metal, chemical products, non-metal building materials, scrap steel and wood logs. In addition, the Group is also developing the trading businesses of electronic products, petrochemical products and various other products. Therefore, the businesses of Dafeng Port Development Group and its subsidiaries (collectively, "**Dafeng Port Development Group Company**") may be construed as businesses that compete with or are likely to compete with one of the core principal activities of the Group. The Board is of the view that the businesses of Dafeng Port Development Group Company do not pose material competitive threat to the Group because the Group and Dafeng Port Development Group Company have different focuses on the type of products offered which target at different customers in the market.

There is no overlap in the directorships among the Company, Dafeng Port Development Group, Yancheng Port Supply Chain and Yueda Logistics. The Directors are of the view that the Board can operate independently of Dafeng Port Development Group in the best interests of the Company and its Shareholders as a whole.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, during the Period, none of the Directors, controlling shareholders of the Company or their respective close associates had any interests in a business, which competes or is likely to compete either directly or indirectly with the business of the Group which would be required to be disclosed under Rule 11.04 of the GEM Listing Rules.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries to all the Directors, the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors for the Period.

CORPORATE GOVERNANCE CODE

The Company is committed to maintain a high standard of corporate governance. In the opinion of the Directors, the Company has complied with all the code provisions set out in the Corporate Governance Code during the Period. The Company will continue to review its corporate governance practices in order to enhance its corporate governance standard, comply with regulatory requirements and meet the growing expectations of shareholders and investors.

CHANGE OF PARTICULARS OF THE DIRECTORS

Mr. Miao Zhibin has resigned as a non-executive Director; Mr. Zhang Fangmao has resigned as an independent non-executive Director and a member of the Audit Committee and the Nomination Committee; Mr. Zhang Shukai has been appointed as a non-executive Director; Mr. Yu Xugang, an independent non-executive Director, has been appointed as a member of each of the Audit Committee and the Nomination Committee.

For details, please refer to the announcement of the Company dated 11 January 2023.

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT COMMITTEE

The Audit Committee has been established on 3 August 2013 with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules and code provision D.3.3 of the CG Code. The Audit Committee currently consists of Mr. Lau Hon Kee (Chairman), Dr. Bian Zhaoxiang and Mr. Yu Xugang, all of whom are independent non-executive Directors. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment and removal of the external auditor, review the financial statements and related materials and provide advice in respect of the financial reporting process and oversee the internal control procedures and the risk management system of the Group.

The Interim Financial Statements have not been audited by the Company's auditor, but have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the Interim Financial Statements complied with the applicable accounting standards, the GEM Listing Rules and legal requirements and that adequate disclosures have been made.

APPRECIATION

On behalf of the Directors, I would like to extend our gratitude and sincere appreciation to all management and staff members for their diligence and dedication, as well as the continuing support of our business partners, customers and the shareholders.

By order of the Board
Dafeng Port Heshun Technology Company Limited
Zhao Liang
Chairman

Hong Kong, 10 August 2023

As at the date of this report, the Board comprises the following members:

<i>Executive Director</i>	<i>Non-executive Directors</i>	<i>Independent Non-executive Directors</i>
Mr. Zhao Liang (<i>Chairman</i>)	Mr. Ji Longtao Mr. Yang Yue Xia Mr. Zhang Shukai	Dr. Bian Zhaoxiang Mr. Lau Hon Kee Mr. Yu Xugang